



FINANCIAL STATEMENTS **for the year ended 30 June 2021**

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STATEMENT OF INCOME AND RETAINED FUNDS
for the year ended 30 June 2021

		Twelve months to June 2021			2020
	Note	Unrestricted funds	Restricted funds	Total funds	Total
Revenue					
Contributions from charities, trusts etc	7	-	65,853	65,853	50,593
Donated goods		-	18,848	18,848	19,456
Interest		49	-	49	34
Total income		49	84,701	84,750	70,082
Expenditure on:					
Programs	14	3,392	67,764	71,156	61,509
Legal, bank charges and other costs		415	-	415	149
Total expenditure		3,807	67,764	71,571	61,658
Net income (expenditure)		(3,758)	16,937	13,179	8,424
Net movement in funds		(3,758)	16,937	13,179	8,424
Reconciliation retained funds:					
Opening balance		28,828	15,151	43,979	35,555
Net income (expenditure) for the period		(3,758)	16,937	13,179	8,424
Prior year adjustment		30	-	30	-
Retained funds carried forward		25,100	32,088	57,188	43,979

The accompanying Notes form part of these Financial Statements.

NEXTSTEPS
STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	Note	2021	2020
ASSETS			
CURRENT ASSETS:			
Cash and equivalents	3	10,979	10,598
Promises to give	8	15,018	15,018
Inventory	10	32,813	21,470
TOTAL CURRENT ASSETS		58,810	47,087
TOTAL NON CURRENT ASSETS		-	-
TOTAL ASSETS		58,810	47,087
CURRENT LIABILITIES:			
Accrued expenses		-	3,108
Unearned Revenue		1,622	-
TOTAL CURRENT LIABILITIES		1,622	3,108
TOTAL LIABILITIES		1,622	3,108
NET ASSETS:			
Unrestricted		25,100	28,828
Temporarily restricted		32,088	15,151
TOTAL NET ASSETS		57,188	43,979
RETAINED FUNDS		57,188	43,979
Temporarily restricted		32,088	15,151

The accompanying Notes form part of these Financial Statements.

NEXTSTEPS
STATEMENT OF CASH FLOWS
as at 30 June 2021

	2021			2020
	Unrestricted	Restricted	Total	
CASH FLOW FROM OPERATING ACTIVITIES				
<i>Inflows:</i>				
Grants and other contributions	-	65,853	65,853	49,766
Other	49	-	49	34
<i>Outflows:</i>				
Employee expenses	-	(29,062)	(29,062)	(24,097)
Supplies and services	(4,037)	(32,403)	(36,440)	(33,206)
Other	(20)	-	(20)	(149)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(4,007)	4,388	380	(7,652)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,007)	4,388	380	(7,652)
CASH AT THE BEGINNING OF THE YEAR	6,238	4,360	10,598	18,251
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,231	8,748	10,979	10,598
Reconciliation of operating result to net cash provided by operating activities:				
Operating surplus/(deficit)	(3,758)	16,937	13,179	8,424
Increase/(decrease) in cash arising from changes in assets and liabilities:				
(Increase) in Promises to give	-	-	-	(1,212)
Decrease in Funding receivable		-	-	386
(Increase) in Inventory	-	(11,343)	(11,343)	(15,808)
(Decrease) in Accounts payable	(249)	(2,829)	(3,078)	557
Increase in Unearned revenue	-	1,622	1,622	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,007)	4,387	380	(7,653)

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 received 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>2021</u>	<u>2020</u>
Cash at bank	\$9,677	\$9,928
Cash on hand	\$1,301	\$670
	<u>\$10,979</u>	<u>\$10,598</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 2020 were deemed collectable by management.

	2021	2020
Donations held for NextSteps programs by Rotary Australia Worldwide Community Service, not yet transmitted	\$15,018	\$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	2021 Remuneration for professional services	2021 Other Benefits received	2021 Total	2020 Total
Medical Director and Trainer Clubfoot Care Cambodia program	\$7,145	-	\$7,145	\$5,997

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 2021	Total 2020
Salaries and wages		18,084		18,084	16,876
Clinic fees	1,640	7,426		9,066	6,228
Local coordinator wages and allowances		10,978		10,978	8,029
Training and seminar expenses	-	868		868	10,854
Hospital facility fees	900			900	-
Clinical supplies & consumables	1,180	3,049	228	4,457	3,276
COVID hygiene supplies & PPE		4,447		4,447	214
Braces used		7,505		7,505	3,648
Phone and IT costs		1,220		1,220	1,253
Equipment	149	562		710	1,523
Travel & accommodation	2,936	6,743		9,678	5,784
Printing		860		860	975
Promotion and Awareness raising	560	535		1,095	1,729
Bank fees	89	134		223	101
Local transportation		304		304	488
Home visits and family travel assistance		48		48	160
Office supplies, postage and remittances		414		414	396
Other administration expenses	-	300		300	190
Total expenditure	7,453	63,475	228	71,156	61,723

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: 25 October 2022



Colleen Orange
Director
Date: 25 October 2022

