

Charity registration number 1150090

Company registration number 08206456 (England and Wales)

**MAHABBA NETWORK**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



# MAHABBA NETWORK

## LEGAL AND ADMINISTRATIVE INFORMATION

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|                             |   |                              |
|-----------------------------|---|------------------------------|
| <b>Trustees</b>             | A Dimmock (Treasurer)<br>K Knight<br>P Simpson  | (Appointed 15 December 2021) |
| <b>Secretary</b>            | S Cox   |                              |
| <b>Charity number</b>       | 1150090   |                              |
| <b>Company number</b>       | 08206456  |                              |
| <b>Principal address</b>    | The Riverside Centre<br>Riverside Court<br>Pride Park<br>Derby<br>Derbyshire<br>DE24 8HY                                      |                              |
| <b>Registered office</b>    | Chantry House<br>22 Upperton Road<br>Eastbourne<br>East Sussex<br>BN21 1BF  |                              |
| <b>Independent examiner</b> | John Caladine FCCA CTA FCIE<br>Caladine Limited<br>Chantry House<br>22 Upperton Road<br>Eastbourne<br>East Sussex<br>BN21 1BF |                              |

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# MAHABBA NETWORK

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# MAHABBA NETWORK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

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The trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### Objectives and activities

The charity changed its name on 16 November 2017 from Mahabba Network International MNI to Mahabba Network.

The charity objects are for the public benefit to advance the Christian Faith in accordance with the Statement of Beliefs in the United Kingdom or the World as the Trustees may from time to time think fit, and to fulfil such other purposes which are exclusively charitable according to the Law of England and Wales and are connected with the charitable work of the Charity.

The trustees have complied with their duty in section 17(5) of the 2011 Charities Act to have due regard to guidance published by the Charity Commission and consider the objects and activities of the Charity to be for Public Benefit.

### Achievements and performance

The Network has continued to support local groups around the country, although the after effects of the COVID-19 pandemic meant that total dipped below 60. Despite this, a network-wide survey helped to understand how the Network could support groups to move forward.

Several of the Circles within the Network have been active throughout the year. These are groups of volunteers that facilitate the activity of particular areas. The Prayer Circle ran a successful Ramadan campaign, calling people to pray for Muslims as they fasted. It also gathered Christians from across the wider Network for a well-received prayer meeting on the Night of Power.

Equally, the Resources Circle has performed an excellent job of gathering, editing and curating a set of high quality resources on the Mahabba website. These resources cover a range of topics, but all focussed on helping individuals and groups with prayer topics, ideas for prayer meetings, recommended books, and all for free.

On the topic of prayer, the Prayer Circle also developed a regular routine of sending scheduled prayer fuel to e-mail subscribers. This comprises of points and topics for prayer in a monthly e-mail to prompt, inspire and facilitate ongoing prayer in the Christian community for Muslims.

As a whole, the Network continues to develop how it can better reflect its desire to be a grassroots-led movement. Discussions have been ongoing on how to set direction and make decisions that are most reflective of people on the ground praying for and engaging with Muslims.

### Financial review

The charity recorded a deficit for the year of £1,649 (2021: surplus of £2,181). At the financial year end the charity held funds of £25,540 (2021: £27,189).

The charity has a reserve policy of maintaining reserves equivalent to at least three months operating expenditure. The charity has met this policy throughout the year.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

### Structure, governance and management

The charity is a company limited by guarantee, incorporated on 7 September 2012.

# MAHABBA NETWORK

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2022*

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The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

|                       |  |
|-----------------------|--|
| B Knell (Chair)       | (Resigned 15 December 2021)                                |
| A Dimmock (Treasurer) |  |
| K Knight              |  |
| P Rawlings            | (Resigned 15 December 2021)                                |
| A Garcia              | (Resigned 15 September 2021)                               |
| S Cox                 | (Appointed 15 December 2021 and resigned 7 September 2022) |
| P Simpson             | (Appointed 15 December 2021)                               |

New trustees are appointed by the existing ones and suitable training and induction is provided.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees' report was approved by the Board of Trustees.

A Dimmock (Treasurer)  
**Trustee**

K Knight  
**Trustee**

1 March 2023

# **MAHABBA NETWORK**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 AUGUST 2022***

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The trustees, who are also the directors of Mahabba Network for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MAHABBA NETWORK

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MAHABBA NETWORK

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I report to the trustees on my examination of the financial statements of Mahabba Network (the charity) for the year ended 31 August 2022.

### **Responsibilities and basis of report**

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

**John Caladine FCCA CTA FCIE**

### **Chartered Certified Accountant**

Caladine Limited  
Chantry House  
22 Upperton Road  
Eastbourne  
East Sussex  
BN21 1BF

Dated: 2 March 2023

# MAHABBA NETWORK

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2022

|   | Notes | Unrestricted funds<br>2022<br>£ | Unrestricted funds<br>2021<br>£ |
|---|-------|---------------------------------|---------------------------------|
| <b><u>Income from:</u></b>  |       |                                 |                                 |
| Donations and legacies  | 3     | 25,494                          | 24,570                          |
| <b><u>Expenditure on:</u></b>   |       |                                 |                                 |
| Raising funds   | 4     | -                               | 600                             |
| Charitable activities   | 5     | 27,143                          | 21,789                          |
| <b>Total expenditure</b>  |       | 27,143                          | 22,389                          |
| <b>Net (expenditure)/income for the year/<br/>Net movement in funds</b> |       | (1,649)                         | 2,181                           |
| Fund balances at 1 September 2021                                       |       | 27,189                          | 25,008                          |
| <b>Fund balances at 31 August 2022</b>                                  |       | 25,540                          | 27,189                          |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.



# MAHABBA NETWORK

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

|                            | Notes     | 2022<br>£ | £      | 2021<br>£ | £      |
|----------------------------|-----------|-----------|--------|-----------|--------|
| <b>Current assets</b>      |           |           |        |           |        |
| Cash at bank and in hand   |           | 26,980    |        | 28,989    |        |
| <b>Current liabilities</b> | <b>10</b> | (1,440)   |        | (1,800)   |        |
| Net current assets         |           |           | 25,540 |           | 27,189 |
| <b>Income funds</b>        |           |           |        |           |        |
| Unrestricted funds         |           |           | 25,540 |           | 27,189 |
|                            |           |           | 25,540 |           | 27,189 |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022. The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 1 March 2023

A Dimmock (Treasurer)  
Trustee

K Knight  
Trustee

Company registration number 08206456

# MAHABBA NETWORK

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Charity information

Mahabba Network is a private company limited by guarantee incorporated in England and Wales. The registered office is Chantry House, 22 Upperton Road, Eastbourne, East Sussex, BN21 1BF.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# MAHABBA NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies (Continued)

Expenditure is recognised when an obligation exists, payment is probable and the amount is measurable. Resources expended include irrecoverable VAT.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

#### 1.7 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.8 Taxation

The trustees consider that the charity is not liable to United Kingdom corporation taxation on its charitable activities.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# MAHABBA NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 3 Donations and legacies

|                     | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
|                     | 2022               | 2021               |
|                     | £                  | £                  |
| Donations and gifts | 14,994             | 14,070             |
| Grants              | 10,500             | 10,500             |
|                     | <u>25,494</u>      | <u>24,570</u>      |

### 4 Raising funds

|                                  | 2022     | 2021       |
|----------------------------------|----------|------------|
|                                  | £        | £          |
| <u>Fundraising and publicity</u> |          |            |
| Fundraising costs                | -        | 600        |
|                                  | <u>-</u> | <u>600</u> |

### 5 Charitable activities

|  | 2022          | 2021          |
|--|---------------|---------------|
|  | £             | £             |
| Website and Social Media                 | 6,845         | 5,886         |
| Conferences and Events                   | 1,699         | 48            |
| Hospitality                              | 178           | -             |
| Travel                                   | 652           | 181           |
| Sundry Expenses                          | 217           | 143           |
| Graphic Design                           | -             | 240           |
| Advertising                              | 271           | 494           |
|  | <u>9,862</u>  | <u>6,992</u>  |
| Grant funding of activities (see note 6) | 2,000         | -             |
| Share of support costs (see note 7)      | 13,646        | 12,873        |
| Share of governance costs (see note 7)   | 1,635         | 1,924         |
|  | <u>27,143</u> | <u>21,789</u> |

# MAHABBA NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 6 Grants payable

|                         | 2022<br>£    | Total<br>2021<br>£ |
|-------------------------|--------------|--------------------|
| Grants to institutions: |              |                    |
| Bridgeway Mission       | 1,000        | -                  |
| Fountains Church        | 1,000        | -                  |
|                         | <u>2,000</u> | <u>-</u>           |

### 7 Support costs

|                         | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2022<br>£     | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2021<br>£     |
|-------------------------|-----------------------|--------------------------|---------------|-----------------------|--------------------------|---------------|
| Rent                    | 1,011                 | -                        | 1,011         | 669                   | -                        | 669           |
| Insurance               | 385                   | -                        | 385           | 363                   | -                        | 363           |
| Support - Contractors   | 12,000                | -                        | 12,000        | 11,400                | -                        | 11,400        |
| Postage and Stationery  | 25                    | -                        | 25            | 216                   | -                        | 216           |
| Subscriptions           | 225                   | -                        | 225           | 225                   | -                        | 225           |
| Accountancy             | -                     | 980                      | 980           | -                     | 1,280                    | 1,280         |
| Bank Charges            | -                     | 255                      | 255           | -                     | 244                      | 244           |
| Independent Examination | -                     | 400                      | 400           | -                     | 400                      | 400           |
|                         | <u>13,646</u>         | <u>1,635</u>             | <u>15,281</u> | <u>12,873</u>         | <u>1,924</u>             | <u>14,797</u> |
| <u>Analysed between</u> |                       |                          |               |                       |                          |               |
| Charitable activities   | <u>13,646</u>         | <u>1,635</u>             | <u>15,281</u> | <u>12,873</u>         | <u>1,924</u>             | <u>14,797</u> |

### 8 Trustees

Simon Cox (who was a trustee between December 2021 and September 2022), provides consultancy services to the charity. Payments of £8,000 were made to the business of Simon Cox during the period in the year that he was a trustee.

During the year trustees made aggregate donations of £540 (2021:£1,182).

### 9 Employees

There were no employees during the year.

|       | 2022<br>Number | 2021<br>Number |
|-------|----------------|----------------|
| Total | <u>-</u>       | <u>-</u>       |

# MAHABBA NETWORK

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 9 Employees (Continued)

There were no employees whose annual remuneration was more than £60,000.

### 10 Current liabilities

|                              | 2022<br>£ | 2021<br>£ |
|------------------------------|-----------|-----------|
| Accruals and deferred income | 1,440     | 1,800     |

### 11 Related party transactions

There were no disclosable related party transactions during the year.