

**CHURCH OF THE FOURSQUARE GOSPEL**

**(AUSTRALIA) LIMITED**

**TREASURER'S REPORT**

**YEAR ENDED 31 DECEMBER, 2019**

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

**To the company members,**

I present the 90th annual financial report of our denominational company, Church of the Foursquare Gospel (Australia) Limited, for the year ended 31 December 2019.

This financial report has been audited by WSC Group – Certified Practising Accountants who consider these financial statements to be a true and fair view of the company’s financial position as at 31 December 2019 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 14th report to members.

**Financial Report – 31 December 2019**

**Foursquare result – Deficit \$ 95,309**

The financial statements for the year ended 31 December 2019 show a deficit of \$95,309 (2018 - surplus \$51,105). Denominational tithing amounted to nearly \$341,000, (2018 - \$360,000).

I am thankful to be able to report again that despite recent economic difficulties the Foursquare movement in eastern Australia continues to be in a strong financial position.

Those members who were at our last AGM will recall my remarks concerning our ongoing legal dispute with a member church that had previously left our organization. The advice from our legal team at the time of last year’s AGM was that we should settle our dispute on the basis that the weight of evidence was against our legal position. This advice was accepted by the board of directors.

As part of the settlement negotiations we were required to meet the costs of the other party. The amount of this payment was subject to independent review. This amount has now been determined and paid. It amounts to approx. \$260,000. Clearly this has had a very significant deleterious effect on our result for the year. Were it not for this settlement amount we would have reported a very significant surplus of approx. \$165,000.

Our legal expenditure was mitigated by a positive result from our share market investments which showed a surplus of \$115,000 (2018 – loss \$11,320) for the year. Additionally, our interest receipts from term deposits of approx. \$118,000 (2018 - \$100,000) also assisted in the mitigation of our loss.

Our investment result represented a net gain of 16% in stark contrast to a loss of 2.2% for the 2018 year and prior year gains in 2017 – 8.6%, 2016 - 4.7%, 2015 - 4.9%, 2014 – 9.8%.

Unfortunately, dark financial clouds have taken over the business environment of calendar 2020 arising from the impact of the coronavirus. At the date of this report the stock market is down 25-30% which means our portfolio will be significantly down on the reported 2019 balance of approx. \$825k. As of this report our losses for the current year have not been determined but they could be as much as \$200k. These investments are held for the long term and are not required to be sold to bolster cash reserves. We expect their value to rebound in due course as they have tended to do in the past. Additionally, our income base will further be diminished by falling interest revenue as a result of reductions in RBA interest rates.

Currently we have seen face to face attendance at church services closed due to governmental virus control measures. These may impact local church revenue and that of our company. The board has already agreed to suspend repayment of loans and other church remittances to assist local churches in their cashflow requirements.

Fortunately, Foursquare currently has cash holdings of approximately \$4.8M and is well placed to assist and support member churches in any revenue decline that may be experienced.

Turning to expenditure, the company has three broad categories of expenses being administration, mission and training.

The major components of administration expenses are officer's remuneration \$139,750 (2018 - \$128,400), insurance \$100,888 (2018 - \$100,291), office and organizational expenses \$332,952 (2018 - \$129,000), AGM \$27,374 (2018 - \$24,130), and benevolent support of \$42,498 (2018 - \$47,098). These costs were consistent with those incurred in 2018 other than for the impact of the large legal settlement.

Conferences and training represent expenditure of our bible schools amounting to \$26,953 (2018 - \$21,737 ). Mission costs of \$43,817 (2018 - \$47,098) 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 2020.

As Treasurer I continue to be committed to being an independent advocate to the board on all matters of a financial nature. I look forward to being of continuing service to the Board and the Foursquare movement in Australia.

The year recently concluded has seen our first deficit since 2011. The prospects of a return to surplus for 2020 appear 'challenging' based upon current economic forecasts and continuing virus mitigation measures.

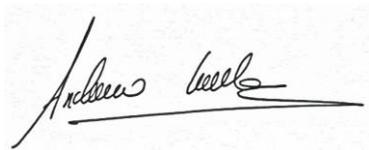
Clearly, we live in a very uncertain economic period, however, we know this time and the virus will pass in due course.

The Apostle John writing to the believer's in 1 John 5:14-15 says, *"And this is the confidence that we have in him, that, if we ask anything according to his will, he heareth us and if so, we have the petitions that we desired of him"*.

We are not confident in our own economic resources but we are confident in **Him** who has provided them.

I remain...

**Yours faithfully,**

A handwritten signature in black ink that reads "Andrew Wallis". The signature is written in a cursive style and is positioned above a horizontal line.

**Andrew Wallis**  
**Treasurer**