

Stichting Hour of Power  
Postbus 643  
3740 AP BAARN

## **ANNUAL ACCOUNTS 2020**

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1. BOARD AND MANAGEMENT REPORT 2020

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## 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

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**2.1 Balance per 31 december** (after appropriation of result)

<b>ASSETS</b>		31-12-2020	31-12-2019
		€	€
<b><u>Fixed assets</u></b>			
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
		219.954	221.174
		-----	-----
<b><u>Current assets</u></b>			
<b>Receivables</b>			
Debtors		3.167	1.731
Other receivables	2.5.3	99.127	151.309
		102.294	153.040
		-----	-----
<b>Cash and cash equivalents</b>	2.5.4	583.708	432.322
		-----	-----
<b>Total assets</b>		905.956	806.536

<b>EQUITY AND LIABILITIES</b>		31-12-2020	31-12-2019
		€	€
<b>Reserves and funds</b>			
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>
		-----	-----
<b>Current liabilities</b>			
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>
		-----	-----
<b>Total equity and liabilities</b>		<u>905.956</u>	<u>806.536</u>
		=====	=====

## 2.2 Statement of income and expenditure

		Result 2020	Budget 2020	Result 2019
		€	€	€
<b><u>INCOME</u></b>				
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
<b>Total income</b>		<b>2.183.902</b>	<b>2.169.000</b>	<b>2.149.046</b>
<b><u>EXPENDITURE</u></b>				
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
<b>Total expenditure</b>		<b>2.072.305</b>	<b>2.152.000</b>	<b>2.072.405</b>
<b><u>Balance for financial income and expenses:</u></b>				
Financial income		-		79
Financial expenses		-23.314		-23.620
<b>Financial result</b>		<b>-23.314</b>	<b>-21.000</b>	<b>-23.541</b>
<b>Result income and expenditure</b>		<b>88.283</b>	<b>-4.000</b>	<b>53.100</b>
<b><u>Appropriation of the result:</u></b>				
Continuity reserve		78.653	16.000	56.480
Reserve Intangible fixed assets		9.630	-20.000	-3.380
		88.283	-4.000	53.100

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## INDEPENDENT AUDITOR'S REPORT

To: the board of Stichting Hour of Power

### Report on the audit of the financial statements 2020 included in the annual report

#### ***Our opinion***

We have audited the financial statements 2020 of Stichting Hour of Power, based in Baarn.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Hour of Power as at 31 December 2020 and of its result for 2020 in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2020 (with a balance sheet total of € 905,956);
2. the statement of income and expenditure for 2020 (with a total positive result of € 88,283); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### ***Basis for our opinion***

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Hour of Power in accordance with the Verordening inzake Onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- board and management report;
- other information;
- annex: budget 2021.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and consist the information as required by the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report and other information in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board.

### **Description of responsibilities regarding the financial statements**

#### ***Responsibilities of management for the financial statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

#### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Was signed, Amersfoort, 26 May 2021.

WITh accountants B.V.  
Drs. J. Snoei RA

Enclosure.

## Enclosure to the auditor's opinion 2020 Stichting Hour of Power

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information of specific items.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.