



FINANCIAL STATEMENTS **for the year ended 30 June 2022**

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NEXTSTEPS
STATEMENT OF INCOME AND RETAINED FUNDS
for the year ended 30 June 2022

	Note	Twelve months to June 2022			2021
		Unrestricted funds	Restricted funds	Total funds	Total
Revenue					
Contributions from charities, trusts etc	7	504	54,279	54,783	65,853
Contributions from individuals		3,811	-	3,811	-
Donated goods		-	24,320	24,320	18,848
Interest		47	-	47	49
Total income		4,362	78,599	82,961	84,750
Expenditure on:					
Programs	14	7,776	65,700	73,476	71,156
Legal, bank charges and other costs		8	-	8	415
Total expenditure		7,784	65,700	73,483	71,571
Net income (expenditure)		(3,422)	12,899	9,477	13,179
Net movement in funds		(3,422)	12,899	9,477	13,179
Reconciliation retained funds:					
Opening balance		25,100	32,088	57,188	43,979
Net income (expenditure) for the period		(3,422)	12,899	9,477	13,179
Prior year adjustment					30
Retained funds carried forward		21,678	44,987	66,665	57,188

The accompanying Notes form part of these Financial Statements.

NEXTSTEPS
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	2022	2021
ASSETS			
CURRENT ASSETS:			
Cash and equivalents	3	12,345	10,979
Promises to give	8	5,533	15,018
Inventory	10	51,528	32,813
TOTAL CURRENT ASSETS		69,406	58,810
TOTAL NON CURRENT ASSETS		-	-
TOTAL ASSETS		69,406	58,810
CURRENT LIABILITIES:			
Accounts Payable		1,119	-
Unearned Revenue		1,622	1,622
TOTAL CURRENT LIABILITIES		2,742	1,622
TOTAL LIABILITIES		2,742	1,622
NET ASSETS:			
Unrestricted		21,678	25,100
Temporarily restricted		44,987	32,088
TOTAL NET ASSETS		66,665	57,188
RETAINED FUNDS			
Temporarily restricted		44,987	32,088

The accompanying Notes form part of these Financial Statements.

NEXTSTEPS
STATEMENT OF CASH FLOWS
as at 30 June 2022

	2022			2021
	Unrestricted	Restricted	Total	
CASH FLOW FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
Grants and other contributions	13,800	54,279	54,279	65,853
Other	47		47	49
<i>Outflows:</i>				
Employee expenses	-	(28,097)	(28,097)	(29,062)
Supplies and services	(5,857)	(31,998)	(37,855)	(36,440)
Other	(808)	-	(808)	(20)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	7,182	(5,816)	(12,434)	380
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,182	(5,816)	1,366	380
CASH AT THE BEGINNING OF THE YEAR	2,231	8,748	10,979	10,598
CASH AND CASH EQUIVALENTS AT END OF YEAR	9,413	2,932	12,345	10,978
Reconciliation of operating result to net cash provided by operating activities:				
Operating surplus/(deficit)	(3,422)	12,899	9,477	13,179
Increase/(decrease) in cash arising from changes in assets and liabilities:				
(Increase) in Promises to give	9,485	-	9,485	0
(Increase) in Inventory	-	(18,715)	(18,715)	(11,343)
(Increase) in Accounts payable	1,119	-	1,119	(3,078)
Increase in Unearned revenue				1,622
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,182	(5,816)	1,366	380

The accompanying Notes form part of these Financial Statements.

NEXTSTEPS

NOTES TO THE ACCOUNTS

Nature of Activities

NextSteps (the Organisation) is a not for profit non-government organisation (NGO) registered in Cambodia that provides treatment and support to Cambodian children living with physical impairment and disability.

The Organisation seeks to achieve this by:

- funding the medical treatment of children living with acquired or congenital physical impairment or disability
- providing training to local doctors and health professionals to enhance skills and ability to provide treatment
- supporting medical activities in remote areas and rural communities, including education of families and communities; and
- undertaking other activities to improve health and quality of life outcomes for Cambodian children.

NextSteps was registered by the Cambodia Ministry of the Interior on 28 July 2015.

Significant Accounting Policies

1 Basis of Reporting and Financial Statement Preparation

These statements are prepared on an accrual basis with income recorded when earned and expenses recognised when the obligation is incurred.

The preparation of these statements are guided by generally accepted accounting principles, the International Financial Reporting Standards (IFRS) for small and medium Enterprises, with specific regard to requirements relating to not for profit organisations.

2 Estimates

In preparing these financial statements management make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the reporting date; and the reported amounts of income and expenses during the reporting period.

3 Cash and Cash Equivalents

Cash and cash equivalents consist of monies on deposit at a financial institution in Cambodia and cash on hand for the purchase of supplies and other operating expenses.

	<u>2022</u>	<u>2021</u>
Cash on hand	\$1,733	\$1,301
Cash at bank	\$10,612	\$9,677
	<u>\$12,345</u>	<u>\$10,979</u>

4 Functional Currency

NextSteps transacts its activities and maintains its books and records in United States dollars.

5 Non-current Assets

The Organisation's threshold for recognising capital expenditure is \$1,000 and the item has an estimated life greater than one year. No assets were acquired or donated during the period.

6 Income Tax Status

Under Cambodian law, the Organisation is a non-profit organisation and is exempt from paying profit tax but is subject to value added tax and withholding tax on services and products it uses or purchases. Any supplies made by the Organisation are non-taxable supplies under the Real Regime Tax System.

7 Contributions

All contributions are considered as provided without restriction unless specifically advised by the donor. All contributions are recorded as income at the time they are received. This may generate an operating surplus or deficit for the reporting period where funding has been received in advance or in arrears.

The Organisation has temporarily restricted income and assets at the reporting date relating to unexpended funding and donated brace inventory received for the clubfoot program.

8 Promises to Give

Unconditional promises to give are recorded at net realisable value as income and an asset at the time they are promised. These include promises under an agreement and donations made specifically for the use by the Organisation currently held overseas and yet to be transmitted to the organisation. Conditional promises to give are recognised when conditions upon which they depend are substantially met. All promises at 30 June 2022 were deemed collectable by management.

	2022	2021
Donations held for NextSteps programs by Rotary Australia Worldwide Community Service, not yet transmitted	\$5,533	\$15,018

9 Donated Items and Services

The Organisation received donated services that would have typically needed to be purchased if not provided by donation. Donated services relate to website management and financial and administrative services. These have not been quantified for the reporting period. Any donation of equipment or materials, for example the donation of braces, are recognised in the financial statement where material.

10 Inventory

Inventory consists of donated braces valued at estimated cost.

11 Employee Benefits

No employees received remuneration in excess of \$US10,000 per annum

12 Related Party Transactions

The Board of the Organisation is considered its key management personnel. No board members received any compensation, reimbursement of expenses or had payments made on their behalf during the reporting period in their role as Director of the Organisation.

The Executive Director was also employed as Medical Director for the Clubfoot Care Cambodia program during the period and received compensation for professional services provided as outlined below.

Service Provided	2022 Remuneration for professional services	2022 Other Benefits received	2022 Total	2021 Total
Medical Director and Trainer Clubfoot Care Cambodia program	\$6,006	1,200	\$7,206	\$7,145

13 Foreign Transactions

The Organisation receives the majority of its funding from international donors. Funding is provided in United States dollars.

Promises to Give held in Australian dollars are converted to United States dollars using the Australian Taxation Office exchange rate at the reporting date.

14 Detailed Program Expenditure

	Surgical Outreach Program	Clubfoot Care Cambodia program	Cleft Care Program	Total 2022	Total 2021
Salaries and wages		16,085		16,085	18,084
Local coordinator wages and allowances		12,011		12,011	10,978
Training and seminar expenses		12,626		12,626	868
Clinic fees	1,960	6,667		8,627	9,066
Hospital facility fees	600			600	900
Clinical supplies & consumables	859	1,994	342	3,194	4,457
COVID hygiene supplies & PPE		1,640		1,640	4,447
Braces used		5,605		5,605	7,505
Phones and data plans		1,215		1,215	562
IT equipment and subscriptions		2,867		2,867	658
Travel & accommodation	2,998	2,268		5,266	9,678
Clinic and Other Equipment		301		301	710
Promotion and Awareness raising	459	255		714	1,095
Local transportation		179		179	304
Home visits and family travel assistance		450		450	48
Office supplies, postage and remittances		380		380	414
Ex-gratia payments		800		800	-
Printing		20		20	860
Other administration expenses	150	671		821	300
Bank fees	10	65		75	223
Total expenditure	7,036	66,098	342	73,476	71,156

Management Certification

These general purpose financial statements have been prepared in accordance with generally accepted accounting standards.

We certify:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the NextSteps for the year ended 30 June 2021 and of the financial position of the organisation at the end of that period; and
- c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Professor CHHOEURN Vuthy, MD
Executive Director
Date: 27 November 2022



Colleen Orange
Director
Date: 27 November 2022