

**OCEANIA FOOTBALL CONFEDERATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**OCEANIA FOOTBALL CONFEDERATION  
DIRECTORY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

<b>Registration Number</b>	883483
<b>Registered Office</b>	Auckland
<b>Nature of Society</b>	Oceania Football Confederation (OFC) is charged with the task of servicing and administrating football in the Oceania region while also using the game as a tool for social development.
<b>Nature of business</b>	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
<b>Executive Committee</b>	David Chung (Papua New Guinea) - President Lee Harmon (Cook Islands) - Vice President Lambert Maltok (Vanuatu) - Vice President Rajesh Patel (Fiji) - Vice President Lord Ve'ehala - (Tonga) Alex Godinet (American Samoa) Laupama Solomonina (Samoa) William Lai (Solomon Islands) - From 27 May 2015 Barnabas Anga (Solomon Islands) - Up to 28 March 2015
<b>General Secretary</b>	Tai Nicholas
<b>Head of Departments</b>	Sarai Bareman (Deputy General Secretary)
<b>Independent auditor</b>	Lynch Phibbs & Associates Level 5, 60 Parnell Road Parnell, Auckland
<b>Bankers</b>	ASB Bank Ltd Bank of New Zealand



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER ASSOCIATIONS OF OCEANIA FOOTBALL CONFEDERATION INCORPORATED**

We have audited the Consolidated Financial Statements of Oceania Football Confederation Incorporated on pages 5 to 25 which comprise the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive revenue and expenses, the consolidated statement of changes in net assets, consolidated statement of cash flows for the year ended 31 December 2015, and notes to the consolidated financial statements and other explanatory information.

#### **Executive Committee's Responsibility for the Consolidated Financial Statements**

The Executive Committee are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with Public Benefit Entity Standards issued in New Zealand by the New Zealand Accounting Standard Board, and for such internal control as the Executive Committee determine is necessary to enable the preparation of a consolidated financial statements that is free from material misstatement, whether due to fraud or error.

#### **Independent Auditor's Responsibility**

Our responsibility is to express an opinion on the consolidated financial statements 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements 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 consolidated financial statements.

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 consolidated financial statements of Oceania Football Confederation Incorporated on pages 5 to 25 present fairly, in all material respects, the financial position of the Confederation as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime.

*Lynch Phibbs & Associates,*


Lynch Phibbs & Associates  
8 April 2016  
Parnell  
AUCKLAND


# OCEANIA FOOTBALL CONFEDERATION INC

## APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Signed for and on behalf of the Executive Committee who authorised these consolidated financial statements for the year ended 31 December 2015, for issue on 11 May 2016.

Sign   
Name David Chung  
Title OFC President  
Date 8-Apr-16

Sign   
Name Tai Nicholas  
Title General Secretary  
Date 8-Apr-16



**OCEANIA FOOTBALL CONFEDERATION**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Group 2015 \$	Group 2014 \$
<i>Revenue from non-exchange transactions</i>			
Grant Revenue	5	13,728,705	10,636,961
Others	6	272,242	163,650
		<u>14,000,947</u>	<u>10,800,611</u>
<i>Revenue from exchange transactions</i>			
Interest Revenue		91,142	71,009
Other operating Revenue	7	661,447	385,320
		<u>752,589</u>	<u>456,329</u>
<b>Total Revenue</b>		<u><b>14,753,536</b></u>	<u><b>11,256,940</b></u>
<i>Expenses</i>			
Grants Expense	8	2,666,761	2,812,560
Employee Wages, Salaries and Benefits		2,704,330	2,488,836
Interest Expense		256	186
Depreciation		555,925	598,337
Other Operating Expenses	9	6,104,127	5,636,009
<b>Total expenses</b>		<u><b>12,031,398</b></u>	<u><b>11,535,928</b></u>
Income Tax Provision		6,671	-
<b>Total surplus/(deficit) for the period</b>		<u><b>2,715,467</b></u>	<u><b>(278,988)</b></u>
<i>Other comprehensive revenue and expenses</i>		-	-
<b>Total comprehensive revenue and expense</b>		<u><b>2,715,467</b></u>	<u><b>(278,988)</b></u>



**OCEANIA FOOTBALL CONFEDERATION**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**


<b>GROUP</b>	<b>Note</b>	<b>Asset revaluation reserve</b>	<b>Special purpose reserve</b>	<b>Retained surplus</b>	<b>Total Equity</b>
Opening balance 1 January 2015		-	-	5,262,512	5,262,512
Surplus/(Deficit) for the year				2,715,467	2,715,467
Other comprehensive income/expenditure				-	-
Transfers				-	-
<b>Closing equity 31 December 2015</b>		<b>-</b>	<b>-</b>	<b>7,977,978</b>	<b>7,977,978</b>
Opening balance 1 January 2014				5,541,500	5,541,500
Surplus (Deficit) for the year				(278,988)	(278,988)
Other comprehensive income/expenditure				-	-
Transfers				-	-
<b>Closing equity 31 December 2014</b>		<b>-</b>	<b>-</b>	<b>5,262,512</b>	<b>5,262,512</b>




**OCEANIA FOOTBALL CONFEDERATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Notes	Group 2015 \$	Group 2014 \$
<b>Current assets</b>			
Cash and Cash Equivalents	11	2,630,402	1,635,987
Receivable from Associated Entities	12	268,218	82,477
Receivables from Exchange Transactions	13	405,960	533,128
Receivables from Non-Exchange Transactions	14	640,967	853,028
Prepayments	15	474,277	629,826
Inventories	16	806,806	894,542
<b>Total Current Assets</b>		<b>5,226,630</b>	<b>4,628,989</b>
<b>Non-current assets</b>			
Property Plant and Equipment	17	15,922,592	12,866,805
Loans & Advances to Associated Entities	18	187,829	635,147
Investments Property	19	2,144,852	2,307,313
<b>Total Non Current Assets</b>		<b>18,255,273</b>	<b>15,809,265</b>
<b>Total assets</b>		<b>23,481,903</b>	<b>20,438,254</b>
<b>Current liabilities</b>			
Bank Overdraft		-	65
Trade and Other Creditors	20	1,554,543	1,492,602
Deferred Income / Grants Received in Advance	20	2,607,863	510,324
Employee Entitlements		362,154	347,303
Current Portion of Term Loans	21	-	3,206,362
		<b>4,524,560</b>	<b>5,556,656</b>
<b>Non Current Liabilities</b>			
Term Loans	21	10,979,365	9,619,086
		<b>10,979,365</b>	<b>9,619,086</b>
<b>Total Liabilities</b>		<b>15,503,925</b>	<b>15,175,742</b>
<b>Total net assets</b>		<b>7,977,978</b>	<b>5,262,512</b>
<b>Net assets</b>			
Retained surplus		7,977,978	5,262,512

**Total net assets attributable to the owners of the controlling entity**

Sign   
Name David Chung  
Title OFC President  
Date 8 April 2016

Sign   
Name Tai Nicholas  
Title OFC General Secretary  
Date 8 April 2016





**OCEANIA FOOTBALL CONFEDERATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	Group 2015 \$	Group 2014 \$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Receipts from non-exchange transactions		9,221,808	3,432,285
Receipts from exchange transactions		19,165,550	10,431,408
Received from Associated Entities		1,158,736	672,266
Net GST		738,718	1,153,474
		30,284,812	15,689,433
<u>Payments</u>			
Payments to suppliers		(6,634,306)	(8,987,290)
Payment to employees		(2,236,989)	(1,980,266)
Other Payments		(8,599,477)	(3,172,168)
		(17,470,772)	(14,139,723)
<b>Net cash flows from operating activities</b>		<b>12,814,040</b>	<b>1,549,710</b>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Sale of property plant and equipment		2,500	-
Interest received		1	13
Withdrawal of short term investments		-	-
		2,501	13
<u>Payments</u>			
Purchase of property, plant and equipment		(3,424,607)	(6,834,529)
Investments in short term deposits		(4,600,000)	(600,000)
Interest Paid		-	-
		(8,024,607)	(7,434,529)
<b>Net cash flows from investing activities</b>		<b>(8,022,105)</b>	<b>(7,434,516)</b>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Loans raised		-	4,250,485
		-	4,250,485
<u>Payments</u>			
Repayment of Loans		(3,238,762)	-
Interest paid		-	-
		(3,238,762)	-
<b>Net cash flows from financing activities</b>		<b>(3,238,762)</b>	<b>4,250,485</b>
Net increase/(decrease) in cash and cash equivalents		1,553,173	(1,634,321)
Effects of currency translation on cash and cash equivalents		41,305	412,599
Opening cash and cash equivalents at 01 January		1,035,925	2,257,647
<b>Closing cash and cash equivalents at 31 December</b>	<b>11</b>	<b>2,630,403</b>	<b>1,035,925</b>



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**1 Reporting entity**

The reporting entity is Oceania Football Confederation Inc. (OFC). OFC is domiciled in New Zealand and is a non for profit organisation registered under the Incorporated Societies Act 1908.

The financial statements comprising the OFC and it's controlled entity OFC Commercial Ltd together the (Group) are presented for the year ended 31 December 2015.

The Group financial statements and the accompanying notes summarise the financial results of activities carried out by the Group. The Group provides goods and services to members and public.

These consolidated financial statements have been approved and were authorised for issue by the Governing Body committee on 11th May 2016.

**2 Statement of compliance**

The group financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Not-For-Profit entities. For the purposes of complying with NZ GAAP, the Group is a public benefit not-for-profit entity and is eligible to apply Tier 2 Not-For-Profit PBE IPSAS on the basis that it does not have public accountability and it is not defined as large.

The Governing Body has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (RDR) disclosure concessions.

**3 Changes in accounting policy**

For the year ended 31 December 2014, the controlling entity prepared special purpose financial statements and the controlled entity prepared in accordance with the Financial Reporting Act 1993. From 1 January 2015, the Confederation has changed its reporting framework to Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The 2014 figures have been reclassified for the 2015 year reporting.

**4 Summary of accounting policies**

Significant accounting policies used in the preparation of these financial statements as set out below.

**a Basis of measurement**

The consolidated financial statements have been prepared on the basis of historical cost, as modified by the fair value measurement of investment properties, non-derivative financial instruments and land and buildings which are measured at fair value.

**b Functional and presentational currency**

The consolidated financial statements are presented in New Zealand Dollars (NZ\$), which is the Group's functional currency. All financial information presented in NZ\$ has been rounded to the nearest dollar.



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**c Basis of Consolidation**

Controlled entities are all those entities over which the controlling entity has the power to govern the financial and operating policies so as to benefit from its activities. The controlled entities are consolidated from the date on which control is transferred and are de-consolidated from the date that control ceases. In preparing the consolidated financial statements, all inter entity balances and transactions, and unrealised gains and losses arising within the consolidated entity are eliminated in full. The accounting policies of the controlled entity are consistent with the policies adopted by the Group and have a 31 December reporting date.

**d Revenue**

Revenue is recognised to the extent the economic benefit will probably flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

***Revenue from non-exchange transactions***

▪ **Grant revenue**

Grant revenue includes grants received from national and international charitable organisations, philanthropic organisations and businesses. Grant revenue is recognised when the conditions attached has been complied with. Where there are unfulfilled conditions, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

▪ **FIFA Bonus**

FIFA Bonus is a additional grant provided by FIFA every 4 years. It is under the same rules as the FIFA FAP Grant. It is recognised when the conditions attached has been complied with. Where there are unfulfilled conditions, the amount relating to the unfulfilled condition is recognised as a liability and released to revenue as the conditions are fulfilled.

▪ **Sponsorship**

Sponsorship Income is recognised when specific conditions attached have been met or when funds have been utilised for the purpose of the fund received.

▪ **Rental Income on Investment Property**

Rental income from investment property located 93 Ascot Avenue, Remuera is recognised in surplus or deficit on a straight-line basis over the term of the lease.

▪ **Interest revenue**

Interest revenue is recognised as it accrues, using the effective interest method.



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**e Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

The Group derecognises a financial asset or, where applicable, a part of a financial asset when the rights to receive cash flows from the asset have expired or are waived, or has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

▪ **Financial Asset**

Financial assets within the scope of *recognition and measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Group's financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables or as available for sale financial assets. the Group's financial assets include: cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions, investments and loans to Associated Entities.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or Group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

▪ **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments or a derivative that is a financial guarantee contract.



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

▪ **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Group's cash and cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions fall into this category of financial instruments.

▪ **Available for sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include the just play kits and merchandise.

▪ **Impairment of financial assets**

The Group assesses at the end of reporting date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the Group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there are any objective evidence of impairment, the Group first assesses whether there are objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Group determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a Group of financial asset with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**Financial liabilities**

The Group's financial liabilities include trade and other creditors, and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

**f Cash and cash equivalents**

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**g Short term investments**

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

**h Inventories**

- Inventories held for consumption in the provision of services that are sold on a commercial basis are measured at the lower of cost and net realisable value.
- Inventory held for distribution at no charge or for nominal charge or for consumption are measured at cost adjusted for any loss of service potential.

**i Nature and purpose of reserves**

The Group has no reserves in terms of specific requirements.

**j Investment properties**

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, for supply of goods or services or for administrative purposes. Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through non-exchange transactions are measured at its fair value at the date of acquisition.

Subsequent to initial recognition, investment properties are measured using cost model where the investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Any gains or losses arising revaluation of property are recognised as a surplus or deficit in the period that it is incurred.

When an owner-occupied property changes its use to an investment property, the property is remeasured to fair value and any gains arising on remeasurement is recognised in surplus or deficit to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in Other Comprehensive Revenue and Expense and presented in the asset revaluation reserve in equity.





**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs maintenance and enhancements.

**k Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

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.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

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 Progress with nil depreciation.

Depreciation is charged using the straight-line method to allocate their depreciable amounts over the useful life of the asset:

▪ Land	
▪ Buildings	25 Years
▪ Plant and equipment	5 years
▪ Motor vehicles	5 years
▪ Office equipment	5 years
▪ Furniture & Fittings	2 - 10 years

**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.

**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**l Leases**

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

**m Significant judgments and estimates**

In preparing the financial statements, the group is required to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. The uncertainty from these assumptions and estimates could result in outcomes that may result in a material adjustment to the carrying amount of the asset or liability.

The Group base their assumptions and estimates on parameters available when the financial statements are prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The key significant judgements and estimates used in the preparation of these financial statements are as follows:

**Inventories**

In arriving at the inventory value of saleable goods in the Statement of Financial Position which is acquired at cost, the recognised cost is the cost at the date of acquisition. Several key assumptions and estimates have been used in arriving at the inventory value. These are listed as follows:

- Inventory is valued at the lower of cost or net realisable value.

**n Income Tax**

The controlling entity is exempt from Income Tax under section CW46 of the Income Tax 2007, as it is a promoter of amateur sport.

The subsidiary - OFC Commercial Limited is liable to pay tax on any profits made during the year.

The income tax is accounted, using the taxes payable method. The income tax expense charged to the statement financial performance is the estimated tax payable in the current year, adjusted for any differences between the estimated and actual tax payable in prior years.

**o Goods and Services Tax**

All amounts in the statement of financial performance and statement of cash flows are stated exclusive of GST, only accounts receivable and accounts payable are stated inclusive of GST in the statement of financial position.





**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**5 GRANT REVENUE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
FIFA Grants	5,815,795	6,599,265
Just Play Grants	1,495,818	1,047,981
FIFA Bonus	6,417,092	2,989,715
	<u>13,728,705</u>	<u>10,636,961</u>

**6 OTHER (Revenue from non exchange transactions)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Sponsorship Income	61,947	66,669
Members Subscription Fees	5,500	5,500
Miscellaneous Income	204,795	91,481
	<u>272,242</u>	<u>163,650</u>

**7 OTHER OPERATING REVENUE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
TV Rights Income	272,753	31,381
Sale of Merchandise	94,454	206,634
Sale of Just Play kits	-	-
Competitions income	585	46,046
Exchange Gain	9,445	16,696
Rent Received	284,210	84,563
	<u>661,447</u>	<u>385,320</u>



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**8 GRANTS EXPENSE**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Member Association</b>		
American Samoa	121,201	143,589
Cook Island	225,517	235,811
Fiji	269,965	203,067
Kiribati	30,000	30,000
New Zealand	401,202	359,450
New Caledonia	95,000	196,117
Papua New Guinea	320,260	470,946
Samoa	211,554	204,208
Solomon Islands	300,239	193,827
Tahiti	169,701	217,075
Tonga	222,430	217,788
Tuvalu	-	30,000
Vanuatu	207,193	225,184
	<hr/> 2,574,262	<hr/> 2,727,062
<b>Others</b>		
Other Grants	26,572	85,498
Just Play Stock Adjustment	65,927	-
	<hr/> 92,499	<hr/> 85,498
<b>Total Grants</b>	<hr/> 2,666,761	<hr/> 2,812,560



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**9 OTHER OPERATING EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Accounting Service Fees	707	-
Advertising	-	55
Auditor's Remuneration	55,908	40,164
Bad Debts	23,766	130,700
Bank Fees	17,778	22,074
Banner, Signage & equipment	157,519	226,415
Broadcasting Fees	87,856	23,363
Cleaning & Waste Removal	14,602	2,123
Computer Expenses	17,253	18,940
Contractors & Consultancy	481,800	756,885
Cost of Sales	39,148	160,727
Entertainment	21,573	76,422
Exchange Loss	1,992,748	288,859
Freight Outwards	5,717	11,326
General Expenses	22,988	55,366
Gifts, Donations	21,858	61,926
Insurances	81,335	76,732
Lease Expenses	57,218	56,435
Legal fees	365,833	29,009
Marketing	19,721	76,976
Medical Expenses	3,406	15,512
Meetings	-	4,469
Motor Vehicle Expenses	17,622	19,305
Power	30,120	15,679
Postage	32,685	34,839
Printing & Stationery	81,315	89,902
Rates Land & Water	93,400	91,107
Rental Property Costs	14,279	51,627
Repairs & Maintenance	36,872	15,665
Security Costs	14,334	23,211
Staff Expenses	7,739	2,160
Storage Costs	2,951	244
Subscriptions	23,486	18,325
Telephone	83,566	108,550
Travelling Expenses	2,005,961	2,867,871
Translations	15,912	29,682
Venue Hire	60,257	93,159
Website Costs	42,981	40,202
Loss on sale of Asset	32,163	-
Prior Years Expense	19,750	-
	<b>6,104,127</b>	<b>5,636,009</b>



**OCEANIA FOOTBALL CONFEDERATION**  
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**10 HOME OF FOOTBALL PROJECT**

In 2011, Oceania Football Confederation entered into a lease agreement with Orakei Local Board Auckland for 30 years, to develop Ngahue Reserve for "Home of Football" facility for a total cost of \$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 agreed to fund this project up to \$13,333,333 (US\$10 Million) with the balance \$6,666,667 coming from the Oceania Football Confederation.

\$7,461,263.38 has been spent on Stage 1 and \$7,119,093.77 on stage 2 totalling \$14,580,357 (Refer Note 17 "Capital Work in Progress under Property Plant and Equipment"). The project is expected to be completed by end of December 2016.

Stage 1 has been insured for \$6.8 million, Stage 2 for \$ 0.

**11 CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	2,630,402	1,035,987
Short-term deposits with maturities of less than 3 months	-	600,000
Total cash and cash equivalents	<u>2,630,402</u>	<u>1,635,987</u>

**12 RECEIVABLE FROM ASSOCIATE ENTITIES (RECEIVABLE WITHIN 12 MONTHS)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
American Samoa	5,732	(627)
Cook Island	32,485	45,280
Fiji	(4,518)	36,876
New Zealand	71,444	5,783
New Caledonia	16,722	-
Niue	-	200
Papua New Guinea	44,590	2,438
Samoa	5,072	(23)
Solomon Islands	-	-
Tahiti	-	-
Tonga	56,309	(177)
Tuvalu	-	(200)
Vanuatu	40,382	(7,073)
	<u>268,218</u>	<u>82,477</u>



**OCEANIA FOOTBALL CONFEDERATION**  
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**13 RECEIVABLES FROM EXCHANGE TRANSACTIONS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Interest receivable	-	-
Accounts receivables	303,420	461,839
Accrued Income	10,998	4,078
Other Receivables	91,542	67,211
	<u>405,960</u>	<u>533,128</u>

**14 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Grants Receivable	-	-
GST receivable	90,152	173,980
Accounts Receivable	550,815	679,048
	<u>640,967</u>	<u>853,028</u>

**15 PREPAYMENTS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Insurance	-	24,111
Flights	282,149	550,922
Merchandise order	117,881	-
Rates	-	-
CBRE	5,045	19,324
Stay In Front	24,525	24,525
Other	44,678	10,944
	<u>474,277</u>	<u>629,826</u>

**16 INVENTORY**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Merchandise	688,247	714,392
Just Play Kits	118,559	180,150
	<u>806,806</u>	<u>894,542</u>



**OCEANIA FOOTBALL CONFEDERATION**  
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**17 PROPERTY PLANT AND EQUIPMENT**

	<b>2015</b>			<b>2014</b>		
	<b>\$</b>			<b>\$</b>		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land (at valuation)	-	-	-	-	-	-
Buildings	2,113,158	1,281,910	831,248	2,113,158	1,197,415	915,743
Plant and equipment	230,748	83,058	147,690	250,104	57,392	192,712
Motor vehicles	319,998	213,058	106,940	325,961	159,630	166,331
Office equipment	977,423	733,346	244,077	906,803	538,954	367,849
Furniture & Fittings	433,175	420,895	12,280	444,033	406,230	37,803
Capital Work in Progress	14,580,357	-	14,580,357	11,186,367	-	11,186,367
	<u>18,654,859</u>	<u>2,732,267</u>	<u>15,922,592</u>	<u>15,226,426</u>	<u>2,359,621</u>	<u>12,866,805</u>

**18 RECEIVABLE FROM ASSOCIATE ENTITIES (RECEIVABLE AFTER 12 MONTHS)**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
American Samoa	-	-
Cook Island	-	-
Fiji	-	-
New Zealand	-	-
New Caledonia	-	147,579
Niue	-	-
Papua New Guinea	-	176,466
Samoa	-	-
Solomon Islands	187,829	311,102
Tahiti	-	-
Tonga	-	-
Tuvalu	-	-
Vanuatu	-	-
	<u>187,829</u>	<u>635,147</u>

**19 INVESTMENT PROPERTY**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Opening Balance (1 January)	2,307,313	2,118,409
Additions	-	-
Disposals	-	-
Depreciation	162,461	188,904
	<u>2,144,852</u>	<u>2,307,313</u>



**OCEANIA FOOTBALL CONFEDERATION**  
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**20 CURRENT LIABILITIES**

**Trade and other creditors**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Sundry Creditors	1,075,224	988,350
Accounts Payable & Accruals	347,593	846,555
GST Payable	20,055	-
Income Tax Payable	6,671	-
O-League Bond	5,000	5,000
Due to Member Associations	100,000	-
Total	<u>1,554,543</u>	<u>1,839,905</u>

**DEFERRED INCOME / GRANTS RECEIVED IN ADVANCE**

FIFA - FAP	1,463,210	-
FIFA - Ambassador Program	91,099	75,084
UEFA	31,713	365,380
UEFA - Foundation	145,540	-
AUSAID	110,517	-
UNICEF	209,921	-
NZAID	543,644	-
NZAID - ADD	12,219	-
PYASC	-	69,860
Total	<u>2,607,863</u>	<u>510,324</u>

**21 TERM LOAN**

FIFA has part funded the Home of Football project, by way of an unsecured term loan of US\$10 Million carrying nil rate of interest. This loan is to be repaid in 4 annual instalments of US\$2.5 Million each, commencing from 2015. The repayment will be deducted by FIFA from its annual FAP grant. In 2016 FIFA has granted a loan repayment break to OFC Inc for one year.

**22 SECURITY**

There is no charge over deposits in the name of the controlled entity.



**OCEANIA FOOTBALL CONFEDERATION**  
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**23 RELATED PARTY TRANSACTIONS**

**Controlled entities**

The Oceania Football Confederation controls the OFC Commercial Limited ("OCL") on the basis that it holds 100% of shares in the company.

**Related party transactions**

Transactions with related parties (stated above) during the reporting period are as follows:

<b>Balances</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Receivable from Subsidiary	23,516	287,623
Shareholder Advance to Subsidiary	935,950	2,113,317
	<u>959,466</u>	<u>2,400,940</u>
<b>Transactions</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Purchase of Just Play Kits	-	-
Purchase of Merchandise by OFC Inc to be used as grants to member associates	406,433	489,354
	<u>406,433</u>	<u>489,354</u>

**Key Management Personnel**

The key management personnel, are the Board of Directors of the controlled entity and the Executive Committee of the controlling entity, which constitutes the governing body of the Group. Members of the executive committee are paid remuneration and fees for services rendered. The aggregate remuneration, fees of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration and fees are as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Total remuneration and fees	463,162	462,244
Number of persons	9	9

**Remuneration, Compensation provided to close family members of key management personnel.**

During the reporting period, total remuneration and compensation of \$0 was provided by the Group to employees who are close family members of key management personnel.

**Shareholder Advance Forgiveness**

OFC Inc has partially forgiven shareholders advance made to OFC Commercial Limited for the amount of \$1,000,000 during the 2015 year.





**OCEANIA FOOTBALL CONFEDERATION**  
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**24 OPERATING LEASES**

At reporting date, the Group has the following operating lease commitments:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
No later than one year	90,326	82,584
Later than one year and no later than five years	192,728	115,941
Later than five years	-	-
	<u>283,054</u>	<u>198,525</u>

**25 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES**

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>

**Financial assets**

**Loans and receivables**

Cash and Cash Equivalents	2,630,402	1,635,987
Receivable from Associated Entities	268,218	82,477
Receivables from Exchange Transactions	405,960	533,128
Receivables from Non-Exchange Transactions	640,967	853,028
Prepayments	474,277	629,826
	<u>4,419,824</u>	<u>3,734,447</u>

**Available-for-sale financial assets**

Inventory	806,806	894,542
	<u>806,806</u>	<u>894,542</u>

**Financial liabilities**

**At amortised cost**

Bank Overdraft	-	65
Trade and Other Creditors	1,554,543	1,492,602
Deferred Income / Grants Received in Advance	2,607,863	510,324
Employee Entitlements	362,154	347,303
Current Portion of Term Loans	-	3,206,362
Current Portion of Finance Leases	-	-
	<u>4,524,560</u>	<u>5,556,656</u>



**OCEANIA FOOTBALL CONFEDERATION**  
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**26 CAPITAL COMMITMENTS**

At balance date capital commitments \$1.8 Million to complete stage 2 of Home of football (2014:\$ 2.4 Million)

**27 CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets or liabilities at the reporting date.

**28 EVENTS AFTER THE REPORTING DATE**

The Governing Body and management is not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Group.

**29 GOING CONCERN**

The executive committee believes that the Group has adequate resources to continue operations for the foreseeable future. For this reason the governing body continues to adopt the going concern assumption in preparing the consolidated financial statements for the year ended 31 December 2015. This conclusion was reached after making enquiries and having regard to circumstances which the executive committee considers likely to affect the Group during the period of one year from 31 December 2015, and to circumstances which the executive committee knows will occur after that date which could affect the validity of the going concern assumption.

