



SAT-7 UK Trust Limited

(A Company Limited by Guarantee)

Company Registration No 03301736
Registered Charity no 1060612

Report of the Trustees and Accounts

For the Year Ended

31st December 2018

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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 2018

Company Information

Registered name	SAT-7 UK Trust Limited, also known as 'SAT-7 UK'
Registered charity number	1060612
Registered company number	03301736
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
Chief Executive Officer	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 J Clark, Mr S Dengate, Mr C Miles, Mr M Haines, Mr R Giles, Mr O Morris

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

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 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (FR102 SORP) 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.

In early 2019 the Charity Commission gave consent to a proposed change to the charity's objects. The new objects were approved by a directors' resolution on February 14, 2019. The change in the charity's objects is not reflective of any change in the substantive activities of the charity, nor will it cause any detriment or change to its existing beneficiaries. The broadcasting of education, healthcare and social development programming have been longstanding and important aspect of SAT-7's work in the Middle East and North Africa. By broadening the objects to encompass these from the sole object of "*the advancement of the Christian faith*", SAT-7 UK intends to more transparently reflect the range of activities already carried out by the charity whilst recognising that all SAT-7 does is motivated by and an expression of the Christian faith.

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 2018 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 online via channel specific 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 websites 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'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, working through partner organisations 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 UK in Great Britain and Ireland effectively, to make it a commonly known, clearly understood, and widely supported inter-denominational Christian charity.

SAT-7 UK TRUST LIMITED

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 2018 no changes were made to the board of trustees.

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, 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 sets the strategic direction of the charity, agreeing financial plans and assessing the risk implications. The Board have delegated overall management of the charity to the 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 Chief Executive Officer.

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 £1,322,804 to SAT-7 International during 2018.

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. During 2018, as part of the trustees away days in October, using a Responsibility Assignment Matrix (RACI) the role and responsibilities of trustees were updated, and a new trustee skills matrix developed.

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. During 2018 a significant review of the risk register took place. The trustees are satisfied that the register manages the key risks to the operations of

SAT-7 UK. Risks are monitored at each board meeting with an annual formal review of the full risk register.

The trustees are 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 Council of SAT-7 International makes every effort to reduce these risks through its strict ethos and programming policy which ensures that SAT-7 broadcasts are culturally relevant, do not speak against other religions, do not make political statements and make 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.

Christian satellite television in the Middle East and North Africa

A unique opportunity

Satellite television has been the main source of information and entertainment for people throughout the Middle East and North Africa (MENA) for many years. No other medium reaches so many people: almost 100 per cent of homes have at least one television, and 72 per cent of Middle Easterners watch via satellite. Moreover, the signal transmits directly from the satellite to the receiver in the home, so governments can neither censor broadcasts nor monitor viewers. This technology undoubtedly provides one of the most significant opportunities for sharing Christian content with the 560 million people of the region, many of whom are otherwise unable to access it.

SAT-7's programmes air 24 hours a day, 7 days a week, on four satellite television channels that broadcast throughout the region, from Casablanca to Tehran and from Istanbul to Darfur. As such it is uniquely and strategically placed to share the message of Christ's love and peace in a region torn apart by hatred and violence, to strengthen the Church so it can thrive and serve others, to support vulnerable groups such as women and children, and to stimulate positive social change in the wider culture.

According to independent IPSOS estimates from 2016 and 2018:

- SAT-7 is watched by more than **25 million** Arabic-, Farsi- and Turkish-speaking viewers across the region
- SAT-7's Arabic-language channels have a combined audience of almost **21.5 million viewers**, and around **30 million** people in the MENA are aware of this channel
- SAT-7's "Madrasati" (*My School*) educational programme for children of reception age and above was watched by over **1.5 million viewers** in the MENA in the past year

SAT-7's channels are also distinct from other Christian broadcasters in the region because more than 80 per cent of its programmes are created in the Middle East, by Christians of the Middle East, in studios in Egypt, Lebanon, Cyprus and Istanbul. (Programmes for Iran are also produced in SAT-7's studio in London.) As a result, its programmes are expertly contextualized, easily understood and culturally sensitive to the population; they engage

powerfully and credibly with their viewers and have a significant impact upon them. SAT-7 receives thousands of letters, emails, messages and phone calls from its viewers each month testifying to the effect of its programmes and the help and support they have derived from the content.

Four distinctive channels

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



SAT-7 ARABIC broadcasts via the Nilesat (E7WA) satellite to 22 Arabic-speaking countries in the MENA.



SAT-7 KIDS broadcasts via the Nilesat (E7WA) satellite and was the first Arabic Christian channel dedicated exclusively to children and young people.



SAT-7 PARS is a Persian-language Christian television channel, broadcasting via Yahsat 13 and Eutelsat Hot Bird satellites into Iran, Afghanistan, Tajikistan and beyond.



SAT-7 TÜRK is the only Christian channel broadcasting on Türksat, the national satellite, and has more than 50 million potential viewers in Turkey alone.

SAT-7 ACADEMY: A viewer survey carried out in 2018 indicated almost all SAT-7 ACADEMY viewers also watch the SAT-7 ARABIC and SAT-7 KIDS channels. The results of this research lead SAT-7 ACADEMY to strategically changed direction to reach more people. Hence, since 1st November 2018, SAT-7 ACADEMY ceased broadcasting as a standalone channel, instead SAT-7's educational and social development programmes have been shown on SAT-7 ARABIC and SAT-7 KIDS under a new SAT-7 ACADEMY brand, in specially designated schedule blocks. As Dr Terence Ascott, SAT-7's Founder, states, "By broadcasting our SAT-7 ACADEMY educational and social impact programming on these two channels, we will be reaching larger and better segregated audiences than was possible from a separate, single channel."

SAT-7 International Strategic programming goals

1. Making the Gospel visible to more people across the MENA

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's programmes are available through social media platforms including Facebook and YouTube. SAT-7's Facebook pages have followers in excess of 2.2 Million with a total of 34.5 Million "views" of videos on Facebook during 2018. The "views" of SAT-7's YouTube videos continue to grow, are attracted 37 million views in 2018.

SAT-7 KIDS has been providing spiritual support and Christian education to Arabic-speaking Christian children and their families for the past 11 years. IPSOS research carried out in 2018 demonstrated that an estimated 9.4 million adults knew of SAT-7 KIDS. The number of viewers has increased by 21 per cent in two years, from 4.6 million in 2016 to 5.6 million in 2018, and more than 60 per cent of parents surveyed believe that the channel is helping their children.

Since June 2017 SAT-7 PARS has been broadcasting on a new satellite, Yahsat. This has a wide audience in Iran and greater visibility in Afghanistan and Tajikistan than the Hotbird satellite, which the channel also uses. Additionally, because of its strong, concentrated beam, Yahsat requires only a small receiver dish, which is advantageous in Iran where satellite television is officially forbidden (though this law is only sporadically enforced). Although it is hard to gauge the true size of the new audience, the indications exceed expectations: viewer response doubled from 2016 to 2017, and the number of contacts from Afghanistan rose from fewer than 10 in 2016 to over 370 in 2018.

SAT-7 TÜRK aims to share news about Christians, and to make sure that the voices of Christians are heard by a wider audience. The channel counters the misinformation people have about Christianity by sharing real-life stories of Christians and the problems they face. Broadcasting high-quality news also engages new audiences and gains the trust of viewers, which enables the channel to reach more people.

"I thank God for the work that this channel is doing. I am so happy that you exist. You communicate love, hope and mercy to people. I'm praying for you, thanking God for all of you. May He bless and protect you" – Abbas, Turkey

In 2018 SAT-7 TÜRK produced 9.5 per cent more programmes compared to 2017. The channel's audience has been steadily growing, as evidenced by the increase in viewer contact. During this period there was a 169 per cent increase in phone calls (2017: 764, 2018: 2056), a 116 per cent increase in Facebook comments (2017:1854, 2018: 4008) and an 83 per cent increase in e-mails sent to the channel (2017: 204, 2018: 373). High-quality news broadcasts also engage new audiences and gain viewers' trust, which enables the channel to reach more people.

2. Encouraging, supporting and empowering believers

Because of all the turmoil and suffering in the MENA, Christians often struggle with their faith. Many are also seeking spiritual teaching to help them grow in their discipleship and be of service to others. SAT-7 offers a variety of programmes that teach what it means to be an authentic Christian; they answer viewers' questions, clarify the many common misconceptions about the Christian faith and provide an opportunity to join other believers in prayer and worship.

Programme Example: Live programme A Needle and New Thread explores personal issues and taboos that women and girls experience in their societies.

Of the 560 million people who live in the MENA, only around 3.5 per cent are Christian. Many are isolated or face various forms of religious oppression and persecution. Through SAT-7's programmes, presenters support suffering believers by explaining what the Bible says about the suffering they may face and encouraging them to stay faithful in the midst of their struggles. The broadcasts also assure them that they have not been forgotten by the global body of Christ.

SAT-7 TÜRK aims to make sure that the voices of Christians are heard by a wider audience, and to counter misinformation about Christianity by sharing real-life stories of Christians and the problems they face.

Programme Example: Weekly live programme Worldview evaluates world events from a Christian point of view, analysing and discussing the news in depth.

Persian Christian resources are limited and difficult to access. Most people in Iran do not own a Bible; nor do they have access to online Christian resources owing to internet censorship. SAT-7 PARS provides biblical teaching for Farsi-speaking believers, as well as a range of other Persian-language programmes to support them in their worship and growth.

"Greetings to all my dear fellow Christians. I wanted to thank all of you for all your hard work and that our belief in Jesus has been strengthened through your programmes and your channel. We love all of you and I pray that one day I will be able to go to Church like all of you." M, Iran

Programme Example: Question Mark is a 90-minute live show that teaches and answers questions that seekers and Christian believers face in their spiritual journey. The programme prioritises answering questions viewers send/phone in live on air.

3. Providing a safe place for children

Because Christian families are a minority in the MENA, the culture surrounding them is rooted in another way of life. Few school curricula include any teaching on Christianity and its rich heritage in the region. Christian parents therefore need help and guidance in raising their children with a biblical foundation and helping them to stay faithful in a difficult environment.

"Thank you for this wonderful channel and the beautiful ministry you offer to our children. It's my children's favourite channel, and as parents, we feel safe when they are in front of the TV watching SAT-7 KIDS. May God reward you and bless your ministry." H, Egypt

SAT-7 KIDS has been providing spiritual support and education to Arabic-speaking children and their families for the past 11 years. It offers engaging, entertaining programmes that teach children biblical values and help them develop their own faith and grow spiritually. It is also a medium for them freely and confidently to share their Christian faith.

Christ-centred children's and youth programmes are also broadcast in Turkish and Farsi on SAT-7 TÜRK and SAT-7 PARS.

Programme Example: Family of Jesus is dedicated to serving Arab children, many of whom are affected by conflict. Through live prayers and worship the programme shows children that they are loved, valued and safe in God's love.

4. Empowering and equipping women

Millions of women in the MENA face violence and oppression and lack many rights and freedoms. In many parts of the region women are forced to marry against their will, often while they are legally still children. They may also face discrimination and have few or no choices when in work or education. In some parts of the MENA, women are not allowed to leave their homes unless they are accompanied by a male guardian.

Through watching SAT-7's programmes, women become aware of their value and worth in Christ and are enabled to live lives enriched by God's love. The programmes encourage women to stay faithful to God in the midst of their challenges and promote empathy, compassion and unity amongst women across the MENA.

Comment following the *Speak Up* episode on sexual abuse: "I'm not a Christian but I want to salute you for your honesty and awareness on the topic. Harassment is this era's plague to Christians and non-Christians alike!" R, Egypt

5. Inspiring social change

As part of a mandate to minister to the whole person and contribute to wider society, SAT-7 delivers a range of social-impact programmes across all its channels to address the great and increasing needs across the region.

These programmes teach people of all ages to create a culture of acceptance, compassion, respect, self-control, wisdom, service and prayerfulness. In a region where harmful beliefs and cultures can teach people to hate from a young age, SAT-7 espouses radically different beliefs and values. We show that it is never too late to change circumstances, to bring healing and renew minds, and ultimately to transform society and change the future of the MENA.

The informative and engaging programmes are watched by people of all ages and religious backgrounds. Our social development programmes provide a unique opportunity to challenge detrimental cultural practices and bring wisdom and love into people's daily lives.

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, report on 2018

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 ambassadors. SAT-7 UK also makes applications to grant-making trusts and organisations.

The following information highlights the key activities which were undertaken during 2018.

Communication with supporters

SAT-7 UK continued to engage with supporters through a magazine (sent twice during the year), a monthly prayer diary, a monthly 'Briefing' email giving wider context to SAT-7's work, through urgent financial appeals and digitally through the website and social media. The focus of increasing profile through editorial in the Christian press continued in 2018, with articles and features in publications including, Evangelicals Now, Christian Today, WorldWatchMonitor, Church Times, Premier Radio website, War Cry, Good News newspaper, and the Magnet. We also took part in several interviews on Christian radio stations. Engagement with supporters through social media channels also increased during 2018 with the YouTube channel subscribers growing by 22%.

Engagement opportunities

Prayer has been a significant focus during 2018. Lent and Advent prayer campaigns were both integrated with the regular monthly prayer diary (sent by post and email) and have had a growing audience enabling supporters to engage more deeply with SAT-7. These campaigns included a physical prayer booklet, as well as emails, weekly texts and web pages. The Lent Prayer campaign was built around the theme 'Hear My Voice'. The campaign included voices and stories from people across the whole region of the Middle East and North Africa. The campaign also included an appeal focused specifically upon the Coptic Christians in Egypt, who have suffered increased persecution in recent years. The Advent theme was 'Hope of all the earth' with additional resources for churches including a large alternative Christmas Card, plus junior church lesson plans.

SAT-7 UK continues to benefit from a strong volunteer network of Church and Speaker Ambassadors. The programme of Ambassador training continued in 2018. Through the work of Ambassadors, staff and trustees, SAT-7 UK visited more than 100 churches during 2018 to either speak in main church services or small group meetings. Representatives from SAT-7 UK and volunteers also attended Christian conferences/festivals ranging from national to smaller regional events. A team of 29 runners, from SAT-7 UK and SAT-7 PARS London studio, were sponsored to run in the Richmond RunFest in Kew Gardens in September 2018.

SAT-7 UK sponsored fringe events at the Labour and Conservative party conferences – on issues relating to refugees, education and religious freedom – further deepening our relationships with Christian politicians and increasing our credibility in the political arena.

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

Four direct financial appeals were sent to supporters during 2018 raising over £50,000.

SAT-7 UK continues to make regular applications to grant-making trusts and organisations to secure funding for our programmes. In 2018, 74 grant-making bodies awarded grants, totalling over £630,000. Of grants awarded, 54 were below £5,000, 16 gave up to £50,000 and 4 funded grants of over £50,000. In 2018 SAT-7 submitted applications to the Department for International Development (DfID) through the UK Aid Match and UK Aid Direct funding schemes. The concept note proposal through UK Aid Direct for multimedia educational resources using SAT-7 ACADEMY was successful in being shortlisted. We went on to submit a full application which was unfortunately not successful on this occasion.

The major donor programme in 2018 exceeded all targets and even excluding one large one-off gift SAT-7 UK received 30% more cash gifts than in previous years. During 2018 one major donor also made a gift of flat to SAT-7 UK. A mid-level donor programme was launched during 2018 to deepen our engagement with more donors.

SAT-7 UK 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 – In 2019 the communications team will take the lead in developing a cross functional campaign under the ‘This is Love’ umbrella. This will have prayer, engagement and fundraising elements and will be promoted on Premier radio. The team will continue to develop a strong digital media presence for both communication and acquisition. The established programme of News & Prayer, Briefing emails and magazine will continue to deepen engagement with supporters. A new Middle East Briefing printed publication (trialled at political conferences in 2018) will also be produced with spring and autumn issues.

- **Maximising supporter engagement: building relationships**

The Engagement Team will focus on developing relationships through local churches, Christian Conferences & Networks, key church leaders & Christian influencers as well as through Christians in politics and political leaders. The team will continue to focus on providing opportunities for supporters and partners to engage with SAT-7; a further four Envision-on-the-road events are planned; work to maximise the impact of church speaking engagements through improved resources for ambassadors and church networks continues. A more focused church engagement strategy will start to be implemented during 2019 and the programme of Christian festivals and conferences we attend will seek to connect with and build on our campaigns. We will also refine the scope and shape of political and development sector engagement following our first statutory funding application in 2018.

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

The Development Team will continue to focus on increasing the number of supporters and mobilise their active engagement in creative ways. In 2019 we will strengthen our approach to donor care with particular focus on new supporters. We will continue to develop sponsored events following the successful Richmond run in 2018. In 2019 we will develop and launch a new regular giving product with a promotion campaign through Premier radio and at events. A new legacy initiative is also being developed.

Building on the successes of investing in key donor relationships in 2018 we will prioritise engaging and strengthening our relationships with donors. We will continue to strengthen our traditional base of income from Christian trusts and family foundations and seek new opportunities for funding for development projects including SAT-7 ACADEMY. Having become members of BOND (the UK's international development network) at the end of 2017, SAT-7 UK 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. The search for a new finance and/or administration manager will continue. 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. In 2018 SAT-7 UK's income was £2,221,633 (2017: £1,687,639) which includes an investment property gifted in-kind of £160,000. This was a 32% increase over the previous year with expenditure on raising funds and charitable activity in the UK of £622,831.

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 meet the planned working requirements of the charity for the next two to four months. For 2019 planned working requirements are budgeted to be £54,000 per month. The trustees are of the opinion that this level is adequate to ensure that the trust continues at a sustainable level. The trustees do not have any material uncertainties surrounding the charity continuing as a going concern, so the trustees do not consider that it is necessary to reflect within the level of reserves any estimate of the costs of closure.

At 31 December 2018 SAT-7 UK Trust ['the charity'] held total reserves of £566,711 comprising:

- The **Expendable Endowment Fund** was established to reflect the (non-binding) wish of a donor that the assets donated to the charity would be used to generate income for the charity over the long run. This fund stands at £335,969. £310,000 is held in investment property and £25,969 is held in a bank deposit account. The trustees have power to convert the investment property into income.
- The **Designated Funds** were established by the trustees to set aside funds for specific projects planned within 12 - 18 months. These funds are held in a bank deposit account. At 31 December 2018 there were two **Designated Funds** totalling £62,087. One stood at £37,087 and the other at £25,000.
- **General Unrestricted Funds** stood at £168,655 representing tangible fixed assets held for the charity's own use of £17,418 and *free reserves* of £151,237
- No **Restricted Funds** were held by the charity at 31 December 2018.

Cash at bank and in hand at 31 December 2018 amounted to £291,969. This included £25,969 in Expendable Endowment Fund, the £62,087 held in the Designated Funds. The balance of cash held being to meet the charity's creditors less receivables (debtors) at the balance sheet date and the *free reserves*.

At 31 December 2018 the *Free Reserves* standing at £151,237 therefore represented 2.8 months of expenditure on planned working requirements in 2019 which is within the range of the charity's reserves policy and considered by the trustees to be satisfactory.

When carrying out periodic reviews of the reserves held, the trustees take into account that, given the purpose of the Expendable Endowment and Designated funds, these funds could be drawn upon in the event of deterioration in the free reserves position.

The Trustees continue to keep the charity's reserves policy under review to ensure that it maintains the right level for SAT-7 UK Trust and explains to its funders, donors and beneficiaries why it is holding this level of reserves.

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 2018.

SAT-7 UK registered with the Fundraising Regulator and adheres strictly to their Code of Fundraising Practice. In 2018 there were no failures to comply with this Code of Practice. In addition, as outlined in the privacy notice we do not sell or swap data with other charities or organisations outside the SAT-7 family or make any cold telephone calls to the general public. In 2018 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 2018 received no requests through this service. During 2018, we received no formal 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.

SAT-7 UK TRUST LIMITED

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 and in 2018 a third flat was donated to SAT-7 UK. These two flats remain rented out. The flats are held as investment properties 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.

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", (FRS102 SORP).

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

SAT-7 UK TRUST LIMITED

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
Chief Executive Officer

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 2018 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 2018 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 were:

- 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 a 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 out 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.

SAT-7 UK TRUST LIMITED

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 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

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 DECEMBER 2018

		Unrestricted		Restricted	Endowment	Total Funds	Total Funds
	Note	General Funds	Designated Funds	Funds	Funds	2018	2017
		£	£	£	£	£	£
Income and endowments							
Donations and legacies	2	1,521,374	-	517,804	160,000	2,199,178	1,675,173
Investments		20,081	-	-	-	20,081	11,679
Other trading activities		2,374	-	-	-	2,374	787
Total income		1,543,829	-	517,804	160,000	2,221,633	1,687,639
Expenditure on:							
Raising funds	3	261,171	-	431	-	261,602	239,210
Charitable activities	3	1,245,474	38,037	517,373	-	1,800,884	1,485,709
Total expenditure		1,506,645	38,037	517,804	-	2,062,486	1,724,919
Net income/(expenditure)	5	37,184	(38,037)	-	160,000	159,147	(37,280)
Transfers between funds	17	(25,000)	90,000	-	(65,000)	-	-
Net movement in funds		12,184	51,963	-	95,000	159,147	(37,280)
Funds brought forward at 1 January	17	156,471	10,124	-	240,969	407,564	444,844
Funds carried forward at 31 December	17	168,655	62,087	-	335,969	566,711	407,564

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 26 to 37 form part of these financial statements
See note 8 for fund-accounting comparative figures

SAT-7 UK Trust Limited

BALANCE SHEET

AT 31 DECEMBER 2018

Company Number: 03301736

	Note	2018 £	2017 £
Fixed Assets			
Tangible fixed assets held for own use	9	17,418	22,228
Investments	10	310,000	150,000
Current assets			
Stock		757	966
Debtors	11	27,289	23,618
Cash at bank and in hand		291,969	246,227
		<u>320,015</u>	<u>270,811</u>
Creditors : Amounts falling due within one year	12	<u>(80,722)</u>	<u>(35,475)</u>
Net current assets		239,293	235,336
Net assets		<u>566,711</u>	<u>407,564</u>
Endowment funds	18	335,969	240,969
Income funds			
Unrestricted funds:			
General funds	18	168,655	156,471
Designated funds	18	62,087	10,124
Total funds		<u>566,711</u>	<u>407,564</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 26 to 37 form part of these financial statements

SAT-7 UK Trust Limited
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Operational cash flows			
Cash flows from operating activities:			
Costs of Charitable Activities	15	(1,753,407)	(1,491,033)
Net outflow from operating activities		<u>(1,753,407)</u>	<u>(1,491,033)</u>
Cash flows for operating activities:			
Donations and Legacies	15	2,041,528	1,675,638
Other trading activities	15	2,374	777
Costs of raising funds	15	(259,959)	(241,857)
Endowed funds converted into income		65,000	50,000
Net inflow for operating activities		<u>1,848,943</u>	<u>1,484,558</u>
Net outflow of operating activities		95,536	(6,475)
Non-operational cash flows			
Investing activities			
Investments - investment property income	15	20,081	11,679
Acquisition of tangible fixed assets	9	(4,875)	(13,026)
		<u>15,206</u>	<u>(1,347)</u>
Financing activities			
Endowed funds converted into income		(65,000)	(50,000)
		<u>(65,000)</u>	<u>(50,000)</u>
Net cash inflow/(outflow) for the year	16	<u><u>45,742</u></u>	<u><u>(57,822)</u></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 26 to 37 form part of these financial statements

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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 properties as at their respective dates of 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				
	General	Restricted	Endowment	Total Funds	Total Funds
	Funds	Funds	Funds	2018	2017
	£	£	£	£	£
General Donations	1,521,374	-	160,000	1,681,374	868,087
Cross Channel Projects	-	10,698	-	10,698	111,565
Cross Channel: Discipleship Programming	-	59,119	-	59,119	-
Cross Channel: Education Programming	-	7,779	-	7,779	-
Cross Channel: Women's Programming	-	102,055	-	102,055	-
SAT-7 ACADEMY	-	13,472	-	13,472	99,765
SAT-7 ACADEMY: E-Learning Platform	-	40,000	-	40,000	-
SAT-7 ARABIC	-	65,641	-	65,641	53,333
SAT-7 ARABIC: Production Vehicle	-	20,500	-	20,500	-
SAT-7 KIDS	-	25,555	-	25,555	170,510
SAT-7 PARS	-	65,562	-	65,562	77,237
SAT-7 PARS: Audience Relations	-	7,523	-	7,523	-
SAT-7 PARS: Heavenly Worship	-	5,250	-	5,250	-
SAT-7 TÜRK	-	7,495	-	7,495	109,006
UK Nationals working for SAT-7 Internationally	-	86,724	-	86,724	83,743
SAT-7 UK Development	-	431	-	431	101,927
	<u>1,521,374</u>	<u>517,804</u>	<u>160,000</u>	<u>2,199,178</u>	<u>1,675,173</u>

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

3 Expenditure

	Grants payable	Direct costs	Support costs (note 4)	Total 2018	Total 2017
	£	£	£	£	£
<i>Raising funds</i>					
Staff costs (Great Britain & Ireland)	-	167,240	5,970	173,210	148,258
Promotional activities	-	45,510	-	45,510	46,594
Office costs (Great Britain & Ireland)	-	-	42,882	42,882	44,358
	-	212,750	48,852	261,602	239,210
<i>Charitable activities</i>					
SAT-7 UK Trust (Great Britain & Ireland)	-	-	401,229	401,229	369,755
SAT-7 International Trust (ARABIC, PARS, KIDS, TURK)	1,322,804	-	-	1,322,804	1,062,714
UK nationals working for SAT-7 internationally	76,851	-	-	76,851	53,240
	1,399,655	-	401,229	1,800,884	1,485,709
	1,399,655	212,750	450,081	2,062,486	1,724,919

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 2018	Total 2017
	£	£	£	£
Staff costs and staff related costs	5,970	249,709	255,679	221,476
Premises expenses	4,456	6,965	11,421	8,779
Admin expenses	38,426	123,358	161,784	175,173
Depreciation	-	9,687	9,687	5,970
Governance costs	-	11,510	11,510	12,506
	48,852	401,229	450,081	423,904

SAT-7 UK Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

5 Net (expenditure)/income for the year

This is stated after charging:

	2018	2017
	£	£
Depreciation	9,687	5,970
Auditor's fees:		
For audit services	3,900	3,870
For accountancy services	1,500	1,800
For other services	1,636	1,171
Prior-year over accrual	-	508
Payments of Trustees' travel expenses	1,906	1,730
	<u>9,687</u>	<u>11,977</u>

5 trustees have been reimbursed for their out of pocket travel expenses (2017: 4). No Trustee received any remuneration during the year.

Aggregate donations from Trustees and related parties in the year were £48,848 (2017: £28,905).

6 Staff costs and numbers

The aggregate payroll costs were:

	2018	2017
	£	£
Wages & salaries	354,580	294,885
Social security costs	27,034	21,557
Pension contributions	16,576	14,259
Benefits	911	737
	<u>399,101</u>	<u>331,438</u>

Remuneration and benefits received by key management personnel	<u>99,817</u>	<u>77,814</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:

	2018	2017
	No.	No.
Director	2.0	1.5
Development staff	9.2	9.5
Administrators	4.0	4.5
	<u>15.2</u>	<u>15.5</u>

The average weekly number of employees calculated on the basis of full time equivalents during the year was 13 (2017: 11.4).

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

7 Taxation

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

8 Fund analysis comparative figures

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Income and endowments from:					
Donations and legacies	868,087	-	807,086	-	1,675,173
Investments	11,679	-	-	-	11,679
Other trading activities	787	-	-	-	787
Total income funds	880,553	-	807,086	-	1,687,639
Expenditure on:					
Raising funds	207,727	-	31,483	-	239,210
Charitable activities	646,663	63,443	775,603	-	1,485,709
Total expenditure	854,390	63,443	807,086	-	1,724,919
Net income/(expenditure)	26,163	(63,443)	-	-	(37,280)
Transfers between funds	-	50,000	-	(50,000)	-
Net movement in funds	26,163	(13,443)	-	(50,000)	(37,280)
Funds brought forward at 1 January	130,308	23,567	-	290,969	444,844
Funds carried forward at 31 December	156,471	10,124	-	240,969	407,564

SAT-7 UK Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

9 Tangible fixed assets

	Leasehold Improvements	Office Equipment	Office Furniture	Total
	£	£	£	£
Cost				
At 1 January 2018	3,360	23,391	11,508	38,259
Additions	987	1,958	1,930	4,875
At 31 December 2018	<u>4,347</u>	<u>25,349</u>	<u>13,438</u>	<u>43,134</u>
Depreciation				
At 1 January 2018	181	13,877	1,973	16,031
Depreciation	1,357	5,323	3,005	9,685
At 31 December 2018	<u>1,538</u>	<u>19,200</u>	<u>4,978</u>	<u>25,716</u>
Net book value				
At 31 December 2018	<u>2,809</u>	<u>6,149</u>	<u>8,460</u>	<u>17,418</u>
At 31 December 2017	<u>3,179</u>	<u>9,514</u>	<u>9,535</u>	<u>22,228</u>

10 Investments

	Investment properties	2018	2017
	£	£	£
Market Value at 1 January	150,000	150,000	150,000
Additions	160,000	160,000	-
Market Value at 31 December	<u>310,000</u>	<u>310,000</u>	<u>150,000</u>
Historical cost at 31 December	<u>310,000</u>	<u>310,000</u>	<u>150,000</u>

11 Debtors

	2018	2017
	£	£
Other debtors	2,077	1,088
Prepayments	15,644	10,612
Tax reclaimable under Gift Aid	9,568	11,918
	<u>27,289</u>	<u>23,618</u>

SAT-7 UK Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

12 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	25,252	15,074
Accruals and deferred income	12,201	17,460
Other creditors	6,537	2,941
SAT-7 International Trust	36,732	-
	<u>80,722</u>	<u>35,475</u>

13 Commitments under operating leases

At 31 December 2018 the charitable company had total minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	Land & Buildings	Land & Buildings (Restated)
	£	£
Within 1 year	13,368	13,368
2 to 5 years	51,685	53,553
Over 5 years	-	11,500
	<u>-</u>	<u>11,500</u>

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 £nil (2017: £13,000) is outstanding.

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

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

	SOFA	Debtors adjustment	Creditors adjustment	Stock adjustment	Cashflow
Income from:					
Donations and legacies	2,199,178				
Elimination of gift in kind	(160,000)				
Decrease in tax reclaimable under Gift Aid		2,350			2,041,528
Investments	20,081				20,081
Other trading activities	2,374				2,374
Expenditure on:					
Raising funds	(261,602)				
Decrease in stock				209	
Increase to accruals			1,434		(259,959)
Charitable activities	(1,800,884)				
Depreciation eliminated	9,685				
Movement in other debtors and prepayments		(6,021)			
Increase in trade and other creditors			50,506		
Decrease to accruals			(6,693)		(1,753,407)
Balance sheet movements		(3,671)	45,247	209	

16 Analysis of changes in cash during the year

	2018 £	2017 £	Change £
Cash at bank and in hand	291,969	246,227	45,742
	2017 £	2016 £	Change £
Cash at bank and in hand	246,227	304,049	(57,822)

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

17 Movement in funds

Year ended 31 December 2018	At 1 Jan 2018 £	Income £	Expenditure £	Transfers £	At 31 Dec 2018 £
Endowment funds					
Expendable endowment	240,969	160,000	-	(65,000)	335,969
	<u>240,969</u>	<u>160,000</u>	<u>-</u>	<u>(65,000)</u>	<u>335,969</u>
Restricted funds					
Cross Channel Projects	-	10,698	(10,698)	-	-
Cross Channel: Discipleship Programming	-	59,119	(59,119)	-	-
Cross Channel: Education Programming	-	7,779	(7,779)	-	-
Cross Channel: Women's Programming	-	102,055	(102,055)	-	-
SAT-7 ACADEMY	-	13,472	(13,472)	-	-
SAT-7 ACADEMY: E-Learning Platform	-	40,000	(40,000)	-	-
SAT-7 ARABIC	-	65,641	(65,641)	-	-
SAT-7 ARABIC: Production Vehicle	-	20,500	(20,500)	-	-
SAT-7 KIDS	-	25,555	(25,555)	-	-
SAT-7 PARS	-	65,562	(65,562)	-	-
SAT-7 PARS: Audience Relations	-	7,523	(7,523)	-	-
SAT-7 PARS: Heavenly Worship	-	5,250	(5,250)	-	-
SAT-7 TÜRK	-	7,495	(7,495)	-	-
UK Nationals working for SAT-7 Internationally	-	86,724	(86,724)	-	-
SAT-7 UK Development	-	431	(431)	-	-
	<u>-</u>	<u>517,804</u>	<u>(517,804)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General funds	156,471	1,543,829	(1,506,645)	(25,000)	168,655
Designated funds: Development in the UK	10,124	-	(38,037)	90,000	62,087
	<u>166,595</u>	<u>1,543,829</u>	<u>(1,544,682)</u>	<u>65,000</u>	<u>230,742</u>
Total funds	<u>407,564</u>	<u>2,221,633</u>	<u>(2,062,486)</u>	<u>-</u>	<u>566,711</u>

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

17 Movement in funds (continued)

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					
Cross Channel Projects	-	111,565	(111,565)	-	-
SAT-7 ACADEMY	-	99,765	(99,765)	-	-
SAT-7 ARABIC	-	53,333	(53,333)	-	-
SAT-7 KIDS	-	170,510	(170,510)	-	-
SAT-7 PARS	-	77,237	(77,237)	-	-
SAT-7 TÜRK	-	109,006	(109,006)	-	-
UK Nationals working for SAT-7 Internationally	-	83,743	(83,743)	-	-
SAT-7 UK Development	-	101,927	(101,927)	-	-
	<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>

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 2018, the board transferred £65,000 (2017: £50,000) of the expendable endowment fund to a designated fund for the purpose of SAT-7 UK development.

Restricted funds

Cross Channel Projects

Fund for the operating costs of SAT-7 and specific projects that cross all channels and regions.

Cross Channel: Discipleship
Programming

Fund for discipleship and bible teaching programming across all of SAT-7's channels and language groups.

SAT-7 UK Trust Limited

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

17 Movement in funds (*continued*)

Cross Channel: Education Programming	Fund for education programming across all of SAT-7's channels and language groups.
Cross Channel: Women's Programming	Fund for programming to support vulnerable and marginalised women across all of SAT-7's channels and language groups.
SAT-7 ACADEMY	Fund for the operational costs of SAT-7's education and development programming broadcasting in Arabic on SAT-7 KIDS and SAT-7 ARABIC.
SAT-7 PARS	Fund for an web based interactive platform to deliver SAT-7's education and development programming in Arabic.
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 ARABIC: Production Vehicle	Fund for the purchase of a minivan to transport SAT-7 crew to events.
SAT-7 KIDS	Fund for the operational costs of SAT-7's children channel broadcasting in Arabic.
SAT-7 PARS	Fund for the operational costs of SAT-7's Farsi language channel.
SAT-7 PARS: Audience Relations	Fund for the audience response team for in Farsi language broadcasts.
SAT-7 PARS: Heavenly Worship	Fund for a live worship and prayer programme in Farsi broadcast on SAT-7 PARS.
SAT-7 UK Development	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.
SAT-7 UK Development	Fund for the operational and developmental cost of SAT-7 UK Trust in GB and Ireland.

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.

SAT-7 UK Trust Limited
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

18 Analysis of net assets between funds

	Investments £	Tangible Fixed assets £	Other Net assets £	Total £
As at 31 December 2018				
Endowment fund				
Expendable endowment	310,000	-	25,969	335,969
	<u>310,000</u>	<u>-</u>	<u>25,969</u>	<u>335,969</u>
Unrestricted funds				
General funds	-	17,418	151,237	168,655
Designated funds	-	-	62,087	62,087
	<u>310,000</u>	<u>17,418</u>	<u>239,293</u>	<u>566,711</u>
	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>

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 £183,415 (2017: £105,515) of cash balances under the control of SAT 7 International Trust. These balances have been excluded from the balance sheet.

In the year funds were received on behalf of SAT-7 International Trust totalling £1,243,566. Payments made as a custodian trustee on behalf of SAT-7 International Trust totalled £1,165,666.

In the year no funds were received on behalf of SAT-7 USA (2017: £765). No payments were made as a custodian trustee on behalf of SAT-7 USA (2017: £8,877).

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