

Stichting Hour of Power
Postbus 643
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ANNUAL ACCOUNTS 2020**TABLE OF CONTENTS**

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1. BOARD AND MANAGEMENT REPORT 2020

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). 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're a beloved child of God

Hour of Power passes on the love of Jesus and introduces people to God. Through our television broadcast, social media, online platform, merchandise and events we offer tools for a life and relationship with Him.

1.2 Management and organization

Stichting Hour of Power, settled in Baarn (The Netherlands), is governed by the Board consisting of three people. The Director is responsible for overseeing the administration, programs and strategic plan of the organization. Other key duties include fundraising and marketing. The Director reports directly to the Board.

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

- H.C. Tims (director)

1.3 Objectives

Watching television has changed in recent years. We saw this again in 2020. Fewer and fewer people watch linear television - or say the old-fashioned way of watching television - at a set time. This continuously decreased while postponed watching and Video on Demand (VOD) only *increased*. The most important characteristic of these services is that you can determine yourself how, when and which content you like to watch. In the target group 12-40 years old, people watched an average of 47 minutes per day through VOD.

As a television Ministry, it is not only vital that we identify these developments, but that we anticipate them. The long-term policy of Hour of Power focuses strongly on these developments, while at the same time all core activities remain focused on (facilitating) television broadcasts.

In 2020 we continued the developments and investments in our online activities. We have set the goal to increase the unique visitors to our online platform, a higher involvement on social media by, among other things, broadcasting live online and we are the first Christian program on online streaming service 'Videoland'. Videoland is in The Netherlands the second biggest online streaming service after Netflix.

In this 'corona year', where people weren't able to visit their local church, these efforts proved to be successful. We have seen an increase in reach of 200%. All these developments make a positive contribution to being a robust organization and relevant for the future.

1.4 Activities 2020

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 – Available through our webshop as well as in most Christian bookstores. Due to the COVID-19 crisis, sales in 2020 have mainly been online.

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. In the past year we have seen an increase in problems surrounding loneliness. In 2020 we started a collaboration with the Salvation Army. In this way we can help people even more effectively by referring them when people need personal contact.

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

Events - Two live events were scheduled in 2020. Both have been canceled due to the COVID-19 crisis.

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

1.5 Corporate governance 2020

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 2020 and risks

Financial result

We closed the year with a positive result of € 88.000.

Risks

1. COVID-19

The COVID-19 crisis can pose a potential risk when people are no longer able to donate for financial reasons. However, we have seen the opposite effect in 2020 and we have actually grown.

2. Video on demand

The change in the way people watch television has previously been described as an opportunity. On the other hand, this can be a real threat. Because fewer people watch television at set times, advertising income on RTL5 has fallen sharply. This may result in a strategic change for RTL5 and other commercial tv-stations in the future. It is all the more important that we respond to these developments and possibly be ahead of them.

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 2020 was € 583.708

1.7 Looking forward to 2021

Intentions 2021

We perpetuate our goals as stated in 1.3 Objectives. Further online advancements and the recently implemented new database are important in this regard.

1.8 Closing statement

The year 2020 is a year unlike any other in history. The COVID-19 crisis has wiped out all the certainties and predictions we had for 2020 in one fell swoop. As an organization, however, we have seized this moment to do what we are called to do. In response to the uncertainty, fear and loneliness that played in society, and also among our viewers, we were allowed to make a different sound. A sound of hope and love. The sound of the Good News of Jesus Christ.

Churches were forced to close their doors and many church members miss attending their regular congregation. But Hour of Power was shown on television every week. From the many emails and reactions on our social media channels, we see how grateful our viewers are.

This has also translated into the results of 2020. For example, we clearly notice that many new viewers have joined, with whom we were able to serve a new target group. But the gratitude of our viewers also translated to a large number of new donors. Our existing donors have started to give more, by increasing their donation amount or by means of individual donations.

Despite the uncertainties and sometimes also the grief that 2020 brought, we can also look back with gratitude. It is a blessing to be able to do our work from the heartbeat of our mission.

We do thank our team 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, 26 May 2021:

J.S. van den Bosch (chairman)

R.H. Jacobson

Rev. R.V. Schuller

H.C. Tims (director)

2. FINANCIAL STATEMENT 2020

2.1 Balance per 31 december (after appropriation of result)

ASSETS		31-12-2020	31-12-2019
		€	€
<u>Fixed assets</u>			
Material fixed assets	2.5.1	23.404	26.484
Intangible fixed assets	2.5.1	196.550	186.920
Financial fixed assets	2.5.2	-	7.770
		<u>219.954</u>	<u>221.174</u>
		-----	-----
<u>Current assets</u>			
Receivables			
Debtors		3.167	1.731
Other receivables	2.5.3	99.127	151.309
		<u>102.294</u>	<u>153.040</u>
		-----	-----
Cash and cash equivalents	2.5.4	583.708	432.322
		-----	-----
Total assets		<u>905.956</u>	<u>806.536</u>
		=====	=====

EQUITY AND LIABILITIES		31-12-2020	31-12-2019
		€	€
Reserves and funds			
Continuity reserve	2.5.5	538.846	460.193
Reserve Intangible fixed assets	2.5.6	196.550	186.920
		<u>735.396</u>	<u>647.113</u>
		-----	-----
Current liabilities			
Creditors		91.959	73.300
Accounts payable to group foundations		44.005	41.606
Other liabilities	2.5.7	34.596	44.517
		<u>170.560</u>	<u>159.423</u>
		-----	-----
Total equity and liabilities		<u>905.956</u>	<u>806.536</u>
		=====	=====

2.2 Statement of income and expenditure

		Result 2020	Budget 2020	Result 2019
		€	€	€
<u>INCOME</u>				
Donations club members	2.6.1	1.644.919	1.693.000	1.585.672
Occasional and incentive gifts	2.6.1	434.195	272.000	421.835
Events	2.6.1	-	130.000	69.774
Sales of goods	2.6.1	104.788	74.000	71.765
Total income		2.183.902	2.169.000	2.149.046
<u>EXPENDITURE</u>				
Production costs TV-program	2.6.2	878.176	901.000	878.616
Costs of sales of goods and events	2.6.3	97.310	198.000	160.530
Personnel costs	2.6.4	427.583	435.000	451.215
Other costs	2.6.5	610.688	559.000	554.552
Depreciation fixed assets	2.5.1	58.548	59.000	27.492
Total expenditure		2.072.305	2.152.000	2.072.405
<u>Balance for financial income and expenses:</u>				
Financial income		-		79
Financial expenses		-23.314		-23.620
Financial result		-23.314	-21.000	-23.541
Result income and expenditure		88.283	-4.000	53.100
<u>Appropriation of the result:</u>				
Continuity reserve		78.653	16.000	56.480
Reserve Intangible fixed assets		9.630	-20.000	-3.380
		88.283	-4.000	53.100