

Oceania Football Confederation Incorporated
Special Purpose Financial Reports
For the Year Ended 31st December 2014

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Oceania Football Confederation Incorporated

Directory

As at 31st December 2014

Purpose of Confederation

Oceania Football Confederation (OFC) is charged with 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 organisation of the national football associations within Oceania. OFC has 11 member associations which it supports financially and logistically through various programs.

Executive Committee	David Chung	President	Papua New Guinea
	Rajesh Patel	Vice President	Fiji
	Lee Harmon	Vice President	Cook Islands
	Lambert Maltok	Vice President	Vanuatu
	Lord Ve'ehala		Tonga
	Alex Godinet		American Samoa
	Laupama Solomona		Samoa
	Barnabas Anga	Up to 28 March 2015	Solomon Islands
	William Lai	From 27 May 2015	Solomon Islands
General Secretary	Tai Nicholas		
Bankers	Bank of New Zealand ASB Bank		
Address	12 Maurice Road, Mt Smart Penrose, Auckland 1061		
Auditor	Lynch Phibbs & Associates Level 5, 60 Parnell Road, Parnell 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 4 to 13 which comprise the statement of financial position as at 31 December 2014, 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 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 4 to 13 present fairly, in all material respects, the financial position of the Confederation as at 31 December 2014, and of its financial performance for the year then ended in accordance with the accounting policies which have been adopted 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 7, 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
17 February 2016
Parnell
AUCKLAND

Oceania Football Confederation Incorporated
Special Purpose Financial Reports
Statement of Financial Performance
For the Year ended 31st December 2014

	<i>Note</i>	2014	2013
		\$	\$
INCOME			
FIFA - Grants		6,599,265	6,687,537
FIFA - Bonus		2,989,715	-
FIFA - Grants Income		-	615,460
Just Play - Grants		1,047,981	1,983,031
Interest Received		70,996	38,737
Rent Recovered		84,563	45,417
Sponsorship Received		66,669	170,223
TV Rights Income		31,381	214,595
Competitions Income		46,046	109,599
Exchange Gains		-	39,920
Sales of Just Play Kits		-	14,886
Sundry Income		95,447	238,114
Total Income		11,032,063	10,157,519
Less Expenses			
Administrative Expenses		2,952,103	2,909,566
Depreciation		573,375	539,722
Development Grants		2,254,809	2,009,059
Media and Television		936,099	872,810
Social Responsibility		1,147,470	1,888,046
Technical		1,064,284	802,804
Tournaments		2,106,073	1,943,595
Exchange Losses	2(i)	288,859	-
Win In Oceania 2013		-	401,704
Cost Of Sales		-	14,656
Total Expenses		11,323,072	11,381,962
NET SURPLUS / (DEFICIT) FOR THE YEAR		(\$291,009)	(\$1,224,443)

Oceania Football Confederation Incorporated
Special Purpose Financial Reports
Statement of Movements in Accumulated Funds
For the Year ended 31st December 2014

	2014	2013
	\$	\$
ACCUMULATED FUNDS AT START OF PERIOD	6,729,515	7,953,958
Movement in Accumulated Funds for the year		
Net Surplus / (Deficit)	(291,009)	(1,224,443)
Total Movement in Accumulated Funds during the year	(291,009)	(1,224,443)
ACCUMULATED FUNDS AT END OF PERIOD	\$6,438,506	\$6,729,515

Oceania Football Confederation Incorporated
Special Purpose Financial Reports
Statement of Financial Position
As at 31st December 2014

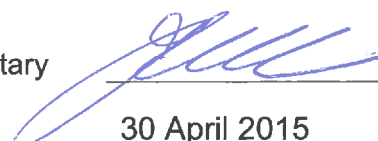
	Note	2014 \$	2013 \$
CURRENT ASSETS			
ANZ Bank Account		1,384	217
Bank NCL		281,742	306,798
BNZ Bank Account		696,082	1,931,679
Cash in Hand		9,315	5,707
ASB Term Deposit		600,000	-
GST Refund Due	2(e)	148,357	32,050
Dues from Member Associations	9(a)	75,116	274,156
Accounts Receivable / Prepayments	9(b)	1,698,221	1,746,810
Inventory		180,150	270,291
Total Current Assets		3,690,367	4,567,708
NON-CURRENT ASSETS			
Property, plant & equipment	11	15,054,268	8,785,345
Dues from Member Associations	10	635,147	735,534
Investments	12	2,113,317	1,927,046
Total Non-Current Assets		17,802,732	11,447,925
TOTAL ASSETS		21,493,099	16,015,633
CURRENT LIABILITIES			
Accounts Payable & Accruals	13	1,718,757	1,512,533
Grants Received in Advance	13	510,324	192,509
Current Portion of Term Loan		3,206,362	-
ASB NZD Account		65	-
Total Current Liabilities		5,435,508	1,705,042
TERM LIABILITIES			
FIFA – Unsecured	14	9,619,085	7,581,076
TOTAL LIABILITIES		9,619,085	9,286,118
NET ASSETS		\$6,438,506	\$6,729,515
Represented by :			
ACCUMULATED FUNDS			
Accumulated Funds		6,438,806	6,729,515
TOTAL ACCUMULATED FUNDS		\$6,438,506	\$6,729,515

OFC President
David Chung
Date



30 April 2015

General Secretary
Tai Nicholas
Date



30 April 2015

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2014

1. REPORTING ENTITY

Oceania Football Confederation Incorporated (OFC) is domiciled in New Zealand and registered with the Registrar of Incorporated Societies 1908, on 10th February 1998, number 883483.

OFC is affiliated to Fédération Internationale de Football Association (FIFA), an umbrella organisation for promoting football across the Pacific region.

The aim of the confederation is on the developing the game of football in the Pacific region with the co-operation and the exchange of ideas of the 11 member associations in the Pacific region. All members of the Executive Committee are representatives of the Member Associations.

These financial statements have been prepared as a special purpose financial report in accordance with Article 46(3)(b) of the OFC Statutes and 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.

2. SPECIFIC ACCOUNTING POLICIES

The following specific accounting policies which materially affect the measurement of financial performance and the financial position have been applied:

(a) **Income Tax**

OFC is exempt from Income Tax as a promoter of amateur sport under section CW46 of the Income Tax 2007.

(b) **Receivables**

Accounts Receivable are valued at cost less any impairment losses.

(c) **Investments**

Investments are stated at cost less any impairment losses.

(d) **Inventory**

Inventory is carried at the lower of cost and net realisable value.

(e) **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.

(f) **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 grants that have not been spent for their designated purpose. These grants can be claimed back by FIFA, UEFA and AUSAID, and are consequentially shown as current liabilities.

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

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2014

(g) Property, Plant & Equipment

All 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.

Home of football is under development and is shown as Capital Work in Process with nil depreciation.

Depreciation on items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Buildings	25 years
Office Furniture & Equipment	2 - 10 years
Motor Vehicle	5 years
Plant & Equipment	5 year.

(h) Operating Leases

Operating leases, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal installments over the lease terms.

(i) 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.

(j) 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.

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2014

3. CONTINGENT LIABILITIES

At balance date contingent liabilities \$1 Million (2013:\$0).

4. CAPITAL COMMITMENTS

At balance date capital commitments \$2.4 Million to complete stage 2 of Home of football (2013:\$7.6 Million)

5. LICENSE TO OCCUPY

OFC has a License to occupy a building it owns, on land at Mt. Smart Recreation Reserve leased from Auckland Council pursuant to an agreement dated 28 October 1998. The term of the license is for 20 years and may be renewed for a further similar term.

The license fee of \$1.00 per month, per square meter of occupied land (2,377 square meters) is payable in advance and is currently subject to a review from the Council upon certain conditions being met.

6. HOME OF FOOTBALL PROJECT

In 2011, OFC entered into a lease agreement for 30 years, with Orakei Local Board Auckland Council, to develop Ngahue Reserve for "Home of Football" facility for a total cost of NZ\$ 17,424,000 to be completed in 2 stages (Stage 1 comprising (2 x fields, practice field, changing rooms, toilets, 80 carparks, flood lighting) for \$5,899,000 and Stage 2 (office block, sports club, café, gym, Futsal facility, public toilets, 210 carparks) for \$11,525,000). This facility is to be used as a multisport precinct, associated training and for administrative purposes. FIFA has agreed to part fund this project up to US\$10 Million. The balance of the funding is to be arranged by OFC.

\$6,734,648.06 has been spent on Stage 1 \$4,451,717.87 on stage 2, totaling \$11,186,365 (Refer Note 11 on page 11 "Capital Work in Progress"). The project is expected to be completed by end of Feb 2016.

In December 2014 Insurance was taken for stage 1 covering \$6 million, prior to that the contractors had a contractor insurance cover on the project.

7. RELATED PARTIES

During the year, the following related party transactions took place.

Related Party: OFC Commercial Ltd - wholly owned subsidiary

- (a) Purchased merchandise of \$489,354 (2013: \$284,947).
- (b) Disbursed funds for operational cash flow \$186,271 (2013: \$200,000).
- (c) Expense recovery \$50,676 (2013: \$246,450)

Oceania Football Confederation Incorporated
Statement of Accounting Policies and Notes to
Special Purpose Financial Reports
For the Year ended 31st December 2014

8. OPERATING LEASES

	2014	2013
	\$	\$
Land Lease		
Due within 1 year	28,524	28,524
Due within 2 and 5 years	61,802	90,326
Telephone & Computer Lease		
Due within 1 year	54,060	54,060
Due within 2 and 5 years	54,139	108,199

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	\$	\$
(a) Due from Member Associations		
American Samoa	(627)	27,573
Cook Island	45,280	144,225
Fiji	36,876	57,394
New Zealand	837	-
Niue	200	200
Samoa	-	20,100
Tahiti	-	1,087
Tonga	(177)	2,769
Tuvalu	(200)	(200)
Vanuatu	(7,073)	21,008
Total	\$75,116	\$274,156
(b) Accounts Receivable / Prepayments		
Sundry Receivables	998,648	1,384,413
Prepayments	628,284	143,860
Accrued Income/Other Receivables	71,289	218,537
Total	\$1,698,221	\$1,746,810

10. NON CURRENT ASSETS

	2014	2013
	\$	\$
Due from Member Associations		
New Caledonia	147,579	186,205
Papua New Guinea	176,466	154,952
Solomon Islands	311,102	394,377
Total	\$635,147	\$735,534

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports For the Year ended 31st December 2014

11. PROPERTY, PLANT & EQUIPMENT	2014	2013
	\$	\$
Buildings		
At cost	5,257,678	5,231,573
Less accumulated depreciation	(2,034,622)	(1,761,718)
	<u>3,223,056</u>	<u>3,469,855</u>
Capital Work in Progress (Home of Football)		
At cost	11,186,369	4,953,571
	<u>11,186,366</u>	<u>4,953,571</u>
Motor Vehicles		
At cost	282,127	278,434
Less accumulated depreciation	(148,474)	(92,500)
	<u>133,653</u>	<u>185,934</u>
Furniture & Fittings		
At cost	439,664	439,664
Less accumulated depreciation	(405,766)	(370,690)
	<u>33,898</u>	<u>68,974</u>
Office Equipment		
At cost	886,536	783,074
Less accumulated depreciation	(524,316)	(325,344)
	<u>362,220</u>	<u>457,730</u>
Plant & Equipment		
At cost	153,716	96,474
Less accumulated depreciation	(38,642)	(28,193)
	<u>115,074</u>	<u>68,281</u>
Total Property, plant & equipment	<u><u>\$ 15,054,268</u></u>	<u><u>\$8,785,345</u></u>
12. INVESTMENTS		
Advances to OFC Commercial Ltd	1,113,317	927,046
Shares in OFC Commercial Ltd		
1,000 shares of \$1,000 each fully paid up	1,000,000	1,000,000
Total Investments	<u><u>\$2,113,317</u></u>	<u><u>\$1,927,046</u></u>

OFC Commercial Ltd is a wholly owned subsidiary of OFC.
No impairment on investment has been reported in the Statement of Financial Performance.

Oceania Football Confederation Incorporated

Statement of Accounting Policies and Notes to Special Purpose Financial Reports

For the Year ended 31st December 2014

The executive committee considered the future of OFC Commercial Ltd. It is possible that a decision will be made in near future to wind up the company and continue its operation under OFC Inc. Should this occur, investment of \$1,000,000 will be written off in the 2015 financial accounts of OFC Inc. The advance of \$1,113,317 is expected to be largely offset by sale of OFC Commercial Ltd assets and liabilities to OFC Inc.

	2014	2013
	\$	\$
13. CURRENT LIABILITIES		
Accounts Payable & Accruals		
Sundry Creditors	988,350	877,897
Accounts Payable & Accruals	725,407	634,636
O-League Bond	5,000	-
Total	\$1,718,757	\$1,512,533
Grants Received in Advance		
FIFA - Ambassador Program	75,084	75,084
UEFA	365,380	-
PYASC	69,860	117,425
Total	\$510,324	\$192,509

14. TERM LOAN

FIFA has agreed to fund the Home of Football project, by way of an unsecured term loan, up to US\$10 Million carrying nil rate of interest. This loan is to be repaid in 4 annual installments of US\$2.5 Million each, commencing from 2015. The repayment will be deducted by FIFA from its annual FAP grant.

15. SECURITY

BNZ has a perfected security interest in all present and after acquired property of OFC.

BNZ has a first mortgage over property situated at Unit 2B, 93 Ascot Avenue, Greenlane, Auckland.

16. MODIFICATION TO FINANCIAL STATEMENTS AFTER ISSUE

Previously issued financial statements have been amended by the Executive Committee on the 12th November 2015. Previously issued audited report was dated 14 May 2015. The reason for amendment of the annual report for the year ended 31 December 2014 is to restate the value of building and its improvements located at Mt Smart as at 31 December 2014. The Executive Committee believes that all property should be recorded in accordance with the policy as now stated in the Statement of Accounting Policies. Previously the Executive Committee had decided to adopt certain valuations as provided by registered independent valuers. These financial statements which were issued to three external parties only, have now been recalled from those parties.

This adjustment has resulted in the net deficit for the year and the reduction of net assets as at end year compared to previously issued audited financial statements.

A second amendment to the financial statements is the addition of information to note 12 in regards to the investment made in OFC Commercial Ltd.

During the OFC Elect Congress held in Papua New Guinea on 7th January 2015.

A decision was made to remove the 2 Senior Vice Presidents positions which were held by Lee Harmon and Rajesh Patel prior to 7th January 2015 and appoint them as 2 additional Vice President's.

Barnabas Anga resigned from the OFC Executive Committee on 28 March 2015.

William Lai (Solomon Islands) was appointed onto the Executive Committee on 27th May 2015.

There were no other amendments to the financial statements.