



2020 **ANNUAL REPORT**

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"We have continued to be passionate about Jesus and making His name known; passionate about loving others and seeing them walk into all God has purposed for their life."

**RICHARD AND
DEBBIE VAN DER KOLK**

01 **EXECUTIVE REPORTS**

LEAD PASTORS' REPORT

What a year! 2020 was a year of unprecedented disruption and uncertainty due to the impact of the COVID-19 virus and yet we have seen the beauty and the resilience of the church as people stepped up in so many ways.

We have continued to be passionate about Jesus and making His name known; passionate about loving others and seeing them walk into all God has purposed for their life, adjusting to the restrictions throughout the year.

We are so grateful for our amazing Global Senior Pastors Brian and Bobbie Houston who steered us through this year so well, for the people of our church and those who serve and give their time so generously. With three days notice, our team shifted from our regular physical services to completely online services giving people the opportunity to worship and come around the Word of God in their own living rooms, thinking that this new restriction would last only three weeks. Little did we know ...

Our church community rallied throughout the year to bring help to people in need and to connect with each other even when our ability to visit each other being very limited at times. Many of our activities transitioned to being online, with the marriage retreat in particular being a huge success.

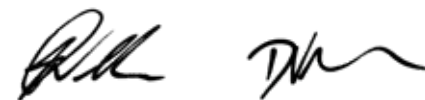
We handed out hundreds of food packages and flowers, partnered with aid organisations in our nations to provide help and sponsored well over a hundred children in Uganda through Compassion.

We used the opportunity of streaming our services online to begin Dutch language services and are hoping to see that continue to grow in the coming years as we reach out into different cities in our nations.

During the year we have organized; a move for our Rotterdam Campus into the iconic Van Nelle Fabriek (which we will be moving into in 2021 for our regular services), have been preparing to launch our physical services in Brussels in 2021 with live worship and step back into our venue - Theater Amsterdam.

To those who have joined our church during the year, we are looking forward to meeting you in person in 2021 as our venues open up again. To everyone else, we are looking forward to seeing you again in person!

Much love and blessings,



Richard and Debbie van der Kolk





MANAGEMENT REPORT

This year, we found ourselves in, for us, unprecedented times with the COVID-19 pandemic. The plans we made for 2020 suddenly needed to be changed when in March we were faced with several governmental restrictions, including a lockdown. In our decision-making throughout the season, we have continuously followed the governmental guidelines and had the well-being of our congregation in mind.

We are blessed with an incredible team that responded swiftly to the ever-changing circumstances and were able to relocate our services, connect groups, seminars, leadership meetings, etc. to an online environment. This enabled us to continue bringing the word of God to our congregation and beyond and to keep building community, allowing God to move in so many lives.

Throughout the year we heard a variety of stories from people in our church experiencing growth in their lives, careers and businesses to people who are in need financially, are struggling with their health or experiencing grief. From the

start of the pandemic, we tried help the people in our congregation navigating this season with encouragements, practical teaching, and a helping hand. Besides this, we set up help for people having needs in our cities Amsterdam, Rotterdam and Brussels. To be efficient in the help we could offer, we partnered with organizations like Tot Heil des Volks and Pigment (Brussels) that are already active in the cities we are present and understand where the need is.

We are very grateful that despite the pandemic and the challenges associated with it, a lot of people remained faithful in bringing their tithes and offerings. Over 2020 we remained to have a strong income. Our expenses were impacted by the restrictions due to COVID-19. Especially our venue expenses and costs associated with our programs decreased. This caused us to have a positive result, which we will retain to keep us financially healthy in the future and to be able to step into opportunities to purchase our own facilities.

We had a great result with our annual Heart for the House offering, which enabled us to invest in equipment for broadcasting our services. Earlier in 2020 we had already invested in a new sound system in Theater Amsterdam. The remaining balance will be used to move into Van Nelle Fabriek in Rotterdam in 2021 and have live worship in Brussels. From the income of Heart for the House offering, we contributed to our global social justice partners: Compassion International, Vision Rescue and A21 as well as local initiatives and donated towards church plants via Hillsong Global.

This year we continued to improve our legal and governance structures with the help of professionals within our church. We are further strengthening the legal framework we are operating in within Hillsong Global as we are transitioning to a full local board.

We are so thankful for the incredible leadership of our Global Senior Pastors Brian and Bobbie. We feel privileged to contribute to their beautiful vision as Hillsong in the Netherlands and Brussels, locally under the leadership of our wonderful Lead Pastors Richard and Debbie.

As governmental restrictions are lifting in 2021 and we can corporately worship our great God again, we look forward to what He has in store for the church and the amazing individuals in it!

Arjan Niemeijer, Operational Manager

“And God
will generously
provide all you
need. Then you
will always have
everything you
need and plenty
left over to share
with others.”

2 CORINTHIANS 9:8 (NLT)

02 GOVERNANCE & FINANCE

GOVERNANCE

Governance is the primary responsibility of the Board. The governance regime is outworked within three principle activities: compliance, assurance and risk management. The Board is responsible for adherence to all compliance requirements of the church. The responsibility of the Board is to seek assurance from the organization and its management that the organization is complying and managing its risks effectively. An effective assurance tool is audit. This is annually conducted on the financial statements of the church. Effective risk management is the responsibility of the Board. Members of the Board require that risks facing the church have been identified and assessed and that the risks are being properly managed.

Composition of the board

Stichting Hillsong Church NL gives direction for good governance and healthy stewardship of our finances. The Board consist of three people, of which two are senior leaders within Hillsong Church UK.

- Ray Newton — Chairman (UK)
- Adam Spies – Treasurer (UK)
- Arjan Niemeijer – Board member (NL)

Board and staff Remuneration

As outlined in the articles of association, members of the Board shall not receive remuneration in respect to their duties as a Board member. Remuneration received by any member of the Board is in respect of their executive duties.

The salary of staff member is locally benchmarked against the collective agreement for “Zorg & Maatschappij”. The salaries are reviewed annually by the Board of Stichting Hillsong Church NL and the Board of Hillsong Global.

Management

Richard van der Kolk is the appointed General Manager of Stichting Hillsong Church NL. Arjan Niemeijer is the Operations Manager and reports to the General Manager. Management reports to the Board about the outworking of governance and is assisted by an Advisory Team, led by the Operations Manager. The team consists of leaders in the Church and business people. Arjan Niemeijer (Operations Manager), Debbie van der Kolk (Lead Pastor and HR), Robin Lindeboom (Accounting), Jozua van der Beek (Legal) Robin Aartsma (Data) and Matthijs van Dorp.

FINANCIAL MANAGEMENT

In 2020 we projected an increase in income as we do every year, based on growth in attendance. Instead of seeing a projected growth we had to amend our budgets throughout the year to the changing circumstances because of COVID-19 restrictions.

When in March, the Netherlands went into lockdown because of the pandemic, we had to relocate our services to an online platform. This meant we were not able to receive the cash and incasso cards on the Sundays. In 2019 this component was about 10% of total giving.

Considering the challenges we faced in these 10 months in 2020, we are pleased that we ended the year with a total giving (regular tithes and offerings) that was only 4% lower compared to 2019.

The “other income” was a lot lower than the year prior, because we where unable to operate our resource center and because we where unable to do bigger events such as Christmas.

In June we had our annual Heart for the House offering which is going into our Hillsong Foundation. From this reserve we are funding enhancements in quality of our church or for expansion. The period for Hillsong Foundation is from July to June each year. Looking at the number per bookyear we decreased by 10%. However we did receive some larger contributions late 2019 for the Heart for the House offering in 2020. Looking at the offering from Heart for the House 2019 to Heart for the House 2020, it increased significantly.

Taxes on income

Considering our main activities, we are exempt from corporate tax under Dutch law. We do have income out of commercial activities that are taxed with VAT, such as ticketed events, coffee bar, resource sales and renting out production equipment. As a Stichting, we are registered as an ANBI (Algemeen Nut Beoogde Instelling), a Dutch charity status that offers tax benefits for people contributing to Hillsong NL.

Reserves Policy

Hillsong Church Netherlands is a non-profit organization. Positive cash flow goes to our reserves. Our cash flow result over 2020 was €429.667, after investments and depreciation. Our cash grew by €220.502, which was added to our reserves. Our total reserves at the end of the year amounted to €1.345.049.

Our reserves consist of three elements:

One element is our goal to have three months of expenditure in our bank account. This gives us some room for unforeseen circumstances and a possibility to step into opportunities. At the end of 2020, the cash component of our continuity reserve totaled €69.776. Besides this we have assets where we have delayed the financing, which after depreciation represents a value of approx. €350k. Positive operational results in 2021 will be retained to keep building our operational buffer.

The second element of our reserves is our Hillsong Foundation balance of €232.550. Due to the pandemic, we did not have the ability to invest this sum yet. In 2021 this will go towards moving into the Van Nelle Fabriek in Rotterdam and moving back into our other Sunday venues: Theater Amsterdam and White Cinema in Brussels.

The third element is our goal to have a deposit in place to own a church building in Amsterdam. Among other reasons, this will offer a lot more flexibility and possibilities for our activities. For this deposit, we are retaining the income that comes from our Kingdom Builders (through Hillsong Foundation). Our Kingdom Builders are financial leaders in the church who make up an important part of our financial capacity.

At the end of 2020, a total of €1.042.723 is purposed for the building deposit. In this year we have explored building options and we have been speaking to real estate agents to inform them of what we are looking for. The real estate investment and occupiers markets in Amsterdam were overheated in 2020, even in time of a pandemic. The overheated market stresses the importance of having a strong deposit in place so we can move fast when an opportunity arises. Therefore we are continuing to increase our building reserve with income through our Kingdom Builders.

Heart for the House

Once a year, we have our Heart for the House offering, where people give above their regular giving to the Hillsong Foundation. The regular monthly income covers our operations, and out of the Hillsong Foundation we fund projects to move the church forward and step into opportunities we otherwise couldn't.

Hillsong Foundation

Hillsong Foundation was established to grow the financial capacity of our church. The goal of the Foundation is to build for the future, see multitudes of people in our cities get to know Jesus as their Saviour and to help us reach out practically to those who are most needy.

Within this platform are the Kingdom Builders — a group of people in our church who feel called to be financial leaders and are committed to playing their part

to help build God's Kingdom and see the vision of our church become a reality. For our Kingdom Builders, we create opportunities to gather with like-minded people so that they can be encouraged, equipped and kept up-to-date with our initiatives and projects.

From Hillsong Foundation in 2020, we funded film equipment for broadcasting our online services. Earlier in 2020, we purchased a new PA system in Theater Amsterdam. The remainder of the balance on our Hillsong Foundation account will be used to move into the Van Nelle Fabriek in Rotterdam and our other Sunday venues: Theater Amsterdam and White Cinema in Brussels.

From the income of Heart for the House offering, we gave a portion to international charities. In 2020 we gave towards Compassion International, Vision Rescue and A21. We reserved part to give to local initiatives which will be carried out in 2021. We also donated towards Hillsong Global Church plants.

P&L 2020 Summary	Actual 2020	Budget 2020	Actual 2019
Giving and church activities	€ 2.309.876	€ 2.704.800	€ 2.408.940
Other income	€ 65.885	€ 78.000	€ 178.911
<i>Hillsong Foundation</i>	€ 233.856	€ 252.025	€ 241.966
<i>Kingdom Builders</i>	€ 306.525	€ 231.331	€ 360.394
Total income	€ 2.916.142	€ 3.266.156	€ 3.190.211
Personell expenses	€ -742.450	€ -688.344	€ -553.144
Program costs	€ -412.529	€ -703.030	€ -684.363
Administration costs	€ -88.420	€ -72.760	€ -121.769
Facilities costs	€ -503.333	€ -973.600	€ -987.089
Other giving	€ -201.835	€ -270.480	€ -241.807
Giving H4H	€ -54.038	€ -48.336	€ -60.236
Commercial activities	€ -32.280	€ -12.000	€ -73.698
Total expenses	€ -2.034.884	€ -2.768.550	€ -2.722.106
EBITDA	€ 881.258	€ 497.606	€ 468.105
Depreciation	€ -157.425	€ -110.000	€ -122.148
Interest financial lease	€ -4.834	€ -4.000	€ -4.834
Net operational result	€ 718.999	€ 383.606	€ 341.123

	Budget 2021	Actual 2020	Variance
Giving and church activities	€ 2.240.256	€ 2.309.876	-3%
Other income	€ 119.042	€ 65.885	81%
<i>Hillsong Foundation</i>	€ 241.965	€ 233.856	3%
<i>Kingdom Builders</i>	€ 380.282	€ 306.525	24%
Total income	€ 2.981.545	€ 2.916.142	2%
Personell expenses	€ -728.915	€ -742.450	-2%
Program costs	€ -501.816	€ -412.529	22%
Administration costs	€ -76.549	€ -88.420	-13%
Facilities costs	€ -909.909	€ -503.333	81%
Other giving	€ -226.889	€ -201.834	12%
Giving H4H	€ -62.224	€ -54.038	15%
Commercial activities	€ -41.370	€ -32.280	28%
Total expenses	€ -2.547.672	€ -2.034.884	25%
EBITDA	€ 433.873	€ 881.258	-51%
Depreciation	€ -122.148	€ -157.425	-22%
Interest financial lease	€ -3.985	€ -4.834	-18%
Net operational result	€ 307.740	€ 718.999	-57%

STICHTING HILLSONG CHURCH NL

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