

**OCEANIA FOOTBALL CONFEDERATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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**OCEANIA FOOTBALL CONFEDERATION  
DIRECTORY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<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 administering 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 Maltock (Vanuatu) - Vice President Rajesh Patel (Fiji) - Vice President Lord Ve'ehala - (Tonga) Alex Godinet (American Samoa) Laupama Solomona (Samoa) William Lai (Solomon Islands) Steeve Laigle (New Caledonia) Deryck Shaw (New Zealand) Thierry Ariotima (Tahiti)
<b>General Secretary</b>	Tai Nicholas
<b>Deputy General Secretary</b>	Sarai Bareman - Up to 9 December 2016
<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 MEMBERS OF THE OCEANIA FOOTBALL CONFEDERATION INC

Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of the Oceania Football Confederation Incorporated (The Confederation) on pages 6 to 26 which comprise the statement of comprehensive revenue and expenses, statement of changes in nett assets and statement of cash flows for the year ended 31 December 2016, the statement of financial position as at 31 December 2016, and the statement of accounting policies and other explanatory information.

In our opinion:

The consolidated financial statements on pages 6 to 26 present fairly, in all material respects:

- The financial position of The Confederation as at 31 December 2016 and its financial performance and cash flows for the year then ended.

in accordance with Public Benefit Entity International Public Sector Accounting Standards Reduced Disclosure Regime (PBE IPSAS RDR) issued by the New Zealand Accounting Standards Board.

### Basis for Opinion

We conducted our audit of the statement of comprehensive revenue and expenses, statement of changes in net assets, statement of financial position, statement of cash flows, statement of accounting policies and notes to the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of The Confederation in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, The Confederation.

## The Responsibility of Executive Committee for the Consolidated Financial Statements

Executive Committee is responsible on behalf of the entity for:

- (a) The preparation and fair presentation of the consolidated financial statements which comprises of the statement of comprehensive revenue and expenses, statement of changes in net assets, statement of financial position, statement of cash flows, statement of accounting policies and notes to the financial statements in accordance with General Purpose Accepted Accounting Practice in New Zealand (NZ GAAP) - Tier 2 Not-For-Profit PBE Accounting Standards Reduced Disclosure Regime (RDR) issued by the New Zealand Accounting Standards Board;
- (b) For such internal control as the Executive Committee determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Executive Committee is responsible on behalf of The Confederation for assessing The **Confederation's** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate The Confederation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Executive Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Confederation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Confederation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Lynch Phibbs & Associates .*

Lynch Phibbs & Associates  
30 June 2017  
Parnell Auckland

OCEANIA FOOTBALL CONFEDERATION INC

APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Signed By:

Sign



Name David Chung

Title OFC President

Date 30.6.2017

Sign



Name Tai Nicholas

Title OFC General Secretary

Date 30.6.2017



**OCEANIA FOOTBALL CONFEDERATION**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Group 2016 \$	Group 2015 \$
<i>Revenue from non-exchange transactions</i>			
Grant Revenue	5	13,143,435	13,728,705
Others	6	615,767	272,242
		<u>13,759,202</u>	<u>14,000,947</u>
<i>Revenue from exchange transactions</i>			
Interest Revenue		25,449	91,142
Other operating Revenue	7	1,472,890	661,447
		<u>1,498,339</u>	<u>752,589</u>
<b>Total Revenue</b>		<u><b>15,257,541</b></u>	<u><b>14,753,536</b></u>
<i>Expenses</i>			
Grants Expense	8	3,314,574	2,666,761
Employee Wages, Salaries and Benefits		2,799,372	2,704,330
Interest Expense		1	256
Depreciation		250,796	555,925
Other Operating Expenses	9	6,046,161	6,104,127
<b>Total expenses</b>		<b>12,410,905</b>	<b>12,031,398</b>
Income Tax Provision		54,675	6,671
<b>Total surplus/(deficit) for the period</b>		<u><b>2,791,961</b></u>	<u><b>2,715,467</b></u>
<i>Other comprehensive revenue and expenses</i>		-	-
<b>Total comprehensive revenue and expense</b>		<u><b>2,791,961</b></u>	<u><b>2,715,467</b></u>





**OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

<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 2016		-	-	7,977,979	7,977,979
Surplus/(Deficit) for the year				2,791,961	2,791,961
Other comprehensive income/expenditure				-	-
Transfers				-	-
<b>Closing equity 31 December 2016</b>		<b>-</b>	<b>-</b>	<b>10,769,940</b>	<b>10,769,940</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>7,977,979</b>	<b>7,977,979</b>





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

	Notes	Group 2016 \$	Group 2015 \$
<b>Current assets</b>			
Cash and Cash Equivalents	11	1,213,986	2,630,402
Receivable from Associated Entities	12	524,780	268,218
Receivables from Exchange Transactions	13	2,232,455	405,960
Receivables from Non-Exchange Transactions	14	645,441	640,967
Prepayments	15	387,867	474,277
Inventories	16	828,404	806,806
<b>Total Current Assets</b>		<u>5,832,934</u>	<u>5,226,630</u>
<b>Non-current assets</b>			
Property Plant and Equipment	17	17,300,134	15,922,592
Loans & Advances to Associated Entities	18	-	187,829
Investments Property	19	2,144,774	2,144,852
<b>Total Non Current Assets</b>		<u>19,444,907</u>	<u>18,255,273</u>
<b>Total assets</b>		<u>25,277,841</u>	<u>23,481,903</u>
<b>Current liabilities</b>			
Bank Overdraft	11	37,282	-
Trade and Other Creditors	20	2,283,759	1,554,543
Deferred Income / Grants Received in Advance	20	929,826	2,607,863
Employee Entitlements		440,766	362,154
Current Portion of Term Loans	21	-	-
		<u>3,691,633</u>	<u>4,524,559</u>
<b>Non Current Liabilities</b>			
Term Loans	21	10,816,268	10,979,365
		<u>10,816,268</u>	<u>10,979,365</u>
<b>Total Liabilities</b>		<u>14,507,901</u>	<u>15,503,924</u>
<b>Total net assets</b>		<u>10,769,940</u>	<u>7,977,979</u>
<b>Net assets</b>			
Asset revaluation reserve		-	-
Retained surplus		10,769,940	7,977,979
<b>Total net assets attributable to the owners of the controlling entity</b>		<u>10,769,940</u>	<u>7,977,979</u>

Sign

Name

David Chung

Title

OFC President

Date

30.6.2017

Sign

Name

Tai Nicholas

Title

OFC General Secretary

Date

30.6.2017



**OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	Group 2016 \$	Group 2015 \$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Receipts from non-exchange transactions		10,487,323	9,221,808
Receipts from exchange transactions		1,328,554	19,165,550
Received from Associated Entities		1,325,795	1,158,736
Net GST		556,306	738,718
		<u>13,697,978</u>	<u>30,284,812</u>
<u>Payments</u>			
Payments to suppliers		(8,268,010)	(6,634,306)
Payment to employees		(2,698,181)	(2,236,989)
Other Payments		(2,631,566)	(8,599,477)
		<u>(13,597,757)</u>	<u>(17,470,772)</u>
<b>Net cash flows from operating activities</b>		<b>100,221</b>	<b>12,814,040</b>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Sale of property plant and equipment		77,050	2,500
Interest received		26,196	1
Withdrawal of short term investments		300,000	
		<u>403,246</u>	<u>2,501</u>
<u>Payments</u>			
Purchase of property, plant and equipment		(1,656,419)	(3,424,607)
Investments in short term deposits		(300,000)	(4,600,000)
Interest Paid		-	-
		<u>(1,956,419)</u>	<u>(8,024,607)</u>
<b>Net cash flows from investing activities</b>		<b>(1,553,173)</b>	<b>(8,022,105)</b>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Loans raised		-	-
		<u>-</u>	<u>-</u>
<u>Payments</u>			
Repayment of Loans		-	(3,238,762)
Interest paid		(749)	-
		<u>(749)</u>	<u>(3,238,762)</u>
<b>Net cash flows from financing activities</b>		<b>(749)</b>	<b>(3,238,762)</b>
Net increase/(decrease) in cash and cash equivalents		(1,453,700)	1,553,173
Effects of currency translation on cash and cash equivalents			41,305
Opening cash and cash equivalents at 01 January		2,630,403	1,035,925
<b>Closing cash and cash equivalents at 31 December</b>	<b>11</b>	<b>1,176,703</b>	<b>2,630,403</b>



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**1 Reporting entity**

The reporting entity is Oceania Football Confederation Inc. (OFC). OFC is domiciled in New Zealand and is a not for profit organisation registered under the Incorporated Societies Act 1908.

The financial statements comprising the OFC and its controlled entity OFC Commercial Ltd together the (Group) are presented for the year ended 31 December 2016.

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 will be presented to the next OFC Congress at the latest by December 2017 for approval.

**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 reporting entity 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**

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

**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.





**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 was an 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. As of 2016 financial year, FIFA Bonus grant has ceased.

• **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, Greenlane, Auckland 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 2016**

**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.





• **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 2016**

**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.

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.



**OCEANIA FOOTBALL CONFEDERATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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.

Pursuant to an Agreement to Lease signed in 2013, Auckland Council provided a lease to OFC which inter alia provided a lease for 30 years at \$1 a year in respect 7.4875ha on land at the Ngahue Reserve situated at 62-80 College road, St Johns Auckland. As part of the lease OFC has the right to construct the OFC Home of Football in two Stages. It is a condition of the agreement to lease that a final lease would be confirmed upon the completion of Stage 1 of the OFC Home of Football and therefore a final lease agreement is due to be executed in July 2017.





**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 Judgements 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.

Inland Revenue (IRD) notified Oceania Football Confederation Inc (OFC) that its statutes needs to have an additional article to meet tax exemption status. The draft amendment to the Statutes was submitted to IRD and they confirmed that it meets all requirements to be granted an exemption provided that the changes are registered with the Companies office. The amendment to the Statutes was approved by the OFC Executive Committee on 10 March 2017 and will be forwarded to the next OFC Congress for approval. OFC will register the revised Statutes with Companies office upon receiving approval at the OFC Ordinary Congress at the latest in December 2017.

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.

**p Grants in Advance**

Income with a condition of 'use or return' is recognised as 'deferred income' once received by the Society. Once income is used, 'deferred income' liability is reduced and revenue for the same amount is recognised in statement of comprehensive revenue and expenses.

**OCEANIA FOOTBALL CONFEDERATION**  
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**5 GRANT REVENUE (Revenue from non exchange transactions)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
FIFA Grants	10,992,549	5,815,795
Just Play Grants	2,150,886	1,495,818
FIFA Bonus	-	6,417,092
	<u>13,143,435</u>	<u>13,728,705</u>

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Sponsorship Income	304,026	61,947
Members Subscription Fees	5,500	5,500
Miscellaneous Income	245,527	204,795
Just Play Other Income	60,714	-
	<u>615,767</u>	<u>272,242</u>

**7 OTHER OPERATING REVENUE (Revenue from exchange transactions)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
TV Rights Income	390,526	272,753
Sale of Merchandise	268,104	94,454
Sale of Just Play kits	-	-
Sale of Assets	48,972	-
Competitions income	155,078	585
Exchange Gain	320,560	9,445
Rent Received	289,650	284,210
	<u>1,472,890</u>	<u>661,447</u>



OCEANIA FOOTBALL CONFEDERATION  
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8 GRANTS EXPENSE

	2016 \$	2015 \$
<b>Member Association</b>		
American Samoa	173,856	121,201
Cook Island	236,892	225,517
Fiji	406,375	269,965
Kiribati	-	30,000
New Zealand	222,326	401,202
New Caledonia	163,738	95,000
Papua New Guinea	737,523	320,260
Samoa	229,983	211,554
Solomon Islands	337,849	300,239
Tahiti	273,365	169,701
Tonga	234,080	222,430
Tuvalu	-	-
Vanuatu	266,241	207,193
	<u>3,282,228</u>	<u>2,574,262</u>
<b>Others</b>		
Other Grants	30,143	26,572
Just Play Stock Adjustment	2,204	65,927
	<u>32,347</u>	<u>92,499</u>
<b>Total Grants</b>	<b>3,314,574</b>	<b>2,666,761</b>





**OCEANIA FOOTBALL CONFEDERATION**  
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**9 OTHER OPERATING EXPENSES**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Accounting Service Fees	6,220	707
Auditor's Remuneration	19,199	55,908
Bad Debts	149,810	23,766
Bank Fees	7,851	17,778
Banner, Signage & equipment	339,867	157,519
Broadcasting Fees	347,143	87,856
Cleaning & Waste Removal	18,032	14,602
Computer Expenses	32,539	17,253
Commission	45,191	-
Contractors & Consultancy	824,239	481,800
Cost of Sales	30,496	39,148
Entertainment	50,855	21,573
Exchange Loss	-	1,992,748
Freight Outwards	-	5,717
General Expenses	8,013	22,988
Gifts, Donations	27,152	21,858
Insurances	92,985	81,335
Lease Expenses	66,444	57,218
Legal fees	117,915	365,833
License fees	29,964	-
Marketing	65,458	19,721
Medical Expenses	77,744	3,406
Meetings	-	-
Motor Vehicle Expenses	12,263	17,622
Power	28,630	30,120
Postage	62,864	32,685
Printing & Stationery	78,291	81,315
Rates Land & Water	95,854	93,400
Rental Property Costs	2,523	14,279
Repairs & Maintenance	86,400	36,872
Security Costs	65,286	14,334
Staff Expenses	-	7,739
Storage Costs	-	2,951
Subscriptions	16,815	23,486
Telephone	88,606	83,566
Training & Education	-	-
Travelling Expenses	2,619,353	2,005,961
Translations	37,748	15,912
Venue Hire	449,590	60,257
Website Costs	44,823	42,981
Loss on sale of Asset	-	32,163
Prior Years Expense	-	19,750
	<b>6,046,161</b>	<b>6,104,127</b>





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

Pursuant to an Agreement to Lease signed in 2013 granted by the Auckland Council to OFC which provided a lease for 30 years at the Ngahue Reserve to construct the "OFC Home of Football" facility to be completed in two Stages. Stage 1 comprising (2 x fields, practice field, changing rooms, toilets, carparks, flood lighting) and Stage 2 (office block, sports club, café, gym, futsal facility, public toilets, carparks). This facility is to be used as a football facility, associated training and for administrative purposes.

\$12,793,260 has been spent on Preliminary work and Stage 1 and \$3,099,298 on Stage 2, totalling \$15,892,558 (Refer Note 17 "Capital Work in Progress"). The project is expected to be completed by end of 2018.

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

**11 CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,176,703	2,630,402
Short-term deposits with maturities of less than 3 months	-	-
Total cash and cash equivalents	<u>1,176,703</u>	<u>2,630,402</u>

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
American Samoa	(1,843)	5,732
Cook Island	733	32,485
Fiji	26,987	(4,518)
New Zealand	10,854	71,444
New Caledonia	-	16,722
Niue	-	-
Papua New Guinea	211,242	44,590
Samoa	(717)	5,072
Solomon Islands	108,466	-
Tahiti	26,202	-
Tonga	20,817	56,309
Tuvalu	-	-
Vanuatu	122,040	40,382
	<u>524,780</u>	<u>268,218</u>



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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Interest receivable	-	-
Accounts receivables	378,201	303,420
Accrued Income	1,717,331	10,998
Other Receivables	136,923	91,542
	<u>2,232,455</u>	<u>405,960</u>

**14 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
GST receivable	53,716	90,152
Accounts Receivable	591,725	550,815
	<u>645,441</u>	<u>640,967</u>

**15 PREPAYMENTS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Software	8,513	-
Executive Committee Fees	49,614	-
Flights	273,306	282,149
Accommodation	36,106	-
Merchandise order	2,612	117,881
Lease	4,083	-
CBRE	2,523	5,045
Stay In Front	1,597	24,525
Other	9,513	44,678
	<u>387,867</u>	<u>474,277</u>

**16 INVENTORY**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Merchandise	653,674	688,247
Just Play Kits and Technical Footballs	174,730	118,559
	<u>828,404</u>	<u>806,806</u>



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

	<b>2016</b>			<b>2015</b>		
	<b>\$</b>			<b>\$</b>		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Land (at valuation)	-	-	-	-	-	-
Buildings	2,111,838	1,293,313	818,525	2,113,158	1,281,910	831,248
Plant and equipment	329,430	102,195	227,234	230,748	83,058	147,690
Motor vehicles	144,092	107,678	36,414	319,998	213,058	106,940
Office equipment	1,210,376	893,608	316,768	977,423	733,346	244,077
Furniture & Fittings	434,680	426,044	8,635	433,175	420,895	12,280
Capital Work in Progress	15,892,558	-	15,892,558	14,580,357	-	14,580,357
	<u>20,122,974</u>	<u>2,822,840</u>	<u>17,300,134</u>	<u>18,654,859</u>	<u>2,732,267</u>	<u>15,922,592</u>

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
American Samoa	-	-
Cook Island	-	-
Fiji	-	-
New Zealand	-	-
New Caledonia	-	-
Niue	-	-
Papua New Guinea	-	-
Samoa	-	-
Solomon Islands	-	187,829
Tahiti	-	-
Tonga	-	-
Tuvalu	-	-
Vanuatu	-	-
	<u>-</u>	<u>187,829</u>

**19 INVESTMENT PROPERTY**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Opening Balance (1 January)	2,144,852	2,307,313
Additions	-	-
Disposals	-	-
Depreciation	78	162,461
	<u>2,144,774</u>	<u>2,144,852</u>



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

**Trade and other creditors**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Sundry Creditors	1,747,331	1,075,224
Accounts Payable & Accruals	501,272	347,593
GST Payable	8,298	20,055
Income Tax Payable	16,859	6,671
O-League Bond	10,000	5,000
Due to Member Associations	-	100,000
<b>Total</b>	<b>2,283,759</b>	<b>1,554,543</b>

**DEFERRED INCOME / GRANTS RECEIVED IN ADVANCE**

FIFA - FAP	303,312	1,463,210
FIFA - Ambassador Program	89,746	91,099
UEFA	-	31,713
UEFA - Foundation	140,345	145,540
AUSAID	187,516	110,517
UNICEF	160,261	209,921
NZAID	25,355	543,644
NZAID - ADD	12,224	12,219
US Embassy	11,068	-
<b>Total</b>	<b>929,827</b>	<b>2,607,863</b>

**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 grant. In 2016 FIFA has granted a loan repayment break to OFC Inc and resume repayment in 2018. Current loan payable is US\$7.5 Million and converted to NZ\$ at a rate of 0.6934.

**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>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Payable to Subsidiary	(47,717)	
Receivable from Subsidiary	-	23,516
Shareholder Advance to Subsidiary	762,400	935,950
	<u>714,683</u>	<u>959,466</u>
 <b>Transactions</b>	 <b>2016</b>	 <b>2015</b>
	<b>\$</b>	<b>\$</b>
Purchase of Just Play Kits	-	-
Purchase of Merchandise by OFC Inc from OFC Commercial	272,034	406,433
	<u>272,034</u>	<u>406,433</u>

**Key Management Personnel**

The key management personnel consist of members of the executive committee who are paid remuneration and fees for services rendered to the Group. The aggregate remuneration of management personnel and the number of individuals, determined on a full-time equivalent basis, and their remuneration and fees are as follows.

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Total remuneration and fees	530,350	463,162
Number of persons	11	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.



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

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

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
No later than one year	19,892	90,326
Later than one year and no later than five years	75,073	192,728
Later than five years	-	-
	<u>94,964</u>	<u>283,054</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>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Cash and Cash Equivalents	1,176,702	2,630,402
Receivable from Associated Entities	524,780	268,218
Receivables from Exchange Transactions	2,232,455	405,960
Receivables from Non-Exchange Transactions	645,441	640,967
Prepayments	387,867	474,277
	<u>4,967,246</u>	<u>4,419,824</u>
<b>Available-for-sale financial assets</b>		
Inventory	828,404	806,806
	<u>828,404</u>	<u>806,806</u>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Bank Overdraft	37,282	-
Trade and Other Creditors	2,283,759	1,554,543
Deferred Income / Grants Received in Advance	929,827	2,607,863
Employee Entitlements	440,766	362,154
Current Portion of Term Loans	-	-
Current Portion of Finance Leases	-	-
	<u>3,691,634</u>	<u>4,524,559</u>





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

At balance date capital commitments \$3.9 Million to complete part of stage 2 of Home of football

**27 EXCHANGE RATE ADJUSTMENT**

There was an unrealised exchange loss error in 2015 financial statements and understated the loss by \$324,144.63. This was rectified on 1st January 2016. This in result reduced 2016 exchange gain as recorded in note 7 – Other operating revenue

**28 CONTINGENT ASSETS AND LIABILITIES**

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

**29 EVENTS AFTER THE REPORTING DATE**

The executive committee 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.

**30 GOING CONCERN**

The executive committee believes that the Group has adequate resources to continue operations for the foreseeable future. For this reason the executive body continues to adopt the going concern assumption in preparing the consolidated financial statements for the year ended 31 December 2016. 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 2016, and to circumstances which the executive committee knows will occur after that date which could affect the validity of the going concern assumption.

