



OCEANIA FOOTBALL CONFEDERATION

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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**OCEANIA FOOTBALL CONFEDERATION
DIRECTORY
FOR THE YEAR ENDED 31 DECEMBER 2017**

Registration Number	883483
Registered Office	Auckland
Nature of Society	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 business	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	<div>David Chung (Papua New Guinea) - Member and President up to 5.4.2018</div> <div>Lambert Malttock (Vanuatu) - Vice President to 11.6.2018 - Acting President from 11.6.2018 to 9.3.2019 - President from 9.3.2019</div> <div>John Kapinato (Papua New Guinea) - Member from 27.10.2018 - Vice President from 9.3.2019</div> <div>Steeve Laigle (New Caledonia) - Vice President from 9.3.2019</div> <div>Thierry Ariotima (Tahiti) - Vice President from 9.3.2019</div> <div>Lee Harmon (Cook Islands) - Member up to 7.3.2019 - Vice President to 7.3.2019</div> <div>Alex Godinet (American Samoa) - Vice President from 15.7.2018 to 9.3.2019</div> <div>Rajesh Patel (Fiji) - Vice President to 9.3.2019</div> <div>Deryck Shaw (New Zealand) - Member up to 12.10.2018</div> <div>Philip Barry (New Zealand) - Member from 12.10.2018 to 2.4.2019</div> <div>Johanna Wood (New Zealand) - Non Voting Member from 15.3.2019 to 2.4.2019 - Member from 2.4.2019</div> <div>John Wesley (Papua New Guinea) - Member from 13.04.2018 to 26.10.2018</div> <div>Laupama Solomona (Samoa) - Member up to 23.2.2019</div> <div>Papalii Samuel Petaia (Samoa) - From 23.2.2019</div> <div>Lord Ve'ehala - (Tonga)</div> <div>William Lai (Solomon Islands)</div>
General Secretary	<div>Tai Nicholas - Up to 19.1.2018</div> <div>Franck Castillo - Acting General Secretary from 19.1.2018 to 15.07.2018 - General Secretary from 15.07.2018</div>
Independent auditor	RSM Hayes Audit Level 1, 1 Broadway Newmarket, Auckland 1023
Bankers	ASB Bank Ltd

Independent Auditor's Report

To the members of Oceania Football Confederation Incorporated

Opinion

We have audited the consolidated financial statements of Oceania Football Confederation Incorporated and its subsidiaries (the group), which comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of comprehensive revenue and expense for the year then ended;
- the consolidated statement of changes in net assets/equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 6 to 19 present fairly, in all material respects, the financial position of the group as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit 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 group 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, Oceania Football Confederation Incorporated or any of its subsidiaries.

Emphasis of Matter

We draw attention to Note 31 of the financial statements, which describes certain legal matters that have arisen post year end, as well as the overstatement in a previous period of a significant capital project. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Oceania Football Confederation Incorporated for the year ended 31 December 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2017.

Other information

The Executive Committee are responsible for the other information. The other information comprises the directory on page 1 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive committee for the consolidated financial statements

The executive committee is responsible, on behalf of the society, for the preparation and fair presentation of the consolidated financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the executive committee members determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive committee are responsible, on behalf of the group, for assessing the group'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 those charged with governance either intend to liquidate the group 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 as a whole is 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 decisions of users taken on the basis of this consolidated financial statements. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx

Who we report to

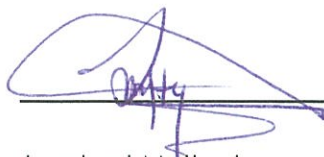
This report is made solely to the members, as a body. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the members as a body, for our work, for this report, or for the opinions we have formed.



OCEANIA FOOTBALL CONFEDERATION
APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Signed By:

Sign



Name Lambert Maltock

Title OFC President

Date 10/05/2017

Sign



Name Franek Castillo

Title OFC General Secretary

Date 10/05/2017

OCEANIA FOOTBALL CONFEDERATION
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	Restated (Note 32) 2016 \$
Revenue from non-exchange transactions			
Grant Revenue	5	15,116,558	13,143,435
Others	6	479,574	615,767
		<u>15,596,132</u>	<u>13,759,202</u>
Revenue from exchange transactions			
Interest Revenue		52,234	25,449
Other Operating Revenue	7	1,021,127	1,455,639
		<u>1,073,361</u>	<u>1,481,088</u>
Total Revenue		<u>16,669,493</u>	<u>15,240,290</u>
Expenses			
Grants Expense	8	4,323,330	3,314,574
Employee Wages, Salaries and Benefits		4,264,634	2,799,372
Interest Expense		440,433	400,257
Depreciation and amortisation		1,145,938	250,796
Other Operating Expenses	9	4,825,802	6,046,161
Asset write down	10	463,163	7,644,136
Total expenses		<u>15,463,300</u>	<u>20,455,296</u>
Income Tax Provision		<u>-</u>	<u>54,675</u>
Total surplus/(deficit) for the period		<u>1,206,193</u>	<u>(5,269,681)</u>
Other comprehensive revenue and expenses		-	-
Total comprehensive revenue and expense		<u>1,206,193</u>	<u>(5,269,681)</u>

OCEANIA FOOTBALL CONFEDERATION
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	Restated (Note 32) 2016 \$
Accumulated comprehensive revenue and expense at the start of the year	32	4,269,882	9,539,563
Surplus/(deficit) for the year		1,206,193	(5,269,681)
Other comprehensive revenue and expense		-	-
Total comprehensive income / (loss)		<u>1,206,193</u>	<u>(5,269,681)</u>
Accumulated comprehensive revenue and expense at the end of the year		<u>5,476,075</u>	<u>4,269,882</u>

**OCEANIA FOOTBALL CONFEDERATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	2017 \$	Restated (Note 32) 2016 \$
Current assets			
Cash and Cash Equivalents	11	5,592,856	1,213,986
Receivables from Associated Entities	12	522,026	524,780
Receivables from Exchange Transactions	13	529,566	2,232,455
Receivables from Non-Exchange Transactions	14	288,841	591,725
Prepayments	15	421,142	387,867
Taxes Receivable	16	83,711	53,716
Inventories	17	482,655	828,404
Total current assets		7,920,798	5,832,934
Non-current assets			
Property, Plant and Equipment	18	10,227,861	9,623,193
Intangible Assets	19	632,961	32,805
Investment Property	20	2,028,836	2,144,774
Total non-current assets		12,889,658	11,800,771
Total assets		20,810,456	17,633,705
Current liabilities			
Bank Overdraft	11	-	37,282
Trade and other payables	21	2,788,531	2,258,603
Deferred Income	22	1,875,656	929,827
Taxes Payable	23	108,428	102,837
Employee Entitlements	24	711,481	363,085
Term Loans	25	5,253,485	-
Total current liabilities		10,737,581	3,691,633
Non-current liabilities			
Term Loans	25	4,596,799	9,672,190
Total non-current liabilities		4,596,799	9,672,190
Total liabilities		15,334,381	13,363,823
Net assets		5,476,075	4,269,882
Net assets/equity			
Accumulated comprehensive revenue and expense		5,476,075	4,269,882
Total net assets/equity		5,476,075	4,269,882

The financial statements are authorised for issue on behalf of Oceania Football Confederation Executive Committee.

President

General Secretary

Date

Date

**OCEANIA FOOTBALL CONFEDERATION
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	
	2017 \$	2016 \$
Cash flows from operating activities		
<u>Receipts</u>		
Grant Revenue Received	16,619,350	10,487,323
Other Income	1,597,257	1,328,554
Received from Associated Entities	-	1,325,795
Net GST	-	556,306
	18,216,607	13,697,978
<u>Payments</u>		
Payments to suppliers	(7,371,558)	(8,268,010)
Payment to employees	(3,916,237)	(2,698,181)
Other Payments	(29,995)	(2,631,566)
	(11,317,791)	(13,597,757)
Net cash flows from operating activities	6,898,816	100,221
Cash flows from investing activities		
<u>Receipts</u>		
Sale of property plant and equipment	-	77,050
Interest received	52,234	26,196
Withdrawal of short term investments	-	300,000
	52,234	403,246
<u>Payments</u>		
Purchase of property, plant and equipment	(1,635,395)	(1,656,419)
Purchase of intangibles	(652,980)	(300,000)
Interest Paid	(478,435)	
	(2,766,810)	(1,956,419)
Net cash flows from investing activities	(2,714,576)	(1,553,173)
Cash flows from financing activities		
<u>Receipts</u>		
Loan advances received	231,913	-
	231,913	-
<u>Payments</u>		
Repayment of Loans	-	-
Interest paid	-	(749)
	-	(749)
Net cash flows from financing activities	231,913	(749)
Net increase/(decrease) in cash and cash equivalents	4,416,154	(1,453,700)
Opening cash and cash equivalents at 01 January	1,176,703	2,630,403
Closing cash and cash equivalents at 31 December	5,592,856	1,176,703

1 Reporting entity

The reporting entity is Oceania Football Confederation Incorporated (OFC). OFC is domiciled in New Zealand and is a public benefit entity registered under the Incorporated Societies Act 1908.

These financial statements comprise the operations and balances of OFC and its controlled entity OFC Commercial Limited, together "the group" and are presented for the year ended 31 December 2017.

The group financial statements and the accompanying notes summarise the financial results of activities carried out by the group for the year ended 31 December 2017. They were authorised for issue by the executive committee on 9 May 2019.

2 Statement of compliance

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime 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 entity and is eligible to apply Tier 2 PBE standards on the basis that it does not have public accountability and it is not defined as large.

The executive committee has elected to report in accordance with Tier 2 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 are set out below.

a Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost.

b Functional and presentational currency

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

c Revenue

Revenue is recognised to the extent the economic benefit will probably flow to the reporting entity 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 have been complied with. Where there are unfulfilled conditions, the amount relating to the unfulfilled conditions 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 93-95 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.

d Financial instruments

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

The reporting entity 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 reporting entity has transferred substantially all the risks and rewards of the asset; or
 - The reporting entity 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 Reporting entity'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 reporting entity'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 Reporting entity'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 reporting entity 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 reporting entity 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 reporting entity 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.

• **Financial liabilities**

The reporting entity'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.

e **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.

f **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.

g **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.

h **Nature and purpose of reserves**

The reporting entity has no reserves in terms of specific requirements.

i **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 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.

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 reporting entity 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.

j **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 Stage 2 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:

• Leasehold Buildings	20 - 30 Years
• Plant and equipment	5 years
• Motor vehicles	5 years
• Office equipment	5 years
• Leasehold Land Improvements	8 - 30 Years
• Furniture & Fittings	2 - 10 years

k Intangible assets

Software

Costs incurred in developing software systems and costs incurred in acquiring software and licenses that will contribute to future financial benefits through revenue generation or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs services, direct payroll and payroll related costs of employees' time spent on the development. Amortisation is calculated on a straight line basis over a three year period.

Development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the company has an intention and ability to use the asset.

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 reporting entity 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 reporting entity. 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 set out below. Judgements in relation matters associated with prior period errors are disclosed in note 32.

Inventories

In arriving at the inventory value of distributable 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 reporting entity is exempt from Income Tax under section CW46 of the Income Tax 2007, as it is a promoter of amateur sport.

o Goods and Services Tax (GST)

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, the 'deferred income' liability is reduced and revenue for the same amount is recognised in the statement of comprehensive revenue and expenses.

q 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 balance 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 balance date.

5 Grant Revenue - Non Exchange	2017	2016
	\$	\$
FIFA Grants	13,431,108	10,992,549
Just Play Grants	1,685,450	2,150,886
	<u>15,116,558</u>	<u>13,143,435</u>
6 Other Operating Revenue (Revenue from Non Exchange transactions)	2017	2016
	\$	\$
Sponsorship Income	180,000	304,026
Members Subscription Fees	5,500	5,500
Miscellaneous Income	-	245,527
Just Play Other Income	294,074	60,714
	<u>479,574</u>	<u>615,767</u>
7 Other Operating Revenue (Revenue from Exchange transactions)	2017	Restated 2016
	\$	\$
TV Income	350,119	390,526
Sale of Merchandise	91,234	268,104
Sale of Assets	-	48,972
Competitions income	6,000	155,078
Exchange Gain	233,235	303,309
Hireage and Rental Income	227,575	289,650
Others	112,964	-
	<u>1,021,127</u>	<u>1,455,639</u>
8 Grant Expenses	2017	2016
	\$	\$
Member Association		
American Samoa	157,421	173,856
Cook Islands	369,676	236,892
Fiji	543,569	406,375
New Zealand	514,347	222,326
New Caledonia	291,721	163,738
Papua New Guinea	571,560	737,523
Samoa	253,486	229,983
Solomon Islands	484,231	337,849
Tahiti	452,122	273,365
Tonga	361,563	234,080
Vanuatu	308,882	266,241
	<u>4,308,578</u>	<u>3,282,228</u>
Others	2017	2016
	\$	\$
Other Grants	2,159	30,143
Just Play Stock Adjustment	12,593	2,204
	<u>14,752</u>	<u>32,347</u>
Total Grants	4,323,330	3,314,574

	2017	2016
	\$	\$
9 Other Operating Expenses		
Accounting and Audit Fees	487	6,220
Apparel	6,841	-
Auditor of the financial statements	35,772	19,199
Bad debts	198,858	149,810
Bank Charges	9,089	7,851
Banner, Signage & Equipment	115,865	339,867
Broadcasting Fees	38,255	347,143
Brokerage and Commission	32,523	45,191
Cleaning	14,120	18,032
Computer Expenses	26,859	32,539
Contractor & Consultant Fees	568,403	824,239
Cost of Sales	65,372	30,496
Entertainment	33,700	50,855
Freight, Courier & Postage	80,018	62,864
General Expenditure	4,235	8,013
Gifts & Donations	34,454	27,152
Insurance	92,291	92,985
Lease	18,360	66,444
Legal	34,274	117,915
License	15,282	29,964
Marketing and Promotion	1,005	65,458
Medical	9,327	77,744
Membership & Subscription	16,020	16,815
Motor Vehicle Costs	87,560	12,263
Photography and Video	7,293	-
Power and Gas	36,132	28,630
Printing & Stationery	68,221	78,291
Rates, Body Corp, Rent & Water	98,501	95,854
Rental Property Costs	-	2,523
Relocation Costs	15,000	-
Repairs and Maintenance	108,685	86,400
Security	2,581	65,286
Telecommunication	73,493	88,606
Training and Education	47,897	-
Translation	24,733	37,748
Travelling Expenses	2,729,351	2,619,353
Venue Hire and Associated Costs	20,159	449,590
Website Management and Maintenance	54,784	44,823
	<u>4,825,802</u>	<u>6,046,161</u>

10 Asset write down

	2017	Restated 2016
	\$	\$
Write down of Property, Plant and Equipment - Home of Football	-	7,644,136
Write down - Property, Plant and Equipment	53,550	-
Write down - Inventory	209,516	-
Write down - Debtors	200,097	-
	<u>463,163</u>	<u>7,644,136</u>

During the year, management has assessed the carrying value of all assets in the financial statements to ensure they do not exceed the identified replacement cost. On doing so, a number of items have been identified where the carrying value exceeded the identified replacement cost.

Consequently, these assets have been written down to identified replacement cost. Events that have led to write down being recognised are:

- Post year end, the subsidiary company OFC (Commercial) Limited was placed in voluntary liquidation. The value of the assets has been assessed by the liquidator and the revised asset and liability valuations have been transferred to Oceania Football Confederation. The write down recognised in 2017 relates to this event.
- Impairment of the value of Home of Football, which is recorded in Property, Plant and Equipment, in a preceeding period. Refer note 32.

Oceania Football Confederation
Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2017

11 Cash and Cash Equivalents	2017	2016
Cash and Cash Equivalents	\$	\$
	5,592,856	1,176,703
12 Receivables from Members	2017	2016
American Samoa	\$	\$
Cook Island	31,997	(1,843)
Fiji	1,724	733
New Zealand	(50)	26,987
New Caledonia	21,096	10,854
Papua New Guinea	8,216	-
Samoa	214,053	211,242
Solomon Islands	37,195	(717)
Tahiti	62,804	108,466
Tonga	7,704	26,202
Vanuatu	30,000	20,817
	107,288	122,040
	522,026	524,780
13 Receivables from Exchange Transactions	2017	2016
Accrued Revenue	\$	\$
Trade Account Receivables	5,039	1,717,331
Other Receivables	679,977	378,201
Provision for Bad Debts	32,769	136,923
	(188,219)	-
	529,566	2,232,455
14 Receivables from Non - Exchange Transactions	2017	2016
Trade Account Receivables	\$	\$
	288,841	591,725
15 Prepayments	2017	2016
Flights	\$	\$
Software	314,575	273,306
Just Play Prepaid Grants	40,183	10,109
Other	(9,272)	-
	75,656	104,452
	421,142	387,867
16 Taxes Receivables	2017	2016
GST Receivable	\$	\$
	83,711	53,716
17 Inventory	2017	2016
Just Play Kits	\$	\$
Technical Footballs	84,017	145,687
OFC Commercial Ltd inventory (at net realisable value)	23,040	29,043
	375,598	653,674
	482,655	828,404
18 Property, Plant and Equipment		

	Restated opening balance	Additions	Other - Transfers	Depreciation	Disposals	Impairment losses	Closing balance 2017
Buildings	818,525	1,319	436,905	12,392	-	-	1,244,357
Plant and equipment	227,234	-	158,943	33,430	-	37,812	314,935
Motor vehicles	36,413	-	-	8,140	-	9,203	19,070
Office equipment	283,963	20,117	(85,161)	91,735	-	680	126,504
Furniture & Fittings	8,635	12,930	416	2,511	-	5,855	13,615
Leasehold Land Improvements	-	1,908	6,254,785	744,223	-	-	5,512,470
Capital Work in Progress - HOF	8,248,422	1,599,120	(6,850,633)	-	-	-	2,996,909
	9,623,193	1,635,394	(84,745)	892,431	-	53,550	10,227,861

	2017 \$			2016 \$		
	Cost	Accumulated depreciation	Net book value	Restated cost (refer note 32)	Accumulated depreciation	Restated net book value
Buildings (i)	2,550,061	1,305,706	1,244,355	2,111,838	1,293,313	818,525
Plant and equipment (i)	424,048	109,112	314,936	329,430	102,195	227,234
Motor vehicles	117,374	98,304	19,070	144,092	107,678	36,414
Office equipment	1,026,459	899,955	126,504	1,123,608	839,645	283,963
Furniture & Fittings	460,067	446,451	13,615	434,680	426,044	8,635
Leasehold Land Improvements (i)	6,256,694	744,223	5,512,471	-	-	-
Capital Work in Progress - HOF	2,996,911	-	2,996,911	8,248,422	-	8,248,422
Total	13,831,613	3,603,751	10,227,861	12,392,069	2,768,876	9,623,193

(i) The total value of the Home of Football Stage 1 development, included in these asset classes at fair value is \$ 6,853,861.

OFC has a License to occupy a building it owns, on land at 12 Maurice Road, Mt. Smart Recreation Reserve leased from Auckland Council at \$2,377 per month pursuant to an agreement dated 28 October 1998. The initial term of the license expired on 28 February 2019 and has been renewed for a further term of 20 years and 364 days.

An Agreement to Lease was signed on 13 September 2013, varied by agreements dated 30 August 2016 and 16 May 2017, pursuant to which Auckland Council agrees to lease to OFC part of the land at the Ngahue Reserve situated at 62-80 College Road, St Johns Auckland for thirty years. As part of the lease OFC has the right to construct the OFC Home of Football.

19 Intangible assets

	Opening balance	Additions	Other - Transfers	Depreciation	Disposals	Impairment losses	Closing balance 2017
Total Intangible Assets	32,805	652,980	84,745	137,569	-	-	632,961

	2017 \$			2016 \$		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Intangible Assets - software	836,714	203,753	632,961	86,769	53,964	32,805
Total	836,714	203,753	632,961	86,769	53,964	32,805

20 Investment Property

	2017 \$	2016 \$
Opening Balance (1 January)	2,144,774	2,144,852
Additions	-	-
Disposals	-	-
Amortisation	115,938	78
	2,028,836	2,144,774

21 Trade and Other Creditors

	2017 \$	2016 \$
Trade Creditors	890,656	1,708,217
Credit Card Payable	28,275	39,114
Accruals	1,864,187	464,147
Other Creditors	5,413	47,125
	2,788,531	2,258,603

22 Deferred Income / Grants Received in Advance

	2017 \$	2016 \$
FIFA	987,379	393,058
NZ Aid Programme	311,643	37,579
Australian Aid Programme	126,497	187,516
UEFA Foundation	224,236	140,345
UNICEF PNG	4,185	50,541
UNICEF Pacific	210,887	109,720
US Embassy	10,831	11,068
	1,875,656	929,827

	2017	2016
	\$	\$
23 Tax Payable		
GST Payable	-	8,298
Income Tax Payable	-	16,859
PAYE Payables	108,398	78,864
WT Payables	30	(1,184)
	<u>108,428</u>	<u>102,837</u>

	2017	2016
	\$	\$
24 Employee Entitlements		
Payroll Accrual	83,549	-
Holiday Pay Provision	627,933	363,085
	<u>711,481</u>	<u>363,085</u>

25 Term Loans

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 was repayable in 4 annual instalments of US\$2.5 Million each, commencing from 2015. The repayment was to be deducted by FIFA from its annual grant. In 2016 FIFA has granted a loan repayment break to OFC and repayments will resume in 2018. Loan payable at balance date is US\$7.5 Million and converted to NZ\$ 9,850,284 at a rate of 0.7614. The amount of NZ\$ 5,253,485 is repayable in 2018 and has been classified as a current liability.

26 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.

Oceania Football Confederation by a shareholders resolution in August 2018 appointed liquidators to wind up OFC Commercial Ltd. All OFC Commercial Ltd's assets were written down to their realisable values. Refer note 10.

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 Reporting entity. 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.

	2017	2016
	\$	\$
Total Fees and Remuneration	1,144,298	530,350
Number of persons	11	11

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 reporting entity to employees who are close family members of key management personnel.

27 Operating leases

Operating leases relate to motor vehicles and printers. OFC does not have an option to purchase the leased assets at the expiry of the lease period. Minimum lease payments below are based on the total of future committed lease payments.

	2017	2016
	\$	\$
Not longer than 1 year	108,660	19,892
Longer than 1 year and not longer than 5 years	98,861	75,073
Longer than 5 years	-	-
	<u>207,521</u>	<u>94,965</u>

28 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:

Financial assets

Loans and receivables

	2017	2016
	\$	\$
Cash and Cash Equivalents	5,592,856	1,213,986
Receivable from Associated Entities	522,026	524,780
Receivables from Exchange Transactions	529,566	2,232,455
Receivables from Non-Exchange Transactions	288,841	591,725
Prepayments	421,142	387,867
Taxes Receivable	83,711	53,716
	<u>7,438,143</u>	<u>5,004,530</u>

Financial liabilities	2017	2016
At amortised cost	\$	\$
Bank Overdraft	-	37,282
Trade and Other Creditors	2,788,531	2,258,603
Deferred Income / Grants Received in Advance	1,875,656	929,827
Taxes Payable	108,428	102,837
Employee Entitlements	711,481	363,085
Term Loans	9,850,284	9,672,190
	<u>15,334,381</u>	<u>13,363,823</u>

29 Capital Commitments

At balance date capital commitments of \$ 3.386 million existed. Of the capital commitment balance an amount \$ 2.593 million relates to the balance of a contract entered into in July 2017 to complete stage 2 of the home of football. This contract was terminated on 10 September 2018.

30 Contingent Assets and Liabilities

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

31 Events after the reporting date

Post balance date, the executive committee has become aware of potential overstatement of the carrying value of the Home of Football which is recorded in property, plant and equipment. An exercise was conducted to identify the impact of this. The results of this exercise are disclosed in note 32.

OFC appointed third parties to investigate the costs incurred for the Home of Football project. As a result of this investigation, OFC is taking court action against some of the individuals and companies involved in the project with the eventual aim of recovering overpayments for work completed and costs associated with the investigation. As first stage of this action OFC has been granted a freezing order by the High Court on 26 April 2019 over the assets of eight individuals and companies involved in the project.

In 2018 a statutory demand for payment of \$484,799 (ex GST) was made on OFC by a construction company involved in Home of Football project. OFC has applied to the High Court to set aside that demand on the grounds that there is a substantial dispute that the moneys are owed. A High Court hearing was held in December 2018 to hear the application. No decision has been received as at the date these financial statements are approved for issue.

Post balance date, the subsidiary has been placed into voluntary liquidation. Refer note 10

32 Retrospective Restatement of Errors

During 2017, Oceania Football Confederation became aware that the value of certain items of property, plant and equipment that had been constructed as part of the Home of Football project may have been overstated in the 2016 financial statements. Subsequently, the entity has hired quantity surveyors, Maltbys Limited, to determine the fair value of those assets. The result has been that the assets have been determined to have been overstated at 31 December 2016 by an amount of \$7,644,136. As a result, this amount which was previously capitalised prior to 31 December 2016, has been restated to reflect the impairment of the assets value. While this overstatement has occurred over a period of time, it is not possible to split the amount of this overstatement between years so the full restatement has been recognised at the time of the Maltby's assessment. This has reduced property, plant and equipment by \$7,644,136 with a corresponding impairment charge being recognised in the statement of comprehensive revenue and expense for the 2016 year. The overstatement was the cost paid, the reasons for the overpayment are now the subject of court proceedings.

The board has also become aware during the 2017 financial year that the concessionary loan provided by FIFA at nil interest rate has been incorrectly recorded on initial recognition. This loan was initially recorded at its face value, translated from USD to NZD, rather than recognising the fair value of the loan. This concessionary loan included a fair value component of non-exchange revenue of \$1,835,198 on receipt that was not recognised, as well as finance charges in 2015 and 2016 of \$467,085 and \$400,255 respectively. Any remaining variance from the adjustments below relates to foreign exchange gains and losses since the inception of the loan. An adjustment of \$1,561,584 has been made to 2016 opening equity to correct this error.

	as previously reported 31 Dec 2016	adjustment	(restated) 2016	as previously reported 1 Jan 2016	adjustment	(restated) 2015
	\$	\$	\$	\$	\$	\$
Total revenue	15,257,541	(17,251)	15,240,290			
Total expenditure	12,410,905	8,044,391	20,455,296			
Surplus for the period	2,846,636	(8,061,643)	(5,215,007)			
Less taxation expense	54,675	-	54,675			
Total comprehensive revenue and expenses	2,791,961	(8,061,643)	(5,269,682)			
Current assets	5,832,934	-	5,832,934	5,226,630		5,226,630
Non-current assets	19,444,907	(7,644,136)	11,800,771	18,255,273		18,255,273
Total assets	25,277,841	(7,644,136)	17,633,705	23,481,903		23,481,903
Current liabilities	3,691,633	-	3,691,633	4,524,560		4,524,560
Non-current liabilities	10,816,268	(1,144,077)	9,672,191	10,979,365	(1,561,584)	9,417,781
Net assets/equity	10,769,940	(6,500,059)	4,269,881	7,977,978	1,561,584	9,539,562