



SAT-7 UK Trust Limited

(A Company Limited by Guarantee)

Company Registration No 3301736
Registered Charity no 1060612

Report of the Trustees and Accounts

For the Year Ended

31st December 2017

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SAT-7 UK TRUST LIMITED

Reference and administrative details of the charity, its Trustees and Advisers for the year ended 31st December 2017

Company Information

Registered name	SAT-7 UK Trust Limited, also known as 'SAT-7 UK'
Registered charity number	1060612
Registered company number	3301736
Registered office	2 nd Floor, 3-4 New Road, Chippenham Wiltshire SN15 1EJ
Operations centre	2 nd Floor, 3-4 New Road, Chippenham Wiltshire SN15 1EJ
Company Secretary	Mrs R Fadipe
Executive Director	Mrs R Fadipe

Trustees

The Trustees (who are directors for the purpose of company law) who served during the year were as follows: Mr R Kemp (Chairman), Mr T P McLoughlin (Resigned Jul-17), Mr J Clark, Mr T Durston (resigned Jul-17), Mr S Dengate, Mr C Miles, Mr M Haines (joined Aug-17), Mr R Giles (joined Aug-17), Mr O Morris (joined Jul-17)

Advisers to the Charity

Keelys Solicitors (HR Advisor) 28 Dam St, Lichfield WS13 6AA

Auditor

Burton Sweet Chartered Accountants, The Clock Tower, 5 Farleigh Court, Old Weston Road, Flax Bourton Bristol BS48 1UR

Bankers

Unity Trust Bank plc, Nine Brindley Place, Birmingham, B1 2HB

Solicitors

Bates Wells Braithwaite, 10 Queen Street Place, London EC4R 1BE

SAT-7 UK TRUST LIMITED

The Trustees, who are also the Directors and members of SAT-7 UK Trust Limited for the purposes of the Companies Act, have pleasure in presenting the Report and Accounts for the year ended 31st December 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (FR102 SORP 2016) Accounting and Reporting by Charities' in preparing the Annual Report and financial statements for the charity.

Structure, Governance and Management

Governing Document

SAT-7 UK Trust Limited is a charitable company limited by guarantee, incorporated on 14th January 1997 and registered as a charity on 11th February 1997. The company was established under a Memorandum of Association which established the objects of the charitable company and is governed under its Articles of Association. These were amended by special resolution on 19th October 2005, 21st October 2009 and 24th March 2014. In the event of the company being wound up members are required to contribute an amount not exceeding one-pound sterling. In 2016 a special resolution was passed to change the name of the charity from SAT-7 Trust Ltd to SAT-7 UK Trust Ltd.

The Objects of the Charity are the advancement of the Christian religion with specific powers to establish and maintain radio and television stations together with other media production facilities.

The strategic vision of SAT-7 UK is to encourage the development of a growing Church in the Middle East and North Africa, confident in Christian faith and witness, in serving the community and contributing to the overall good of society and culture.

The principal activity of the SAT-7 UK Board is to support this vision, and charitable objectives, by raising awareness of the needs of the church in the Middle East and North Africa (MENA). Through highlighting the needs of the MENA churches we seek to encourage our supporters in the United Kingdom to pray regularly, to engage actively and to provide funding and resources towards the work of this vital ministry – helping to support the broadcasting of the Christian message into the homes and hearts of the millions of people engaging with SAT-7's programmes. SAT-7 provides support for Christians in areas where the Church is subject to persecution and in places where there is no established church. SAT-7 programmes are made by Christians of the Middle East for Christians of the Middle East. The programmes provide an authentic Christian voice showing how communities can both be Christian *and* Middle Eastern.

SAT-7 UK has a joint ministry agreement with SAT-7 International Trust and works as part of the wider international family of SAT-7. It is through SAT-7 International Trust that the programmes of the SAT-7 channels are made and transmitted across the Middle East and North Africa. These satellite television channels are free-to-view and broadcast in the three main languages of the Middle East and North Africa (Arabic, Farsi & Turkish). SAT-7 broadcasts on four different satellite systems Hotbird (SAT-7 PARS), NilesatAB (SAT-7 ARABIC & SAT-7 KIDS), Turksat (SAT-7 TÜRK) and since 2017 Yahsat (SAT-7 PARS). SAT-7 can be watched in at least 25 countries across the MENA region and in Europe. As well as broadcasting via satellite, SAT-7 International runs and maintains all the channels via the Internet on the SAT-7 websites. These transmit to viewers in Arabic www.sat7.com, www.sat7kids.com and www.sat7academy.com, in Farsi www.sat7pars.com and in Turkish

www.sat7turk.com. These sites include programme schedules, live streaming of SAT-7, ways to contact SAT-7, competitions, programme information and much more.

Since 2012 SAT-7 has had mobile phone apps for each of its channels. These Android and iPhone apps stream SAT-7 live and provide video on demand functionality.

In addition, SAT-7's programmes are available through social media specifically on YouTube and Facebook. SAT-7 has seen an exponential growth in the viewing of its programmes on YouTube with the number of views exceeding 28 million in 2017, while video views on Facebook attracted 37 million views. SAT-7's live programmes were broadcast over YouTube for the first time in 2012 and Facebook in 2016. In 2013 SAT-7 launched YouTube live channels enabling more reliable access to its live programmes for a wider audience. SAT-7 broadcasts are also available through some Middle Eastern cable networks and via IPTV providers in several countries making free-to-view programmes widely available to those seeking to explore and deepen their knowledge and understanding of the Christian faith.

Public Benefit

The ministry benefits all those wishing to explore the Christian message both in the UK and further afield presented through personal conversation and media communications in a way that is both relevant and appropriate to viewers. They are provided freely without obligation or cost.

Sharing the core foundations and message of the Gospel is made via satellite systems, the internet, mobile devices and through personal conversations and is freely available to all who want to connect and participate. It is made available without any sense of judgement about viewers' personal circumstances. The aim of all activities is to inform and to engage the viewer about the Christian faith as per the trust's objective to advance the Christian Religion.

The Trustees have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. All activities recorded above therefore reflect the Trustees' desire to follow the aims of the Trust and to meet the requirements of general public benefit.

The Board and Management of the Charity

It is the policy of SAT-7 UK to maintain a Board of Trustees that will be able to promote the interests of SAT-7 in Great Britain and Ireland effectively, to make it a commonly known, clearly understood, and widely supported inter-denominational Christian charity.

Collectively the Trustees aim to be representative of as many as possible of the mainstream Christian traditions. Trustees also seek to reflect a wide variety of experience and professional skills, including those relating to broadcasting, media, marketing, finance and fundraising. During 2017 two trustees stood down and three new trustees were appointed.

The Trustees, (of whom there is always a minimum of three), are directors for the purpose of company law. Meetings of the Trustees are held quarterly and are used to review progress, to set objectives, to establish policies and as well as other issues of relevance from the wider SAT-7 family within the Middle East region. Communication between meetings is extensive through email, telephone and the meeting of sub-committee members.

The Board has from time to time set up sub-committees to assist it in governance. Currently it has a Finance Sub-Committee to monitor the financial affairs of the Trust and to review and advise the Board and senior staff on all employment matters affecting the Trust.

The Board of Directors sets the strategic direction of the charity, agreeing financial plans and assessing the risk implications. The Board of trustees have delegated overall management of the charity to the Executive Director who acts as Chief Executive Officer. The key management personnel of the charity are the Board of trustees, the CEO and the Director of External Engagement (new role from April 2017). The Board of trustees agree the annual salary levels of the key management personnel. The CEO has in turn recruited a staff team who have specific responsibility for implementing strategy. The day-to-day management of the Trust's activities is delegated to staff through the relationship between the Chairman and the Executive Director.

The Board of SAT-7 UK agreed a joint ministry agreement with SAT-7 International during 2017. SAT-7 UK is formally represented on the International Council and Executive Board of SAT-7 International Trust, (registered in Cyprus) under the international trust law of the Republic of Cyprus. SAT-7 UK made grants of £1,062,714 to SAT-7 International during 2017.

The induction and training of Trustees

The processes of induction and training are intended to ensure that individual Trustees are enabled to bring as much added value to the work of the Board as their personal background, experience and skills equip them to do. New Trustees are provided with information about the charitable company together with copies of the Charity Commission's booklet for new Trustees. Seminars and training courses relevant to specific aspects of the Trust's work are brought to the attention of Trustees. New Trustees are encouraged to visit the office of the charity at an early stage and meet with the staff. Periodic board retreats are organised which include an opportunity to meet with key staff and receive training if required. A Trustee skills matrix and meeting log are regularly reviewed to ensure the Trustees are supported in their roles. All Board members are expected to keep up-to-date in their own professional disciplines where this is appropriate. Board members are also encouraged to take at least one overseas trip to see the work of SAT-7 International. A trustee training day was held in October 2017.

Risk Management and Assessment

SAT-7 UK maintains a risk register produced in accordance with the Charity Commission's guidelines which is reviewed annually. The register monitors likely risk and designates responsibility for each risk area. The Trustees are satisfied that the register manages the key risks to the operations of SAT-7 UK.

The Trustees are well aware that, apart from meeting SAT-7 UK's own operating costs, they are choosing to deploy the funds at their disposal in a region of the world characterised by social, economic and political instability. They accept that these factors bring to the work of SAT-7 UK an inescapable element of risk of loss of resources which is managed through active relationships with those involved in the field and through close monitoring of funds and resources made available to SAT-7 International and other Partners involved in the work.

The Board of SAT-7 International makes every effort to reduce these risks through its strict ethos and programming policy which ensures that SAT-7 is culturally relevant, does not speak against other religions, does not make political statements and makes every effort not to cause offence to other religious groups. The Trustees of SAT-7 UK are confident that SAT-7 International understands the risks very well and do all they can to guard against them or at least mitigate their consequences through the programmes and broadcasts made.

SAT-7 Broadcasting activities

The role of SAT-7 in the Middle East

Satellite television has for many years been the main source of information and entertainment for people throughout the Middle East and North Africa (MENA). This is a region where almost 100% of homes have at least one television and 72% of Middle Easterners watch satellite TV. In a society where over half the population is functionally illiterate, no other medium reaches as many people as satellite television. Internet access varies significantly across the region, however as the Internet is literacy-dependent it is therefore inaccessible to most people. A satellite television signal transmits directly from the satellite to the receiver in the home. Unlike Internet or land-based media, it cannot be censored by governments. Satellite television can be viewed from the privacy of an individual's home and there is presently no way to monitor individual viewing habits. Without a doubt, this technology represents one of the most significant opportunities the Christian community has to share faith and support Christians in the Middle East. SAT-7 has the unencumbered opportunity of bringing the Christian message directly into the living rooms of hundreds of millions of people across an entire region who have been largely unable to have access to the message of the Christian Gospel.

SAT-7's unique opportunity

SAT-7 is uniquely and strategically placed to share Christ's message of love, peace and forgiveness to a region torn apart by injustice, hatred, war and vengeance. Through satellite television, SAT-7 brings together followers of Jesus from Casablanca to Tehran, from Istanbul to Darfur, to study the Bible, pray and worship, letting them know they are not alone and helping strengthen them to thrive and, in turn, bring God's peace to others. It also beams out a window into the church that non-Christians can look into and learn what the community of Jesus' followers looks like.

This satellite television ministry is provided free of charge to the people of the MENA and as such is totally reliant on funding from trusts, organisations, churches and people around the world, including many in the MENA region. SAT-7 broadcasts 24 hours a day on five different channels, is available online and via many mobile devices.

SAT-7 is distinct from other Christian broadcasting in the region because more than 80% of programmes are created in the Middle East, by Christians of the Middle East, in SAT-7 studios in Egypt, Lebanon, Cyprus and Istanbul and also in SAT-7's studio in London. It is programming by and for the people of the Middle East and North Africa – expertly contextualized, easily understood and culturally sensitive to the population. SAT-7's programming is having a significant impact on its viewers, with live programming continuing to be a powerful and credible way to engage directly with viewers as it connects with their real issues in real time.

Context into which SAT-7 broadcasts

The Middle East and North Africa (MENA) is a complex part of the world as poverty, war, ethnic division, illiteracy, political and religious oppression are a daily reality for millions living in the region. 2017 has proven to be yet another year with complex challenges for the people of the MENA region. It is in this context that SAT-7 is presenting the hope, peace and truth of the Gospel. In many parts of the MENA, other forms of Christian witness are suppressed or displaced. But because of the ubiquitous nature of satellite TV, SAT-7 is uniquely and strategically placed to share Christ's message of love and forgiveness with a region wracked by hatred and vengeance.

In 2017 SAT-7 mourned with Christians in Egypt, where SAT-7's largest single audience is, as they suffered persecution and terrorism. So-called Islamic State (IS) forces finally retreated in Iraq and Syria, though at great human cost. There have been moving reports of Christian churches once again ringing their bells and holding services in the recaptured towns of Iraq - but the task of re-building homes, infrastructure and the economy is mammoth, and questions remain over how secure the newly liberated areas are and how recovery will be achieved. In Syria, the internal conflicts are far from over and displaced Christians realise that returning home and re-establishing their lives could take a generation.

The conflict in Yemen has developed into a catastrophic humanitarian crisis – with no end in sight. Power struggles continue in the failed state of Libya while the deal to curb the flow of people across the Mediterranean Sea has resulted in a backlog of migrants trapped in inhumane conditions in Libyan detention camps. Afghanistan continues to be heavily targeted with terrorist attacks and the Iranian parliament was also hit by the first attacks by IS inside the capital.

Astoundingly, 26 per cent of the world's internally displaced people (IDPs) and refugees are hosted in MENA countries. A staggering 12 million Syrians have been displaced from their homes, more than half of them becoming refugees. Half of all IDP's and refugees are under 18, and the catastrophic long-term effects on the education of a generation of children are difficult to comprehend. Some 40 per cent of children from Syria, Iraq, Yemen, Libya and South Sudan are not able to go to school either directly or indirectly because of armed conflict.

Even in areas where active conflict is not a major factor, crumbling economies, poor quality education, unemployment and poverty often are. Ethnic division, illiteracy, political and religious oppression are also a daily reality for millions living in the MENA. The region has the highest youth unemployment rates in the world. One in every five children and young adolescents (more than 21 million) are at risk of missing out on an education, and of those, 13 million children are not at school. The people of the MENA desperately need a better future.

Impact of the work of SAT-7 on the Middle East and further afield

It is estimated that SAT-7 is watched by in excess of 25 million Arabic, Farsi and Turkish-speaking viewers across the Middle East and North Africa (data based on an independent IPSOS survey in 2016). SAT-7 receives thousands of letters, emails, text messages and phone calls from its viewers, the beneficiaries of the broadcasts, testifying to the impact of SAT-7's programmes and the help and support they have derived from the message received. An ever-increasing number of people are responding to the love, hope and changed lives they see on SAT-7 programmes on their TV and computer screens.

The IPSOS audience research showed that:

- SAT-7's three Arabic-language channels have a combined audience of almost **21.5 million viewers**.
- This audience has grown by 76% since the last research was conducted in 2011
- Egypt is home to 5.5 million viewers, about a third of SAT-7's adult audience. However, SAT-7 is also widely watched in other countries across the region, including Saudi Arabia (2.0m), Algeria (1.9m), and Morocco (1.0m)
- SAT-7's *Madrasati* (My School) educational programme, for children who are reception age and above was watched by over 1.3 million children in the Middle East and North Africa in the past year.

SAT-7 Television Channels

SAT-7 broadcasts 24 hours a day on five different channels, is available online and via mobile devices.

SAT-7 ARABIC was launched on 31 May 1996, this first broadcast was for only two hours a week. Now the channel broadcasts 24/7 via the Nilesat (E7WA) satellite to 22 Arabic-speaking countries in the MENA.



SAT-7 KIDS was the first Arabic Christian channel dedicated exclusively to children and young people. The channel launched in December 2007, and has been a haven of hope, inspiration and developing a Christian faith for young Middle Easterners across the region.



SAT-7 PARS is a Persian language Christian television channel, broadcasting via satellite into Iran, Afghanistan, Tajikistan and beyond. SAT-7 PARS is seeking to minister and make God's love visible to the people it serves, in a region where Christians often live as an invisible minority group.



SAT-7 TÜRK has been broadcasting 24/7 on Türksat since 2015; prior to this it was a web-based channel. It is the only Christian channel on this Turkish national satellite platform. During a tumultuous time for the country, the



channel has been a lifeline for Turkish-speaking believers and a beacon of Christ's light for more than 50 million potential viewers.

SAT-7 ACADEMY launched in 2017, this new Arabic channel is dedicated to education and social development programming. This channel will make use of experience and lessons learned from past social development programming and create new, inspiring programmes to target the health, educational and social development needs of the Arabic-speaking world (including refugees and displaced children across the MENA region). The channel's wider remit states:



“Motivated by our Christian values and compassion, SAT-7 is committed to holistic programming, with the aim of ministering to people in all areas of their life: emotional, spiritual, psychological and physical. We envision a Middle East and North Africa where people enjoy universally recognized rights, freedoms and liberties, irrespective of their ethnicity, gender, religious or political beliefs; and are empowered with the knowledge, skills and support to maximize their potential.”

Strategic Programming goals

Strategic Goal: Making the Gospel visible to more people across the MENA

Making SAT-7 TÜRK more visible

The SAT-7 TÜRK licence to broadcast on Turkey's national satellite, Türksat has provides the platform to reach over 50 million viewers in Turkey and wider audiences in Central Asia, Europe and the Middle East.

SAT-7 TÜRK broadcasts a varied schedule of programmes, 24/7, for people of all ages and stages of faith, providing authentic Christian teaching and a culturally appropriate Biblical worldview. Many Christians in Turkey feel isolated and vulnerable. There has been a rise in hate speech and even some local authorities making life challenging for Christians and church activities. It remains very difficult for the tiny Christian minority to share their faith with the Muslim majority and counter the misinformation they have received.

“I am really thankful for this channel and your service. I thank God for you. May Jesus be with you. God bless you for these great programmes. I follow your channel all the time. Thank you for these programmes. Thank you! Thank you!”

With this difficult backdrop, SAT-7 is dedicated to encouraging the local church, changing misconceptions, and making the Gospel visible across Turkey and the surrounding area. The audience has been steadily growing as evidenced by the increase in contacts and on SAT-7 TÜRK's social media. Hundreds of messages, phone calls and emails are now received each month by the Viewer Support Team. These primarily ask for prayer, with others wanting to know more about Christianity and requesting Bibles.

The number of “likes” on SAT-7 TÜRK's Facebook page increased from 23,713 in 2016 to 31,659 in 2017. A video on the meaning of Pentecost posted on its *Facebook* page received over **100,000** views, demonstrating the great need and desire in Turkey for correct information about Christianity.

Making SAT-7 PARS more visible

Despite the Iranian authorities increasing efforts to halt the spread of Christianity, Iran has one of the fastest-growing Christian populations in the world. SAT-7 PARS is strengthening the rapidly-growing Iranian Church through the provision of Bible teaching and other Christian programmes, up until recently just via our 24/7 Farsi-language channel broadcast on the *Hotbird* satellite. In May 2017, SAT-7 achieved the goal of also launching SAT-7 PARS as the first and only Christian channel on the Yahsat satellite system expanding its potential audience by 20 million people (out of the estimated 40 million people with access to satellite TV). Yahsat provides a focused, high-power beam specifically on Iran and Afghanistan allowing viewers to use very small receiving dishes (something very significant in a country where all satellite dishes are still officially illegal). This, and the fact that Yahsat has the largest and best selection of Farsi-language channels mean that it has established itself as the most popular choice for families to point their dish at. We receive messages every day from viewers thanking us and expressing how happy they are that they can finally also find us on Yahsat.

Broadcasting on Yahsat will allow the channel to provide a better-quality picture, and upgrade to High Definition (HD) in the future. The addition of Yahsat also doubles the number of hours SAT-7 PARS can broadcast each day, opening the door to broadcasting many new types of programmes. In the future the intention is to utilise the dual licences to provide a second on-air schedule focusing more on young people and children.

SAT-7 PARS programmes continue to provide a spiritual lifeline; providing a virtual church and discipleship for our isolated and hidden viewers and sharing God's love with seekers across Iran, Afghanistan and Tajikistan.

Strategic Goal: Making the Gospel visible to children

As the darkness of conflict, persecution, and displacement continues in large parts of the MENA, and evidence mounts of the deep psychological trauma being suffered by the millions of children affected, the light and comfort of God's love, shown in every SAT-7 children's programme, is more important now than ever in a region where half the population is aged under 25. SAT-7 children's programmes are upbeat and colourful and promote peaceful and positive messages. Many parents tell SAT-7 that they feel their children are safe watching SAT-7's channels.

*"You're very professional.
The programme is beautiful.
My daughter is learning
from you and singing with
you."- Parent from Egypt*

SAT-7 KIDS is a dedicated children's channel broadcasting in Arabic across the MENA. At least **4.6 million children** (IPSOS 2016) across the Arabic world watch SAT-7 KIDS, with almost 80 per cent of viewers (3.7 million) watching daily or at least once a week. Programmes for children and young people are also broadcast on SAT-7 PARS and SAT-7 TÜRK.

SAT-7 KIDS launched a new mobile-friendly website in March 2017. The new website includes spiritual, educational and social content with links to episodes of SAT-7 KIDS programmes, games, quizzes and art and crafts. Children can also contact their favourite programmes and ask questions.

SAT-7 KIDS has a main Facebook site as well as 23 pages devoted to popular programmes for viewers to follow. These are regularly updated with video clips, pictures, programme news

and Bible verses. In 2017 there were 1,856,381 views of videos on SAT-7 KIDS Facebook page (an increase of 201% on 2016) and there were **3.5 million** YouTube views of SAT-7 KIDS programmes.

Strategic Goal: Making the Gospel visible to Women / Empowering and Equipping Women

Millions of women in the MENA face violence, oppression, and a lack of rights and freedoms. Although in some parts of the MENA the situation for women has improved, in many places it remains dire. The turmoil that has overtaken parts of the region has made these struggles worse, in some cases reversing years of progress towards equality. In many parts of the region women are forced to marry against their will, often while they are legally still children. Women also face discrimination and may have few or no choices when it comes to work or education. In some parts of the MENA, women must stay in their homes unless they are accompanied by a male guardian.

Because women are often restricted from leaving their homes, frequently their only form of companionship is satellite television. SAT-7's television programming is very effective in reaching these women, many of whom are illiterate and have no other way of learning about God. Our shows offer women the vital knowledge, godly wisdom, and practical skills they need to lead impactful lives in their communities and raise their children with wholesome Christian values. These inspirational, informative, and educational programmes assist and guide women while offering them a platform for their voices to be heard.

Strategic Goal: Encouraging, Supporting and Empowering the church

Christians in the Middle East and North Africa are thirsty for God. They are hungry for hope, for love, and for peace but with all the turmoil and suffering in the region they often struggle with their faith. Many believers are also seeking spiritual teaching to help them grow in their faith and be of service to others. SAT-7 offers a variety of programmes that teach discipleship. SAT-7 answers questions about Christianity and helps believers develop their faith and knowledge of Christ and His teachings. SAT-7 also broadcasts programmes that embrace the culture and traditions of the region, answering questions and giving insight on Christianity to Middle Easterners of different religions. Through these programmes, SAT-7 promotes peace, acceptance, love, and compassion, with the objective of eliminating hatred, violence, injustice, and discrimination against the Church.

"The programme "Is it Important to be Christian" is wonderful. I was non-Christian and I accepted Jesus Christ as my Lord and Saviour. I am very happy to watch this programme that talks about the truth of Christian faith and how it is based on having a personal relationship with Jesus Christ, it is not just another religion."

Implementing the new social media strategy

Satellite television remains SAT-7's main focus, as it continues to be the most effective, uncensored and widely used way people in the MENA receive their news and entertainment. However, SAT-7 is making the most of the rapid expansion of social media to spread content, interact with viewers and answer people's questions. SAT-7 is seeing a massive increase in our following on social media.

Programmes are also available online through websites, Facebook and YouTube.

Increasingly programmes include web friendly segments, which are available for download and streaming via social media. Despite the change in Facebook's design to promote more content from friends and less from organisations (to motivate them to pay to 'boost' their posts) the 'reach' of SAT-7s Facebook pages combined grew to 102,943,121 in 2017. The

number of “views” on Facebook has now grown to about two million per month. Every month our YouTube videos are attracting around 2 million views. This has increased from around 800,000 three years ago.

Strategic Goal: Supporting the Church in areas of political turmoil and Christian persecution

SAT-7 has also been standing with Christians through challenging times and presenting current affairs relevant to them, with the message of God’s love woven in. Some of SAT-7’s staff have been directly affected by terrorist atrocities and been able to share how their faith has sustained them through suffering and grief.

The continuing attacks against the Copts in Egypt in 2017 have been serious reminders of the vulnerable position of the Christians there. In response to the situation, SAT-7 adjusted its broadcasting schedule to interview survivors and family members of these attacks and to allow church leaders and the channel’s own presenters to broadcast messages of comfort and hope.

Following the church bombings in Tanta and Alexandria on Palm Sunday 2017, SAT-7 broadcast Pope Francis’ two-day visit to Egypt through four special live episodes of current affairs programme **Bridges**. SAT-7’s coverage of the Pope’s visit included interviews with journalists, analysts, theologians, and church leaders of different denominations, as well as leaders of various faiths. Messages from leaders of Egypt’s different Christian communities encouraged viewers not to fear because Christ has conquered death. Episodes of the **Keep on Singing** programme comforted viewers and callers, praying into situations, sharing personal testimony, and playing worship songs that recognise suffering whilst declaring the truth that nothing can separate us from God’s love.

Strategic Goal: Inspiring social change in the fast-changing MENA region

Highlighting the character traits of Jesus Christ, programmes teach people of all ages to create a culture of acceptance, compassion, respect, self-control, wisdom, servitude, and prayerfulness. In a region where harmful beliefs and cultures can teach people to hate from a young age, SAT-7 comes with radically different beliefs. We show that it is never too late for God’s love to change circumstances, to bring healing and renew minds, and to ultimately create a shift in society that will change the future of the MENA.

Informative and engaging programmes are watched by people in the MENA of all ages and religious backgrounds. Our social development programmes provide a unique opportunity to challenge detrimental cultural practices and bring God’s wisdom and love into people’s daily lives.

My School: In March 2015, SAT-7 launched an educational programme, **My School**, on SAT-7 KIDS. The platform of satellite television makes it possible for just three teachers to educate an unlimited number of children, reaching into homes and displaced communities in a way that overburdened states and aid agencies cannot.

When its third phase completed at the end of 2017 nearly 300 episodes comprising lessons in Arabic, maths, science, English and French had been broadcast for children aged 4-8 years old. Practical segments between lessons help young viewers with issues of trauma and physical problems they may be facing. These include drawing and therapeutic storytelling, as well as science experiments and lifestyle advice.

Whilst **My School** has proved to be a major success with IPSOS research showing that more than **one million** children are watching it daily, the needs of the MENA region call for a more comprehensive approach to the education of the next generation.

"I heard season 3 of My School is about to start, I honestly don't know how to thank you. I'm super excited for the French lessons."

Launching SAT-7 ACADEMY: In September 2017 SAT-7 launched a unique new satellite television channel dedicated to the issue of education - SAT-7 ACADEMY. The aim is to spread educational, health and social development messages, grounded in Christian values, which holistically address the needs of children, parents and teachers across the MENA region. SAT-7 ACADEMY encourages critical and analytical thinking and promote tolerance, social cohesion, creativity, lifelong learning, dignity, freedom of expression and speech, in an effort to help build communities that are more inclusive and democratic.

Through My School and other programming SAT-7 ACADEMY provides the opportunity for an education to those who cannot access formal schooling particularly refugee and displaced children. Conflicts across the MENA have displaced more than 20 million people from their homes, half of whom are children. The impact on young lives is staggering. The medium-term consequences of poor education are worrying: children and adolescents who are not at school are at greater risk of recruitment into child labour, radical militant groups, prostitution and criminal activities. However, education, for children living in and around war zones in Syria and neighbouring countries has a key role to play in giving them hope for the future and in preparing societies for eventual post-conflict reconstruction and social and economic development. It broadens horizons and can counter the underlying causes of violence by fostering values of inclusion, tolerance, human rights and conflict resolution.

"Hello, I am a Moroccan following SAT-7 KIDS. A beautiful channel that I love. Because of My School, I can learn and understand lessons that I thought are very hard. You made it very simple, and it's because of you I could do so. I thank you so much."

SAT-7 UK summary of objectives, activities and achievements during the year

The strategic vision of SAT-7 UK is to encourage the development of a growing and flourishing Church in the MENA – confident in Christian faith and witness, in serving the community and positively contributing to the good of society. SAT-7 UK's mission is to provide the churches and Christians of the MENA an opportunity to witness to Jesus Christ through inspirational, informative and educational television services.

SAT-7 UK has four core overarching charitable activities for its work in the UK and Ireland:

- **Encouraging the development of a growing Church and to make the Gospel available to everyone in the Middle East and North Africa;** especially to those who would otherwise never have had the opportunity to hear it. To build SAT-7 as a strong and sustainable organisation that will be equipped to efficiently and effectively achieve its vision and mission, both today and tomorrow. To support SAT-7 in their development and broadcast of Arabic, Farsi and Turkish Language Christian programmes along with associated support functions and to equip or renew production and communications equipment in SAT-7 production facilities.

- **Raising awareness about our work, providing information about the region we operate in and encouraging prayer.** Resources (printed and digital) are produced for Christians in the UK and Ireland, alerting them to the needs of the church in the Middle East, the work of SAT-7 and providing specific information to encourage prayerful action.
- **Engaging and mobilising the Church** in the UK and Ireland – a programme of personal engagement and communication through staff, Ambassadors (volunteers), Trustees, and supporters in churches and at Christian events; designed to initiate and deepen active concern for the challenges facing the MENA church and region.
- **Preparing the next generation** – specific attention is increasingly being given to informing and engaging people in prayerful action for SAT-7 and the MENA Church through innovative events, campaigns and resources.

To deliver its strategic vision and charitable objects, during 2017 SAT-7 UK began a new five-year strategic planning cycle. This plan set out three core objectives:

- a. Better establish who we are and what we do in the hearts and minds of UK Christians and church networks.
- b. To be known as one of the leading charities supporting the Church across the Middle East and North Africa – bringing hope to the lives of millions of people.
- c. Build on previous strategy; continuing the programme of development through a focus on four key areas:
 - Maximising supporter engagement
 - Reach and visibility
 - Income retention and growth
 - Organisation development

These activities are supported through direct expenditure in the United Kingdom and Ireland and through making grants to the worldwide ministry of SAT-7 International for allocation to projects which meet the objectives of the charity.

SAT-7 UK activities

SAT-7 UK seeks to encourage supporters in the United Kingdom to pray regularly, to engage actively and to provide funding and resources towards the work of this vital ministry, thereby helping to support the broadcasting of the Christian message into the homes and hearts of the millions of people engaging with SAT-7's programmes. To achieve this, SAT-7 UK communicates with supporters through a website and related online media, through appeal campaigns and direct mailings to individuals, through conferences and events, and through a network of church 'ambassadors'. SAT-7 UK also makes applications to grant-making trusts and organisations.

The following information highlights the key activities which were undertaken during 2017.

Communication with supporters

SAT-7 UK Trust continued to engage with supporters through a magazine (sent 3 times during the year), a monthly prayer diary, a monthly 'Briefing' email giving wider context to SAT-7's work and through urgent financial appeals. The focus of increasing profile through editorial in the Christian press continued in 2017, with over 14 substantial articles and features in publications including, Evangelicals Now, Church Times, Premier Radio website, War Cry, Good News newspaper, and the Jerusalem and Middle East Church magazine. We also conducted a number of interviews on Christian radio stations. Engagement with supporters through social media channels also increased during 2017. The YouTube channel, in particular, grew to over 4,000 subscribers, a growth of 120% over 2016.

Engagement opportunities

Prayer has been a significant focus during 2017. Our regular monthly prayer diary was relaunched and is now being sent to over 1,500 by post and over 4,800 by email. SAT-7's Day of Prayer turned into a Week of Prayer and was built around a time of thanksgiving to mark the end of the Answer the Cry campaign. Resources were provided to our network of volunteer Ambassadors for use across the country.

The seasons of Lent and Advent have become significant opportunities to reach new supporters and for our existing supporters to engage more deeply with SAT-7. The Advent Prayer campaign in 2017, used the theme of "**The light shines in the darkness.**" This was both a physical booklet, as well as an online email campaign, weekly texts, and web page. The web page featured each blog and prayer points in a week-by-week format, including ways for people to pray, reflect and act. The advent campaign was integrated with the normal monthly prayer diary, which was well received by supporters and will form the pattern for future prayer campaigns.

The Answer the Cry campaign launched in 2016 came to an end in 2017. The campaign successfully engaged with new and existing supporters, highlighting the needs of the people in the MENA. Answer the Cry material was received by all supporters and a further 1,500 individuals who requested information. The main campaign video featured the story of Elmira, a Middle Eastern woman, who despite a life of oppression and abuse received and responded to a message of hope from SAT-7.

The Big Watch, a film night featuring a film broadcast on SAT-7, continues to be a powerful opportunity for supporters to engage with SAT-7 and the challenges faced by Christians (particularly those in Iran). Around 400 Big Watch packs have been distributed.

SAT-7 UK continues to benefit from a strong volunteer network of Church Ambassadors, Regional Ambassadors and Speaker Ambassadors. A new programme of ambassador training was rolled out in 2017 with 27 ambassadors attending sessions across the country. Through the work of Ambassadors, staff and trustees, SAT-7 UK visited 115 churches during 2017 for either speaking in main church services or small group meetings. Representatives from SAT-7 UK and volunteers also attended 19 Christian conferences/festivals ranging from national to smaller regional events.

As part of a longer-term UK engagement strategy, a new DVD resource, called Bedtime Stories, was launched in 2017. It features samples of SAT-7's Arabic language programmes for children and is an ideal gift for Arabic-speaking refugee families living in the UK.

Appeals and applications to grant-making trusts, organisations and individuals

SAT-7 UK continues to make regular applications to grant-making trusts and organisations to secure funding for our programmes. In 2017, 67 grant-making bodies awarded grants, totalling over £625,000. Of grants awarded, 54 were below £5,000, 10 gave up to £50,000 and 3 funded grants of over £50,000.

Two direct financial appeals were sent to supporters during 2017. The Christmas appeal ran in parallel with the Advent Prayer campaign, with a theme of 'A light shines in the darkness'. The focus was on secret believers in Iran, who couldn't access a church, and felt isolated in their worship. This appeal raised over £25,000, which was matched by some generous supporters.

Plans for the future

During 2018 SAT-7 UK will continue to follow our five-year strategic planning cycle. We will particularly use our four key focus areas to drive activity through our team structure:

- **Reach and visibility: building identity**

The Communications Team will emphasise the theme of 'Hear My Voice', at specific times during the year; particularly within appeals, prayer campaigns, and at supporter events. This forms part of our plan to increase the range of voices and contributors drawn from the MENA region. Information and stories from a wide variety of SAT-7's channels, locations, sectors, programmes and international red-letter days will also be covered throughout the year – particularly focused on demonstrating the impact of SAT-7. Prayer materials will develop further and be used for Lent, Back to School, Week of Prayer and Advent campaigns. Our popular Briefing materials will be developed further; on the website, a possible Briefing podcast, and through a new Westminster Briefing publication, designed for a political and development sector audience.

- **Maximising supporter engagement: building relationships**

The Engagement Team will focus on developing relationships with churches, UK Christian Conferences / Networks, Denominations, key church leaders / Christian influencers, Christians in politics and political leaders. The team will particularly focus on providing opportunities for supporters and partners to engage with SAT-7, e.g. through events, conferences and partnerships. A new 'Envision – on the road' supporter event will be launched; supported through direct staff activity, local churches, and through our network of trained Ambassadors. We will also launch, 'SAT-7 in the Community' as a new way of connecting with churches, individuals and organisations, involved in working with Arabic and Farsi-speaking communities, including refugees.

- **Income retention and growth: building sustainability**

The Development Team will grow the database with new supporters and mobilise their active engagement in more creative ways. In 2018 we will focus attention on raising the level of regular giving from existing and new donors. We will increase the reach of our appeals, by trialling the integration of appeal material within prayer campaigns. 2018 will see the launch of a new strategy designed to grow a fundraising events and sponsorship income stream. We will continue to strengthen our traditional base of income from Christian trusts and family foundations and seek new opportunities. Having become members of BOND (the UK's international development network) at the end of 2017, SAT-7 will explore new funding opportunities with DfID and partner NGOs; developing relationships with key individuals and networks working within the international development sector.

- **Organisation development: building team**

The Internal Engagement Team (Operations) will focus on the business practices to deliver efficient systems and policies to support the organisation. A new finance and administration manager is to be recruited to manage the financial operations and maintain compliance with new data protection rules and the increased need for security of data and systems. We will continue to build the team to retain and attract the people needed to help us realise our strategic five year goals.

Financial Review

The financial results for the year are set out in the statement of financial activities.

Reserves Policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets (the "free reserves") held by the charity should be sufficient at the end of any calendar month to cover approximately the planned working requirements of the next two months. This is equivalent to about £52,000. The Trustees are of the opinion that this level is adequate for them to fulfil their continuing obligations.

At the end of 2017 SAT-7 UK held a cash balance of £246,227, which consisted of free reserves of £134,243. This is higher than the target level due to cash being held to meet the payment of outstanding invoices and grants made shortly after the year end.

Funds held as custodian trustee

SAT-7 UK acts as a custodian trustee holding cash on behalf of SAT-7 International Trust. SAT-7 International Trust objects being consistent with those of SAT-7 UK. SAT-7 UK holds this cash in a separate designated bank account with a trustee approved bank mandate safeguarding the movement of these funds.

Statement of fundraising practice

In accordance with the Charities (Protection and Social Investment) Act 2016, the following statement outlines the fundraising practice of SAT-7 UK in 2017.

SAT-7 UK registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice. In 2017 there were no failures to comply with this Code of Practice. In addition, we do not sell or swap data with other charities or organisations or make any cold telephone calls to the general public. In 2017 SAT-7 UK did not contract the services of any professional fundraisers as defined by section 58 of the Charities Act 1992.

We are registered with the Fundraising Preference Service (FPS) and during 2017 received one request for us to remove a supporter from our database. During 2017, we received no complaints about our fundraising practices.

At all times in our fundraising we seek:

- To raise money only when we know the likely income will be matched by needs.
- To represent the context, needs and opportunities of the Middle Eastern & North African church faithfully and accurately, based on credible research and true case-studies, within the security constraints placed upon our communications due to the sensitive nature of our work.
- To always be mindful that some of our supporters may be vulnerable people and where vulnerable people or those acting on their behalf request to cease communications, we act on their wishes.

- To communicate clearly about how our supporters' money will be used.
- To ensure that all Gift Aid conditions are met before claiming Gift Aid in respect of a donation.

We do not engage in persistent or intrusive fundraising practices with any of our supporters, including vulnerable people and we do not ask supporters for money over the phone.

Data protection

- SAT-7 UK recognises that personal data of our supporters is valuable and seeks to embody best practice in the way we gather, store and use supporters' data.
- SAT-7 UK adheres to current data protection legislation and is registered with the Information Commissions Office.
- SAT-7 UK informed all supporters of its new privacy policy in June 2017.

Investments

In 2010 SAT-7 UK was given a one-bedroom flat. This flat was sold in 2015. The flat was previously held in an unrestricted expendable endowment fund; the remaining proceeds from the sale are held in this fund.

In 2015 a second flat was donated to SAT-7 UK. This second flat remains rented out. The flat is held as an investment property within the existing expendable endowment fund. The rationale for this treatment is included within the notes to the accounts. Details concerning the power to hold investments are contained in the SAT-7 UK Memorandum and Articles of Association.

Statement of Trustees' Responsibilities

The trustees (who are also directors of SAT-7 UK Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom 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 charitable company and of the income and expenditure, of the charitable company for that period. 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 judgments and accounting 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to make themselves aware of that information.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charity's auditors are unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Auditor

Burton Sweet was re-appointed as the Charity's auditor during the year and has expressed their willingness to continue in that capacity.

This report and the financial statements have been prepared in accordance with the Companies Act 2006 the charitable Company's Memorandum and Articles of Association and the Statement of Recommended Practice "Accounting and Reporting by Charities", (FS102 SORP 2016).

Registered office:

2nd Floor
3-4 New Road
Chippenham
Wiltshire SN15 1EJ

If you have questions or would like more detail about the Trust, please contact the Chippenham office, where staff will be happy to respond to your queries

Approved by the Trustees on

Signed on behalf of the Trustees

Mr Roy Kemp
Chairman

Mrs Rachel Fadipe
Executive Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAT-7 UK TRUST LIMITED

Opinion

We have audited the financial statements of SAT-7 UK Trust Limited (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state in them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with international Standards in Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If based, on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable law requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud

SAT-7 UK TRUST LIMITED

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm This description forms part of our auditor's report.

Neil Kingston FCA (Senior Statutory Auditor)

For and on behalf of Burton Sweet Chartered Accountants and Statutory Auditor

The Clock Tower
5 Farleigh Court
Old Weston Road
Flax Bourton
Bristol BS48 1UR

Date:

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £	Total Funds 2016 £
Income and endowments from:						
Donations and legacies	2	868,087	807,086	-	1,675,173	1,702,861
Investments		11,679	-	-	11,679	12,373
Other trading activities		787	-	-	787	1,617
Total income		880,553	807,086	-	1,687,639	1,716,851
Expenditure on:						
Raising funds	3	207,727	31,483	-	239,210	260,964
Charitable activities	3	710,106	775,603	-	1,485,709	1,459,490
Total expenditure		917,833	807,086	-	1,724,919	1,720,454
Net income/(expenditure)	5	(37,280)	-	-	(37,280)	(3,603)
Transfers between funds	17	50,000	-	(50,000)	-	-
Net movement in funds		12,720	-	(50,000)	(37,280)	(3,603)
Funds brought forward at 1 January	17	153,875	-	290,969	444,844	448,447
Funds carried forward at 31 December	17	166,595	-	240,969	407,564	444,844

The charity has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the charity are classed as continuing.

The notes on pages 27 to 38 form part of these financial statements
See note 8 for fund-accounting comparative figures

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

BALANCE SHEET

AT 31 DECEMBER 2017

Company Number: 03301736

	Note	2017 £	2016 £
Fixed Assets			
Tangible fixed assets held for own use	9	22,228	15,162
Investments	10	150,000	150,000
Current assets			
Stock		966	1,242
Debtors	11	23,618	25,437
Cash at bank and in hand		246,227	304,049
		<u>270,811</u>	<u>330,728</u>
Creditors : Amounts falling due within one year	12	<u>(35,475)</u>	<u>(51,046)</u>
Net current assets		235,336	279,682
Net assets		<u>407,564</u>	<u>444,844</u>
Endowment funds	18	240,969	290,969
Income funds			
Unrestricted funds:			
General funds	18	156,471	130,308
Designated funds	18	10,124	23,567
Total funds		<u>407,564</u>	<u>444,844</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the trustees on and are signed on their behalf by:

Roy Kemp
Chairman

The notes on pages 27 to 38 form part of these financial statements

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2017

	Note		2017 £	2016 £
Operational cash flows				
Cash flows from operating activities:				
Costs of Charitable Activities	15	B2	<u>(1,491,033)</u>	<u>(1,463,095)</u>
Net outflow from operating activities			(1,491,033)	(1,463,095)
Cash flows for operating activities:				
Donations and Legacies	15	A1	1,675,638	1,700,226
Other trading activities	15	A3	777	1,617
Costs of raising funds	15	B1	(241,857)	(256,579)
Endowed funds converted into income			<u>50,000</u>	<u>-</u>
Net inflow for operating activities			1,484,558	1,445,264
Net outflow of operating activities			(6,475)	(17,831)
Non-operational cash flows				
Investing activities				
Investments - investment property income	15	A2	11,679	12,373
Acquisition of tangible fixed assets	9		<u>(13,026)</u>	<u>(14,744)</u>
			(1,347)	(2,371)
Financing activities				
Endowed funds converted into income			<u>(50,000)</u>	<u>-</u>
			(50,000)	-
Net cash (outflow)/inflow for the year	16		<u>(57,822)</u>	<u>(20,202)</u>

Cashflow Restrictions

Charity law prohibits the use of net cash inflows on any endowed or other restricted fund to offset net cash outflows on any fund outside its own objects, except on special authority. In practice, this restriction has not had any effect on cash flows for the year.

The notes on pages 27 to 38 form part of these financial statements

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with 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 the Republic of Ireland (FRS 102) and the Charities SORP FRS 102.

The charity is a public benefit entity as defined under FRS102.

There are no material uncertainties affecting the ability of the charity to continue as a going concern.

- b) Income is accounted for as receivable once there is a reasonable certainty of the probable economic benefit from the resource and the amount can be reliably measured. Income from donations is included when these are receivable, except as follows:

I. When donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;

II. When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred until the pre-conditions have been met.

- c) Expenditure is recognised in the period in which a legal or constructive obligation arises. Expenditure includes attributable VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and this has been included in those cost categories. Other costs, which are attributable to more than one category, are apportioned across cost categories on the basis of workload surveys carried out from time to time.

- d) Grants payable are charged in the year when the offer is conveyed to the recipient.
- e) Functional fixed assets are held at cost less accumulated depreciation. Assets costing less than £500 are generally not capitalised.

Depreciation is calculated so as to write off the cost of an asset, less its estimated ultimate residual value, over the useful life of that asset as follows:

Leasehold improvements - straight line over the length of the lease to the break clause

Office equipment - 33% p.a. straight line

Office furniture - 25% p.a. straight line

- f) Stock is held at the lower of cost, including irrecoverable VAT, and net realisable value.
- g) Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.
- h) Unrestricted funds can be used in accordance with the charitable objects at the discretion of the board of trustees.
- i) Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- j) Property donated to the charity has been included as an expendable endowment and is being used to generate income for the charity. There is no legal requirement to hold the property for this purpose (and therefore, it is not permanently endowed), but the Trustees believe this use is in line with intentions of the donor in the medium term.
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SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (*continued*)

- k) The charity contributes to defined contribution pension schemes. Contributions payable to the charity's pension schemes are charged to the Statement of Financial Activities in the period to which they relate.
- l) Investments are included at market value at 31 December. The SOFA includes the net gains and losses arising on revaluations and disposals during the year.

Investment properties are included at open market value. The current carrying value represents the value to the charity of the donated property as at 12 June 2015, the date of the donation. Valuations will be carried out every five years with an informal annual review to ensure no material change in valuation has occurred.

2 Donations and gifts

	Unrestricted	Restricted	Endowment	Total Funds	Total Funds
				2017	2016
	£	£	£	£	£
General Donations	868,087	-	-	868,087	1,023,590
SAT-7 UK Trust Development	-	101,926	-	101,926	104,828
SAT-7 ARABIC	-	54,335	-	54,335	42,393
SAT-7 KIDS	-	166,072	-	166,072	187,172
SAT-7 PARS	-	77,238	-	77,238	74,187
SAT-7 TURK	-	109,005	-	109,005	63,413
SAT-7 International Trust - other	-	53,366	-	53,366	72,683
UK nationals working for SAT-7 internationally	-	83,743	-	83,743	56,275
My School	-	4,438	-	4,438	53,320
SAT-7 ARABIC - Guardians of Ancora	-	-	-	-	25,000
Education programming	-	57,198	-	57,198	-
SAT-7 ACADEMY	-	99,765	-	99,765	-
	<u>868,087</u>	<u>807,086</u>	<u>-</u>	<u>1,675,173</u>	<u>1,702,861</u>

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

3 Expenditure

	Grants payable	Direct costs	Support costs (note 4)	Total 2017	Total 2016
	£	£	£	£	£
<i>Raising funds</i>					
Staff costs (Great Britain & Ireland)	-	138,467	9,791	148,258	124,679
Promotional activities	-	46,594	-	46,594	83,804
Office costs (Great Britain & Ireland)	-	-	44,358	44,358	52,481
	-	185,061	54,149	239,210	260,964
<i>Charitable activities</i>					
SAT-7 UK Trust (Great Britain & Ireland)	-	-	369,755	369,755	308,629
SAT-7 International Trust (ARABIC, PARS, KIDS, TURK)	1,062,714	-	-	1,062,714	1,017,086
UK nationals working for SAT-7 internationally	53,240	-	-	53,240	133,775
	1,115,954	-	369,755	1,485,709	1,459,490
	1,115,954	185,061	423,904	1,724,919	1,720,454

Grants to SAT-7 International Trust consist of restricted grants for specific projects and unrestricted grants to be used by SAT-7 International Trust in fulfilling their charitable activities.

4 Support costs

	Raising funds	Charitable activities	Total 2017	Total 2016
	£	£	£	£
Staff costs and staff related costs	9,791	211,685	221,476	187,577
Premises expenses	3,794	4,985	8,779	13,559
Admin expenses	40,564	134,609	175,173	154,407
Depreciation	-	5,970	5,970	1,803
Governance costs	-	12,506	12,506	15,279
	54,149	369,755	423,904	372,625

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

5 Net (expenditure)/income for the year

This is stated after charging:

	2017	2016
	£	Restated £
Depreciation	5,970	1,803
Auditor's fees:		
For audit services	3,870	3,250
For accountancy services	1,800	1,750
For other services	1,171	3,166
Prior-year under accrual	508	376
Payments of Trustees' travel expenses	1,730	2,411

4 trustees have been reimbursed for their out of pocket travel expenses (2016: 5). No Trustee received any remuneration during the year.

Aggregate donations from Trustees and related parties in the year were £28,905 (Restated 2016: £87,945).

6 Staff costs and numbers

The aggregate payroll costs were:

	2017	2016
	£	Restated £
Wages & salaries	294,885	253,027
Social security costs	21,557	18,712
Pension contributions	14,259	11,169
Benefits	737	704
	<u>331,438</u>	<u>283,612</u>
Remuneration and benefits received by key management personnel	<u>77,814</u>	<u>55,732</u>

No employee received emoluments of more than £60,000.

The average weekly number of employees based on headcount during the year was as follows:

	2017	2016
	No.	No.
Director	1.5	1.0
Development staff	9.5	8.8
Administrators	4.5	3.1
	<u>15.5</u>	<u>12.9</u>

The average weekly number of employees calculated on the basis of full time equivalents during the year was 11.4 (2016: 9.4).

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

7 Taxation

The charity is exempt from corporation tax on its charitable activities.

8 Fund analysis comparative figures

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2016 £
Income and endowments from:				
Donations and legacies	1,023,590	679,271	-	1,702,861
Investments	12,373	-	-	12,373
Other trading activities	1,617	-	-	1,617
Total income funds	1,037,580	679,271	-	1,716,851
Expenditure on:				
Raising funds	260,964	-	-	260,964
Charitable activities	780,219	679,271	-	1,459,490
Total expenditure	1,041,183	679,271	-	1,720,454
Net income/(expenditure) and net movement in funds	(3,603)	-	-	(3,603)
Funds brought forward at 1 January	157,478	-	290,969	448,447
Funds carried forward at 31 December	153,875	-	290,969	444,844

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

9 Tangible fixed assets

	Leasehold Improvements £	Office Equipment £	Office Furniture £	Total £
Cost				
At 1 January 2017	-	22,232	4,958	27,190
Additions	3,360	2,658	7,008	13,026
Disposals		(1,499)	(458)	(1,957)
At 31 December 2017	<u>3,360</u>	<u>23,391</u>	<u>11,508</u>	<u>38,259</u>
Depreciation				
At 1 January 2017	-	11,018	1,010	12,028
Disposals	-	(1,512)	(455)	(1,967)
Depreciation	181	4,371	1,418	5,970
At 31 December 2017	<u>181</u>	<u>13,877</u>	<u>1,973</u>	<u>16,031</u>
Net book value				
At 31 December 2017	<u>3,179</u>	<u>9,514</u>	<u>9,535</u>	<u>22,228</u>
At 31 December 2016	<u>-</u>	<u>11,214</u>	<u>3,948</u>	<u>15,162</u>

10 Investments

	Investment properties £	2017 £	2016 £
Market Value at 1 January & 31 December	150,000	150,000	150,000
Historical cost at 31 December	150,000	150,000	150,000

11 Debtors

	2017 £	2016 £
Other debtors	1,088	1,318
Prepayments	10,612	11,499
Tax reclaimable under Gift Aid	11,918	12,620
	<u>23,618</u>	<u>25,437</u>

12 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	15,074	33,494
Accruals and deferred income	17,460	12,674
Other creditors	2,941	4,878
	<u>35,475</u>	<u>51,046</u>

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

13 Commitments under operating leases

At 31 December 2017 the charitable company had total minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	Land & Buildings	Land & Buildings Restated
	£	£
Within 1 year	13,368	9,056
2 to 5 years	28,817	41,180
Over 5 years	-	1,005

14 Contingent liability

SAT-7 UK Trust Limited acted as guarantor for a loan taken out by PARS Media Trust (Charity number 1146242), of which £13,000 (2016: £25,000) is outstanding.

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

15 Reconciliation of the Statement of Financial Activities to the Cash Flow Statement

	SOFA	Debtors adjustment	Creditors adjustment	Cashflow
Income from:				
Donations and legacies	1,675,173			
Decrease in tax reclaimable under Gift Aid		702		
Movement in other debtors and prepayments		(237)		1,675,638 A1
Investments	11,679			11,679 A2
Other trading activities	787			
Gain on disposal of tangible fixed asset	(10)			777 A3
Expenditure from:				
Raising funds	(239,210)			
Decrease in stock	276			
Movement in other debtors and prepayments		(460)		
Decrease to accruals			(2,463)	(241,857) B1
Charitable activities	(1,485,709)			
Depreciation eliminated	5,970			
Movement in other debtors and prepayments		1,814		
Increase in trade and other creditors			(20,357)	
Increase to accruals			7,249	(1,491,033) B2
Balance sheet movements		<u>1,819</u>	<u>(15,571)</u>	

16 Analysis of changes in cash during the year

	2017 £	2016 £	Change £
Cash at bank and in hand	<u>246,227</u>	<u>304,049</u>	<u>(57,822)</u>
	2016 £	2015 £	Change £
Cash at bank and in hand	<u>304,049</u>	<u>324,251</u>	<u>(20,202)</u>

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

17 Movement in funds

Year ended 31 December 2017	At 1-Jan 2017 £	Income £	Expenditure £	Transfers £	At 31-Dec 2017 £
Endowment funds					
Expendable endowment	290,969	-	-	(50,000)	240,969
	<u>290,969</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>240,969</u>
Restricted funds					
SAT-7 UK Trust Development	-	101,926	(101,926)	-	-
SAT-7 ARABIC	-	54,335	(54,335)	-	-
SAT-7 KIDS	-	166,072	(166,072)	-	-
SAT-7 PARS	-	77,238	(77,238)	-	-
SAT-7 TURK	-	109,005	(109,005)	-	-
SAT-7 International Trust - other UK nationals working for SAT-7 internationally	-	53,366	(53,366)	-	-
My School	-	83,743	(83,743)	-	-
Education programming	-	4,438	(4,438)	-	-
SAT-7 ACADEMY	-	57,198	(57,198)	-	-
	<u>-</u>	<u>807,086</u>	<u>(807,086)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	130,308	880,553	(854,390)	-	156,471
Designated funds: Development in the UK	23,567	-	(63,443)	50,000	10,124
	<u>153,875</u>	<u>880,553</u>	<u>(917,833)</u>	<u>50,000</u>	<u>166,595</u>
Total funds	<u>444,844</u>	<u>1,687,639</u>	<u>(1,724,919)</u>	<u>-</u>	<u>407,564</u>

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

17 Movement in funds (continued)

Year ended 31 December 2016	At 1-Jan 2016 £	Income £	Expenditure £	Transfers £	At 31-Dec 2016 £
Endowment funds					
Expendable endowment	290,969	-	-	-	290,969
	<u>290,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,969</u>
Restricted funds					
SAT-7 UK Trust Development	-	104,828	(104,828)	-	-
SAT-7 ARABIC	-	42,393	(42,393)	-	-
SAT-7 KIDS	-	187,172	(187,172)	-	-
SAT-7 PARS	-	74,187	(74,187)	-	-
SAT-7 TURK	-	63,413	(63,413)	-	-
SAT-7 International Trust - other	-	72,683	(72,683)	-	-
UK nationals working for SAT-7 internationally	-	56,275	(56,275)	-	-
My School	-	53,320	(53,320)	-	-
SAT-7 ARABIC - Guardians of Ancora	-	25,000	(25,000)	-	-
	<u>-</u>	<u>679,271</u>	<u>(679,271)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	143,911	1,037,580	(1,041,183)	(10,000)	130,308
Designated funds: Development in the UK	13,567	-	-	10,000	23,567
	<u>157,478</u>	<u>1,037,580</u>	<u>(1,041,183)</u>	<u>-</u>	<u>153,875</u>
Total funds	<u>448,447</u>	<u>1,716,851</u>	<u>(1,720,454)</u>	<u>-</u>	<u>444,844</u>

Endowment funds

Expendable endowment

Property donated to the charity has been included as an expendable endowment and is being used to generate income for the charity. There is no legal requirement to hold the property for this purpose (and therefore, it is not permanently endowed), but the Trustees believe this use is in line with intentions of the donor in the medium term. During 2017, the board transferred £50,000 of the expendable endowment fund to a designated fund for the purpose of SAT-7 UK development.

Restricted funds

SAT-7 UK Trust Development

Fund for the operational and developmental cost of SAT-7 UK Trust in GB and Ireland including Plan for Growth.

SAT-7 International Trust - other

Fund for the operating costs of SAT-7 across all channels and regions.

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

17 Movement in funds (*continued*)

SAT-7 PARS	Fund for the operational costs of SAT-7's Farsi language channel.
SAT-7 ARABIC	Fund for the operational costs of SAT-7's Arabic language channel for young people and adults (over 16 years).
SAT-7 KIDS	Fund for the operational costs of SAT-7's children channel broadcasting in Arabic.
SAT-7 TÜRK	Fund for the operational costs of SAT-7's Turkish language channel.
UK nationals working for SAT-7 internationally	Fund for the costs of UK nationals working for SAT-7 internationally.
My School	Educational series specifically for refugee children.
SAT-7 ARABIC - Guardians of Ancora	A joint project with Scripture Union to create an Arabic version of their game Guardians of Ancora for the MENA region.
Education programming	Education programming across all of SAT-7's channels and language groups.
SAT-7 ACADEMY	The Arabic language education channel.

Designated fund

This applies to funds given for general purposes but designated to a particular purpose by a resolution passed by the Trustees of SAT-7 UK Trust. This year there have been designated funds agreed for the development of SAT-7 in the UK.

18 Analysis of net assets between funds

	Investments	Tangible Fixed assets	Other Net assets	Total
	£	£	£	£
As at 31 December 2017				
Endowment fund				
Expendable endowment	150,000	-	90,969	240,969
	<u>150,000</u>	<u>-</u>	<u>90,969</u>	<u>240,969</u>
Unrestricted funds				
General funds	-	22,228	134,243	156,471
Designated funds	-	-	10,124	10,124
	<u>150,000</u>	<u>22,228</u>	<u>235,336</u>	<u>407,564</u>

SAT-7 UK Trust Limited (formerly SAT-7 Trust Limited)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

18 Analysis of net assets between funds (*continued*)

	Investments	Tangible Fixed assets	Other Net assets	Total
	£	£	£	£
As at 31 December 2016				
Endowment fund				
Expendable endowment	150,000	-	140,969	290,969
	<u>150,000</u>	<u>-</u>	<u>140,969</u>	<u>290,969</u>
Unrestricted funds				
General funds	-	15,162	115,146	130,308
Designated funds	-	-	23,567	23,567
	<u>150,000</u>	<u>15,162</u>	<u>279,682</u>	<u>444,844</u>

19 Company limited by guarantee

The company is limited by guarantee and as such has no issued share capital. In the event of the company being wound up the liability of the members is limited to £1 each.

20 Funds held as a custodian for others

At the year end, the charity held £105,515 (2016: £16,006) of cash balances under the control of SAT 7 International Trust, and £nil (2016: £8,112) of cash balances under the control of SAT-7 USA. These balances have been excluded from the balance sheet.

In the year funds were received on behalf of SAT-7 International Trust totalling £1,069,072. Payments made as a custodian trustee on behalf of SAT-7 International Trust totalled £979,563.

In the year funds were received on behalf of SAT-7 USA totalling £765. Payments made as a custodian trustee on behalf of SAT-7 USA totalled £8,877.

Further details of the custodian trustee relationships can be found within the trustees' report.