

English Reformed Church, Amsterdam

Annual accounts 2018

To be presented at the Annual General Meeting on Sunday, April 7th, 2019.

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Amsterdam, April 7th, 2019

Dr. Thorsten König Treasurer English Reformed Church
for the Church's accounts

for agreement:

Mr. Sies Plokker member audit committee

Mr. Eduard Starrenburg member audit committee

Treasurer's report

Introduction

In 2018 our congregation had no especially scheduled major projects like in the previous year, nevertheless from a treasurer's point of view it was a challenging one. You may recall my financial reports I publish regularly in The Records, the church's magazine, in which I commented about our financially challenging situation throughout the year. The good news is that in the month of December several of you made some special donation. What a relieve that we could close this year even with a surplus of a bit more than EUR 10.000, which will become part of our reserves. A great THANKS for this, but please continue reading, as our financial situation requires the same loyalty and commitment in 2019 to ensure the continuation of life and worship of the English Reformed Church in Amsterdam.

Income

This is the first years that our income increased by 6% in contrast to the steady decline over the last years. As our expenditure increased, too, we only could achieve a surplus to replenish our reserves because of the contribution from the Salvesen fund (which announced already to reduce its support from EUR 10.000 to about EUR 6.000 in 2019), and even more importantly the indispensable support from the foundation "Friends of the English Reformed Church". If we would not have had these extraordinary grants, we would have made a deficit of about EUR 30.000.

Expenditure

Our expenditure increased by 10% compared with 2017. As all of us, we experienced an increase of costs for electricity, gas, water, insurances, or telecommunication. Major expenditure drivers were "wages & salaries" – based on increased taxes and compensation for inflation; costs for "representation" – which in 2018 contains once-off costs for hosting the meeting of the International Presbytery in September and costs for renting rooms from the Lutheran church for Junior Church and Sunday School; and "Presbytery dues" – about which you will read more below.

"Presbytery Dues"; Changes in ERC's contribution to the Church of Scotland

This is quite a complex situation, therefore here a brief summary:

Until 2016 our congregation was affiliated to the 'World Mission Council' of the Church of Scotland – like all congregations of the Presbytery of Europe. This has changed due to the establishment of the 'Presbytery of International Charges'. We are now part of a "real" Presbytery of the Church of Scotland and with this our rights, but mainly our obligations, have changed.

A major consequence is the assessment or calculation of the financial contribution of our congregation towards the Church of Scotland.

A targeted annual contribution of about EUR 19.000 was calculated applying a complex formula based on the income of our congregation - in addition to the annual contribution of EUR 1.500 to the 'Presbytery of International Charges'.

It is obvious that this would jeopardize our financial viability, therefore during 2018 I had a very extensive discussion with the Church of Scotland about the details of the calculation and the interpretation of the rules of the underlying formula.

Even so this discussion has not reached a conclusion, yet, I want express my thanks to Chandan de Silva from the congregation of Colombo, finance convenor of the International Presbytery, for his leadership and perseverance dealing with this complex matter.

So where are we at this moment: As a sign of our commitment and good will consistory decided in 2018 to pay for each year 2017 and 2018 EUR 3.000 to the Church of Scotland. I hope that the ongoing negotiation about the underlying formula and the specific situation of our congregation in Amsterdam will result in an agreement that the targeted annual contribution will be in the order of EUR 9.000 or even less - which still would mean a significant increase, but also much less than the starting point.

I will keep you informed of developments on this in my financial reports in the "Record".

Maintenance

Even so this year we had no scheduled major maintenance projects our church building and the Manse continue to need ongoing tender, love and care. I want to thank especially Jaap Maas, our property convenor, for his professional planning and execution of the maintenance activities. A bigger number of smaller and mid-size repairs and improvements were carried out in 2018. As a result, the buildings are now in a state that robust planning for the years to come is possible.

I also want to thank the foundation "Friends of the English Reformed Church" for its ongoing support, and especially Jolmer Gerritse, the foundation's treasurer, for its long-standing collaboration.

Status of Reserves

The 'Presbytery for the International Charges' recommends that its congregations maintain reserves amounting to at least 6 months of operational expenditure, and preferably 12 months. This means for our congregation a minimum of EUR 90.000.

Thanks to the surplus of this year our reserves increased from EUR 46.632,25 to EUR 57.096,78 - but this was only possible because of the extraordinary support from the Salvesen fund and the "Friends of the English Reformed Church" and is still below the recommended minimum.

I do not want to sound like a broken record (not only for those who still remember what this is) but we need to be aware that we have obligations, not only to ourselves as a congregation to continue worship and fellowship, but even more to pay the salaries of those individuals we employ and who rely on us.

Charity

We transferred a total of Euro 40.008,80 in 2018 to Mulanje Mission Hospital, our long-standing charity commitment. This consists of EUR 10,666.67 raised from our annual "Mulanje Mission Concert" in 2018 (used towards the acquisition of a new modern X-ray machine) and EUR 15.000 from the concert in 2017, (used for the building of a high dependency unit at the hospital, the first and only one in the region) which was transferred at the beginning of 2018 as reported last year.

A total of EUR 14.342,13 resulted from donation and the monthly collection at the end of every first Sunday at the end of the service. This money was greatly appreciated and needed as the hospital has faced and is still facing difficult times. Just to mention here one activity: Every year at the beginning of the Malaria season the hospital organises that the houses of the villages in its catchment area are beginning sprayed to reduce mosquitos which are the vectors for Malaria. The specially trained staff could accomplish this for 52 villages and the target is to do this in 72 villages to protect more than 85.000 inhabitants. As a result the number of Malaria cases could be reduced by 75% and even the number death of children under the age of 5 declined from more than 20 to 1 – but still! This is just one example how your donation has been used in 2018.

We are also continuing to serve the needy in Amsterdam – thanks to all who are "Cooking at the Kloof" and especially to Tom Flanagan for his commitment for organising this activity.

Outlook 2019

I hope that we come to an agreement with the Church of Scotland on our contribution which is fair with respected to supporting the wider church and also enables us to continue to worship in the year to come in Amsterdam. Jaap Maas is working on a new long-term maintenance plan for our church building, on which we will report in The Record.

I am confident that GOD continues to provide us with the monetary resources. Nevertheless, I want to remind us all that we are stewards of the gift GOD has given us, and that each of us contemplates and prays how she or he can support the life of our congregation – also with monetary means.

Tax deductible donation

You have read in this report that our reserves still need our attention to reach a "healthy" level.

The English Reformed Church has so-called ANBI status. If you pay income tax in The Netherlands in a given calendar year and the sum of your gifts to all ANBIs exceeds 1% of the Dutch threshold income, the excess, with a maximum of 10% of that income, could be deductible from your income .

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Thanks

As every year and on behalf of consistory, I wish to express our great thanks to our members, adherents and former members, friends & visitors, both in The Netherlands and abroad, for their much needed and continuing support and prayer for our congregation.

My special gratitude goes to Mr. Thijs Glasz for keeping the books, Mr. Baafi Sekyere for being responsible for processing the collection each week, Mr. Sies Plokker & Mr Eduard Starrenburg as members of the audit committee, and Mr. Jolmer Gerritse serving as the treasurer of the Stichting Friends of the English Reformed Church.

Dr. Thorsten König, Elder & Treasurer

Amsterdam, February 2019

English Reformed Church, Amsterdam, The Netherlands.**Annual Accounts 2018**

Note amounts in €

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Income and expenditure account 2018 & 2017

		2018	2017	Change	%
Income:					
Donations		93.692,75	81.337,56	12.355,19	13%
Collections		54.297,72	51.892,76	2.404,96	4%
Church hire		19.502,80	21.544,80	-2.042,00	-10%
Concerts		17.778,00	16.204,24	1.573,76	9%
Weddings		3.325,00	5.675,00	-2.350,00	-71%
Church shop		830,00	860,00	-30,00	-4%
Flowers		-100,97	-51,05	-49,92	49%
		<u>189.325,30</u>	<u>177.463,31</u>	<u>11.861,99</u>	<u>6%</u>
Expenditures:					
Wages & salaries	2	118.824,71	105.393,76	13.430,95	11%
Maintenance		56.024,52	62.078,23	-6.053,71	-11%
Electricity, water & gas		11.716,72	8.301,51	3.415,21	29%
Insurance	3	4.428,28	3.940,99	487,29	11%
Church Hall	4	-396,92	1.321,83	-1.718,75	433%
Printing, stationary & postage		3.685,67	4.822,91	-1.137,24	-31%
Travel		2.742,22	3.186,51	-444,29	-16%
Representation	5	6.940,22	1.679,52	5.260,70	76%
Telecommunications		2.258,81	1.629,06	629,75	28%
Presbytery dues	6	9.000,00	500,00	8.500,00	94%
Bank charges		1.426,73	1.355,56	71,17	5%
other expenses		-15,96	571,09	-587,05	3678%
		<u>216.635,00</u>	<u>194.780,97</u>	<u>21.854,03</u>	<u>10%</u>
Interest income		52,78	280,14	-227,36	-431%
Interest expenditure		0,00	0,00	0,00	-
Net interest		<u>52,78</u>	<u>280,14</u>	<u>-227,36</u>	<u>-431%</u>
Contribution Stichting Friends		27.500,00	972,00	26.528,00	96%
Contribution Salveson Fund		10.161,45	9.980,49	180,96	2%
Surplus / Deficit		<u>10.404,53</u>	<u>-6.085,03</u>	<u>16.489,56</u>	<u>-158%</u>
Transfer to/from general funds		<u>-10.404,53</u>	<u>6.085,03</u>	<u>-16.489,56</u>	<u>158%</u>
After appropriation		<u><u>0,00</u></u>	<u><u>0,00</u></u>		

Balance Sheet as of December 31, 2018 & 2017

		2018	2017	Change	%
Current assets					
Cash	7	136.933,60	114.624,63	22.308,97	16%
Fixed assets					
Church building & other possessions		p.m.	p.m.	0,00	0%
Silver on loan to Amsterdam's Museum	8	<u>p.m.</u>	<u>p.m.</u>	<u>0,00</u>	<u>0%</u>
		<u>0,00</u>	<u>0,00</u>	<u>0,00</u>	<u>0%</u>
Total assets		<u>136.933,60</u>	<u>114.624,63</u>	22.308,97	19%
Current liabilities					
Due to Friends fund	9	-2.272,44	0,00	-2.272,44	-
Due to charities	10	-22.921,83	-12.134,28	-10.787,55	89%
Due to deaconry fund	11	-1.020,24	-1.010,30	-9,94	1%
Due to instrument fund	12	-53.682,31	-54.847,80	1.165,49	-2%
Total liabilities		-79.896,82	-67.992,38	-11.904,44	18%
Net current assets		<u>57.036,78</u>	<u>46.632,25</u>	10.404,53	22%
Net assets		<u>57.036,78</u>	<u>46.632,25</u>	10.404,53	22%

Notes to the financial statements

1. Accounting principles

General

The financial statements have been prepared under the historical cost convention. Unless stated otherwise, assets and liabilities are stated at face value.

Recognition of income

Contributions, donations and other income to the Church are recognised on a cash basis.

Expenses

Expenses are recognised upon presentation or receipt of invoices for services that have been rendered.

2. Wages and salaries

Wages and salaries include all personnel expense

3. Insurance

Total consolidated insurance coverage amounts to 7.441.200, which is indexed. The objects include the church building for 5.622.300; properties in the church 1.176.900; the Manse 602.000

4. Church hall

Church Hall expenses amounted to 21.673,09 including 17.270,10 in rental costs; a total amount of 22.070,01 was received in compensation by various 'non-profit' organisations during 2018, resulting in small surplus of 396,92.

5. Representation

This includes expenses for the meeting of the International Presbytery in Amsterdam (3.244), for which we will partly be reimbursed in 2019. It also includes costs for renting rooms for the Lutheran Church for Junior Church and Sunday School, of which the majority was paid in January 2019.

6. Presbytery dues

In 2018 ERC paid 3.000 as a contribution for the International Presbytery for 2017 and 2018 (annual contribution 1.500) and 6.000 as a contribution for the M&R fund of Church of Scotland for 2017 and 2018 (decision of consistory of an annual contribution of 3.000 pending final agreement with CoS.)

7. Cash

Cash is held in Church bank accounts at ABN AMRO Bank; petty cash held for the shop & coffee, is not included, the sum of these balances did not exceed 400, as at December 31, 2018

8. Silver on loan to Amsterdam's Museum

The church silver on loan to the Amsterdam's Museum is on permanent exhibition at the religious section, the museum has insurance coverage for these objects to the amount of 160.000.

9. Due to Friends fund	Opening balance	Donations	Transfers	Current balance
	0,00	35.772,44	-33.500,00	2.272,44

10. Due to charity projects	Opening balance	Donations	Transfers	Current balance
Mulanje Mission Hospital	12.138,28	40.008,80	-29.221,25	22.925,83

11. Due to Deaconry fund	Opening balance	Donations	Transfers	Current balance
	1.010,30	1.300,00	-1.290,06	1.020,24

The objective of the deaconry fund is to support individuals in immediate need for help. Up to an amount of 200 it is at the discretion of the minister after consulting the treasurer to release funds - for higher amount consistory is required to be consulted. Expenses for "Cooking at the Kloof" are also reimbursed from this fund.

12. Instrument fund	Opening balance	Donations	Transfers	Current balance
	54.847,80	1.400,00	-2.565,49	53.682,31

The instrument fund is authorised and supervised by the music director.