

English Reformed Church, Amsterdam

Annual accounts 2019

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Amsterdam, June 25<sup>st</sup>, 2020

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

for agreement:

Mrs. Victoria Lavelle .....member audit committee

Mr. Andreas Decker .....member audit committee

Mr. Eduard Starrenburg ..... member audit committee

## **Treasurer's report**

### **A personal note**

I am writing this treasurer's report with great THANKS to all of you who are supporting our congregation not only with your monetary giving but also with your prayers and practical involvement. It is my last report as my time as the treasurer of the English Reformed Church comes to an end. My wife Astrid started to work at the Royal Children's Hospital in Glasgow, and we will finally move to Scotland soon. God works in mysterious ways: Scotland was never on our radar screen as our next destination in life (more the idea of north of Italy or south of France, where the sun shines), but the more it was HIS appropriate guidance that we became members of a Church of Scotland congregation in 2002, when we arrived in The Netherlands. A good friend (Ruth Shakespeare, former medical director Mulanje Mission Hospital) once said to me that what she is doing in Malawi is "serious fun – with equal emphasis on both words". In the same way, the seven years serving as your treasurer were "serious fun". "Serious" because I considered myself being a small part of the legacy of more than 400 years of treasurers of this congregation having been stewards of the financial health of the congregation - not as a mean itself, but to ensure and support worship and fellowship among the ERC family. "Fun" because it was a honour and really a pleasure to collaborate with a lot of you, counting money, maintaining the accounts, the renovation projects, fund raising for Mulanje Mission Hospital, or simply the relieve within consistory when at end of a year the deficit was smaller than anticipated – or even we made a little surplus.

Being ERC's treasurer, I considered this always as an office beyond just taking care of the finances. I tried as good as possible and hopefully with some success that the money you gave was bringing glory to God and serves HIS people. I am grateful to you all for your trust, your gracious giving and to our God that he provided what we need.

### **Introduction**

2019 was an interesting year – like almost all previous anyhow. Right from the beginning of the year we were carrying forward a significant deficit of sometimes more than EUR 20.000 month after month. This was not really a pleasant situation and you may have read about my concerns in our church magazine the Records. Fortunately we could close the year with a smaller deficit of "only" EUR 5.370,69, thanks to some extraordinary donations in December, but especially because of a bequest of EUR 8.000 we received and the contribution of EUR 15.000 from the Stichting "Friends of the English Reformed Church" towards maintenance works. We compensated this deficit from our reserves.

### **Income**

Last year (2018) I reported that our income increased by 6% and this was the first time breaking a period of several years of steady decline. Unfortunately, 2018 seems was the odd-one-out. In 2019 our income declined again – now even by 8%, which was EUR 13.299,03 less income compared with 2018. This is mainly driven by a decline of direct giving into our bank account. You may consider giving a bit more into our bank account, especially as this may be tax deductible in case you are a Dutch taxpayer. I am sure that my successor as treasurer, Charles Vanderpuye, will also be grateful to have steadier stream of income month over month, and not worrying towards the end of the year about the size of a potential deficit.

I am very grateful that giving on Sundays into the collection continues to be a reliable pillar of our income – and now you have the possibility to give even in case you have no cash in your pocket! You may have noticed there is now an acrylic donation box placed in the vestibule, which contains also an apparatus for donating using your pin-pass, debit- or credit-card. The primary intention is to provide tourists an additional opportunity to support our church when they are visiting during the week (A BIG THANKS to all who spend their times as "Welcomers" during the week). But of course, if you "forgot" your cash on a Sunday you do

not need to worry anymore, you can use your plastics, too. It is easy to operate – just give it a try (may be your children will love to “tap-to-donate”. Let them play as often as they want 😊).

## **Expenditure**

Compared with 2019 our expenses declined by 3%. Some line items increased (wages & salaries: we paid into the Church of Scotland pension fund for our minster for 2018 and 2019; electricity and water as expected; insurances: in 2017 we paid already parts for 2018 so 2019 we paid for the whole year; representation: see note 5 of the Annual account section) some decreased (significantly maintenance as in 2018 we carried out some over-due work; Presbytery due: see below).

## **“Presbytery Dues”; Changes in ERC’s contribution to the Church of Scotland**

In the last year’s treasurer report I explained the changes of our contribution towards the Church of Scotland and what the impact for our congregation this will have.

Meanwhile the International Presbytery has established a methodology or formula how to meet the needs of the central church, while distribute this commitment fairly and in a sustainable way among its congregations.

Our congregation in Amsterdam is one of the biggest congregations of the International Presbytery like Brussels, Bermuda, Lausanne or Geneva. But there are also smaller congregation, which hardly can effort to pay its minster and rely even on financial support by the Salvesen fund (see below), like Paris, Budapest, Rome, or Lisbon.

The primary principle of this distribution of the so called “M & R contribution” is to ensure that congregation are enabled to pay for their minster. From the remaining income each congregation contributes a percentage towards the “M & R contribution” which is reflecting its financial capabilities compared with the other congregation of the International Presbytery.

In 2017 and 2018, before this new formula was introduced, we made two advanced payments of each EUR 3.000 towards the Church of Scotland and an annual contribution of EUR 1.500 towards the International Presbytery, which resulted that in 2019 we had only to pay EUR 1.500 towards the International Presbytery. In 2020 the new formula will now be applied, and we expect that our part of the “M & R contribution” will be in the order of EUR 8.000.

I consider the new formula as a good example of Presbyterian tradition, ensuring ministry within the congregations as a priority and (financially) stronger congregation are solidary with smaller ones.

## **Status of Reserves**

Because of the deficit in 2019 our reserves declined from EUR 57.036,78 at the beginning of the year to EUR 51.666,09. Consequently, we are a now even a bit further away from our minimum targeted for our reserves of EUR 90.000, which is a “best-practise” minimum amount to be prepared for unforeseen challenges.

I want to remind you that you can make the work of Charles Vanderpuye, my successor treasurer, less “exciting” by ensuring that we have a more sustainable financial foundation to meet our ongoing obligations.

## **Charity**

In 2019 we received EUR 36.247,86 for Mulanje Mission Hospital in Malawi our main charity project and commitment.

As you may have heard Arie Glasz succeeded Ruth Shakespeare who retired as the medical director of the hospital. Ruth remains in Malawi for the time being to spend more of her retirement to develop the livelihood of local communities by several hospital adjacent projects. Arie is Dutch and has friends and supporters in The Netherlands, who donated more than EUR 10.000 for the hospital using our church account (which is more practical and safer than donating smaller amounts directly to Malawi). These donations are included in the total amount mentioned above.

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This means our congregation supported the hospital with about EUR 25.000 in 2019, which is great because it is even more than 10% of our general income, we should consider this as our tithe to support the kingdom of God in Mulanje helping the poorest of the poor. Thank you all for your ongoing commitment and support!

We transferred EUR 35.511,95 to Mulanje Mission Hospital as always in close alignment and on request of the medical director.

We are also continuing to serve the needy in Amsterdam – whither our support of refugees (thanks to Gillian Walker for leading this), or “Cooking at the Kloof” (thanks to Tom Flanagan and all the volunteers each month).

### **Outlook 2020**

My anticipation for our financial situation is again “serious fun”. “Fun” because major challenges seem to have settled (like pending maintenance work thanks to Jaap Maas’ engagement or clarity about the “M&R contribution”), and “serious” because during all these years we were permanently facing the situation that “we just have enough”.

Having said that we will face one financial drawback: Each year we received support from the Salvesen Fund (a Scottish charity associated with the Church of Scotland supporting ministry of Scots outside of Scotland) for our youth and young people ministry. Our request for support in 2020 was declined. Already in the recent years it decreased from more than EUR 10.000 to about EUR 5.000 in 2019. The Salvesen fund faces challenges because of the low interest rates and has other more pressing and major commitments to meet (like paying the stipend for minister of some of our sister congregation).

Even so our reserves could be more robust and our continuous decline of income should be reversed I am confident that all of you are continuing to discern how you can share God’s gift of talents, time and money to ensure the life and the worship of our congregation.

### **Thanks**

At the end of this report I want to thank especially Charles Vanderpuye that he accepted to be the new treasurer of the English Reformed Church. I am sure you will find in him a competent and trustworthy steward of our finances. I wish Charles “serious fun” and recommend him to your support your prayers – and your giving.

As this is my last report, I could now add a long list of individuals, who supported me throughout the years, but firstly I do not want to miss anyone unintentionally and secondly you would need to continue to read for pages. Therefore, let me simply conclude on behalf of consistory expressing our great thanks to 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, Mrs. Victoria Lavelle, Mr Eduard Starrenburg and Mr. Andreas Decker as members of the audit committee, and Mr. Jolmer Gerritse serving as the treasurer of the Stichting Friends of the English Reformed Church.

**English Reformed Church, Amsterdam, The Netherlands.****Annual Accounts 2019**Note  
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amounts in €**Income and expenditure account 2019 & 2018**

		<b>2019</b>	<b>2018</b>	Change	%
<b>Income:</b>					
Donations		84.255,49	93.692,75	-9.437,26	-10%
Collections		55.500,98	54.297,72	1.203,26	2%
Church hire		19.352,80	19.502,80	-150,00	-1%
Concerts		13.547,00	17.778,00	-4.231,00	-24%
Weddings		2.845,00	3.325,00	-480,00	-14%
Church shop		440,00	830,00	-390,00	-47%
Flowers		85,00	-100,97	185,97	184%
		<u>176.026,27</u>	<u>189.325,30</u>	-13.299,03	-8%
<b>Expenditures:</b>					
Wages & salaries	2	138.986,00	118.824,71	20.161,29	17%
Electricity, gas & water		13.240,16	11.716,72	1.523,44	13%
Maintenance		27.512,86	56.024,52	-28.511,66	-51%
Insurance	3	7.601,94	4.428,28	3.173,66	72%
Church hall	4	-37,19	-396,92	359,73	-91%
Printing, stationary & postage		6.625,75	3.685,67	2.940,08	80%
Travel		2.405,31	2.742,22	-336,91	-12%
Representation	5	8.249,40	6.940,22	1.309,18	19%
Telecommunications		1.860,34	2.258,81	-398,47	-18%
Presbytery dues	6	1.500,00	9.000,00	-7.500,00	-83%
Bank charges		1.568,37	1.426,73	141,64	10%
Other expenses		576,43	-15,96	592,39	-3712%
		<u>210.089,37</u>	<u>216.635,00</u>	-6.545,63	-3%
Interest received		7,36	52,78	-45,42	-86%
Bequest		8.000,00	-		
Contribution Stichting Friends		15.000,00	27.500,00	-12.500,00	-45%
Contribution Salveson Fund		5.685,05	10.161,45	-4.476,40	-44%
<b>Surplus / Deficit</b>		<u><b>-5.370,69</b></u>	<u><b>10.404,53</b></u>	<b>-15.775,22</b>	<b>-152%</b>
<b>Transfer to/from general funds</b>		<u>5.370,69</u>	<u>-10.404,53</u>	15.775,22	-152%
After appropriation		<u>0,00</u>	<u>0,00</u>		

**Balance Sheet as of December 31, 2019 & 2018**

		<b>2019</b>	<b>2018</b>	Change	%
<b>Current assets</b>					
Cash	7	133.336,62	136.933,60	-3.596,98	-3%
<b>Fixed assets</b>					
Church building & other possessions		p.m.	p.m.	0,00	0%
Silver on loan to Amsterdams Museum	8	p.m.	p.m.	0,00	0%
		<u>0,00</u>	<u>0,00</u>	0,00	0%
<b>Total assets</b>		<u>133.336,62</u>	<u>136.933,60</u>	-3.596,98	-3%
<b>Current liabilities</b>					
Due to Stichting Friends of ERC	9	-1.819,44	-2.272,44	453,00	-20%
Due to charities	10	-23.657,74	-22.921,83	-735,91	3%
Due to deaconry fund	11	-1.217,62	-1.020,24	-197,38	19%
Due to instrument fund	12	-54.975,73	-53.682,31	-1.293,42	2%
		<u>-81.670,53</u>	<u>-79.896,82</u>	-1.773,71	2%
<b>Total liabilities</b>		<u>-81.670,53</u>	<u>-79.896,82</u>	-1.773,71	2%
<b>Net current assets</b>		<u>51.666,09</u>	<u>57.036,78</u>	-5.370,69	-9%
<b>Net assets</b>		<u><b>51.666,09</b></u>	<u><b>57.036,78</b></u>	<b>-5.370,69</b>	-9%

**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. In 2019 CoS pension contribution for Rev. Stone were paid for 2018 and 2019.

### 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 24.199,81; a total amount of 24.237 was received in compensation by various 'non-profit' organisations during 2019, resulting in small deficit of 37,19.

### 5. Representation

Includes 5,940 for renting rooms for the Lutheran Church for Junior Church and Sunday School.

### 6. Presbytery dues

Due to a new way of calculating the "M&R" contribution towards the Church of Scotland a refund for payments in 2017 and 2018 was received with the result that no payment needed to be made in 2019. 1.500 was the contribution for the International Presbytery.

### 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, 2019

### 8. Silver on loan to Amsterdams Museum

The church silver on loan to the Amsterdams 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 Stichting Friends of the ERC

	<u>Opening balance</u>	<u>Donations</u>	<u>Transfers</u>	<u>Current balance</u>
	2.272,44	17.047,00	-17.500,00	<b>1.819,44</b>

### 10. Due to charity projects

	<u>Opening balance</u>	<u>Donations</u>	<u>Transfers</u>	<u>Current balance</u>
Mulanje Mission Hospital	22.921,83	36.247,86	-35.511,95	<b>23.657,74</b>

### 11. Due to Deaconry fund

	<u>Opening balance</u>	<u>Donations</u>	<u>Transfers</u>	<u>Current balance</u>
	1.020,24	1.200,00	-1.002,62	<b>1.217,62</b>

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

	<u>Opening balance</u>	<u>Donations</u>	<u>Transfers</u>	<u>Current balance</u>
	53.682,31	3.730,00	-2.436,58	<b>54.975,73</b>

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

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