

YEAR END ACCOUNTS

2017

Stichting Hour of Power

**situated at Baarn
Netherlands**

STICHTING HOUR OF POWER

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STICHTING HOUR OF POWER

1.1 Management report

Name organization:

Stichting Hour of Power, based in Baarn

Registration Chamber of Commerce: 41225668

RSIN-number 8001.87.155

Board of directors and management

J. S. van den Bosch (president)

R. Jacobson (vice president)

Rev. R.V. Schuller (member)

The management was conducted as per December 31st, 2017 by:

C. Tims

Objective

Hour of Power aims to inspire people to respect the mission Know God, love people and serve your neighbor by maintaining a positive and strong relationship with Jesus Christ.

Hour of Power seeks to achieve this objective by broadcasting a church service on RTL 5 (Sunday at 8.00 and 9.00), Family 7 (5 pm) and Surinam television (5 pm). In this broadcast the positive gospel of Jesus Christ is proclaimed in an accessible and modern way. The services are led by Bobby Schuller and the broadcasts are transmitted from Shepherd's Grove. With the program, we hope to provide tools that people can use in their daily lives. The pay-off of Hour of Power in the Netherlands is "Je bent geliefd". This core value we carry out in all our activities. The foundation is based on the objectives of the Crystal Cathedral Ministries at Huntington Beach, California , USA, and has a strong cooperation with this organization.

Policy Brief

With the above ideal objective Hour of Power reaches out to the widest possible group of viewers with the message of Faith, Hope and Love according to the Gospel of Jesus Christ: from Christians to whom Hour of Power provides doctrine and depth, to a broad group of people looking for answers in spiritual sense (seekers). Hour of Power also fulfills a social need.

A lot of elderly, who because of health reasons cannot go to church anymore, have a great need for watching our program. We also receive lots of positive messages from prisons, retirement homes and hospitals.

In order to achieve all of this a continuity of our ministry is necessary. In early 2014 the Centraal Bureau voor Fondsenwerving (Central office of Fundraising) reported that donations to charity show a downward trend. Although the results have improved since 2015, Hour of Power has strongly felt the effects of the economic recession in recent years.

The decline in the number of donors has resulted in less available budget. Given the fluctuation of number of donors over the past few years, the foundation has formulated a measurable target of recruiting at least 1,000 new donors each year.

The policy for years to come, can be summarized as "do more with less" in order to continue the broadcasts.

We refer to our website for more information about our organization and a list of activities that the Hour of Power is doing in the field of fundraising. Recurring elements include supporter's campaigns (two times per year), TV-advertising, ads, social media activities, concerts and other events.

STICHTING HOUR OF POWER

1.1 Management report

Goals

Our goal for the new year is to achieve 5% more donors and increase revenues. Key focus and major challenge are reducing the annual decline in number of recorded donors. Although financial results are positive, it is important the number of donors does not drop further. Partly this will be achieved by reaching new viewers through rejuvenation. This rejuvenation is already deployed with the regular use of social media such as Facebook, Twitter and YouTube. We conclude an upward trend in the number of 'likes' and comments. A social media plan should provide depth with even greater growth as a result. The overall goal is a healthy business, growth of revenues so the reservations can be replenished and keep Hour of Power a financially solid organization. Secondary, our long-term goal is to grow in funds so we can explore new grounds in order to reach more people. A clear strategy, a financial plan and a marketing and social plan will support this endeavor.

All goals we set must be measurable according to the SMART principle.

Remuneration policy:

All board positions are unpaid.

Hour of Power has one full-time and seven part-time employees. Further on Hour of Power is working with several volunteers.

Report activities:

Fundraising - a donors campaign is developed and implemented twice per year. There are several different and complementary activities with objectives 1) more viewers 2) more donors 3) additional or increased donations 4) maintaining relationships with our donors 5) new addresses (prospective donors) and 6) return on investment of all our activities.

Activities for donors - six times per year a print newsletter (Hope Magazine) is sent out to our regular donors. A quite substantial group of loyal donors receives an email newsletter every week. Resources used for this include our TV program, Hour of Power website, e-mails, social media, direct mailings and TV spots.

Products - Hour of Power Netherlands decided to outsource the entire webshop: publishing, storage, administration and shipment. This way 1) HOP NL is able to focus even more on the broadcast, 2) there will be no investment risks and 3) no storage costs.

Another improvement is that all of our products are now available in nearly every Dutch Christian bookstore and also in some large secular (online) bookstores, which is good for our branding and generate new addresses. The starting point of this partnership is a royalties based revenue model.

Events - On annual bases HOP organizes various events: from concerts to meet&greet with Bobby Schuller and participation in various fairs etc. In particular, the (Christmas) concerts where music and atmosphere are decisive, are well known to HOP viewers and visitors.

Pastoral care - De Hooplijn (Hope Line) is a hotline of twenty counselors who are trained to speak to people in need. We provide pastoral care to those who request it. The character of the helpline is informative and not advisory. Guidance is a listening ear.

Prayer Team - Hour of Power has a group volunteers of about 140 people who will pray for people's prayer requests through out the week.

Financial accountability - Our annual report can be found on our website under 'financial report'.

STICHTING HOUR OF POWER

1.1 Management report

Risk policy

In 2016 risk management has been updated. Risk management refers to:

- Financial and reputation risks in relation to the spending of project resources. The effects of risks in this area are high; the chance of risks occurring is rated as small. There have been taken sufficient mitigation measures.
- The risks in relation to financial management and administration of funds. The effects of risks in this area are limited; the chance of risks occurring is rated as small. There have been taken sufficient mitigation measures.
- Risks related to IT. The effects of risks in this area are high; the chance of risks occurring is assessed as average. There have been taken sufficient mitigation measures.

Policy on size and function freely disposable assets

For now we consider the freely disposable assets to be sufficient. It is intended to accommodate (un)foreseeable risks.

Closing statement

After a few years of turbulence we can conclude to say that 2017 was a positive and healthy year. Same as 2016, the focus of all of our activities was more than ever on the core of our ministry: the television broadcast.

Keywords for this strategy are: outsourcing, efficient workflows and measurable targets. Along with an unaltered cost-aware policy, we reached our targets and sailed into a plus.

We are grateful to see that our ministry has still the potential to grow and is continuing to appeal to a wide audience. Ultimately, our main goal is to reach as many people as possible with the Good News of Jesus Christ.

We do thank all our employees and volunteers for their hard work, each with its own skill and potential. We have grown closer as a team which clearly gets the best forward. Their efforts made all of this possible.

General Manager
Chris Tims

STICHTING HOUR OF POWER

2.1 Balance sheet as per December 31, 2017

(after proposed allocation of result)

ASSETS	12-31-2017		12-31-2016	
	€	€	€	€
Fixed assets				
Immaterial fixed assets	-		-	
Material fixed assets	<u>32.638</u>		<u>39.862</u>	
		32.638		39.862
Current assets				
Debtors and Other receivables and prepaid expenses	148.875		175.665	
Cash	<u>614.844</u>		<u>470.567</u>	
		763.719		646.232
		<u><u>796.357</u></u>		<u><u>686.094</u></u>

EQUITY AND LIABILITIES	12-31-2017		12-31-2016	
	€	€	€	€
Equity				
Continuity reserve		492.758		501.044
Reservation automation		100.000		-
		<u>592.758</u>		<u>501.044</u>
Accounts payable to group foundations	32.448		36.893	
Creditors and Other payables and accrued expenses	<u>171.151</u>		<u>148.157</u>	
		203.599		185.050
		<u><u>796.357</u></u>		<u><u>686.094</u></u>

STICHTING HOUR OF POWER

2.2 Statement of income and expenditure 2017

	Actual 2017		Budget 2017		Actual 2016	
	€	€	€	€	€	€
Gifts and income from fundraising	1.827.152		1.732.500		1.750.640	
Financial income	2.931		-		646	
Other income	116.594		164.500		161.258	
Total Income		1.946.677		1.897.000		1.912.544
Production costs TV-program	811.725		796.500		759.828	
Costs of sales	180.080		175.000		239.883	
Personnel costs	374.437		400.000		335.780	
Depreciation fixed assets	10.393		9.000		11.776	
Other costs	456.961		447.000		394.064	
Total Costs		1.833.596		1.827.500		1.741.331
Operating result		113.081		69.500		171.213
Financial costs		21.367		20.000		20.468
Exploitation result		91.714		49.500		150.745
Allocation of result						
Reservation automation		100.000				-
Reserve continuity		8.286-				150.745
		91.714				150.745