

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 2024



MAHABBA NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	K Knight P Simpson I Gardner
Secretary	S Cox
Charity number	1150090
Company number	08206456
Principal address	Reach Conference Centre Riverside Court Pride Park Derby Derbyshire DE24 8HY
Registered office	Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF
Independent examiner	John Caladine FCCA CTA FCIE Caladine Limited Chantry House 22 Upperton Road Eastbourne East Sussex BN21 1BF

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MAHABBA NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2024

The trustees present their annual report and financial statements for the year ended 31 August 2024.

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 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.

Public benefit

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

Mahabba is a grassroots-led network focussed on encouraging Christians to pray for Muslims as well as facilitating suitable practical out-workings for sharing their faith and building relationships. The following are some highlights from the past year.

- Our Network followed on from the previous in-person Vision Day with a fully, digital and online Vision Hour in June 2024. We gathered even more people and heard encouragements, stories and shared vision for praying for and interacting with Muslims: "The experience of being there was great and I enjoyed watching the short stories."
- We again facilitated various online workshops and seminars via Zoom. These were predominantly delivered by volunteers from within the Network with a particular passion or experience. Among others, one sought to help Christians understand how to engage with Muslims in a predominantly hostile atmosphere. Another focussed on how to support Muslims when they had suffered a bereavement in their family
- Mahabba again made Ramadan an annual focus for gathering Christians to pray for Muslims across the 30 days. Different Mahabba groups from across the Network took turns to host and lead a central gathering for prayer and discussion during the month
- Another highlight was a campaign led by the Prayer Circle (a group of volunteers that facilitates the activity of a particular area in the Network): namely a seven-day prayer challenge to increase awareness of reaching Muslims among Christians who have never considered before considered it: "A really great encouragement which has continued to help me to keep praying & have conversations with my Muslim neighbours & colleagues."

Financial review

The charity recorded a deficit for the year of £2,808 (2023: deficit of £5,203). At the financial year end the charity held funds of £17,529 (2023: £20,337).

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.

Major risks

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 2024

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:

A Dimmock (Treasurer)	(Resigned 6 December 2023)
K Knight	
P Simpson	
I Gardner	
N Sultan	(Resigned 23 June 2024)

Recruitment and appointment of trustees

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.

Katy Knight

K Knight
Trustee

Phillip Simpson

P Simpson
Trustee

7 March 2025

MAHABBA NETWORK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2024

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

I report to the trustees on my examination of the financial statements of Mahabba Network (the charity) for the year ended 31 August 2024.

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: 7 March 2025

MAHABBA NETWORK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from:			
Donations and legacies	3	25,114	23,313
Total income		<u>25,114</u>	<u>23,313</u>
Expenditure on:			
Charitable activities	4	27,922	28,516
Total expenditure		<u>27,922</u>	<u>28,516</u>
Net expenditure and movement in funds		(2,808)	(5,203)
Reconciliation of funds:			
Fund balances at 1 September 2023		<u>20,337</u>	<u>25,540</u>
Fund balances at 31 August 2024		<u>17,529</u>	<u>20,337</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MAHABBA NETWORK

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Trade and other receivables	10	82		-	
Cash at bank and in hand		20,327		21,777	
		20,409		21,777	
Current liabilities	11	(2,880)		(1,440)	
Net current assets			17,529		20,337
The funds of the charity					
Unrestricted funds	12		17,529		20,337
			17,529		20,337

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 2024. 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 7 March 2025

Katy Knight

K Knight
Trustee

Phillip Simpson

P Simpson
Trustee

Company registration number 08206456 (England and Wales)

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Company 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 or grantors 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 2024

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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

1.8 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.

1.9 Taxation

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

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Donations and gifts	14,114	15,813
Grants	11,000	7,500
	<u>25,114</u>	<u>23,313</u>

4 Expenditure on charitable activities

	Charitable activities 2024 £	Charitable activities 2023 £
Direct costs		
Website and Social Media	7,892	7,303
Conferences and Events	952	2,918
Travel	916	977
Sundry Expenses	429	273
	<u>10,189</u>	<u>11,471</u>
Grant funding of activities (see note 5)	500	1,500
Share of support and governance costs (see note 6)		
Support	15,578	13,852
Governance	1,655	1,693
	<u>27,922</u>	<u>28,516</u>
Analysis by fund		
Unrestricted funds	<u>27,922</u>	<u>28,516</u>

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

5 Grants payable

	Charitable activities 2024 £	Charitable activities 2023 £
Grants to institutions:		
Fountains Church	-	1,000
Eastons Christian Family Centre	500	-
	<u>500</u>	<u>1,000</u>
Grants to individuals	-	500
	<u>500</u>	<u>1,500</u>

6 Support costs allocated to activities

	2024 £	2023 £
Rent	995	1,095
Insurance	132	86
Support - Contractors	12,400	12,000
Postage and stationary	321	296
Subscriptions	1,370	225
Bookkeeping	360	150
Governance costs	1,655	1,693
	<u>17,233</u>	<u>15,545</u>
<u>Analysed between:</u>		
Charitable activities	<u>17,233</u>	<u>15,545</u>

	2024 £	2023 £
Governance costs comprise:		
Accountancy	988	988
Bank charges	215	253
Independent Examination	452	452
	<u>1,655</u>	<u>1,693</u>

Governance costs above includes payments to the Independent Examination of £452 (2023: £452) for Independent Examination work and £988 (2023: £988) for other services.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

7 Trustees

During the year two trustees received expenses for travel totaling £106.

During the year trustees made aggregate donations of £nil (2023: £60)

8 Employees

There were no employees during the year.

	2024 Number	2023 Number
Total	-	-

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

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Trade and other receivables

	2024 £	2023 £
Amounts falling due within one year:		
Other receivables	82	-

11 Current liabilities

	2024 £	2023 £
Accruals and deferred income	2,880	1,440

12 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 September 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2024 £
Generosity (tithe) fund	5,312	-	(500)	-	4,812
General funds	15,025	25,114	(27,422)	-	12,717
	20,337	25,114	(27,922)	-	17,529

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Unrestricted funds (Continued)

Previous year:	At 1 September 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2023 £
Generosity (tithe) fund	-	-	-	5,312	5,312
General funds	25,540	23,313	(28,516)	(5,312)	15,025
	<u>25,540</u>	<u>23,313</u>	<u>28,516</u>	<u>-</u>	<u>20,337</u>

To ensure clear presentation in the accounts, the trustees have decided to show the Generosity (tithe) fund separately.

This fund represents monies set aside by the trustees to be used for specific project upon receipt of appropriate grant applications. Previously these funds have been incorporated within General Funds, but going forwards this will be itemised separately and this is reflected in the transfer above.

13 Related party transactions

There were no disclosable related party transactions during the year.