

CHURCH OF THE FOURSQUARE GOSPEL

(AUSTRALIA) LIMITED

TREASURER'S REPORT

YEAR ENDED 31 DECEMBER, 2017

**A report, prepared by the Treasurer, of the Directors
stewardship of the financial affairs of the
denomination.**

To the company members,

I present the 88th annual financial report of our denominational company known as Church of the Foursquare Gospel (Australia) Limited for the year ended 31 December 2017.

This financial report has been audited by WSC Group. They consider these financial statements to be a true and fair view of the company's financial position as at 31 December 2017 and of its results for the year.

Our company, being a not for profit company limited by guarantee, is one that falls under the administration of the *Australian Charities and Not-for-profits Commission (ACNC)*.

This report represents my 12th report to members.

Financial Report – 31 December 2017

Foursquare movement result – Surplus \$ 48,488

The financial statements of the company for the year ended 31 December 2017 show a surplus of \$48,488 (2016 -\$107,842). Denominational tithing amounted to nearly \$350,000 (2016 - \$325,000, 2015 - \$332,000) which ranks as our second best year in the history of our movement in terms of gross giving.

Notwithstanding this result our 'net surplus' this year is lower than in past years and has been impacted by significant expenditures including:-

1. Church support and donations amounted to nearly \$120,000, 2016 - \$30,000, due in the main to a donation of \$95K to the Solomon Islands for the establishment of a new church building.
2. Legal fees of \$47k.
3. Provision for unspent mission funds of \$24K.

If these matters were to be excluded our result for the year would amount to a surplus of approx. \$240,000. Our result was also assisted by a strong performance from our investments of 8.6% (2016 - 4.7%, 2015 - 4.9%), continuing high interest income due to higher term deposits albeit on a declining base rate of interest of around 2.4%.

The Foursquare movement currently has cash holdings of approximately \$4.5M, share market investments of over \$725K and loans receivable from member churches of nearly \$1M.

The year recently concluded has seen a consistency in the receipt of denominational tithing and mission revenue. The surplus of \$48,488 follows a surplus in 2016 of \$107,842, a surplus in 2015 of \$1,768,206 (influenced by sale of a building), surplus in 2014 of \$101,946, a surplus in 2013 of \$436,540 (building related) and a surplus in 2012 of \$188,507. We have to go back 6 years to 2011 since we had a deficit and that was less than \$10,000.

Other important financial matters that should be noted include:-

1. Our share portfolio had a very good year following moderate performances in prior years and recorded a gain of 8.6% (2016- 4.7%, 2015 - 4.9% and 2014 - 9.8%). It well outperformed bank deposit rates which fell below 2.5%. The current value of our stock market investment amounts to \$725,811 (2016- \$668,222, 2015 - \$638,280, 2014 - \$608,676).

Turning to expenditure, the company had three broad categories of expenses being administration, mission and conferences and training. The major components of administration expenses are officer's remuneration \$129,720 (2016 - \$135,030), insurance \$95,296 (2016 - \$90,056), office and organizational expenses \$170,000 (2016 - \$43,899), AGM \$12,036 (2016 - \$23,765), and benevolent support of \$47,198 (2016 - \$47,349). Other than for the rise in legal fees and donations as previously discussed, these costs were consistent with those incurred in 2016.

Conferences and training include LIFE bible school of \$29,923 (2016 - \$32,270).

Mission costs of \$57,650 (2016 - \$64,088) include expenses to promote the Foursquare gospel across the globe notably in PNG, Vanuatu, Solomon Islands, other South Pacific nations and India. This work will be on-going in 2018.

I am thankful to be able to report again this year that the Foursquare movement in eastern Australia continues to be in the strongest financial position of its 88 year history notwithstanding that it faces a significant legal challenge. I say this not to be boastful but thankful.

As Treasurer I am committed to being an independent advocate to the board on all matters of a financial nature. As alluded to in last year's report we are now immersed in a protracted legal dispute which requires prayerful and careful consideration as well as a need to attend to amendments to our constitution to avoid future disputation. I continue to value your prayerful support.

I look forward to being of continuing service to the Board and the Foursquare movement in Australia.

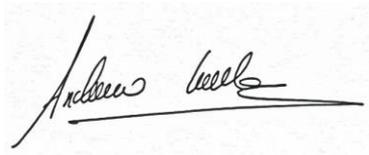
I trust the foregoing gave some insight into the business affairs of the company for the year ended 31 December 2017.

We are told by David in Psalm 34: 3-4 "O magnify the Lord with me, and let us exalt His name together. I sought the Lord, and he heard me, and delivered me from all my fears".

Of this I am glad!

I remain...

Yours faithfully,

A handwritten signature in cursive script that reads "Andrew Wallis". The signature is written in black ink on a light-colored background.

Andrew Wallis
Treasurer

