

Charity Registration No. 1150090

Company Registration No. 08206456 (England and Wales)

MAHABBA NETWORK
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



Caladine

Chartered Accountants

MAHABBA NETWORK

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	B Knell (Chair) A Dimmock (Treasurer) A Martin K Knight P Rawlings A Garcia A Bazmjou
Secretary	S Cox
Charity number	1150090
Company number	08206456
Principal address	The Riverside Centre Riverside Court Pride Park Derby 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 2020

The Trustees present their report and financial statements for the year ended 31 August 2020.

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

2020 was, of course, not the year that the Network planned for and expected. The 70 plus local Mahabba groups have had to respond to the challenging circumstances presented by the pandemic, taking prayer gatherings and equipping on-line and reaching out to local communities, neighbours and friends through virtual means, apps, etc. Groups have grown through being more accessible in these ways. These on-line 'platforms' will continue to serve the Network well in the future following the pandemic.

Training courses have been adapted and have transferred well to being run virtually. Regional 'Vision' events and webinars have been well received. The Network's on-line conversation forum continues to provide for the sharing of ideas and raising of questions for discussion. Monthly updates continue by email along with regular blogs, vlogs and podcasts including case studies from local settings.

New literature has been produced for promotion and welcome, starting of new groups, linked churches and supporting friends of the Network. The website has been refreshed and a Social Media strategy is being developed.

Organisationally some significant developments have strengthened the Network. A number of 'Circles' (working groups) have been established to focus and take responsibility in areas such as the provision of resources (with a growing repository on the website) and promotion (raising profile and awareness). The circles are made up of people with specific areas of experience; drawn from the Network to serve the wider network

Financial review

The charity recorded a surplus for the year of £7,767 (2019:£2,906). At the financial year end the charity held funds of £25,008 (2019:£17,241).

The charity has a reserve policy of maintaining reserves equivalent to three months operating expenditure. The increase in the funds that the charity held at the year end combined with lower expenditure in 2019-20 means that the charity is meeting this policy.

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.

MAHABBA NETWORK

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

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

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)	
A Dimmock (Treasurer)	
A Martin	
K Knight	
A James	(Resigned 17 June 2020)
P Rawlings	
A Holdstock	(Resigned 17 March 2021)
A Garcia	
J Stewart	(Resigned 17 March 2021)
A Bazmjou	(Appointed 17 September 2020)
J Dhell	(Appointed 17 September 2020 and resigned 17 March 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.

B Knell (Chair)

Trustee

Dated: 19 May 2021

MAHABBA NETWORK

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 2020.

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: 19 May 2021

MAHABBA NETWORK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	32,066	-	32,066	35,302	-	35,302
Investments	4	6	-	6	18	-	18
Total income		<u>32,072</u>	<u>-</u>	<u>32,072</u>	<u>35,320</u>	<u>-</u>	<u>35,320</u>
Expenditure on:							
Raising funds	5	600	-	600	575	-	575
Charitable activities	6	21,517	2,188	23,705	31,839	-	31,839
Total resources expended		<u>22,117</u>	<u>2,188</u>	<u>24,305</u>	<u>32,414</u>	<u>-</u>	<u>32,414</u>
Net income/(expenditure) for the year/ Net movement in funds							
		9,955	(2,188)	7,767	2,906	-	2,906
Fund balances at 1 September 2019		<u>15,053</u>	<u>2,188</u>	<u>17,241</u>	<u>12,147</u>	<u>2,188</u>	<u>14,335</u>
Fund balances at 31 August 2020		<u>25,008</u>	<u>-</u>	<u>25,008</u>	<u>15,053</u>	<u>2,188</u>	<u>17,241</u>

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 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Trade and other receivables	11	1,877		6,766	
Cash at bank and in hand		24,931		13,335	
		<u>26,808</u>		<u>20,101</u>	
Current liabilities	12	(1,800)		(2,860)	
		<u></u>		<u></u>	
Net current assets			25,008		17,241
			<u></u>		<u></u>
Income funds					
Restricted funds	13		-		2,188
Unrestricted funds			25,008		15,053
			<u>25,008</u>		<u>17,241</u>
			<u></u>		<u></u>

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 2020. 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 ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 19 May 2021

B Knell (Chair)
Trustee

Company Registration No. 08206456

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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 date of this report, there remains some uncertainty regarding the potential impact of the Coronavirus and the economic consequences which may result from government policies to contain the spread.

However, the Trustees are confident that the Trust has sufficient reserves to continue operations and continue to use the going concern basis as appropriate in the preparation of these accounts.

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 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.

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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 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 2020

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	22,066	25,302
Grants	10,000	10,000
	<u>32,066</u>	<u>35,302</u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2019	2020
	£	£
Interest receivable	6	18
	<u>6</u>	<u>18</u>

5 Raising funds

	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Fundraising costs	600	575
	<u>600</u>	<u>575</u>

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6 Charitable activities

	2020 £	2019 £
Website	1,816	1,690
Consultancy (Facilitators)	-	10,600
Conference Fees	356	288
Hospitality	41	953
Resources	-	130
Travel	1,388	2,523
Sundry Expenses	375	549
Graphic Design	545	-
	<u>4,521</u>	<u>16,733</u>
Grant funding of activities (see note 7)	3,308	-
Share of support costs (see note 8)	13,846	13,034
Share of governance costs (see note 8)	2,030	2,072
	<u>23,705</u>	<u>31,839</u>
Analysis by fund		
Unrestricted funds	21,517	31,839
Restricted funds	2,188	-
	<u>23,705</u>	<u>31,839</u>

7 Grants payable

	2020 £	2019 £
Grants to institutions:		
Cover the Borough	2,188	-
Tithe Donations	1,120	-
	<u>3,308</u>	<u>-</u>

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs	Governance costs	Total 2020	Support costs	Governance costs	Total 2019
	£	£	£	£	£	£
Rent	600	-	600	1,200	-	1,200
Insurance	354	-	354	246	-	246
Support - Contractors	11,400	-	11,400	10,925	-	10,925
Postage and Stationery	1,082	-	1,082	420	-	420
Telephone and Internet	60	-	60	48	-	48
Subscriptions	350	-	350	195	-	195
Trustee's Expenses	-	-	-	-	67	67
Accountancy	-	1,340	1,340	-	1,460	1,460
Bank Charges	-	290	290	-	145	145
Independent Examination	-	400	400	-	400	400
	<u>13,846</u>	<u>2,030</u>	<u>15,876</u>	<u>13,034</u>	<u>2,072</u>	<u>15,106</u>
Analysed between						
Charitable activities	<u>13,846</u>	<u>2,030</u>	<u>15,876</u>	<u>13,034</u>	<u>2,072</u>	<u>15,106</u>

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. The charity reimbursed travel expenses of £0 (2019: £67) for two trustees.

During the year trustees made aggregate donations of £1,500 (2019: £1,390).

10 Employees

There were no employees during the year.

	2020 Number	2019 Number
Total	<u>-</u>	<u>-</u>

11 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Other receivables	1,877	6,718
Prepayments and accrued income	-	48
	<u>1,877</u>	<u>6,766</u>

MAHABBA NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Current liabilities

	2020 £	2019 £
Accruals	1,800	2,860

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				
	Balance at 1 September 2018 £	Incoming resources £	Balance at 1 September 2019 £	Resources expended £	Balance at 31 August 2020 £
Cover The Borough	2,188	-	2,188	(2,188)	-

The restricted fund is a grant received in 2017-18 to focus on the charity's 'Cover the Borough' project. All of the funds were spent in 2019-20.

14 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances are represented by:						
Current assets/(liabilities)	25,008	-	25,008	15,053	2,188	17,241
	25,008	-	25,008	15,053	2,188	17,241

15 Financial commitments, guarantees and contingent liabilities

The trust have a rolling annual licence with CCD which is subject to variation (2020: £600) (2019: £1,200).

16 Related party transactions

Payments were made of £600 (2019:£1,200) to CCD for a desk where Trustee Adam Martin is part of the senior management team.

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