



## **OCEANIA FOOTBALL CONFEDERATION**

### **CONSOLIDATED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2018**

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**OCEANIA FOOTBALL CONFEDERATION  
DIRECTORY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<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>	<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 Ariiotima (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 Pe'alaia (Samoa) - From 23.2.2019</div> <div>Lord Ve'ehala - (Tonga)</div> <div>William Lai (Solomon Islands)</div>
<b>General Secretary</b>	<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>
<b>Independent auditor</b>	RSM Hayes Audit Level 1, 1 Broadway Newmarket, Auckland 1023
<b>Bankers</b>	ASB Bank Ltd

**RSM Hayes Audit**

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## Independent Auditor's Report

### To the members of Oceania Football Confederation

#### Opinion

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

- the consolidated statement of financial position as at 31 December 2018;
- 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 flow 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 5 to 18 present fairly, in all material respects, the financial position of the group as at 31 December 2018, 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 or any of its subsidiaries.

#### Other information

The Executive Committee are responsible for the other information. The other information comprises the directory on page 11 (DA11) (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 governors (the Board) for the consolidated financial statements**

The executive committee are responsible, on behalf of the company and group, 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 determines 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 governors 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](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 Oceania Football Confederation and the members as a body, for our work, for this report, or for the opinions we have formed.

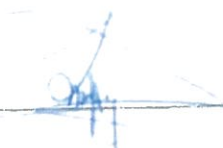


**RSM Hayes Audit**  
Auckland

30 May 2019

OCEANIA FOOTBALL CONFEDERATION  
APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

Signed By:

Sign   
Name Lambert Mallock  
Title OFC President  
Date 20/5/2019

Sign   
Name Franck Castillo  
Title OFC General Secretary  
Date 20/5/2019

OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Revenue from non-exchange transactions</b>			
Grant Revenue	5	16,863,395	15,116,558
Others	6	205,060	479,574
		<u>17,068,455</u>	<u>15,596,132</u>
<b>Revenue from exchange transactions</b>			
Interest Revenue		48,143	52,234
Other Operating Revenue	7	1,225,837	1,021,127
		<u>1,273,980</u>	<u>1,073,361</u>
<b>Total Revenue</b>		<u>18,342,435</u>	<u>16,669,493</u>
<b>Expenses</b>			
Grants Expense	8	2,528,013	4,323,330
Employee Wages, Salaries and Benefits		3,154,210	4,264,634
Interest Expense		429,091	440,433
Depreciation and Amortisation	18, 19	1,436,211	1,145,938
Other Operating Expenses	9	5,910,409	4,825,802
Asset Write Down	10	-	463,163
<b>Total expenses</b>		<u>13,457,935</u>	<u>15,463,300</u>
<b>Income Tax Provision</b>		<u>-</u>	<u>-</u>
<b>Total surplus/(deficit) for the period</b>		<u>4,884,501</u>	<u>1,206,193</u>
<b>Other comprehensive revenue and expenses</b>		-	-
<b>Total comprehensive revenue and expense</b>		<u>4,884,501</u>	<u>1,206,193</u>

OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Accumulated comprehensive revenue and expense at the start of the year		5,476,075	4,269,882
Surplus/(deficit) for the year		4,884,501	1,206,193
Other comprehensive revenue and expense		-	-
Total comprehensive profit / (loss)		<u>4,884,501</u>	<u>1,206,193</u>
Accumulated comprehensive revenue and expense at the end of the year		<u>10,360,576</u>	<u>5,476,075</u>

**OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Current assets</b>			
Cash and Cash Equivalents	11	6,085,282	5,592,856
Receivables from Associated Entities	12	1,411,003	522,026
Receivables from Exchange Transactions	13	1,560,323	529,566
Receivables from Non-Exchange Transactions	14	114,410	288,841
Prepayments	15	358,953	421,142
Taxes Receivable	16	59,455	83,711
Inventories	17	449,507	482,655
<b>Total current assets</b>		<b>10,038,933</b>	<b>7,920,798</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	18	9,485,918	10,227,861
Intangible Assets	19	626,910	632,961
Investment Property	20	1,912,898	2,028,836
<b>Total non-current assets</b>		<b>12,025,726</b>	<b>12,889,658</b>
<b>Total assets</b>		<b>22,064,659</b>	<b>20,810,456</b>
<b>Current liabilities</b>			
Trade and other payables	21	4,113,009	2,788,531
Deferred Income	22	2,323,563	1,875,656
Taxes Payable	23	61,324	108,428
Employee Entitlements	24	311,290	711,481
Term Loans	25	2,604,554	5,253,485
<b>Total current liabilities</b>		<b>9,413,740</b>	<b>10,737,581</b>
<b>Non-current liabilities</b>			
Term Loans	25	2,290,341	4,596,799
<b>Total non-current liabilities</b>		<b>2,290,341</b>	<b>4,596,799</b>
<b>Total liabilities</b>		<b>11,704,083</b>	<b>15,334,381</b>
<b>Net assets</b>		<b>10,360,576</b>	<b>5,476,075</b>
<b>Net assets/equity</b>			
Accumulated comprehensive revenue and expense		10,360,576	5,476,075
<b>Total net assets/equity</b>		<b>10,360,576</b>	<b>5,476,075</b>

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

President

20/5 / 2019

Date

General Secretary

20/5 / 2019

Date



OCEANIA FOOTBALL CONFEDERATION  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Grant Revenue Received		10,877,249	16,619,350
Other Income		486,128	1,597,257
Net GST		24,256	-
		11,387,633	18,216,607
<u>Payments</u>			
Payments to suppliers		(6,387,580)	(7,371,558)
Payment to employees		(3,554,402)	(3,916,237)
Other Payments		-	(29,995)
		(9,941,981)	(11,317,791)
<b>Net cash flows from operating activities</b>		<b>1,445,651</b>	<b>6,898,816</b>
<b>Cash flows from investing activities</b>			
<u>Receipts</u>			
Interest received		48,143	52,234
		48,143	52,234
<u>Payments</u>			
Purchase of property, plant and equipment		(123,825)	(1,635,395)
Purchase of intangibles		(448,453)	(652,980)
Interest Paid		(429,091)	(478,435)
		(1,001,369)	(2,766,810)
<b>Net cash flows from investing activities</b>		<b>(953,227)</b>	<b>(2,714,576)</b>
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Loan advances received		-	231,913
		-	231,913
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>231,913</b>
Net increase/(decrease) in cash and cash equivalents		492,426	4,416,154
Opening cash and cash equivalents at 01 January		5,592,856	1,176,703
<b>Closing cash and cash equivalents at 31 December</b>		<b>6,085,282</b>	<b>5,592,856</b>

## 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 2018.

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 2018. They were authorised for issue by the executive committee on 18 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 are 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. Depreciation is calculated on a straight line basis over a twenty five year period.

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:

• 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 two and half 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 as follows:

##### **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 expense.

#### 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.



	2018	2017
	\$	\$
<b>5 Grant Revenue - Non Exchange</b>		
FIFA Grants	15,533,929	13,431,108
Just Play Grants	1,329,466	1,685,450
	<u>16,863,395</u>	<u>15,116,558</u>
<b>6 Other Operating Revenue (Revenue from Non Exchange transactions)</b>		
Sponsorship Income	180,000	180,000
Members Subscription Fees	5,500	5,500
Just Play Other Income	19,560	294,074
	<u>205,060</u>	<u>479,574</u>
<b>7 Other Operating Revenue (Revenue from Exchange transactions)</b>		
TV Income	178,380	350,119
Sale of Merchandise	-	91,234
Competitions income	88,129	6,000
Exchange Gain	207,599	233,235
Hireage and Rental Income	27,607	227,575
Others	724,122	112,964
	<u>1,225,837</u>	<u>1,021,127</u>
<b>8 Grants Expense</b>		
<b>Member Association</b>		
American Samoa	150,000	157,421
Cook Islands	238,744	369,676
Fiji	236,332	543,569
New Zealand	308,182	514,347
New Caledonia	206,794	291,721
Papua New Guinea	139,198	571,560
Samoa	215,187	253,486
Solomon Islands	255,182	484,231
Tahiti	271,343	452,122
Tonga	268,920	361,563
Vanuatu	238,383	308,882
	<u>2,528,264</u>	<u>4,308,578</u>
<b>Others</b>		
Other Grants	-	2,159
Just Play Stock Adjustment	(250)	12,593
	<u>(250)</u>	<u>14,752</u>
<b>Total Grants</b>	<u>2,528,013</u>	<u>4,323,330</u>

	2018	2017
	\$	\$
<b>9 Other Operating Expenses</b>		
Accounting and Audit Fees	1,081,114	487
Apparel	19,646	6,841
Auditor of the financial statements	43,989	35,772
Bad debts	183,120	198,858
Bank Charges	6,112	9,089
Banner, Signage & Equipment	83,785	103,715
Broadcasting Fees	57,287	49,855
Brokerage and Commission	-	32,523
Cleaning	27,945	14,120
Computer Expenses	37,657	26,859
Contractor & Consultant Fees	445,862	568,403
Cost of Sales	-	65,372
Entertainment	15,849	33,700
Freight, Courier & Postage	49,973	80,018
General Expenditure	3,316	4,235
Gifts & Donations	52,221	34,454
Insurance	144,911	92,291
Lease	31,184	18,360
Legal	515,490	34,274
License	208,519	15,282
Marketing and Promotion	3,000	1,005
Medical	6,614	9,327
Membership & Subscription	23,147	16,020
Motor Vehicle Costs	81,877	87,560
Photography and Video	11,132	7,293
Power and Gas	33,594	36,132
Printing & Stationery	26,520	68,221
Rates, Body Corp, Rent & Water	99,154	98,501
Relocation Costs	4,661	15,000
Repairs and Maintenance	49,242	108,685
Security	2,028	2,581
Telecommunication	68,629	73,493
Training and Education	3,718	47,897
Translation	47,332	24,733
Travelling Expenses	2,387,960	2,729,351
Venue Hire and Associated Costs	31,920	20,159
Website Management and Maintenance	21,900	54,784
	<u>5,910,409</u>	<u>4,825,802</u>

**10 Asset write down**

	2018	2017
	\$	\$
Write down - Property, Plant and Equipment	-	53,550
Write down - Inventory	-	209,516
Write down - Debtors	-	200,097
	<u>-</u>	<u>463,163</u>

The asset write down in the previous year relates to adjustments to asset values on the liquidation of OFC ( Commercial) Limited.

**11 Cash and Cash Equivalents**

	2018	2017
	\$	\$
Cash and Cash Equivalents	<u>6,085,282</u>	<u>5,592,856</u>

	2018 \$	2017 \$
<b>12 Receivable from Members</b>		
American Samoa	103,941	31,997
Cook Island	1,188	1,724
Fiji	110,842	(50)
New Zealand	5,641	21,096
New Caledonia	31,296	8,216
Papua New Guinea	457,800	214,053
Samoa	154,009	37,195
Solomon Islands	163,528	62,804
Tahiti	128,212	7,704
Tonga	136,911	30,000
Vanuatu	117,634	107,288
	<u>1,411,003</u>	<u>522,026</u>
<b>13 Receivables from Exchange Transactions</b>		
Accrued Revenue	1,224,541	5,039
Account Receivables	719,560	679,977
Other Receivables	(11,786)	32,769
Provision for Bad Debts	(371,992)	(188,219)
	<u>1,560,323</u>	<u>529,566</u>
<b>14 Receivables from Non - Exchange Transactions</b>		
Account Receivables	<u>114,410</u>	<u>288,841</u>
<b>15 Prepayments</b>		
Flights	222,667	314,575
Software	15,804	40,183
Just Play Prepaid Grants	91,774	(9,272)
Other	28,709	75,656
	<u>358,953</u>	<u>421,142</u>
<b>16 Taxes Receivables</b>		
GST Receivable	<u>59,455</u>	<u>83,711</u>
<b>17 Inventory</b>		
Just Play Kits	53,594	84,017
Technical Footballs	20,315	23,040
OFC Commercial Ltd Inventory	375,598	375,598
	<u>449,507</u>	<u>482,655</u>

## 18 Property, Plant and Equipment

	Opening balance	Additions	Other - Transfers	Depreciation	Disposals	Impairment losses	Closing balance 2018
Buildings	1,244,357	-	-	12,392	-	-	1,231,964
Plant and equipment	314,935	(74,366)	-	32,985	-	-	207,585
Motor vehicles	19,070	-	-	5,008	-	-	14,062
Office equipment	126,504	15,445	-	68,027	-	-	73,922
Furniture & Fittings	13,615	4,561	-	3,133	-	-	15,043
Leasehold Land Improvements	5,512,470	-	-	744,223	-	-	4,768,247
Capital Work in Progress - HOF	2,996,909	178,186	-	-	-	-	3,175,095
	10,227,861	123,825	-	865,769	-	-	9,485,918

	2018 \$			2017 \$		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Buildings (i)	2,550,061	1,318,098	1,231,963	2,550,061	1,305,706	1,244,355
Plant and equipment (i)	349,681	142,096	207,585	424,048	109,112	314,935
Motor vehicles	117,374	103,312	14,062	117,374	98,304	19,070
Office equipment	1,041,904	967,982	73,922	1,026,459	899,955	126,504
Furniture & Fittings	464,627	449,585	15,043	460,067	446,451	13,615
Leasehold Land Improvements (i)	6,256,694	1,488,446	4,768,248	6,256,694	744,223	5,512,471
Capital Work in Progress - HOF	3,175,097	-	3,175,097	2,996,911	-	2,996,911
Total	13,955,439	4,469,519	9,485,918	13,831,614	3,603,751	10,227,862

(i) The total value of the Home of Football Stage 1 development, included in these asset classes at fair value is \$6,853,860.

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	Amortisation	Disposals	Impairment losses	Closing balance 2018
Total Intangible Assets	632,961	448,453	-	454,504	-	-	626,910

	2018 \$			2017 \$		
	Cost	Accumulated amortisation	Net book value	Cost	Accumulated amortisation	Net book value
Intangible Assets - software	1,285,167	658,257	626,910	836,714	203,753	632,961
Total	1,285,167	658,257	626,910	836,714	203,753	632,961

## 20 Investment Property

Opening Balance (1 January)  
Additions  
Disposals  
Amortisation

2018 \$	2017 \$
2,028,836	2,144,774
-	-
-	-
115,938	115,938
1,912,898	2,028,836

## 21 Trade and Other Creditors

Trade Creditors  
Credit Card Payable  
Accruals  
Other Creditors

2018 \$	2017 \$
687,785	890,656
10,100	28,275
3,411,317	1,864,187
3,807	5,413
4,113,009	2,788,531

	2018	2017
	\$	\$
<b>22 Deferred Income / Grants Received in Advance</b>		
FIFA	1,433,374	987,379
NZ Aid Programme	274,570	311,643
Australian Aid Programme	123,939	126,497
UEFA Foundation	491,680	224,236
UNICEF PNG	-	4,185
UNICEF Pacific	-	210,887
US Embassy	-	10,831
	<b>2,323,563</b>	<b>1,875,656</b>
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>23 Tax Payable</b>		
PAYE Payables	59,799	108,398
WT Payables	1,525	30
	<b>61,324</b>	<b>108,428</b>
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>24 Employee Entitlements</b>		
Payroll Accrual	9,119	83,549
Holiday Pay Provision	302,171	627,933
	<b>311,290</b>	<b>711,481</b>

## 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 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 repayments will resume in 2018. Instead of repaying US\$2.5 Million in 2018, FIFA agreed that OFC repay US\$4.0 Million which is NZ\$5,130,178. Current loan payable is US\$1.75 Million in 2019 that has been classified as a current liability and converted to NZ\$2,604,554 at a rate of 0.6719. The balance of US\$1.75 Million has been classified as the non-current liability and converted to NZ\$2,290,341. The non-current portion of the loan excludes fair value interest of \$ 314,213 which is yet to accrue.

## 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 in 2017. Refer note 10. OFC Commercial Ltd liquidation is completed and Deed of Set-Off and distribution was signed on 28.3.2019.

### 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

	2018	2017
	\$	\$
Total Fees and Remuneration	537,460	1,144,298
Number of persons	14	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, printers and leasehold land. 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.

	2018	2017
	\$	\$
Not longer than 1 year	50,401	108,660
Longer than 1 year and not longer than 5 years	53,214	98,861
Longer than 5 years	-	-
	<b>103,615</b>	<b>207,521</b>



## 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

	2018 \$	2017 \$
<b>Loans and receivables</b>		
Cash and Cash Equivalents	6,085,282	5,592,856
Receivable from Associated Entities	1,411,003	522,026
Receivables from Exchange Transactions	1,560,323	529,566
Receivables from Non-Exchange Transactions	114,410	288,841
Prepayments	358,953	421,142
Taxes Receivable	59,455	83,711
	<u>9,589,426</u>	<u>7,438,143</u>

### Financial liabilities

	2018 \$	2017 \$
<b>At amortised cost</b>		
Trade and Other Creditors	4,113,009	2,788,531
Grants Received in Advance	2,323,563	1,875,656
Taxes Payable	61,324	108,428
Employee Entitlements	311,290	711,481
Term Loans	4,894,895	9,850,284
	<u>11,704,081</u>	<u>15,334,381</u>

## 29 Capital Commitments

At balance date capital commitments of \$ 583k(2017: \$3.386 million) existed.

## 30 Contingent Assets and Liabilities

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

## 31 Events after the balance date

OFC Commercial Ltd liquidation has been completed and the Deed of Set-Off and distribution was signed on 28.3.2019. Values of the assets and liabilities have been written down in the previous financial year based on the liquidator's assessment of their fair value.

OFC has filed a claim on 9 May 2019 in the High Court to recover money from nine individuals and companies previously involved with the Home of Football project.