



## **FINANCIAL STATEMENTS** **for the year ended 31 December 2016**

### **Contents**

Statement of Income and Retained Earnings  
Statement of Financial Position  
Statement of Cash flows  
Notes to the Accounts  
Management Certification

**NEXTSTEPS**  
**STATEMENT OF INCOME AND RETAINED FUNDS**  
for the year ended 31 December 2016

		<b>2016</b>			<b>2015</b>
	Note	Unrestricted funds	Restricted funds	Total funds	Total
Income and restricted gifts from:					
Contributions from charities, trusts etc		21,961	5,000	26,961	16,351
Contributions from individuals		801	-	801	-
Donated goods		-	-	-	-
Rebates		-	-	-	46
<b>Total</b>		<b>22,762</b>	<b>5,000</b>	<b>27,762</b>	<b>16,398</b>
Expenditure on:					
Programs	13	9,773	5,000	14,772	11,235
Establishment and other costs		310		310	1,070
<b>Total</b>		<b>10,083</b>	<b>5,000</b>	<b>15,083</b>	<b>12,305</b>
<b>Net income (expenditure)</b>		<b>12,679</b>	<b>0</b>	<b>12,679</b>	<b>4,093</b>
<b>Net movement in funds</b>					
		<b>12,679</b>	<b>0</b>	<b>12,679</b>	<b>4,093</b>
<b>Reconciliation retained funds:</b>					
<b>Opening balance</b>		<b>11,320</b>	<b>-</b>	<b>11,320</b>	
Balance of retained funds transferred in				-	7,227
Net income (expenditure) for the period		12,679	-	12,679	4,093
Transfers between unrestricted and restricted funds				-	0
<b>Retained funds carried forward</b>		<b>23,999</b>	<b>-</b>	<b>23,999</b>	<b>11,320</b>

The accompanying Notes form part of these Financial Statements.

**NEXTSTEPS**  
**STATEMENT OF FINANCIAL POSITION**  
as at 31 December 2016

	Note	2016	2015
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and equivalents	3	6,585	1,115
Promises to give		19,619	10,205
Account receivable		2,146	
Inventory		-	
<b>TOTAL CURRENT ASSETS</b>		<b>28,350</b>	<b>11,320</b>
<b>PROPERTY AND EQUIPMENT:</b>			
Property and equipment, net of accumulated depreciation		-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>28,350</b>	<b>11,320</b>
<b>CURRENT LIABILITIES:</b>			
Payables		4,352	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,352</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>4,352</b>	<b>-</b>
<b>NET ASSETS:</b>			
Unrestricted		23,999	11,320
Temporarily restricted		-	-
<b>TOTAL NET ASSETS</b>		<b>23,999</b>	<b>11,320</b>
<b>RETAINED FUNDS</b>		<b>23,999</b>	<b>11,320</b>
Temporarily restricted		-	-

**NEXTSTEPS**  
**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2016

	2016	2015
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	12,679	4,093
Adjustment to reconcile change in net assets to cash provided by (used in) operating activities:		
Increase/(decrease) in cash arising from changes in assets and liabilities:		
(Increase) in Promises to give	(9,414)	(10,204)
(Increase) in Funding receivable	(2,146)	-
(Increase) in Inventory	-	-
Increase/(Decrease) in Accounts payable	4,352	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u><b>5,470</b></u>	<u><b>(6,112)</b></u>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u><b>5,470</b></u>	<u><b>(6,112)</b></u>
CASH AT THE BEGINNING OF THE YEAR	1,115	-
Balance transferred in on formation	0	7,227
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>6,585</b></u>	<u><b>1,115</b></u>

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.

These statements are prepared in accordance with 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.

These statements cover the twelve month period from 1 January 2016 to 31 December 2016.

##### 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>2016</u>	<u>2015</u>
Cash on hand	0	\$0
Cash at bank	\$6,585	\$1,115
	<u>\$6,585</u>	<u>\$1,115</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 no restricted income or assets at the reporting date.

## 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 31 December 2016 were deemed collectable by management.

	2016	2015
Donations held for NextSteps programs by Rotary Australia		
Worldwide Community Service, not yet transmitted	\$19,619	\$10,205

## 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, financial and administrative services. These have not been quantified for the reporting period. Any in-kind donation of equipment or materials, for example the donation of braces, are recognised in the financial statement where material.

## 10 Employee Benefits

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

## 11 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	2016 Remuneration for professional services	2016 Other Benefits received	2015
------------------	---------------------------------------------------	---------------------------------------	------



Medical Director Clubfoot Care Cambodia program	-	-	\$1,260
-------------------------------------------------	---	---	---------

## 12 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.

## 13 Detailed Program Expenditure

	Surgical Outreach Program	Clubfoot Care Cambodia program	Cleft Care Program	Total 2016	Total 2015 <sup>1</sup>
Salaries and wages	-	2,550	-	2,550	3,660
Clinic fees	1,320	3,104	-	4,424	1,682
Hospital facility fees	1,620	-	-	1,620	-
Clinical supplies & consumables	215	575	-	790	3,451
Counselling expenses including wages	-	1,590	-	1,590	651
Veterans International Centre support	-	-	-	-	891
Telecommunications	-	166	-	166	249
Travel & accommodation	2,631	199	-	2,830	548
Promotions	660	-	-	660	-
Other supplies	-	143	-	143	104
<b>Total expenditure</b>	<b>6,446</b>	<b>8,326</b>	<b>-</b>	<b>14,772</b>	<b>11,236</b>

<sup>1</sup>2015 reflects six months of expenditure following the establishment of the Organisation in July 2015

## 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 financial year ended 31 December 2016 and of the financial position of the organisation at the end of that year; 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  
1 February 2018



Colleen Orange  
Director  
1 February 2018