

Oceania Football Confederation Incorporated

Special Purpose Financial Reports For the Year Ended 31st December 2011

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Oceania Football Confederation Incorporated

Directory

As at 31st December 2011

Purpose of Confederation

Oceania Football Confederation (OFC) is charged the task of servicing and administering football in the Oceania region while also using the game as a tool for social development.

Nature of Activities

OFC is the umbrella organization of the national football associations within Oceania. OFC has 11 member associations which it supports financially and logistically through various programmes.

Executive Committee

President	David Chung	Papua New Guinea
Senior Vice President	Martin Alufurai	Solomon Islands
Vice President	Lee Harmon	Cook Islands
Executive Members	Fred de Jong	New Zealand
	Lambert Maltock	Vanuatu
	Toetu Petana	Samoa
	Lord Ve'ehala	Tonga
	Alex Goldinet	American Samoa

General Secretary Tai Nicholas

Bankers BNZ Bank
Level 1, 330 Broadway,
Newmarket, Auckland, 1023

ANZ Bank
Level 1, 8 Business Parade South,
Highbrook, Manukau, Auckland 2161

Address Building B Level 2,
93-95, Ascot Avenue
Remuera, Auckland

Auditor Lynch Phibbs & Associates
Level 5, 60 Parnell Road,
Parnell, Auckland

Solicitors Chen Palmer
Level 8, The Terrace,
Wellington

Golian Legal
Level 1, 3, Campbell Road,
Royal Oak, Auckland



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER ASSOCIATIONS OF OCEANIA FOOTBALL CONFEDERATION INCORPORATED

We have audited the special purpose financial report of Oceania Football Confederation Incorporated on pages 5 to 13 which comprise the statement of financial position as at 31 December 2011, the statement of financial performance, the statement of movements in accumulated funds, and a summary of significant accounting policies and other explanatory information.

Executive Committee's Responsibility for the Financial Statements

The Executive Committee are responsible for the preparation of the special purpose financial report that gives a true and fair view of the matters to which they relate and for such internal control as the Executive Committee determine is necessary to enable the preparation of a special purpose financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the special purpose financial report based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as evaluating the presentation of the special purpose financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are also the auditors of OFC Commercial Limited a wholly owned subsidiary of Oceania Football Confederation Incorporated, however we do not believe this appointment impacts on our independence in any way. Other than in our capacity as auditor we have no other relationship with, or interest in, Oceania Football Confederation Incorporated.

Opinion

In our opinion, the special purpose financial report of Oceania Football Confederation Incorporated on pages 5 to 13 for the year ended 31 December 2011 are prepared, in all material respects, in accordance with the accounting policies of Oceania Football Confederation Incorporated which have been accepted by the Executive Committee as appropriate for the users of their special purpose financial report.

Emphasis of Matter

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the note under the heading "Reporting Entity" on page 8, which describes the basis of accounting. The special purpose financial report is prepared to enable the Confederation to meet its statutory obligations of filing annual financial statements with the Registrar of Incorporated Societies and thus may not be suitable for any other purpose. Further, all members of the Executive Committee are representatives of the Member Associations who comprise the Confederation. Our report is intended solely for the use of the Member Associations and should not be distributed to parties other than the Member Associations.

Lynch Phibbs & Associates

Lynch Phibbs & Associates
10 May 2012
Parnell,
AUCKLAND

Oceania Football Confederation Incorporated

Special Purpose Financial Reports

Statement of Financial Performance

For the Year ended 31st December 2011

	Note	2011 \$	2010 \$
REVENUE			
FIFA - Grants		7,699,336	8,922,862
FIFA - Grants Income		4,026,754	687,285
Just Play - Grants		3,049,915	1,412,402
Interest Received		77,482	11,240
Rent Recovered		3,100	8,425
Sponsorship Received		255,634	131,406
Sundry Income		48,201	177,858
Total Income		<u>15,160,422</u>	<u>11,351,478</u>
Less Expenses			
Administration Expenses		3,794,023	3,390,542
Depreciation		405,954	235,134
Development Grants		2,809,431	1,861,316
Media and Communications		200,274	135,185
Social Responsibility		2,035,874	1,476,750
Technical and Development		1,449,640	1,737,065
Competitions		1,948,439	1,539,556
Total Expenses		<u>12,643,635</u>	<u>10,375,548</u>
NET OPERATING SURPLUS/(DEFICIT)		<u><u>\$2,516,787</u></u>	<u><u>\$975,930</u></u>

NOTE: These Financial Statements must be read in conjunction with the accompanying Notes and Auditor's Report.



Oceania Football Confederation Incorporated

Special Purpose Financial Reports

Statement of Movements in Accumulated Funds

For the Year ended 31st December 2011

	2011	2010
	\$	\$
ACCUMULATED FUNDS AT START OF PERIOD	5,607,295	4,631,365
Net Surplus / (Deficit)	2,516,787	975,930
Total recognised revenues & expenses	<u>2,516,787</u>	<u>975,930</u>
ACCUMULATED FUNDS AT END OF PERIOD	<u><u>\$8,124,082</u></u>	<u><u>\$5,607,295</u></u>

NOTE: These Financial Statements must be read in conjunction with the accompanying Notes and Auditor's Report



Oceania Football Confederation Incorporated

Special Purpose Financial Reports

Statement of Financial Position

As at 31st December 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
ANZ Bank Account		57,104	2,809,344
BNZ Bank Account		4,482,270	-
Cash in Hand		2,940	2,921
GST Refund Due	1(f)	270,497	90,364
Due (to) /from Member Associations	7	86,577	232,151
Grants Receivable	7	85,704	583,446
Accounts Receivable / Prepayments	7	561,613	1,347,909
Interest Receivable		9,454	-
Total Current Assets		<u>5,556,159</u>	<u>5,066,135</u>
NON-CURRENT ASSETS			
Fixed Assets	8	4,459,792	4,405,436
Investments			
OFC Commercial Ltd	9	1,000,000	-
Total Non-Current Assets		<u>5,459,792</u>	<u>4,405,436</u>
TOTAL ASSETS		<u>11,015,951</u>	<u>9,471,571</u>
CURRENT LIABILITIES			
Accounts Payable & Accruals	10	998,756	1,137,755
Grants Received in Advance	10	1,436,673	2,726,521
OFC Commercial Ltd.		456,440	-
Total Current Liabilities		<u>2,891,869</u>	<u>3,864,276</u>
TOTAL LIABILITIES		<u>2,891,869</u>	<u>3,864,276</u>
NET ASSETS		<u>\$8,124,082</u>	<u>\$5,607,295</u>
MEMBERS FUNDS			
Accumulated Funds		8,124,082	5,607,295
TOTAL MEMBERS FUNDS		<u>\$8,124,082</u>	<u>\$5,607,295</u>

Represented by;

MEMBERS FUNDS

Accumulated Funds

TOTAL MEMBERS FUNDS

General Secretary

Tai Nicholas

Head of Finance

Mangesh Naik

Dated

10 May 2012

NOTE: These Financial Statements must be read in conjunction with the accompanying Notes and Auditor's Report.



Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2011

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Oceania Football Confederation Incorporated is an incorporated society registered under the Incorporated Societies Act 1908. These financial statements have been prepared as a special purpose financial report. All members of the Executive Committee are representatives of the Member Associations. These financial statements are prepared to enable the Confederation to meet its statutory obligations of filing annual financial statements with the Registrar of Incorporated Societies and thus may not be suitable for any other purpose. The Executive Committee is satisfied these financial statements meet the needs of FIFA and Member Associations.

Measurement Base

The measurement base adopted is that of historical cost. Reliance has been placed on the fact that the Confederation is a going concern. Accrual accounting is used to match expenses and revenues.

Specific Accounting Policies

The specific accounting policies adopted in the Special Purpose Financial Report and which have a significant effect on the results and financial position disclosed are:

(a) Revenue Recognition

Revenue is recognised when received, except FIFA, UEFA, and AUSAID revenues from funding are recognised when the related expenses, upon which the funding purpose was based, occur. Investment income is recognised on an accrual basis.

(i) Revenue

Interest income is recognised using the effective interest method.

(ii) Government Grants

Government grants are reported at their fair value where there is reasonable certainty that the grant will be received and all attaching conditions are met.

(b) Foreign Currency

Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are recognised in the statement of financial performance.

(c) Operating Lease

The entity leases certain plant, office equipment, motor vehicles and land and buildings. Payments under operating leases are charged as expenses in the period in which they are incurred.

(d) Income Tax

The Confederation is a not for profit organization and is exempt from income tax.

(e) Receivables

Accounts Receivable are stated at their expected realisable value.

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2011

(f) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis. All items in this statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST.

(g) Property, Plant & Equipment

All owned items of property, plant and equipment are initially recorded at cost and depreciated as outlined below. Initial cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use.

Subsequent expenditure to an item of property, plant or equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained.

Items of property, plant and equipment are written down immediately if impairment in the value of the asset causes its recoverable amount to fall below its carrying amount. The impairment is recognised in the statement of financial performance.

Where an item of property, plant and equipment is disposed of, the gain or loss recognised in the statement of financial performance is calculated as the difference between the net sale price and the carrying amount of the asset.

Depreciation is charged on assets on a straight line basis at the following rates:

Buildings	25 years
Office Furniture & Equipment	3 - 5 years
Motor Vehicle	5 years
Plant & Equipment	5 years

(h) Funding Grants Received

In accordance with OFC Statutes, the revenue and expenditure of OFC is to be managed so that they balance out over the financial period to which the funding relates.

Grants received in advance represent the granted funds that have not been spent for their designated purpose. These funds can be claimed back by FIFA, UEFA, AUSAID and are consequentially shown as current liabilities.

Assets acquired from FIFA grants received are capitalised and included as grants spent.

(i) Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

(j) Investments

Investments are carried at the lower of cost and net realisable value.

2. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2010:\$0).



Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2011

3. CAPITAL COMMITMENTS

At balance date the Confederation has no capital commitments. (Last year Nil).

4. REVENUE COMMITMENTS

	2011	2010
	\$	\$
Lease of Vehicles		
Less than One year	42,980	69,336
Two and Three Years	<u>3,382</u>	<u>46,362</u>
	<u>\$46,362</u>	<u>\$115,698</u>

The Confederation has a Licence to occupy a building it owns, on a piece of land on Mt. Smart Recreation Reserve leased from Auckland Council pursuant to an agreement dated 28 October 1998. The term of the licence is for 21 years and may be renewed for a further similar term.

An annual licence fee is payable in advance of \$ 9.00 per square metre of occupied land and is currently subject to a review from the Council upon certain conditions being met.

For the period to 31 December 2011 Auckland Council is claiming a fee payable in respect to the current and prior years. This amount is subject to negotiations. As from January 2012 the full licence fee in accordance with the agreement will be payable.

5. SIGNIFICANT EVENTS AFTER BALANCE DATE

The confederation has an agreement with the Orakei Local Board, Auckland Council, in respect to acquiring the use of land at Ngahue Reserve to allow the Confederation to establish a Home of Football facility and multisport precinct and associated training and administrative facilities.

The Confederation is currently evaluating the suitability of the use of Ngahue Reserve and is committed to establishing the confirmation for its use in conjunction with other regional requirements of the site. This is to be completed in conjunction with the Orakei Local Board of Auckland Council.

No financial cost has been identified for the evaluation process which is expected to be on going for the foreseeable future.

6. RELATED PARTIES

There were no related party transactions during the year. Previous year nil

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2011

	2011 \$	2010 \$
7. TRADE AND OTHER RECEIVABLES		
Due (to) / from Member Associations		
American Samoa	(2,000)	4,490
Cook Island	1,186	18,984
Fiji	480	(15,986)
Kiribati	-	30,672
New Caledonia	(2,000)	17,624
New Zealand	4,584	-
Papua New Guinea	11,744	30,909
Samoa	(4,873)	(5,373)
Solomon Islands	83,629	42,080
Tahiti	(6,309)	49,636
Tonga	694	5,285
Tuvalu	(300)	-
Vanuatu	(258)	53,830
Total	<u>86,577</u>	<u>232,151</u>
Grants Receivable		
AUSAID	-	583,446
FIFA	7,481	-
Others	78,223	-
Total	<u>85,704</u>	<u>583,446</u>
Accounts Receivable / Prepayments		
Sundry Receivables	389,200	1,032,307
Prepayments	170,343	315,602
Other Receivables	2,070	-
Total	<u>561,613</u>	<u>1,347,909</u>



Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2011

	2011 \$	2010 \$
8. PROPERTY, PLANT & EQUIPMENT		
Buildings		
At cost	5,238,377	5,103,730
Less accumulated depreciation	<u>(1,223,721)</u>	<u>(956,638)</u>
	<u>4,014,656</u>	<u>4,147,092</u>
Motor Vehicles		
At cost	44,312	44,312
Less accumulated depreciation	<u>(22,027)</u>	<u>(12,721)</u>
	<u>22,285</u>	<u>31,591</u>
Furniture & Fittings		
At cost	438,689	520,389
Less accumulated depreciation	<u>(307,707)</u>	<u>(380,108)</u>
	<u>130,982</u>	<u>140,281</u>
Office Equipment		
At cost	355,543	309,005
Less accumulated depreciation	<u>(69,985)</u>	<u>(224,577)</u>
	<u>285,558</u>	<u>84,428</u>
Plant & Equipment		
At cost	23,606	17,684
Less accumulated depreciation	<u>(17,295)</u>	<u>(15,640)</u>
	<u>6,311</u>	<u>2,044</u>
Total Property, Plant & Equipment	<u><u>\$4,459,792</u></u>	<u><u>\$4,405,436</u></u>
9. INVESTMENTS		
Unlisted Shares		
OFC Commercial Ltd	1,000,000	-
Total	<u><u>1,000,000</u></u>	<u><u>-</u></u>

The Confederation owns all the share capital in OFC Commercial Ltd comprising 1,000,000 ordinary shares (fully paid up)



Oceania Football Confederation Incorporated
Statement of Accounting Policies and Notes to
Special Purpose Financial Reports
For the Year ended 31st December 2011

	2011	2010
	\$	\$
10. TRADE AND OTHER PAYABLES		
Accounts Payable & Accruals		
Sundry Creditors	580,403	662,762
Accounts Payable & Accruals	331,932	394,993
O-League Bond	80,000	80,000
Due to Member Associations	6,421	-
Total	<u>998,756</u>	<u>1,137,755</u>
Grants Received in Advance		
FIFA - FAP	499,011	697,808
FIFA - WIO	465,386	1,568,315
FIFA - Ambassador Programme	78,911	78,911
FIFA - VP Travel	-	6,440
AUSAID	370,326	-
UEFA	23,039	375,047
Total	<u>1,436,673</u>	<u>2,726,521</u>

