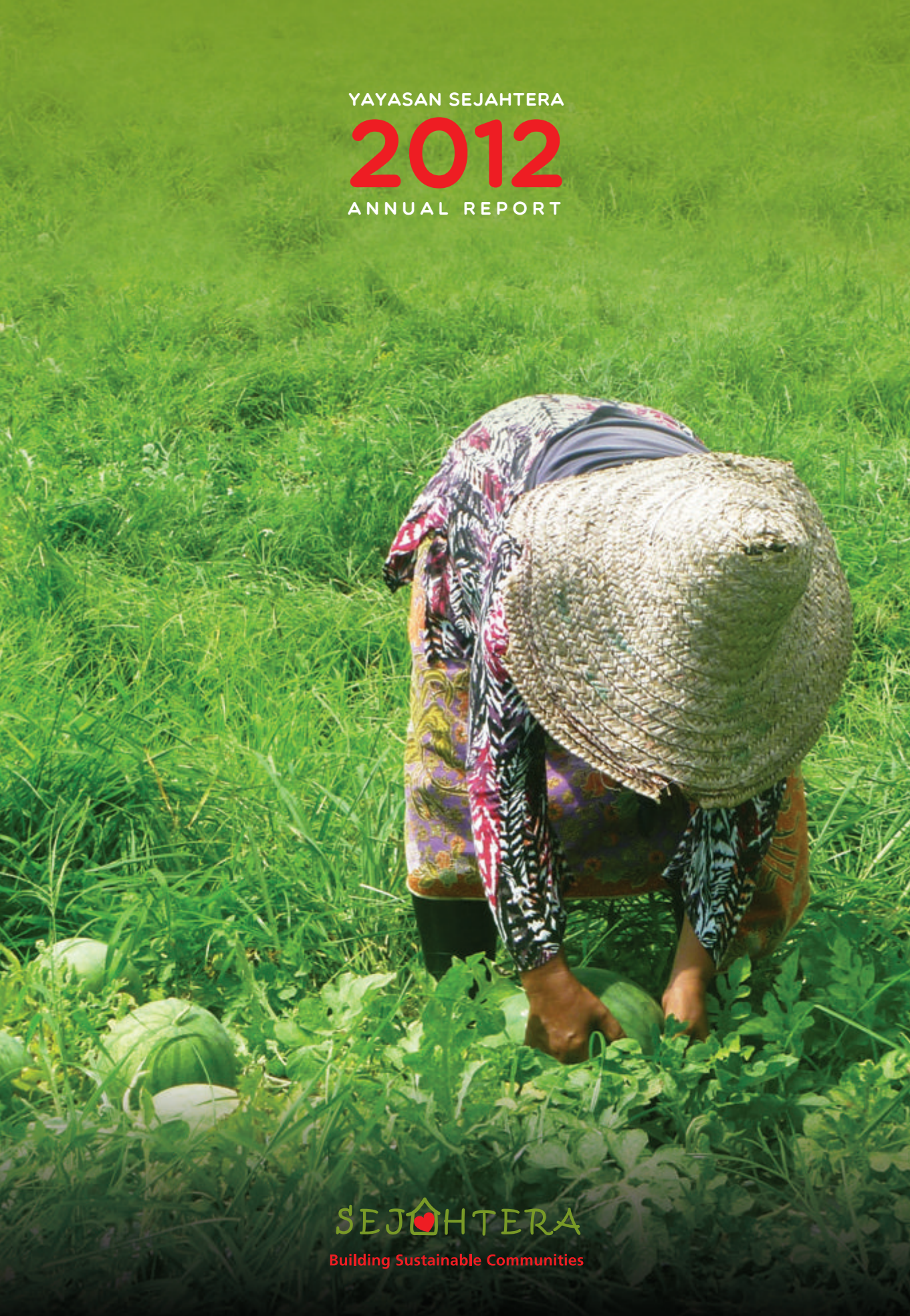


YAYASAN SEJAHTERA

2012

ANNUAL REPORT



SEJAHTERA

Building Sustainable Communities



COVER PHOTO

Maisom @ Misran bt. Salleh, 64, is harvesting watermelons from her farm at Kg. Hj Wan Omar, Pasir Puteh, Kelantan.

Photo by : Nur Masliza Muda

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On behalf of the Board of Trustees, I am proud to present our 2012 Annual Report. The Board and I are very delighted and take pleasure in being associated with the work of Yayasan Sejahtera whose cause, alleviating hardcore poverty in Malaysia, is close to our hearts. We hope that you will also derive a mutual appreciation for the foundation's work as you read this report.

We aspire to build resilient communities. Our relentless approach is to build sustainability into our projects to create long-term impact. Yayasan Sejahtera has touched the lives of at least 4,939 families since its inception in 2009, and in 2012 alone, 534 new families were supported in the states of Pahang, Kelantan, Sabah, and Sarawak.

We are continuing our work with 77 families from our projects in Pahang, Kelantan, and Sabah, that were carried out in the previous years. We have also developed a total of 8 new projects which began in the early 2012, projects which you will read about later in this report. Furthermore, I am happy to announce the completion of numerous projects which have started in 2009. These include, but are not limited to:

- Pilot 1, which provided 20 families in Maran, Pahang, with new homes and basic support for their livelihoods since 2009. In 2012 more programmes were organised to enhance community cohesiveness, such as Bumi Hijau competition, gotong-royong, and religious programmes;
- Small Grants 1.0 and One Enterprise for One Family (1E1F) in Kelantan;
- The national roll-out of our Pilot 2 programme, in which Napier grass and watermelon were planted in Kelantan.

Our 2012 projects and operations cost a total of RM2.1 million, funded mostly by government grants—received by Yayasan Sejahtera since 2009— as well as contributions from Corporates and GLCs. I would like to thank Khazanah Nasional Berhad's for its continuous support, as well as PEMANDU and numerous other GLCs and members of Corporate Malaysia such as Lembaga Tabung Haji, Kuwait Finance House and Maybank who have made our service possible.

Driven by the belief that communities gain more confidence as well as experience more benefits through meaningful participation, we have striven to escalate our engagement with our targeted communities.

Many of the communities we work with own only basic facilities to conduct programmes. To illustrate how basic facilities might be an obstacle to many other subsequent programmes, I would like to highlight the plight of the children in Kampung Song Song, Sabah. Basic preschool education precludes them from properly absorbing and understanding the syllabus in primary school, which delays their learning experience. Our response to this was to design educational support programmes like Teaching for Change to build their capacity especially in English education before embarking on more extensive livelihood projects. By



involving the community—especially parents—in the education of these young children, our programme will be able to expedite the improvement of community cohesiveness as well as the general level of education of these children, who are the future of Kampung Song Song. Teaching for Change is but one of the many key community-changing programmes we developed to create opportunities for these communities.

We recognise that, even with preparation and support, organisations like ours will face challenges. Let us consider Yayasan Sejahtera's limited resources for instance. Our small yet effective secretariat team is tasked with carrying out big projects across the country and, many a time, our resources are limited and stretched too thinly. In response to this, we are developing a more cohesive resource management system to monitor and evaluate projects. We also run specific trainings and capability enhancement workshops for our secretariat staff to expand their skill sets and knowledge for application in the field. Furthermore, we are now more cognisant of the fact that it takes time to engage stakeholders and establish our presence at the project site. Getting our stakeholders' blessing is key, so some of our projects take some time to take off the ground due to this process, which often necessitates changes in our project schedule. This too has been taken into consideration to ensure that our deadlines are met according to the time frames entrusted to us by our partners.

I am happy to share that after four years of experience in the field, Yayasan Sejahtera has learnt much and it has used that experience to formulate an inclusive approach towards community development and to address the challenges associated with poverty. This formula has garnered support from many potential donors and partners in which, despite a tough year for fund raising, we managed to foster partnerships with organisations like PEMANDU to carry out our Community Development Project in Pitas, Sabah, to augment the crop production capabilities there and improve the community's livelihoods. I would like to urge more Corporates to work together with us to alleviate poverty in Malaysia as part of their Corporate Social Responsibility agenda and, in due time, make poverty a thing of the past.

I would like to offer many thanks to the Government of Malaysia for its continuous support of our work in empowering the communities we work with. I would also like to say a special thank you to all of our beneficiary families, who, through their allowance and acceptance of us to make changes in their lives has, in turn, enriched our own organisation—and this appreciation also goes to all of our donors, staff, supporters, and volunteers who never fail to inspire us with their passion and tireless commitment.

TAN SRI FAIZAH MOHD TAHIR
Chairman

OBJECTIVES

- To ensure that Yayasan Sejahtera communities have access to a basic standard of living and enjoy at least a minimum quality of life.
- To support the creation of sustainable living environments for vulnerable communities in Malaysia.
- To deliver this mandate through the efforts of government-linked companies, government-linked investment companies, and corporate Malaysia.
- To work in partnership with beneficiaries and civil society partners to leverage and maximise programme benefits.

PROGRAMME MODULES

At Yayasan Sejahtera, poverty is more than a lack of income. Poverty, in the Malaysian context, involves unfulfilled basic food needs and lack of access to facilities like electricity, water, and basic housing. Yayasan Sejahtera's holistic approach to poverty alleviation and empowerment of the hardcore poor is premised on four building blocks:



Module 1 – Supporting Sustainable Livelihoods

We believe in alleviating poverty through encouraging employment, augmenting skillsets, capacity-building, or providing access to capital for small business owners. As the vast majority of these families depend upon agriculture and small scale business to survive, we strive to increase their capacity to make such activities more productive and profitable for them.



Module 2 – Supporting Basic Food Needs

Yayasan Sejahtera gives assistance through supporting the dietary needs of beneficiary families with innovative community- and home-based farming on vacant plots of land in and around their homes.



Module 3 – Providing Basic Community Services

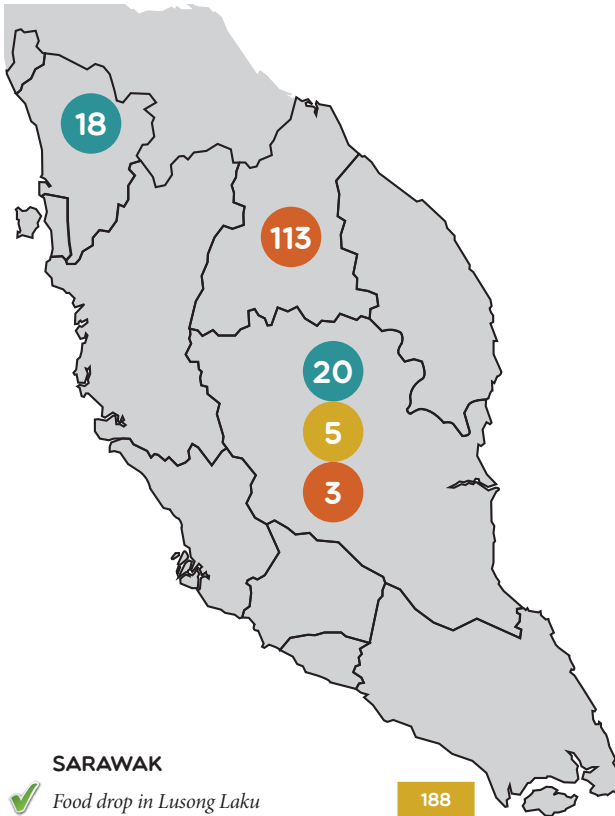
For the hardcore poor, life is harder without basic amenities like water and sanitation. Yayasan Sejahtera provides access to basic community services like a sustainable and clean water supply through the use of innovative methods. With such access, people can embark on livelihood projects to generate better income for their families.



Module 4 – Rehabilitation / Building of Homes

Yayasan Sejahtera aims to address the lack of basic housing amenities for extreme poor households. We support low-income households to perform basic repairs to their homes to reach an acceptable standard of living.

WHERE WE OPERATE



SARAWAK

| | |
|--|--------------|
| ✓ Food drop in Lusong Laku | 188 |
| ✓ Food parcels in Pulau Bruit | 2,042 |
| ✓ Water filters in Pulau Bruit | 1,772 |
| ✓ Mosque rehabilitation in Pulau Bruit | 272 |
| ✓ Water purification system in Pulau Bruit | 393 |
| TOTAL | 4,667 |

KEDAH

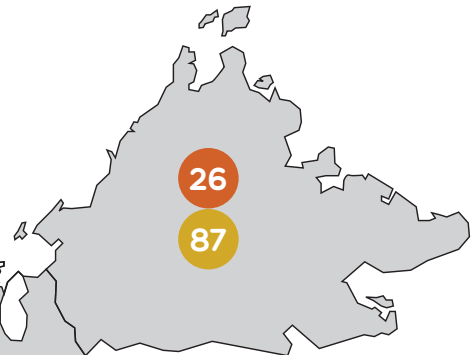
| | |
|------------------------|-----------|
| ✓ Home Rehabilitations | 18 |
| TOTAL | 18 |

KELANTAN

| | |
|---------------------------------------|------------|
| ✓ Pilot 2 : Napier and Watermelon | 30 |
| ✓ Small Grants 1.0 | 20 |
| ✓ One Enterprise for One Family | 60 |
| ✓ Yayasan Sejahtera-TM Single Mothers | 3 |
| TOTAL | 113 |

PAHANG

| | |
|---------------------------------------|-----------|
| ✓ Project Perumahan Yayasan Sejahtera | 20 |
| ✓ Blind Community in Maran | 5 |
| ✓ Yayasan Sejahtera-TM Single Mothers | 3 |
| TOTAL | 28 |



SABAH

| | |
|---------------------------------|------------|
| Chilli Fertigation | 26 |
| Water Solution in Kg. Song Song | 65 |
| Teaching for Change | 22 |
| TOTAL | 113 |

- Supporting Sustainable Livelihoods
- Supporting Basic Food Needs
- Providing Basic Community Services
- Rehabilitation / Building of Homes
- ✓ Completed

4,939 FAMILIES ASSISTED FROM 2009 UNTIL DECEMBER 2012



SMALL GRANTS 1.0

The objective of the Small Grants 1.0 project is to provide 20 hardcore poor families with a sustainable source of income. This aid is given to small holders with existing businesses, plantation site, or other economic activities in order to increase their income above the poverty line.

Location

*Pasir Puteh, Kelantan
Bachok, Kelantan*

Project Duration

Apr 2011 – May 2012

Beneficiaries

20 Families

The project benefits 20 families in Kelantan—13 in Pasir Puteh and 7 in Bachok—through the provision of equipment and hardware to assist three types of small business sectors: general businesses, which had 7 beneficiaries; home-based businesses, with 9 beneficiaries; and agriculture, which consisted of 4 beneficiaries.

77% percent of the beneficiaries expressed that the equipment received was of good quality and served its purposes well. In terms of the commitment of the beneficiaries, Yayasan Sejahtera has found that they have demonstrated strong ownership through the monitoring of their own income and they also took the initiative to update their financials every month. As a result, 45% of the beneficiaries successfully recorded monthly income up to RM1,500.

The improvement in the standard of living of the beneficiaries was evident especially in terms of financial situation—many had greater financial stability and started saving. This is a good model of a people-centred approach as the needs and potential of each beneficiary was assessed beforehand to determine what type of equipment and assistance was suitable for them. With the right support, the beneficiaries were proactive and demonstrated good commitment.



Our Small Grants 1.0 participant, Karimah Yaacob has expanded her business in 2012. She now earns an average of RM3,000 a month from her frozen food business



Another participant, Jusoh Daud grew vegetables in his orchard which includes cucumbers, long beans and chillies



ONE ENTERPRISE FOR ONE FAMILY (1E1F)

The 1E1F programme is a joint effort between Yayasan Sejahtera and Yayasan Pendidikan dan Vokasional Wanita Malaysia (YPVWM) to empower the poor with new or additional vocational and entrepreneurial skills in the areas of tailoring, baking, ICT, mobile phone repairs, financial literacy, and management. Participants were also given equipment (sewing machines and baking ovens) to support their business activities.

Location
Pasir Puteh, Kelantan

Project Duration
Oct 2011 – Sept 2012

Beneficiaries
60 Families

152 selected participants from 60 households in the district of Pasir Puteh, Kelantan, successfully completed the programme, which began at the end of 2011 and continued into 2012.

The curriculum involved in this programme merges theoretical and practical aspects to enable participants to upgrade their skills and confidence levels in order to maintain and expand their businesses.

Some of the modules in this programme involved skills such as tailoring, pastry and baking, computer design, and mobile phone repairs. Though the training components of the programme ended in 2011, Yayasan Sejahtera continued to monitor the progress of the participants throughout 2012.

This project has recorded positive outcomes where 38% of the bakery students and 26% of the tailoring students showed income improvement between RM500 and RM1000.



1E1F participants under the tailoring module were taught new skills to expand their businesses

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ONGOING PROJECT
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SMALL GRANTS 2.0

Building on Yayasan Sejahtera's Small Grants 1.0 project--where we provided equipment and agricultural inputs to beneficiaries for their small-scale businesses and successfully helped them to generate additional income--we then embarked on the Small Grants 2.0. This project will eventually involve 55 beneficiaries in Bachok and Pasir Puteh with a focus on the agriculture sector as it is the most common economic activity there. In Pasir Puteh and Bachok, the beneficiaries are single mothers and farmers who are in the hardcore poor and poor categories.

Location

*Pasir Puteh, Kelantan
Bachok, Kelantan*

Project Duration

Nov 2012 – Sept 2014

Beneficiaries

55 Families

The objective of the project will be to move these beneficiaries above the poverty line by helping them earn a better income. Our beneficiaries were targeted among farmers with small holdings who have limited access to equipment that would enhance their productivity, and produce higher-quality and quantity yields. Other than the farmers, owners of small businesses such as tailors and food stall owners were selected as beneficiaries.

Training will form the core of the project and capacity-building activities related to financial literacy and management, motivation, and technical knowledge will be conducted. Yayasan Sejahtera plans to further enhance their growth by encouraging cluster and group networking, and to have better access to advisory services and technical knowledge from the Department of Agriculture.

To deliver this project, Yayasan Sejahtera will collaborate with Universiti Malaysia Kelantan (UMK). The University has a pre-existing programme that encourages students to perform community service through the application of their skills and knowledge to address their community's concerns. In collaboration with Yayasan Sejahtera, the students—one student per beneficiary—will provide motivation, peer support, soft skills and financial literacy training.



A Universiti Malaysia Kelantan student is explaining to Small Grants 2.0 participants on how to complete ledger books during a financial literacy training

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ONGOING PROJECT
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*Ongoing projects are marked with this symbol.
More information regarding these projects will be available in the 2013 Annual Report.*



Hasnah bt. Che Ismail
1E1F Participant

PROJECT: ONE ENTERPRISE FOR ONE FAMILY (1E1F)
LOCATION: PASIR MAS, KELANTAN
INTERVIEWEE: HASNAH BT. CHE ISMAIL

Hasnah, from Pasir Mas, Kelantan, earned about RM300 a month before participating in the 1E1F programme. She underwent sewing and book keeping training in early 2012, and during the Hari Raya festival that year, she applied her newfound knowledge to earn almost RM12,000 from tailoring curtains, tablecloth, and cushion covers as well as selling kuih raya.

Now, she manages to save RM500 to RM600 every month after deducting her monthly expenses and bills.

Yayasan Sejahtera's partner, Telekom Malaysia, assisted in repairing her house under the TM Single Mother programme and selected her to receive a three-wheeler. She will use the three-wheeler to bring her tailoring produces to the pasar malam twice a week.

"The financial literacy training I received taught me to not spend lavishly. I never knew that we could organise our money with a system like that," she tells Yayasan Sejahtera.



BUMI HIJAU COMPETITION, GOTONG ROYONG, AND RELIGIOUS PROGRAMME, MARAN, PAHANG



Yayasan Sejahtera's Pilot 1 project in Maran, Pahang, successfully provided 20 hardcore poor families with newly-built houses in a new housing area named Kawasan Perumahan Yayasan Sejahtera in Kampung Teluk Melati. Yayasan Sejahtera implemented several programmes for the families to familiarise themselves with their new surroundings.

Three new activities were put forward to strengthen the relationship between the communities there. From November 2011 to July 2012, the three programmes that were carried out were:

- **Bumi Hijau Competition**

This activity was mooted by the community. Based on the suggestion, Yayasan Sejahtera initiated the Bumi Hijau Competition to foster the community's interest in cash crops. This competition had the support of District Agriculture Department that acted as a technical advisor. Additionally, they provided seeds from fruit and vegetables such as chilli and eggplant for the community's use. The competition was divided into three phases over 10 weeks to allow the plants to grow and produce results. At the end of each phase, the team evaluated their progress and winners were selected based on land utilisation, health of plants, effort, creativity, innovation, and overall cleanliness. As a result of this competition, the community managed to grow food for their own consumption. Some of the participants sold the crops at local morning market to gain additional income.

- **Community Programmes**

- a) **Gotong-royong**

Throughout this programme, each household took the initiative and conducted the gotong royong activity on a rotation basis. This exercise managed to foster more cohesiveness amongst the neighbours, especially between the women and children.

- b) **Religious Activity**

This activity was proposed by the women in the community. An Ustazah (facilitator) was assigned to lead the religious classes at the Kawasan Perumahan Yayasan Sejahtera and the surrounding community. In order to strengthen the bond of the community, each house was requested to host the classes on a rotation basis. The classes took place once a week on Thursday evenings where the group recited the Yaasin followed by a short teaching session

Location

Maran, Pahang

Project Duration

Jun 2009 – Jul 2012

Beneficiaries

20 Families

led by the Ustazah. This move opened doors that ushered in new interest from the residents. During one monitoring session, the community had started to conduct the religious activities at their own home on a rotation basis. Local religious leader applauded the initiative as a success in bringing the villagers of Kampung Teluk Melati and Kawasan Perumahan Yayasan Sejahtera together.



The houses at Kawasan Perumahan Yayasan Sejahtera in Kampung Teluk Melati, Maran, Pahang

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ONGOING PROJECT
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Location

Kampung Song Song, Kota Belud, Sabah

Project Duration

Oct 2012 – Feb 2014

Beneficiaries

22 Families



Teaching for Change programme for school children from Standard 1 to 6

TEACHING FOR CHANGE, KAMPUNG SONG SONG

In Kampung Song Song, there are 219 children, with 24 in preschool and another 195 in primary school. Although absentee rates are negligible, the academic performance of the students were found lacking. Besides only having a school average grade of 2.99, the students also do not take remedial classes to better their situation. The lack of early childhood education at the preschool level (ages 4-6) is an obstacle to the students' learning in the primary school years (ages 7-12). This includes the lack of early exposure to learning methodology and many children also do not have good role models to provide guidance in their studies.

Together with Universiti Malaysia Sabah (UMS), Yayasan Sejahtera set out to improve the quality of life for the students so that they can finish secondary school and progress into tertiary education. The first thrust of the effort was the establishment of Systematic Special Remedial Classes in English, Mathematics, and Science to boost passing rates amongst the students.

Furthermore, Yayasan Sejahtera believes that education also happens at home, and through this programme, we are encouraging and motivating parents to attend events for the students as well as involve them in the setting up and running of a mini library to aid their children's studies. As the programme at the village continues into 2013, more effort is being invested into classes, assessments, and the mini library.

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ONGOING PROJECT
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Location

*Kampung Song Song
 Kota Belud, Sabah*

Project Duration

Jun 2012 – Nov 2012

Beneficiaries

65 Families

WATER SOLUTION, KAMPUNG SONG SONG

Kampung Song Song is a remote Bajau village in the district of Kota Belud, Sabah, and it is home to 65 families with an average of four dependents.

An assessment conducted there found that the community did not have access to a clean water supply. They depended on natural resources such as rainwater and river, making livelihood projects—particularly livestock and agriculture-related ones—very difficult to execute.

To solve these challenges, Yayasan Sejahtera collaborated with PACOS Trust—an NGO that has been active in indigenous rights and issues in Sabah—to find a suitable water supply system for the villagers. The project involved consultation with the villagers in the problem-solving process through mobilising the community to communicate their wants and needs and equipping them with the know-how to maintain the water supply system.

A gravity-fed water supply system was designed to achieve these aims, and the installation of the system will begin in 2013.

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ONGOING PROJECT
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LIVELIHOOD PROGRAMME, KAMPUNG SONG SONG

Kampung Song Song's unique combination of the right hillside topography, tropical weather, and soil type has opened up an opportunity for the residents there to farm ginger to improve their livelihoods.

Location

*Kampung Song Song
Kota Belud, Sabah*

Project Duration

Dec 2012 – May 2014

Beneficiaries

30 Families

Following discussions with the District Agriculture Department, ginger was recommended choice as the main crop. Ginger has potential market value and requires less water to grow than other crops, which is a critical consideration of the villagers there. Additionally, there are no serious diseases that can affect the plantation as the crop is not prone to attracting pests.

Whilst the villagers wait for the ginger to mature, they will also plant a short-term crop, brinjal, for household consumption in order to reduce expenses while waiting for ginger harvesting and selling.

The villagers of Kampung Song Song will be trained on the technical aspects of ginger and brinjal farming as well as the financial and marketing aspects of selling ginger.

This project is expected to assist 30 families in Kampung Song Song to generate income as well as acquire new farming skills and knowledge.



*Ginger cultivation in Kampung
Song Song*

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ONGOING PROJECT
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CHILLI FERTIGATION, PITAS

In 2012, the Koperasi Petani Sejahtera Pitas was set up for the cumulative benefit of the chilli farmers there. As the project extends from 2012 into 2013, a core thrust of the programme will be to strengthen the cooperative as an institution in Pitas.

Location

Pitas, Sabah

Project Duration

Apr 2011 – Jun 2013

Beneficiaries

26 Families

Our chilli fertigation programme trains beneficiaries to adopt fertigation as an alternative to regular planting methods. By adopting simple yet modern technologies, Yayasan Sejahtera is able to enhance the knowledge and skillset of the rural farmers to produce a better crop and improve their marketing abilities.

PROJECT:
LOCATION:
INTERVIEWEE:

CHILLI FERTIGATION
PITAS DISTRICT, SABAH
SITI JUARMAH BINTI AMRAN



Siti's third attempt to grow her chillies succeeded after meeting with two prior unsuccessful tries. Truly thirddtime-lucky, her plants were in the seedling stage when Yayasan Sejahtera paid her a visit in 2012.

Since participating in the project, Siti has gained RM100-200 additional income every month and also gained invaluable knowledge on farming and composting through series of training conducted by Yayasan Sejahtera in 2012.



There are currently 30 members in the cooperative with 8 pioneers and 22 new members joining later. After going through the Compost Fertiliser Course in 2012, Siti has used her newfound knowledge to increase the yield of her crop.

"We've made some compost, and it's going well."

"Initially, we weren't so motivated because our chillies were pest-ridden and were difficult to care for. But the course has renewed our interest in starting again," says Siti.

The cooperative has been busy in 2012. A nursery was built, and many of the members are making their own compost fertiliser to sell to others besides using other fertilisers.

"Last year, some managed to sell 100kg of chillies, some had 80kg. Some even had 200kg. But some of these people left because chillies are very labour-intensive as you have to tend to them every day."

"So if you missed a day—to attend a wedding, for example—the chillies would get infected by disease. That's the problem. But they don't know that there's a new method through using compost and other organic ways to treat chillies."

"In the past, we used chemicals that had to be sprayed often. But now, it'll be different. It won't be so labour-intensive."

"Previously, I planted 500 plants. This year, I'm trying for 600," she says, with a hearty laugh."

Siti Juarmah bt. Amran
*Chilli Fertigation
Participant*

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ONGOING PROJECT
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COMMUNITY DEVELOPMENT PROGRAMME FOR THREE VILLAGES, PITAS

Location
Pitas, Sabah

Project Duration
Dec 2012 – Nov 2015

Beneficiaries
128 Families

Yayasan Sejahtera is undertaking a three-year community development improve the quality of life for 128 families and help lift them out of poverty. The villages of Kampung Sungai Eloi, Kampung Tampakahu, and Kampung Kinango in Pitas, Sabah, were selected for the programme that began in the fourth quarter of 2012 and it is expected to end in 2015. Currently the families from the three villages have no access to clean water.

In collaboration with the Performance Management & Delivery Unit (PEMANDU), Yayasan Sejahtera has initiated a three-phase planned intervention to assist the 128 families. The three phases include:

Phase One : Improving water supply through low-cost means that is easily maintained by the local community.

Phase Two : Increasing daily dietary quality while at the same time increase household income.

Phase Three : Embarking on entrepreneurship development while improving social assets.

PEMANDU supported and funded the project as part of the Raising Living Standards of Low Income Households National Key Result Areas (LIH NKRA) under the Government Transformation Programme (GTP 2.0). To achieve an extensive reach, LIH NKRA focuses on working with Non-governmental Organisations (NGOs), such as Yayasan Sejahtera to expedite the delivery of services.

In 2012, an assessment was conducted to determine the most suitable water system to be used to address the water issues in the villages.

As part of the project design, the youth from the villages will play a part in developing a participatory video to monitor and evaluate the progress of the programme.

Yayasan Sejahtera has also begun looking into suitable crops for subsistence farming so that the villagers will be able to sustain their lives after the programme ends.



The children in Pitas who will benefit from the Community Development Programme

**WATER PURIFICATION, KAMPUNG SEMOP**

Pulau Bruit was identified as a project site as the community there was in critical need for basic services such as lighting in public spaces, sanitation and waste management, and water supply.

Location

*Kampung Semop
Pulau Bruit, Sarawak*

Project Duration

Mar 2011 – Apr 2012

Beneficiaries

393 Families

To address the quality of the water, a centralised water purification system was proposed to filter the water in the rain harvesting pond in Kampung Semop, Pulau Bruit.

The installation of the filter was completed in March 2012 and the project has benefited all 264 households in the village.

The water quality has improved significantly, but beneficiaries were still encouraged to boil the water to ensure that it was safe for consumption. The water purification machine was handed over to the community in May 2012, marking the end of the project.

////////////////////
ONGOING PROJECT
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**WATER SUPPLY SOLUTION FOR FOUR VILLAGES, PULAU BRUIT**

Clean, potable water is a rare commodity during Pulau Bruit's drought, caused by several factors such as salt water moving upriver and into canals, poor sanitation and disposal of household and human waste, and the use of chemicals and fertilisers in palm oil plantations. Most of the villages on the island rely solely on rainwater harvesting for their daily water needs, and the rainwater becomes scarce during the dry season which happens in July every year.

The project has been underway since the fourth quarter of 2012. The construction of platforms for three villages—Kampung Sedik, Kampung Sebako, and Kampung Penuai—and the rehabilitation of platforms for Rumah Panjang Juung are in progress, and the rainwater harvesting systems will be installed in all three other villages.

The project will provide beneficiaries with a low-maintenance rainwater harvesting system for their daily water needs and better quality of life.

Location

Pulau Bruit, Sarawak

Project Duration

Dec 2012 – Mar 2013

Beneficiaries

172 Families



*New water tanks and platform
at Rumah Panjang Juung, Pulau
Bruit*

////////////////////
ONGOING PROJECT
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PRIMARY SCHOOL SUPPORT, PULAU BRUIT

Despite having 10 primary schools in 13 villages, Pulau Bruit's first secondary school will only be ready in 2015 as it is still under construction in Kampung Semop. Of the 10 primary schools, only Sekolah Kebangsaan Kampung Semop is equipped with facilities and equipment such as furniture, a properly-stocked library and a physical education area.

Location

Pulau Bruit, Sarawak

Project Duration

Dec 2012 – Nov 2013

Beneficiaries

1,686 Families

The teachers at the schools mentioned that teaching with limited resources is challenging and put constraints to the students' academic growth.

Yayasan Sejahtera is working with Sekolah Kebangsaan Penibong to set up a library equipped with books and teaching aids. The project will also include provision of library facilities such as shelves and books for a total of 9 schools. It is estimated that 1,686 families will be directly affected by this effort.



Following from this project, Yayasan Sejahtera aims to initiate an Educational Support Programme with a focus on improving the academic achievement and learning experience of students through the involvement of teachers and parents. Sekolah Kebangsaan Sebako has been selected as one of its recipients.

School children in Pulau Bruit will receive library facilities and books from this programme

INTERVIEW WITH CIKGU MASAAD AHMAD RAIS



Cikgu Masaad
*Principal of Sekolah
Kebangsaan Sebako
Pulau Bruit*

“We feel honoured to receive assistance from Yayasan Sejahtera, to be an exemplary model for other schools in Pulau Bruit,” says Cikgu Masaad Ahmad Rais, principal of Sekolah Kebangsaan Sebako (SK Sebako) Pulau Bruit, Sarawak.

His school will receive library facilities equipped with books and learning resources to aid its 54 students in Years 1 to 6. Apart from this, Yayasan Sejahtera will also support their educational programme which focuses on enhancing academic achievements.

The school’s performance in the UPSR has been declining from a 100 percent pass rate in 2010 to 50 percent in 2011. In 2012 only 10 percent passed the UPSR.

“There has been a problem of lack of interest and focus among the students. Students seem to study at the last minute in Year 6, when they should start at Year 4,” he adds.

Most of SK Sebako’s students are children of fishermen, and only a few of them are children of government officers.

“Some of the children are qualified to attend boarding school but parents were hesitant to be far away from the children—in doing this they did not realise that they missed out on a big opportunity for their children. But I do understand that the cost of transportation between Daro, Igan, and Mukah, where the schools located, is very expensive,” laments the principal.

With Yayasan Sejahtera’s help, Cikgu Masaad is making an effort to expose his students and make them aware of how academic and co-curricular achievements can assist in the development and growth of the students.

His hope is that the community and parent-teacher association will come to realise and better understand the importance of education for the future of their children.

“Thank you, Yayasan Sejahtera, for supporting our efforts in raising the education level of the people in Kampung Sebako Pulau Bruit!” offers Cikgu Masaad.



UNIVERSITI MALAYSIA SABAH (UMS)

Sekolah Kebangsaan Suang Punggor in Kota Belud district, Sabah, has been a beneficiary of Yayasan Sejahtera's Teaching for Change programme. The programme was conducted in partnership with Universiti Malaysia Sabah (UMS), an important institution of education in the state. Patong bin Sartis, the principal of the school, has reported that the project has sparked a renewal in the student's interest in education and has warmly welcomed the attention of UMS's volunteers.

"Firstly, the project is excellent because the students get to experience a different learning environment. Secondly, the students get to spend their time in a more structured way because, on Saturdays, they have no activities. With this programme, they get six days of schooling a week, and it looks like the reception is encouraging. You can say that all the students come on Saturday. This is what the parents tell us. They say, 'On Saturdays, the children get up very early. They are enjoying school,'" reports the principal.



Andriano
UMS Volunteer

Andriano, is a volunteer from UMS as well as a Teaching English as a Second Language (TESL) student from Tambunan, Sabah. Volunteering has been a part of the process of his self-discovery as he is considering becoming a teacher, and the rigours of the job is preparing him for his practical training.

Easy access to curious students has helped Adriano a great deal in getting practical experience in teaching, and it also gives him the opportunity to use different teaching techniques.



Leonie
UMS Volunteer

"We plan the lessons beforehand. We created the modules here ourselves. For the students, they can be exposed to external and different materials because they're constantly relying only on textbooks, and a little variety in terms of getting other material is good for them. We feel that they will learn better using other interesting materials."

Leonie, who is also a volunteer from (UMS), hails from Keningau, Sabah. Together with Andriano and other volunteers, Leonie is also bringing new experiences to the children in Sabah. She is a third year education and science student (BEd.) who has been formulating her lessons plans since 2012. On 19 January 2013, she began teaching science at the school.

"If we were not here teaching these students, they would never come across any form of information and communications technology (ICT), such as laptops. So when we use our laptops, they will ask, 'Teacher, what is this?' They want to try. They want to touch the screen and press the buttons of the laptop. The students want us to teach using the laptop because they want to watch the videos. The students' interest makes it



Prishella
UMS Volunteer

easier to achieve our objectives by teaching using ICT,” explains Leonie. Much alike Leonie, Prishella also is a third year education and science student (BEd.) and teaches science at the school. Teaching is a joy to Prishella because “the kids are cute, so active and excited!”

“Whenever I teach them, they always give answers. For example, when I ask them ‘Which animals give birth, and which lay eggs?’ they will give lots of answers. That’s the most important thing. They are very good participants,” says Prishella.

Her efforts at the school are also centered on using ICT to teach science and mathematics so that children in the rural areas will be able to familiarise themselves with technology.



UNIVERSITI MALAYSIA KELANTAN (UMK)

Yayasan Sejahtera’s efforts in sourcing for a partner to implement the Small Grants 2.0 programme received a breakthrough when we began to work with Universiti Malaysia Kelantan (UMK). The team from UMK was led by Dr. Noor Hisyam bin Mohd. Noor who, as the Head of the Human Sciences Department, spearheaded the programme in which 60 students participate as volunteers.



Dr. Noor Hisyam
*Head of Human Sciences
Department,
University Malaysia Kelantan*

These 60 students from UMK’s campuses in Pengkalan Chepa and Bachok are assigned to 24 facilitators who guide and support them in their volunteer programmes. Each of the students will be given two credit hours after completing the programme.

Over the next two years, 55 beneficiaries from Pasir Puteh and Bachok will be provided tools, raw materials, training, and motivational courses to stimulate their small-scale business activities. The facilitators and volunteers from UMK will help the beneficiaries to improve their basic financial literacy and motivate them to coordinate amongst themselves to secure better access market for their produce.

Every month, the students will pay a visit to the beneficiaries’ homes to monitor their development and present their findings to their facilitators, who are then responsible to report its progress to Yayasan Sejahtera.

“2013 promises to be a year for action and evaluation. Holding true to our tagline, Building Sustainable Communities, the community development approach that we adopted for our programme efforts in Yayasan Sejahtera since 2009 is aimed to empower, encourage participation, and create a sense of ownership in the communities we work with. As we move into 2013, our foundation is focused on enhancing the community’s feedback to further influence how our programmes should be designed and implemented. We are adamant that community involvement is key to the success of our efforts and we want the people we work with to have ownership over the assistance we provide and not to view it as a handout.”

Yayasan Sejahtera : 2012 to 2013 and Beyond





Families in Pulau Bruit were consulted before determining the most suitable water solution



The community get together and discuss the best possible water solution in Kampung Song Song



In Kelantan, networking gives participants more exposure and develop bonds with one another

Throughout 2012, our consultations with the people in Pulau Bruit, Sarawak, were aimed at determining which type of water solution they would prefer and whether they are prepared to maintain the water system, to which the feedback was positive. The villagers chose a solution which they were familiar with and were confident to maintain, and they also offered their time and labour to make the project a success. This process allows the community and Yayasan Sejahtera to build an understanding between each other and foster mutually-beneficial learning. It strengthens relationships and trust, with more of the same to be developed over 2013.

But we have not stopped there. Our engagement and consultation with 65 individuals in Kampung Song Song, Kota Belud, Sabah, has been enhanced by the synergies achieved with our partner, PACOS, a grassroots organisation in Sabah. In Kampung Song Song, we gathered 25 representatives comprised of village heads, Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK) members, men, women, and youths. They gathered to discuss, learn, and understand what the community needed, as well as took the opportunity to express their concerns and aspirations for their village. The process resulted in the villagers agreeing to construct a gravity-fed water system—this project will also be implemented in 2013. Demonstrating their ownership over this process, the villagers of Kampung Song Song then decided on what type of crop they would plant for their livelihood activity, and they collectively agreed to plant ginger and brinjal with the relevant technical expertise assistance coming from Jabatan Pertanian.

Meanwhile, in Bachok and Pasir Puteh, Kelantan, we tried a different approach which was to get the 53 families to network and solve the challenges before them. Networking gave them more exposure through the consultative process and developed bonds with one another. Through group formation, which was reinforced by market information, skills, and competence building, served the project's intended purpose to improve the villagers' self-esteem, independence, and self-sufficiency.

2013 will also be a year of active implementation and monitoring. We plan to take a look at what we have been doing the past four years, with our evaluation necessitating a review of our strategies. Thus, a year-long strategic planning exercise is on the cards for our foundation.

Yayasan Sejahtera always believes that it can create shared value for corporations and the communities that we work with. The idea is to link up home-based family businesses in these villagers with different expertise providers such as the local business community, academic institutions, NGOs, and the like to improve the village's economic and social condition.

Yayasan Sejahtera is confident that it will be able to facilitate an increase our partners' investment value to impact the communities in the four districts we are engaged with in Kelantan and Sabah.

During these past four years of operations, Yayasan Sejahtera has planted the seeds in the journey to creating shared value with like-minded corporates. From 2013 onward, our foundation will increase its focus on inviting corporates to work hand in hand to benefit the local community through shared value and, in the process, build brands, improve staff engagement with the community, as well as build sustainable communities.



Our participant in Pasir Puteh, Kelantan is clearing the land to plant sweet potatoes



Tan Sri Faizah Mohd Tahir

Tan Sri Faizah was appointed to the Board on January 2013. She holds a Bachelor's Degree in Economics from Universiti Malaya and a Masters in Development Economics from Williams College, United States of America. She joined the Economic Planning Unit (EPU), Prime Minister's Department, in 1973 and served in the agriculture, distribution, and human resource sections in various capacities. Her last position in the EPU was as Director, Commerce and Industry Section before she was promoted to the post of Secretary-General of the Ministry of Women, Family, and Community Development which she held from 2001 until her retirement in 2009.



Puan Sri Siew Yong Gnanalingam

Puan Sri Siew Yong has an extensive background in public relations including working with the Economic Development Board in Singapore, MTC (now British American Tobacco), and Malaysia Airlines. She currently holds directorships in several companies. In serving the community, she is currently President of Soroptimist International Federation of South West Pacific (2012-2014), Board Member of Malaysian Health Promotion Board (MySihat), Deputy Chairman of Yayasan Soroptimist Malaysia, and a Trustee on the Board of the Women's Institute of Management and Yayasan Nanyang Press.



Prof. Dr. Sulochana Nair

Dr. Sulochana has recently retired from her post as Director of the Centre for Poverty and Development Studies at University Malaya. An expert in poverty, her past roles include being a consultant for the EPU, co-hosting conferences and roundtable discussions with UNDP and IDB, and playing an instrumental role in identifying the first holder of the Royal Professor Ungku Aziz Chair, Professor Jeffrey Sachs, of Columbia University.



Shahnaz al-Sadat binti Abdul Mohsein

A member of the Malaysian Institute of Certified Public Accountants, Shahnaz started her career with Arthur Andersen in Audit, Corporate Finance, and Process Risk Consulting. She has served various audit, financial and management roles with Malaysia Airlines and Khazanah Nasional Berhad, and until recently, she was the Executive Director of Strategic Human Capital Management for Khazanah.



Shareen Shariza binti Dato' Abdul Ghani

Shareen is Director of Corporate Responsibility at Khazanah Nasional Berhad. Prior to joining Khazanah, Shareen served as Chief Operations Officer for MERCY Malaysia. Some of her accomplishments include serving as a board member for Humanitarian Accountability Partnership and receiving the Pingat Darjah Paduka Mahkota Perak for her contributions towards humanitarian efforts.



ROSSIMAH



RIVER



AZIZAH



MASLIZA



GHAZALIE



MAE



AISHAH



SAIFUDDIN



AFIZAH



JI YUN

PROGRAMME

Rossimah Mohamed - *Head of Unit*

Rossimah has an Advanced Diploma in Business Management and she has been at Yayasan Sejahtera since May 2009. Rossimah is very fond of working with communities and she is also an experienced international development manager.

River Foo Siang Choon - *Senior Officer, Project Management Office*

River is a Sociology (Hons) major from the University of East London. After having spend a numbers of years in fundraising and community engagement, River joined Yayasan Sejahtera in August 2012.

Nur Azizah Anuarul Aini - *Executive Assistant, Project Management Office*

Nur Azizah holds a BSc (Hons) in Business Computing from Universiti Teknologi MARA Shah Alam. She has been a member of the Yayasan Sejahtera family since July 2011.

Nur Masliza Muda - *Project Officer, Kelantan*

Nur Masliza graduated from University Malaya in the area of Public Administration and has researched the areas of poverty and social sciences since 2005.

Ghazalie Ansing - *Project Officer, Sabah*

As a graduate of Universiti Teknologi Malaysia with a BSc (Hons) in Computer Science, Ghazalie decided to use his knowledge to serve communities through Yayasan Sejahtera since August 2012.

PLANNING DEVELOPMENT, MONITORING, AND EVALUATION

Mae Tan Siew Mann - *Senior Officer*

Mae holds a Masters in International Relations from the Institute of Diplomacy and Foreign Relations and UKM. With 15 years' experience in development, finance, and monitoring and evaluation, Mae became a part of Yayasan Sejahtera in November 2011.

MARKETING AND COMMUNICATIONS

Aishah Amin - *Senior Officer*

Aishah holds a BSc in Information Technology from Universiti Malaya. With over 10 years in humanitarian development and communications, Aishah has worked in Yayasan Sejahtera since October 2012.

FINANCE AND ADMINISTRATION

Saifuddin Hassan - *Head of Unit*

Saifuddin is a chartered accountant with over 25 years' experience in the areas of finance, auditing and quality management. He joined Yayasan Sejahtera in August 2012.

Afizah Ariffin - *Associate*

Afizah is a graduate of Universiti Teknologi MARA with a Bachelor of Accountancy (Hons). She brings over 7 year's worth of experience in finance to the table and she has been a part of Yayasan Sejahtera since May 2011.

Chan Ji Yun - *Executive Assistant*

Ji Yun started at Yayasan Sejahtera as a Graduate Employability Management Scheme intern in 2011. He was then offered a full time position with the foundation as an Executive Assistant in the Finance and Administration department. He was a Mathematics major.

TRUSTEES' REPORT

The Trustees hereby present their report together with the audited financial statements of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the Company is to address extreme poverty based on sustainable living approach which encompasses sustainable livelihood or skills development programme, access to education and social services/ amenities and provision of habitable homes. There has been no significant change in the nature of the principal activity during the financial year.

RESULTS

| | |
|--------------------------|---------------|
| | RM |
| NET SURPLUS FOR THE YEAR | <u>65,625</u> |

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the Trustees, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend shall be paid to the member of the Company.

TRUSTEES

The names of the Trustees of the Company in office since the date of the last report and at the date of this report are:

| | |
|---------------------------------------|------------------------------|
| Puan Sri Ng Siew Yong | |
| Prof. Madya Dr. Sulochana Nair a/p | |
| Kutiri Raman Nair | |
| Shareen Shariza binti Dato' Abd Ghani | |
| Shahnaz Al-Sadat binti Abdul Mohsein | |
| Tan Sri Faizah binti Mohd Tahir | (appointed on 5 March 2013) |
| Datuk Ismee bin Ismail | (resigned on 1 January 2012) |
| Dato' Mohammed Anwar a/l Fazal Mohd | (resigned on 1 March 2012) |

TRUSTEES' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Trustees might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial period, no Trustee has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Trustee or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

TRUSTEES' INTERESTS

According to the register of Trustees' shareholdings, none of the Trustees in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the statement of comprehensive income and balance sheet of the Company were made out, the Trustees took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that no allowance for doubtful debts is necessary; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Trustees are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and

(ii) the values attributed to current assets in the financial statements of the Company misleading.

(c) At the date of this report, the Trustees are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONTINUED)

(d) At the date of this report, the Trustees are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Trustees:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 28 May 2013.

Shahnaz Al-Sadat binti Abdul Mohsein

Shareen Shariza binti Dato' Abd Ghani

Kuala Lumpur, Malaysia

**STATEMENT BY TRUSTEES
PURSUANT TO SECTION 169(15) OF THE COMPANIES
ACT, 1965**

We, Shahnaz Al-Sadat binti Abdul Mohsein and Shareen Shariza binti Dato' Abd Ghani, being two of the Trustees of Yayasan Sejahtera, do hereby state that, in our opinion, the accompanying financial statements set out on pages 24 to 45 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of the financial performance and cash flows of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 28 May 2013.

Shahnaz Al-Sadat binti Abdul Mohsein

Shareen Shariza binti Dato' Abd Ghani

**STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES
ACT, 1965**

I, Shareen Shariza binti Dato' Abd Ghani, being the Trustee primarily responsible for the financial management of Yayasan Sejahtera, do solemnly and sincerely declare that the accompanying financial statements set out on pages 7 to 23 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Shareen Shariza binti
Dato' Abd Ghani at Kuala Lumpur
in the Federal Territory on

Before me,

Shareen Shariza binti Dato' Abd Ghani

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YAYASAN SEJAHTERA (INCORPORATED IN MALAYSIA)

We have audited the financial statements of Yayasan Sejahtera, which comprise the balance sheet as at 31 December 2012 of the Company, and the statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 7 to 23.

Trustees' responsibility for the financial statements

The Trustees of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Trustees are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF YAYASAN SEJAHTERA (CONTINUED)
(INCORPORATED IN MALAYSIA)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 (“the Act”) in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Wan Daneena Liza binti Wan Abdul Rahman
No. 2978/03/14(J)
Chartered Accountant

Kuala Lumpur, Malaysia

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Note | 2012 RM | 2011 RM (Restated) |
|--|------|------------------|--------------------------|
| INCOME | | | |
| Government grant | 3 | 1,762,538 | 1,453,935 |
| Donations/contributions | 4 | 281,919 | 2,120,956 |
| Interest income | 5 | 176,143 | 379,888 |
| | | <u>2,220,600</u> | <u>3,954,779</u> |
| EXPENDITURE | | | |
| Project costs | | 536,887 | 2,142,009 |
| Staff costs | 6 | 1,134,997 | 791,272 |
| Staff training | | 26,651 | 175,949 |
| Marketing and communications expenses: | | | |
| - Current year | | 53,346 | 50,287 |
| - Over provision in prior year | | - | (105,140) |
| Traveling expenses | | 48,226 | 95,833 |
| Professional fees | | 8,463 | 48,952 |
| Auditor's remuneration: | | | |
| - Statutory audit | | 10,000 | 10,000 |
| - Others | | 10,000 | 30,000 |
| Depreciation | 8 | 95,172 | 46,541 |
| Office rental | | 102,220 | 93,701 |
| Car rental | | - | 35,410 |
| Office utilities | | 65,170 | 32,071 |
| Other expenses | | 63,843 | 80,399 |
| | | <u>2,154,975</u> | <u>3,527,284</u> |
| Surplus before taxation | | 65,625 | 427,495 |
| Taxation | 7 | - | - |
| Surplus for the year representing total comprehensive income for the year | | <u>65,625</u> | <u>427,495</u> |

BALANCE SHEET

AS AT 31 DECEMBER 2012

| | Note | 2012 | 2011 RM (Restated) | 1 January 2011 RM |
|------------------------------|------|------------------|--------------------------|-------------------------|
| NON-CURRENT ASSET | 8 | <u>164,984</u> | <u>231,553</u> | <u>43,618</u> |
| CURRENT ASSETS | | | | |
| Other receivables | 9 | 129,776 | 259,125 | 9,222 |
| Cash and bank balances | 10 | <u>8,762,795</u> | <u>10,581,654</u> | <u>13,678,454</u> |
| | | <u>8,892,571</u> | <u>10,840,779</u> | <u>13,687,676</u> |
| CURRENT LIABILITIES | | | | |
| Other payables | 11 | 115,523 | 151,468 | 426,309 |
| Deferred income | 12 | <u>1,290,400</u> | <u>1,572,319</u> | <u>2,930,000</u> |
| | | <u>1,405,923</u> | <u>1,723,787</u> | <u>3,356,309</u> |
| NET CURRENT ASSETS | | <u>7,486,648</u> | <u>9,116,992</u> | <u>10,331,367</u> |
| | | <u>7,651,632</u> | <u>9,348,545</u> | <u>10,374,985</u> |
| REPRESENTED BY: | | | | |
| Contribution from members | 13 | - | - | - |
| Retained Surplus | | <u>868,105</u> | <u>802,480</u> | <u>374,985</u> |
| | | <u>868,105</u> | <u>802,480</u> | <u>374,985</u> |
| NON-CURRENT LIABILITY | | | | |
| Government grant | 3 | <u>6,783,527</u> | <u>8,546,065</u> | <u>10,000,000</u> |
| | | <u>7,651,632</u> | <u>9,348,545</u> | <u>10,374,985</u> |

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | Contribution from members RM | Retained Surplus RM | Total RM |
|---|------------------------------------|---------------------------|-------------|
| AT 1 JANUARY 2011 | - | 374,985 | 374,985 |
| Total comprehensive income for the year | - | 427,495 | 427,495 |
| AT 31 DECEMBER 2011 (RESTATED) | - | 802,480 | 802,480 |
| AT 1 JANUARY 2012 (AS PREVIOUSLY STAT- ED) | - | 852,854 | 852,854 |
| Prior year adjustment (Note 14) | - | (50,374) | (50,374) |
| AT 1 JANUARY 2012 (RESTATED) | - | - | - |
| Total comprehensive income for the year | - | 65,625 | 65,625 |
| AT 31 DECEMBER 2012 | - | 868,105 | 868,105 |

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

| | 2012 RM | 2011 RM (Restated) |
|--|--------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus before taxation | 65,625 | 427,495 |
| Adjustments for: | | |
| Interest income | (176,143) | (379,888) |
| Depreciation | 95,172 | 46,451 |
| Amortisation of Government Grant | (1,762,538) | (1,453,935) |
| Operating loss before working capital changes | (1,777,884) | (1,359,787) |
| Decrease/(increase) in receivables | 184,991 | (39,835) |
| Decrease in payables | (35,944) | (274,841) |
| Decrease in deferred income | (281,919) | (1,357,681) |
| Net cash used in operating activities | <u>(1,910,756)</u> | <u>(3,032,144)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property and equipment | (28,603) | (234,476) |
| Interest received | 120,500 | 169,820 |
| Net cash generated from/(used in) investing activities | <u>91,897</u> | <u>(64,656)</u> |
| NET CHANGES IN CASH AND CASH EQUIVALENTS | (1,818,859) | (3,096,800) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 10,581,654 | 13,678,454 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>8,762,795</u> | <u>10,581,654</u> |
| CASH AND CASH EQUIVALENTS COMPRISE OF (NOTE 8): | | |
| Cash on hand and at bank | 147,723 | 461,124 |
| Deposits with a licensed financial institution | 8,615,072 | 10,120,530 |
| | <u>8,762,795</u> | <u>10,581,654</u> |

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

1. CORPORATE INFORMATION

The principal activity of the Company is to address extreme poverty based on sustainable living approach which encompasses sustainable livelihood or skills development programme, access to education and social services/ amenities and provision of habitable homes. There has been no significant change in the nature of the principal activity during the financial year.

The Company was incorporated on 7 August 2009 and is a company limited by guarantee, incorporated and domiciled in Malaysia. The registered office of the Company is located at Epsilon Advisory Services Sdn Bhd, 312, 3rd Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution of the Trustees on

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and with the Malaysian Financial Reporting Standards (“MFRSs”), which is in compliance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These are the Company’s first set of financial statements prepared in accordance with MFRSs and MFRS 1, First Time Adoption of Malaysian Financial Reporting Standards has been applied.

In previous period, the financial statements of the Company were prepared in accordance with the Financial Reporting Standards (“FRSs”). The financial impact on the transition to MFRSs are disclosed in Note 2.2.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency.

2.2 Changes in Accounting Policies

The new and revised MFRSs, which are mandatory for companies with financial period beginning on or after 1 January 2012, did not give rise to any significant effects on the financial statements of the

Company.

2.3 Standards Issued But Not Yet Effective

The directors expect that the new MFRSs which are issued but not yet effective for the financial year ended 31 December 2012 will not have a material impact on the financial statements of the Company in the period of initial application.

2.4 Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continuously evaluated and are based on past experience, reasonable expectations of future events and other factors.

The directors are of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.5 Summary of Significant Accounting Policies

(a) Property and equipment, and depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured.

Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, in accordance with Note 2.3(j).

Depreciation of the property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

| | |
|--------------------|----------------|
| Office equipment | 33% |
| Motor vehicle | 20% |
| Computer equipment | 33% |
| Renovation | Tenancy period |

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the

expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(b) Financial assets

Financial assets are recognised in the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs. The Company determines the classification of its financial assets at initial recognition.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss.

(i) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the receivables are derecognised or impaired, and through the amortisation process.

(c) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, are recognised in the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

The Company's financial liabilities include other payables.

Financial liabilities are recognised initially at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

(d) Impairment of financial assets

The Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Receivables carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If in a subsequent period, the amount of 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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(e) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash at bank and short term deposits which have an insignificant risk of changes in value.

(f) Equity instruments

Contribution from members are classified as equity.

(g) Government grants

Government grants are recognised initially at their fair value in the

balance sheet as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grant that compensates the Company for expenses incurred is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grant that compensates the Company for the cost of an asset is recognised as income on a systematic basis over the useful life of the asset.

(h) Income recognition

Income is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be reliably measured.

(i) Interest income

Interest income is recognised on accrual basis using the effective interest method.

(ii) Donations/contributions

Donations/contributions are recognised when the Company's rights to receive the payment is established or conditions attached to the donations/contributions have been fulfilled.

(i) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur

(ii) Defined contribution plan

Defined contribution plans are post-employment benefits plan under which the Company pays fixed contribution into separate entities or fund and will have no legal on constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current financial period. Such contributions are recognised as an expense in the profit and loss as incurred. As required by law, companies in Malaysia make such contributions

to the Employees Provident Fund (“EPF”).

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when and annual impairment assessment for an asset is required, the Company makes an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (“CGU”)).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(k) Key management personnel

Key management personnel is defined to include Board of Trustees and Programme Director.

3. GOVERNMENT GRANT

| | 2012 | 2011 |
|-----------------------------|------------------|------------------|
| | RM | RM |
| | | (Restated) |
| At 1 January | 8,546,065 | 10,000,000 |
| Amortised to profit or loss | (1,762,538) | (1,453,935) |
| At 31 December | <u>6,783,527</u> | <u>8,546,065</u> |

4. DONATIONS/CONTRIBUTIONS

Relates to donations/contributions from Lembaga Tabung Haji and Kuwait Finance House (Malaysia) Berhad.

5. INTEREST INCOME

Interest income relates to interest earned from the Company's fixed deposits account.

6. STAFF COSTS

| | 2012 | 2011 |
|--|------------------|----------------|
| | RM | RM |
| Wages and salaries | 689,287 | 588,692 |
| Statutory contribution to Employees Provident Fund and social security | 273,691 | 109,796 |
| Other allowances | 172,019 | 92,784 |
| | <u>1,134,997</u> | <u>791,272</u> |

Included in the staff costs is remuneration for Programme Director amounting to RM253,404 (2011: RM172,710).

7. TAXATION

The Company was granted tax exemption status on all gross income under Section 44(6) of the Income Tax Act, 1967. Accordingly, the Company has no tax charge for the financial years ended 31 December 2012 and 2011.

8. PROPERTY AND EQUIPMENT

| | Renovation RM | Computer Equipment RM | Office Equipment RM | Motor Vehicle RM | Total RM |
|----------------------------------|------------------|-----------------------------|---------------------------|------------------------|-------------|
| AT 31 DECEMBER 2012 | | | | | |
| COST | | | | | |
| At 1 January 2012 | 156,902 | 54,539 | 27,735 | 39,048 | 278,224 |
| Additions | - | 19,794 | 8,809 | - | 28,603 |
| At 31 December 2012 | 156,902 | 74,333 | 36,544 | 39,048 | 306,827 |
| ACCUMULATED DEPRECIATION | | | | | |
| At 1 January 2012 | 21,792 | 11,615 | 6,105 | 7,159 | 46,671 |
| Depreciation charge for the year | 52,301 | 22,145 | 12,917 | 7,810 | 95,172 |
| At 31 December 2012 | 74,093 | 33,760 | 19,022 | 14,969 | 141,843 |
| NET CARRYING AMOUNT | | | | | |
| At 31 December 2012 | 82,809 | 40,573 | 17,522 | 24,079 | 164,984 |
| AT 31 DECEMBER 2011 | | | | | |
| COST | | | | | |
| At 1 January 2011 | - | - | 4,700 | 39,048 | 43,478 |
| Additions | 156,902 | 54,539 | 23,035 | - | 234,476 |
| At 31 December 2011 | 156,902 | 54,539 | 27,735 | 39,048 | 278,224 |
| ACCUMULATED DEPRECIATION | | | | | |
| At 1 January 2011 | - | - | 130 | - | 130 |
| Depreciation charge for the year | 21,792 | 11,615 | 5,975 | 7,159 | 46,541 |
| At 31 December 2011 | 21,792 | 11,615 | 6,105 | 7,159 | 46,671 |
| NET CARRYING AMOUNT | | | | | |
| At 31 December 2011 | 135,110 | 42,924 | 21,630 | 31,889 | 231,553 |

9. OTHER RECEIVABLES

| | 2012 | 2011 |
|---------------------|----------------|----------------|
| | RM | RM |
| Deposits | 38,883 | 36,683 |
| Prepayments | 19,550 | 12,374 |
| Other debtors | 15,700 | - |
| Interest receivable | 55,643 | 210,068 |
| | <u>129,776</u> | <u>259,125</u> |

Other receivables are neither past due nor impaired

10. CASH AND BANK BALANCES

| | 2012 | 2011 |
|--|------------------|-------------------|
| | RM | RM |
| Cash on hand at bank | 147,723 | 461,124 |
| Deposits with a licensed financial institution | 8,615,072 | 10,120,530 |
| | <u>8,762,795</u> | <u>10,581,654</u> |

The weighted average effective interest (“WAEIR”) per annum and the average maturity of deposit at the reporting date were as follows:

| | WAEIR | | Average | |
|---------------------|-------------|-------------|------------|------------|
| | Per Annum | | Maturity | |
| | 2012 | 2011 | 2012 | 2011 |
| | % | % | Days | Days |
| Fixed rate deposits | <u>3.46</u> | <u>3.49</u> | <u>300</u> | <u>283</u> |

11. OTHER PAYABLES

| | 2012 | 2011 |
|----------------|----------------|----------------|
| | RM | RM |
| Accrual | 42,919 | 48,439 |
| Other Payables | 72,604 | 103,029 |
| | <u>115,523</u> | <u>151,468</u> |

Other payables are interest free and are normally settled on an average term of 30 days (2012: average term of 30 days).

12. DEFERRED INCOME

| | 2012 | 2011 |
|-----------------------------|------------------|------------------|
| | RM | RM |
| At 1 January | 1,572,319 | 2,930,000 |
| Received during the year | - | 763,275 |
| Amortised to profit or loss | (281,919) | (2,120,956) |
| At 31 December | <u>1,290,400</u> | <u>1,572,319</u> |

Deferred income relates to donations received, where the conditions attached to the usage of the donations are yet to be fulfilled as at the reporting date.

13. CONTRIBUTION FROM MEMBERS

The member of the Company undertake to contribute, not exceeding RM100, to the assets of the Company in the event of the Company being wound up.

14. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been recorded to recognise the correct amortisation of the government grant. The effects of the adjustment is as follows:

| | As Previously Stated RM | Adjustments RM | As Restated RM |
|-------------------------|-------------------------------|-------------------|----------------------|
| BALANCE SHEET | | | |
| 31 DECEMBER 2011 | | | |
| Government grants | 8,495,691 | 50,374 | 8,546,065 |
| Retained surplus | 852,854 | (50,374) | 802,480 |

STATEMENT OF COMPREHENSIVE INCOME 31 DECEMBER 2011

| | | | |
|---|-----------|----------|-----------|
| Government grants | 1,504,309 | (50,374) | 1,453,935 |
| Surplus before taxation | 477,869 | (50,374) | 427,495 |
| Surplus for the year representing total comprehensive income for the year | 477,869 | (50,374) | 427,495 |

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Company's objectives and principle activities whilst managing its liquidity risk and credit risk. The definition of these risks are as follows:

(a) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as and when they fall due. The Company actively manages this risk by maintaining good governance over the cash management of the Government grant and contribution from third parties, and operates within clearly defined guidelines that are approved by the Trustees.

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

| | Within One Year | |
|----------------|-----------------|---------|
| | 2012 | 2011 |
| | RM | RM |
| Other payables | 115,523 | 151,468 |

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises from other receivables. The Company minimises credit risk by dealing exclusively with credible and established companies.

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of the other receivables and cash and bank balances.

16. FAIR VALUES

The fair values of all financial assets and liabilities approximate the carrying amounts due to their relative short term maturities.

17. CAPITAL MANAGEMENT

The Company manages its capital by following the Company's policies and guidelines and also seeks approval from the Trustees with regard to all capital management matters. Presently, the Company's activities are entirely funded via Government grant and contributions from third parties.

ACKNOWLEDGEMENTS

On behalf of those whom we serve, we are grateful for your support.

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We would like to invite more sponsors from the corporates world and individuals from the public at large to partner with us to create a positive impact and alleviate poverty in Malaysia. We hope to benefit the local communities and help building brands together as well as reach corporate social responsibility goals in a way that complements each other's talent, interests, and needs.

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