



## **FINANCIAL STATEMENTS** **for the year ended 30 June 2020**

### **Contents**

Statement of Income and Retained Funds

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 30 June 2020**

		<u>Twelve months to June 2020</u>			<u>2019</u>
	Note	Unrestricted funds	Restricted funds	Total funds	Total
Income and restricted gifts from:					
Contributions from charities, trusts etc	7	1,212	49,380	50,593	62,654
Donated goods		-	19,456	19,456	4,560
Interest		34	-	34	47
<b>Total income</b>		<b>1,246</b>	<b>68,836</b>	<b>70,082</b>	<b>67,261</b>
Expenditure on:					
Programs	14	1,829	59,680	61,509	<b>64,861</b>
Legal, bank charges and other costs		149	-	149	58
<b>Total expenditure</b>		<b>1,978</b>	<b>59,680</b>	<b>61,658</b>	<b>64,919</b>
<b>Net income (expenditure)</b>		<b>(732)</b>	<b>9,157</b>	<b>8,424</b>	<b>2,342</b>
<b>Net movement in funds</b>		<b>(732)</b>	<b>9,157</b>	<b>8,424</b>	<b>2,342</b>
<b>Reconciliation retained funds:</b>					
<b>Opening balance</b>		<b>29,560</b>	<b>5,995</b>	<b>35,555</b>	33,212
Net income (expenditure) for the period		(732)	9,157	<b>8,424</b>	2,342
<b>Retained funds carried forward</b>		<b>28,828</b>	<b>15,151</b>	<b>43,979</b>	<b>35,555</b>

The accompanying Notes form part of these Financial Statements.

**NEXTSTEPS**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2020

	Note	2020	2019
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and equivalents	3	10,598	18,251
Promises to give	8	15,018	13,806
Funding receivable		-	386
Inventory	10	21,470	5,662
<b>TOTAL CURRENT ASSETS</b>		<b>47,087</b>	<b>38,105</b>
<b>TOTAL NON CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>47,087</b>	<b>38,105</b>
<b>CURRENT LIABILITIES:</b>			
Accrued expenses		3,108	2,550
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,108</b>	<b>2,550</b>
<b>TOTAL LIABILITIES</b>		<b>3,108</b>	<b>2,550</b>
<b>NET ASSETS:</b>			
Unrestricted		28,828	29,560
Temporarily restricted		15,151	5,995
<b>TOTAL NET ASSETS</b>		<b>43,979</b>	<b>35,555</b>
 <b>RETAINED FUNDS</b>		 <b>43,979</b>	 <b>35,555</b>
Temporarily restricted		15,151	5,995

The accompanying Notes form part of these Financial Statements.

**NEXTSTEPS**  
**STATEMENT OF CASH FLOWS**  
as at 30 June 2020

	<b>2020</b>			<b>2019</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<i>Inflows:</i>				
Grants and other contributions	-	49,766	49,766	66,669
Other	34	-	34	47
<i>Outflows:</i>				
Employee expenses		(24,097)	(24,097)	(19,473)
Supplies and services	(2,823)	(30,383)	(33,206)	(44,526)
Other	(149)	-	(149)	(58)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(2,939)</b>	<b>(4,714)</b>	<b>(7,652)</b>	<b>2,659</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,939)</b>	<b>(4,714)</b>	<b>(7,652)</b>	<b>2,659</b>
CASH AT THE BEGINNING OF THE YEAR	9,177	9,074	18,251	15,592
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>6,238</b>	<b>4,360</b>	<b>10,598</b>	<b>18,251</b>
<b>Reconciliation of operating result to net cash provided by operating activities:</b>				
Operating surplus/(deficit)	(732)	9,157	8,424	2,342
Increase/(decrease) in cash arising from changes in assets and liabilities:				
(Increase) in Promises to give	(1,212)	-	(1,212)	5,096
Decrease in Funding receivable	-	386	386	(386)
(Increase) in Inventory	-	(15,808)	(15,808)	(1,577)
(Increase)/Decrease in Accounts payable	(994)	1,552	557	(2,816)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(2,939)</b>	<b>(4,714)</b>	<b>(7,653)</b>	<b>2,659</b>

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>2020</u>	<u>2019</u>
Cash on hand	\$670	\$33
Cash at bank	\$9,928	\$18,218
	<u>\$10,598</u>	<u>\$18,251</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.

	<b>2020</b>	<b>2019</b>
Donations held for NextSteps programs by Rotary Australia Worldwide Community Service, not yet transmitted	\$15,018	\$13,806

#### 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	2020 Remuneration for professional services	2020 Other Benefits received	2020 Total	2019 Total
Medical Director and Trainer Clubfoot Care Cambodia program	\$5,997	-	\$5,997	\$7,118

## 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 2020	Total 2019
Salaries and wages		16,876		16,876	12,828
Clinic fees	-	6,228		6,228	6,057
Local coordinator wages and allowances		8,029		8,029	5,544
Training and seminar expenses	-	10,854		10,854	15,165
Hospital facility fees	-			-	1,350
Clinical supplies & consumables	-	3,027	249	3,276	3,169
Braces used		3,648		3,648	2,983
Phone and IT costs		1,253		1,253	900
Equipment		1,523		1,523	2,805
Travel & accommodation	-	6,272		6,272	9,855
Printing		975		975	532
Promotion and Awareness raising	350	1,379		1,729	2,849
Bank fees	-	101		101	168
Home visits and family travel assistance		160		160	-
Other expenses		586		586	656
<b>Total expenditure</b>	<b>350</b>	<b>60,910</b>	<b>249</b>	<b>61,509</b>	<b>64,861</b>

## Management Certification

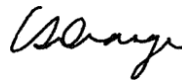
These general purpose financial statements have been prepared in accordance with generally accepted accounting standards.

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 2020 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  
11 November 2020



Colleen Orange  
Director  
11 November 2020