

Stichting Hour of Power
Postbus 643
3740 AP BAARN

ANNUAL ACCOUNTS 2019

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1. BOARD AND MANAGEMENT REPORT 2019

BOARD AND MANAGEMENT REPORT 2019

1.1 General information

Name organization:

Stichting Hour of Power, based in Baarn

Registration Chamber of Commerce: 41225668

RSIN-number 8001.87.155

Hour of Power is a Christian television ministry and we broadcast every week on RTL 5 (Sunday at 8 and 9 am), Family 7 (5 pm) and Surinam television (5 pm). Through our television broadcast, social media, online platform, merchandise and events, Hour of Power brings the gospel of Jesus Christ in an accessible and contemporary way. Pastor Bobby Schuller leads the services from Shepherd's Grove, California, with high quality music and an inspiring message. In the Dutch broadcast, host Jan van den Bosch interviews Dutch guests about their faith.

The foundation of Hour of Power The Netherlands is based on the objectives of the Crystal Cathedral Ministries at California USA and has a strong cooperation with this mother-organization.

Mission

You're not what you do

You're not what you have

And you're not what people say about you

You are a beloved child of God just as you are.

We want to share this life-giving truth with as many people as we can: from believers to a broad group of people looking for answers in spiritual sense (seekers). Hour of Power also fulfills a social need. We receive lots of positive messages from prisons, retirement homes and hospitals. As a television ministry, we strongly believe in the biblical importance of the local church.

1.2 Management and organization

Stichting Hour of Power, settled in Baarn (The Netherlands), is governed by the Board consisting of three people. The local management happens through the Director assisted by the Management team. Below you can find the composition of the board and how the management is structured.

Composition of the board

The board consists of three people.

- J.S. van den Bosch (president)
- R.H. Jacobson (vice president)
- Rev. R.V. Schuller (member)

Management

The management was conducted by H.C. Tims.

1.3 Objectives

A five-year plan was made in 2015 with the objective of growing by 5% every year: financially, in the number of donors as well as in viewership. In 2019 this goal was reached for the fourth year in a row.

Although we see the viewer rates of linear viewing decline in recent years, we witness an overall growth. An important reason is that the way people watch television has changed and we serve this ever-growing group through new media channels. Nowadays people watch *when*, *where* and *how* they want. Programs are being viewed online, on-demand and via streaming services. Hour of Power Netherlands is on top of these developments and a team with online expertise will help to respond to these changes.

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 plan will support this endeavor.

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

1.4 Activities 2019

Fundraising - a marketing and fundraising campaign is developed and implemented twice a year with the following goals:

1. More viewers
2. More donors
3. Additional or increased donations
4. Maintaining relationships with our donors
5. New names (prospects)
6. Return on investment of all our activities

Engagement - The donor magazine 'Hope' is published six times a year. In addition, we maintain a valuable relationship with our donors through birthday cards, e-mail newsletters, incentives and personal attention.

Merchandise/books - In 2016 Hour of Power Netherlands decided to outsource the entire webshop: publishing, storage, administration and shipment.

Events - On annual bases, HOP organizes various events: from Christmas concerts to services with Bobby Schuller. The events are important for maintaining relationships with our supporters and to facilitate engagement between viewers. This solidarity reinforces the brand and ministry of Hour of Power.

Pastoral care - De Hooplijn (Hope Line) is a hotline of twenty counselors who are trained to help people in need. We provide pastoral care to those who request it.

Prayer Team - Hour of Power has a group of volunteers of about 140 people that prays in response to prayer requests throughout the week.

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

1.5 Corporate governance 2019

Hour of Power is an independent foundation under Dutch law.

Board:

J.S. van den Bosch, chairman

R.H. Jacobson, member

Rev. R.V. Schuller, member

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.

The Director manages the entire organization. Employees receive a salary based on personal agreements.

1.6 Financial results 2019 and risks

Financial result

The total income is € 127.000 higher than budgeted. The most important positive deviations are found in donations.

The costs are € 114.000 higher than budgeted. An important reason for this is that more costs were made for marketing efforts, which ultimately resulted in higher revenues.

We closed the year with a positive result.

Risks

Risks in relation to the continuity of the income:

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

- Financial and reputation risks in relation to the spending of project resources. 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.

Bank account - cash

The cash position at the end of 2019 was € 432.322

1.7 Looking forward to 2020

Intentions 2020

We perpetuate our goals as stated in 1.3 Objectives. Further online developments and the new CRM system are important in this regard.

We expect that the Corona crisis will have little impact on our results. On one hand, there will be people forced to cut spending. On the other hand, in times of crisis the need for spiritual meaning increases and also, the churches are closed. The television broadcasts of Hour of Power enable people to encounter the Church experience and increase the interest in Hour of Power. This will have a positive influence on the charitable giving behaviour.

1.8 Closing statement

We can conclude to say that 2019 was a positive and healthy year. For another year there was an increase in income from donations, we reached our targets, and we sailed into a plus.

In April 2019 Bobby Schuller visited The Netherlands for a number of events. All four events were sold out, had a great impact and a large reach.

We also continued to invest heavily in the future. There has been a lot of effort to reach more people online. Hour of Power can now be seen on online streaming service Videoland. We also went live with our new database Salesforce.

All in all we look back on 2019 in gratitude.

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.

Baarn, 12 June 2020:

J.S. van den Bosch (chairman)

R.H. Jacobson

Rev. R.V. Schuller

H.C. Tims (Director)

2. FINANCIAL STATEMENT 2019

2.1 Balance per 31 december (after appropriation of result)

ASSETS		31-12-2019	31-12-2018
		€	€
<u>Fixed assets</u>			
Material fixed assets	2.5.1	26.484	28.037
Intangible fixed assets	2.5.1	186.920	62.256
Financial fixed assets	2.5.2	7.770	-
		<u>221.174</u>	<u>90.293</u>
		-----	-----
<u>Current assets</u>			
Receivables			
Debtors		1.731	696
Other receivables	2.5.3	151.309	110.163
		<u>153.040</u>	<u>110.859</u>
		-----	-----
Cash and cash equivalents	2.5.4	432.322	536.149
		-----	-----
Total assets		<u><u>806.536</u></u>	<u><u>737.301</u></u>

EQUITY AND LIABILITIES		31-12-2019	31-12-2018
		€	€
Reserves and funds			
Continuity reserve	2.5.5	463.358	513.027
Reserve Intangible fixed assets	2.5.6	186.920	84.151
		<u>650.278</u>	<u>597.178</u>
		-----	-----
Current liabilities			
Creditors		70.104	78.336
Accounts payable to group foundations		41.606	33.157
Other liabilities	2.5.7	44.548	28.630
		<u>156.258</u>	<u>140.123</u>
		-----	-----
Total equity and liabilities		<u>806.536</u>	<u>737.301</u>
		=====	=====

2.2 Statement of income and expenditure

		Result 2019	Budget 2019	Result 2018
		€	€	€
<u>INCOME</u>				
Donations club members	2.6.1	1.585.672	1.612.000	1.619.012
Occasional and incentive gifts	2.6.1	421.835	280.000	284.355
Events	2.6.1	69.774	80.000	133.132
Sales of goods	2.6.1	71.765	50.000	58.001
Total income		2.149.046	2.022.000	2.094.500
<u>EXPENDITURE</u>				
Production costs TV-program	2.6.2	878.616	853.000	882.155
Costs of sales of goods and events	2.6.3	160.530	125.000	254.182
Personnel costs	2.6.4	451.215	465.000	406.245
Other costs	2.6.5	554.552	498.000	516.695
Depreciation fixed assets		27.492	19.000	10.685
Total expenditure		2.072.405	1.960.000	2.069.962
<u>Balance for financial income and expenses:</u>				
Financial income		79	-	1.721
Financial expenses		-23.620	-21.000	-21.839
Financial result		-23.541	-21.000	-20.118
Result income and expenditure		53.100	41.000	4.420
<u>Appropriation of the result:</u>				
Continuity reserve		56.480	41.000	20.269
Reserve Intangible fixed assets		-3.380	-	-15.849
		53.100	41.000	4.420