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The Redeemed Christian Church of God
located, Den Haag

Report on the annual accounts
2016

The Redeemed Christian Church of God at Den Haag

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The Redeemed Christian Church of God
To the attention of Pastor C.O. Olowu
Onyxhorst 5
2592 HB Den Haag

Hoofddorp, 30 March 2018

Dear Pastor Comfort O. Olowu,

We hereby offer you the report concerning the annual report 2016 for The Redeemed Christian Church of God, Den Haag.

ACCOUNTANT'S COMPILATION REPORT

The financial statements of The Redeemed Christian Church of God, Den Haag, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2016 and the statement of income and expenses for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with the Guideline for annual reporting C1 'Small not-for-profit organisations' of the Dutch Accounting Standards Board. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of The Redeemed Christian Church of God. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.



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The Redeemed Christian Church of God at Den Haag

GENERAL

Combined

The following Churches existed in 2016

- 9) North 1 Area: Groningen, Leeuwarden, Hoogezand (3 Churches)
- 10) North 2 Area: Enschede, Apeldoorn (2 Churches)

The board and pastors

- 9) Pastor Elizabeth Awede, North 1
- 10) Pastor Nelson Adelesi, North 2

The Redeemed Christian Church of God at Den Haag

RESULT

Analysis of the result

	2016		2015		Movement	
	€	%	€	%	€	%
Tithes and Offerings	1.273.041	100,0	1.571.154	100,0	-298.113	-19,0
Personnel expenses	289.664	22,8	255.410	16,3	34.254	13,4
Depreciation of tangible fixed assets	97.757	7,7	97.757	6,2	-	-
Other operating expenses	658.349	51,8	920.467	58,5	-262.118	-28,5
Total operating expenses	1.045.770	82,3	1.273.634	81,0	-227.864	-17,9
Surplus before interest and similar	227.271	17,7	297.520	19,0	-70.249	-23,6
Interest and similar income and expense	-88.732	-7,0	-87.112	-5,5	-1.620	-1,9
Surplus	138.539	10,7	210.408	13,5	-71.869	-34,2

The Redeemed Christian Church of God at Den Haag

Analysis of the results

	<u>2016</u>
	€
Increase in result	
Lower other operating expenses	262.118
	<u>262.118</u>
Decrease in result	
Lower gross margin	298.113
Higher personnel expenses	34.254
Lower interest and similar income and expense	1.620
	<u>333.987</u>
Decrease of the result	<u><u>71.869</u></u>

The Redeemed Christian Church of God at Den Haag

FINANCIAL POSITION

To provide insight in the development of the financial position of the Company we provide you with the following statements. These are based on the information from the annual report. Hereafter we provide you with the balance sheet as at 31 December 2016 in an abridged form.

Financial structure

	31-12-2016		31-12-2015	
	€	%	€	%
Assets				
Tangible fixed assets	3.268.630	84,4	3.366.387	86,7
Receivables	274.530	7,1	2.800	0,1
Cash at bank and in hand	327.931	8,5	514.426	13,2
	<u>3.871.091</u>	<u>100,0</u>	<u>3.883.613</u>	<u>100,0</u>
Liabilities				
Foundation capital	2.087.350	53,9	1.948.811	50,2
Long-term liabilities	1.464.579	37,8	1.530.795	39,4
Short-term liabilities	319.162	8,3	404.007	10,4
	<u>3.871.091</u>	<u>100,0</u>	<u>3.883.613</u>	<u>100,0</u>

The Redeemed Christian Church of God at Den Haag

Analysis of the financial position

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
Available on short term		
Receivables	274.530	2.800
Cash at bank and in hand	327.931	514.426
	<u>602.461</u>	<u>517.226</u>
Short-term liabilities	-319.162	-404.007
	<u>283.299</u>	<u>113.219</u>
Liquidity surplus = working capital		
Established for the long term		
Tangible fixed assets	3.268.630	3.366.387
	<u>3.551.929</u>	<u>3.479.606</u>
Financed with on the long term available assets	<u>3.551.929</u>	<u>3.479.606</u>
	<u>3.551.929</u>	<u>3.479.606</u>
Financing		
Foundation capital	2.087.350	1.948.811
Long-term liabilities	1.464.579	1.530.795
	<u>3.551.929</u>	<u>3.479.606</u>

Please do not hesitate us to contact us if you require further information.

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R.F. Engels RA

The Redeemed Christian Church of God at Den Haag

BALANCE SHEET AS AT 31 DECEMBER 2016

ASSETS

		31-12-2016		31-12-2015	
		€	€	€	€
FIXED ASSETS					
Tangible fixed assets	1		3.268.630		3.366.387
CURRENT ASSETS					
Receivables	2		274.530		2.800
Cash at bank and in hand	3		327.931		514.426
			3.871.091		3.883.613
LIABILITIES					
FOUNDATION CAPITAL					
Discretionary capital	4	1.893.351		1.754.812	
Fixed capital		193.999		193.999	
			2.087.350		1.948.811
LONG-TERM LIABILITIES	5		1.464.579		1.530.795
SHORT-TERM LIABILITIES	6		319.162		404.007
			3.871.091		3.883.613

The Redeemed Christian Church of God at Den Haag

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2016

		2016		2015	
		€	€	€	€
Tithes and Offerings	7		1.273.041		1.571.154
Personnel expenses	8	289.664		255.410	
Depreciation of tangible fixed assets	9	97.757		97.757	
Other operating expenses	10	658.349		920.467	
Total operating expenses			1.045.770		1.273.634
Surplus before interest and similar			227.271		297.520
Interest and similar income and expense 11			-88.732		-87.112
Surplus			138.539		210.408

The Redeemed Christian Church of God at Den Haag

NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The actual address of The Redeemed Christian Church of God is Onyxhorst 5, 2592 HB in Den Haag Nederland. The Redeemed Christian Church of God is registered at the trade register under number 27288893.

General notes

Description of the most important activities of the entity

The activities of The Redeemed Christian Church of God consist mainly to extend the vision of the kingdom of our Lord Jesus Christ to every city and community in the Netherlands. And from there to reach out strategically to the rest of Europe and other nations.

General accounting principles

Description of the accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the Guideline for annual reporting C1 'Small not-for-profit organisations' of the Dutch Accounting Standards Board.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Accounting policies for the balance sheet

Property, plant and equipment

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account.

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

The Redeemed Christian Church of God at Den Haag

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Non-current liabilities

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting policies for the income statement

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

The Redeemed Christian Church of God at Den Haag

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2016

Fixed assets

1 Tangible fixed assets

	Buildings and land €
Balance as at 1 January 2016	
Purchase price	3.910.292
Accumulated depreciation	-543.905
Book value as at 1 January 2016	<u>3.366.387</u>
Movements	
Depreciation	-97.757
Balance movements	<u>-97.757</u>
Balance as at 31 December 2016	
Purchase price	3.910.292
Accumulated depreciation	-641.662
Book value as at 31 December 2016	<u>3.268.630</u>
Depreciation percentages	<u>2,5%</u>

The land and buildings concerns the following real estate:

- Wolphaertsbocht 278b, at Rotterdam
- Hettenheuvelweg 18, at Amsterdam Zuid Oost
- Rosseelstraat 113, at Den Haag
- Diamanthorst 187, at Den Haag
- Onyxhorst 5, at Den Haag

The Redeemed Christian Church of God at Den Haag

Current assets

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
2 Receivables		
Accrued income and prepaid expenses	274.530	2.800
	<u>274.530</u>	<u>2.800</u>
Other receivables and accrued assets		
Deposit with notary	270.000	-
Miscellaneous prepaid expenses	4.530	2.800
	<u>274.530</u>	<u>2.800</u>
3 Cash at bank and in hand		
Rabobank	108.235	263.456
ABN AMRO Bank N.V.	191.807	220.919
ING Bank N.V.	21.820	23.488
Cash	6.069	6.563
	<u>327.931</u>	<u>514.426</u>

4 Foundation capital

	<u>Discretionary</u>	<u>Fixed capital</u>	<u>Total</u>
	capital		
	€	€	€
Balance as at 1 January 2016	1.754.812	193.999	1.948.811
Share in result financial year	138.539	-	138.539
	<u>1.893.351</u>	<u>193.999</u>	<u>2.087.350</u>

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
5 Long-term liabilities		
Debts to credit institutions	1.464.579	1.530.795
	<u>1.464.579</u>	<u>1.530.795</u>

The Redeemed Christian Church of God at Den Haag

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
Mortgages loan payable		
Rabobank N.V. mortgage -328-	321.750	339.750
Rabobank N.V. mortgage -239-	523.400	530.000
Rabobank N.V. mortgage -516-	302.657	326.669
Rabobank N.V. mortgage -733-	316.772	334.376
	<u>1.464.579</u>	<u>1.530.795</u>

	<u>2016</u>	<u>2015</u>
	€	€
Rabobank N.V. mortgage -328-		
Balance as at 1 January		
Principal amount	525.000	525.000
Cumulative repayments	-167.250	-149.250
	<u>357.750</u>	<u>375.750</u>
Balance as at 1 January		
Movements		
Repayment	-18.000	-18.000
	<u>-18.000</u>	<u>-18.000</u>
Balance as at 31 December		
Principal amount	525.000	525.000
Cumulative repayments	-185.250	-167.250
Current portion	-18.000	-18.000
	<u>321.750</u>	<u>339.750</u>
Balance as at 31 December		

Rabobank N.V. mortgage -328-

On 20 November 2007 a mortgage loan has been offered for the purchase of the building at Amsterdam, Hettenheuvelweg 18. The loan sum is € 525.000. Both loans have a fixed interest rate at 5,8% per year for 10 years.

Annuity repayment € 1.500 monthly, first instalment on 1 April 2008

Securities:

Mortgage on real estate on Hettenheuvelweg 18, Amsterdam Zuid Oost
Mortgage on real estate on Wolphaersbocht 278 B, Rotterdam.

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
Rabobank N.V. mortgage -239-		
Balance as at 1 January		
Principal amount	600.000	600.000
Cumulative repayments	-50.000	-30.000
	<u>550.000</u>	<u>570.000</u>
Balance as at 1 January		
Movements		
Repayment	-13.300	-20.000
	<u>-13.300</u>	<u>-20.000</u>
Balance as at 31 December		
Principal amount	600.000	600.000
Cumulative repayments	-63.300	-50.000
Current portion	-13.300	-20.000
	<u>523.400</u>	<u>530.000</u>
Balance as at 31 December		

Rabobank N.V. mortgage -239-

On 20 November 2007 a mortgage loan has been offered for the purchase of the building at Amsterdam, Hettenheувelweg 18. The loan sum is € 600.000 and has a fixed interest rate at 5,8% per year for 10 years with free instalments.

Securities:

Mortgage on real estate on Hettenheувelweg 18, Amsterdam Zuid Oost
Mortgage on real estate on Wolphaersbocht 278 B, Rotterdam.

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
Rabobank N.V. mortgage -516-		
Balance as at 1 January		
Principal amount	385.000	385.000
Cumulative repayments	-52.015	-37.401
	<u>332.985</u>	<u>347.599</u>
Balance as at 1 January		
Movements		
Repayment	-15.164	-14.614
	<u>-15.164</u>	<u>-14.614</u>
Balance as at 31 December		
Principal amount	385.000	385.000
Cumulative repayments	-67.179	-52.015
Current portion	-15.164	-6.316
	<u>302.657</u>	<u>326.669</u>
Balance as at 31 December		

Rabobank N.V. mortgage -516-

On 23 November 2008 a mortgage loan has been offered for the lump sum payment of the ground lease. The loan sum is € 325.000 and has a fixed interest rate at 6,00% per year for 5 years. Annuity repayment € 2.269 monthly, first instalment on 1 February 2009

Securities:

Mortgage on real estate on Hettenheuvelweg 18, Amsterdam Zuid Oost
Mortgage on real estate on Wolphaersbocht 278 B, Rotterdam.

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
Rabobank N.V. mortgage -733-		
Balance as at 1 January		
Principal amount	440.000	440.000
Cumulative repayments	-88.020	-70.416
	<u>351.980</u>	<u>369.584</u>
Balance as at 1 January		
Movements		
Repayment	-17.604	-17.604
	<u>-17.604</u>	<u>-17.604</u>
Balance as at 31 December		
Principal amount	440.000	440.000
Cumulative repayments	-105.624	-88.020
Current portion	-17.604	-17.604
	<u>316.772</u>	<u>334.376</u>
Balance as at 31 December		

Rabobank N.V. mortgage -733-

On 27 December 2010 a mortgage loan has been offered for the purchase of the building at Den Haag, Rosseelstraat 113. The loan sum is € 440.000 and has a fixed interest rate at 5,25% per year for 10 years
Instalments:

€ 1.467 monthly, first instalment on 1 February 2011

Securities:

Mortgage on real estate on Hettenheuvelweg 18, Amsterdam Zuid Oost

Mortgage on real estate on Wolphaersbocht 278 B, Rotterdam.

Mortgage on real estate on Rosseelstraat 113, Den Haag

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
6 Short-term liabilities		
Repayment obligations	64.068	61.920
Other liabilities	230.000	292.761
Taxes and social security premiums	13.094	16.394
Other liabilities and accrued expenses	12.000	32.932
	<u>319.162</u>	<u>404.007</u>
	<u>319.162</u>	<u>404.007</u>

The Redeemed Christian Church of God at Den Haag

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
Repayment obligations		
Current instalment on mortgage Rabobank N.V. -239-	13.300	20.000
Current instalment on mortgage Rabobank N.V. -328-	18.000	18.000
Current instalment on mortgage Rabobank N.V. -733-	17.604	17.604
Current instalment on mortgage Rabobank N.V. -516-	15.164	6.316
	<u>64.068</u>	<u>61.920</u>
	<u><u>64.068</u></u>	<u><u>61.920</u></u>
Other liabilities		
Creditors - Buildings Purchase	230.000	275.000
Funds special purposes	-	17.761
	<u>230.000</u>	<u>292.761</u>
	<u><u>230.000</u></u>	<u><u>292.761</u></u>
Taxes and social security premiums		
Wage tax	13.094	16.394
	<u>13.094</u>	<u>16.394</u>
	<u><u>13.094</u></u>	<u><u>16.394</u></u>
Other liabilities and accrued expenses		
Auditor's fee	12.000	11.999
Mortgage funding	-	20.933
	<u>12.000</u>	<u>32.932</u>
	<u><u>12.000</u></u>	<u><u>32.932</u></u>

Off-balance sheet commitments

Rental obligations

The foundation has several rental contracts running for periods of less than one year to five years. The annual property rent commitments account to € 85.00 C

The Redeemed Christian Church of God at Den Haag

**NOTES TO THE STATEMENT REVENUE AND EXPENDITURES FOR THE YEAR
2016**

	<u>2016</u>	<u>2015</u>
	€	€
7 Tithes and Offerings		
Tithes	523.453	669.833
Offerings	182.995	200.958
Building fund gifts	127.853	142.720
Gifts & Pledges	77.105	114.132
Thanksgivings	65.361	63.704
Welfare fund	1.557	10.034
Others	294.717	369.773
	<u>1.273.041</u>	<u>1.571.154</u>
8 Personnel expenses		
Wages and salaries	232.531	209.375
Social security premiums and pensions cost	37.148	34.635
Other staff expenses	19.985	11.400
	<u>289.664</u>	<u>255.410</u>
Wages and salaries		
Gross salaries	<u>232.531</u>	<u>209.375</u>
Average number of employees		
The average number of employees, expressed in full time equivalents, is for the year 2016: 7 (2015: 7).		
Social security premiums and pensions cost		
Social security contributions	<u>37.148</u>	<u>34.635</u>
Other staff expenses		
Allowance for travelling and hotel expenses	<u>19.985</u>	<u>11.400</u>

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
9 Depreciation of tangible fixed assets		
Depreciation buildings	97.757	97.757
	<u>97.757</u>	<u>97.757</u>
10 Other operating expenses		
Housing expenses	202.246	263.960
Car expenses	36.960	60.079
Office expenses	45.498	46.057
General expenses	161.103	201.169
Evangelical costs	212.542	349.202
	<u>658.349</u>	<u>920.467</u>
	<u>658.349</u>	<u>920.467</u>
Housing expenses		
Rent expenses	154.161	163.158
Gas, water and electricity	26.840	23.192
Maintenance buildings	10.654	51.420
Rental expenses	6.263	19.103
Cleaning expenses	4.328	7.087
	<u>202.246</u>	<u>263.960</u>
	<u>202.246</u>	<u>263.960</u>
Car expenses		
Transport	36.960	60.079
	<u>36.960</u>	<u>60.079</u>
	<u>36.960</u>	<u>60.079</u>
Office expenses		
Office supplies	15.036	8.903
Telephone and fax expenses	12.841	10.932
Small investments	7.514	3.373
Magazines and books	4.407	9.766
Printed matters	3.466	7.203
IT expenses	2.178	5.880
Postage expenses	56	-
	<u>45.498</u>	<u>46.057</u>
	<u>45.498</u>	<u>46.057</u>

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
General expenses		
International obligations	117.835	175.983
Administration cost	24.168	14.226
Insurance premium	7.648	1.194
Consultancy expenses	1.573	307
Fine	-	213
Auditor's fee	-	12.076
Other general expenses	9.879	-2.830
	<u>161.103</u>	<u>201.169</u>
	<u><u>161.103</u></u>	<u><u>201.169</u></u>
Evangelical costs		
Seminars & Conventions	64.745	105.235
Welfare	51.612	33.262
New parish expenses	35.457	57.203
Evangelical Programmes	23.538	62.016
Representation and entertainment expenses	21.577	46.635
Honorarium	15.613	44.851
	<u>212.542</u>	<u>349.202</u>
	<u><u>212.542</u></u>	<u><u>349.202</u></u>
11 Interest and similar income and expense		
Other interest and similar income	617	2.118
Interest and similar expenses	-89.349	-89.230
	<u>-88.732</u>	<u>-87.112</u>
	<u><u>-88.732</u></u>	<u><u>-87.112</u></u>
Other interest and similar income		
Interest income on bank balances	<u>617</u>	<u>2.118</u>
	<u><u>617</u></u>	<u><u>2.118</u></u>

The Redeemed Christian Church of God at Den Haag

	<u>2016</u>	<u>2015</u>
	€	€
Interest and similar expenses		
Interest on loans	83.584	79.715
Paid bank interest	5.765	9.515
	<u>89.349</u>	<u>89.230</u>

Den Haag, 30 March 2018

Pastor C.O. Olowu