

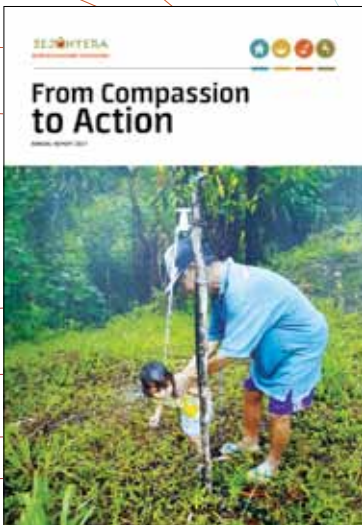
# From Compassion to Action

ANNUAL REPORT 2017





# Contents



## COVER RATIONALE

For the kind of work that Yayasan Sejahtera is involved in, compassion is one of the ingredients' being concerned for the sufferings of misfortune of others. However, converting compassion into action is what differentiates Yayasan Sejahtera from others – We strive to truly deliver our heartfelt assistance to those in need – be it for the older ones or for the future generation. The cover depicts the fruits of the effort done by Yayasan Sejahtera in Sabah to bring water to the family.

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# CHAIRMAN'S MESSAGE

## Dear reader,

On behalf of Yayasan Sejahtera (Sejahtera) Board of Trustees, it gives me great pleasure to present to you Sejahtera's 2017 Annual Report and Audited Financial Statements for the financial year ended 31 December 2017.

In our effort to eradicate poverty, we must remember to remain steadfast and continue to persevere against all odds to deliver what is entrusted to us. We hope to create an environment which enables our beneficiaries and communities to develop their full potential and live a life that is in harmony with their needs and a standard and decent living environment. Therefore, we are pleased to share with you, a summary of our and accomplishments and activities.



## Community Highest Potential

While the cost of living has become a major concern amongst Malaysian, particularly within the Bottom 40 (B40) household, Yayasan Sejahtera's intervention programmes are in line with the Malaysian Government inclusivity goal to uplift the community towards a more sustainable middle-income society.

Our Community Enhancement Programme (CEP) for the community of the People's Housing Programme (PPR) Sg. Bonus, Kuala Lumpur is one of Sejahtera's holistic programme which is in line with Yayasan Hasanah's Community-based Approach that focuses on the development of adult, youth and children living in the fast pace city centre. We worked closely with the community to understand the underlying challenges faced by the low-income household and how our programmes can increase their capacity in creating their own opportunities.

Kampung Pinggan Jaya (KPJ) has an abundance of natural resources. Traditionally, the villagers harvested the Nypa tree sap which is cooked for long hours to make the famous Sarawak's gula apong, a natural sweetener used in local's cuisine. With the establishment of 'KPJ's Gula Apong Hub' and provision of modern equipment through the CDP Kampung Pinggan Jaya Programme, the villagers began to enhance their expertise in producing high-quality gula apong products and other gula apong based products.

The PETRONAS Planting Tomorrow Project, which focuses on installation of water gravity system in rural areas within Pitas and Kota Marudu has benefitted the villagers as they now enjoy continuous clean water supply that is much closer to their homes. Additionally, Yayasan Sejahtera also provided seedlings for plantation as a start-up to generate another source of income for the community.



Tan Sri Faizah being briefed on the development of the ginger plantation project.

### Supporting the Sustainable Development Goals (SDGs)

The SDGs place stronger emphasis on human rights and inclusion of all, and endeavour to balance the economic, social and environmental dimensions of sustainable development. Yayasan Sejahtera continues to work collectively with various government agencies, local authorities and respective NGOs in seeking solutions to the world's most challenging problems. We also collaborated with a wide range of stakeholders to scale the impact of our joint programmes and initiatives.

Our utmost appreciation to our funders: Khazanah Nasional Berhad through Yayasan Hasanah, PETRONAS, Lembaga Tabung Haji (TH), Performance Management and Delivery Unit (PEMANDU), Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan (PPZ MAIWP), Kuwait Finance House (KFH), Bank Islam Malaysia Berhad, Chemical Company of Malaysia Berhad (CCM), Malayan Banking Berhad (Maybank), Malaysia Airlines (MAS), Proton Holdings Berhad (PROTON), Telekom Malaysia Berhad (TM), UEM Group Berhad (UEM) and kind-hearted individuals supporting Sejahtera's cause, your contribution has enabled us to drive our efforts into reality. Thank you.

Let us continue our journey towards the development of sustainable communities together.

Thank you.

**TAN SRI FAIZAH MOHD TAHIR**  
Chairman





## ABOUT US

Yayasan Sejahtera is an organisation working on poverty eradication and community development for poor and low-income households in Malaysia. With its four modules of Supporting Basic Needs, Providing Basic Community Services, Rehabilitation & Building of Homes and Supporting Sustainable Livelihoods, Sejahtera assisted more than 8,000 poor families since its inception in 2009. Focusing on community adoption and uplifting the community it works in, Sejahtera aims to provide a holistic approach in community development by addressing different groups - Adults, Youth and Children - for a more comprehensive assistance to those needing it most.




**MISSION**

- > Manage high-impact projects for selected communities,
- > Collaborate with strategic partners to jointly and holistically support the needs of the poor and hard-core poor communities,
- > Become a central hub for resource contribution on poverty, and
- > Become a leading platform for experiential learning for poverty alleviation and sustainable communities.



**OBJECTIVES**

- > To ensure that Yayasan Sejahtera communities have access to a basic standard of living and enjoy at least 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 (GLC), Government-Linked Investment Companies (GLIC), and corporate in Malaysia, and
- > To work in partnership with beneficiaries and civil society partners to leverage and maximise programme benefits.



**VISION**

Be the champion in building sustainable communities to alleviate poverty in Malaysia.



## PROGRAMME MODULES



At Yayasan Sejahtera, poverty is not just about lack of economic opportunities, but it also involves unfulfilled basic food needs and lack of access to basic amenities and facilities considered standard to the average Malaysian, such as water, electricity, health support, education, sanitation and basic housing amenities. Yayasan Sejahtera's holistic approach to poverty alleviation and empowerment of the poor in Malaysia is premised on four building blocks:





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#### MODULE 1: SUPPORTING SUSTAINABLE LIVELIHOOD

We believe in alleviating poverty through encouraging employment, augmenting skill sets, 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.



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#### MODULE 2: SUPPORTING BASIC FOOD NEEDS

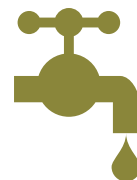
Yayasan Sejahtera gives assistance through supporting the dietary needs of families using innovative community and home-based farming on vacant plots of land in and around their homes.



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#### MODULE 3: PROVIDING BASIC COMMUNITY SERVICES

For low-income families, life is harder without basic amenities like water, health services, education and sanitation. Yayasan Sejahtera provides access to basic community services like sustainable and clean water supply through the use of innovation and affordable methods. With access to these amenities, it would be easier for the beneficiaries to embark on livelihood projects to generate a better income for their families.



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#### 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.



## BOARD OF TRUSTEES



At Sejahtera, poverty is not confined to low income; we believe that poverty eradication should be empowering people to break free, rising above and beyond poverty

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### TAN SRI FAIZAH BINTI MOHD TAHIR

Tan Sri Faizah was appointed as the Chairman of Yayasan Sejahtera in January 2013.

A graduate with a Bachelor Degree in Economics (Hons.) from University of Malaya and Masters of Arts (Development Economics) from Williams College, United States of America, she joined the Economic Planning Unit (EPU),

Prime Minister's Department in 1973 serving in various capacities in the Agriculture, Distribution and Human Resources sections. Her last position in the EPU was as Director, Commerce and Industry Section before being promoted to Secretary-General of the Ministry of Women, Family and Community Development, a post she held since 2001 until her retirement in 2009. Tan Sri Faizah is also the Chairman

of Orphancare Foundation, Deputy Chairman of Yayasan Chow Kit, Board of Trustees of Yayasan Kebajikan Negara Malaysia and Temasek Foundation, Singapore and Board Member of Goodyear Malaysia Berhad and AMWAY (Malaysia) Holdings Berhad.

2

**PUAN SRI NG SIEW YONG GNANALINGAM**

Puan Sri Ng 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.

Apart from her involvement in Sejahtera in serving the community, she is currently Soroptimist International Convention Chair 2019, Board Member of Malaysian Health Promotion Board (MySihat) and a Trustee on the Board of the Women's Institute of Management and Yayasan Nanyang Press.

3

**PROFESSOR DR. SULOCHANA NAIR A/P KUTIRI RAMAN NAIR**

Professor Dr. Sulochana Nair is the Vice Chancellor and CEO of Binary University of Management and Entrepreneurship. She is also the Dean of the Binary Graduate School and Head, Centre for Social Entrepreneurship. Prior to her current appointment she was attached to the Faculty of Economics and Administration, (FEA), University of Malaya in various capacities. She was Associate Professor, Head of the Department of Development Studies and Founding Director of the Centre for Poverty and Development Studies (CPDS). In 2010 she was appointed Expert Consultant to CPDS and Advisor to FEA.

With a specialisation in Development Studies, she works on poverty, labour, gender and rural development. In addition to providing policy inputs to the government, she is also involved in teaching, consultancy training and capacity building programmes. She has undertaken numerous research projects focusing on poverty groups and has been involved in formulating Master Plans for the rubber industry, rural entrepreneurs, fishermen and the rural sector. She has also been involved in research and training projects with international agencies and has worked on Central Asia and Cambodia.

4

**SHAREEN SHARIZA DATO' ABDUL GHANI**

Shareen Shariza was formerly the Chief Executive Officer of TalentCorp on 1 June 2016. Before joining TalentCorp, Shareen was the Director of Corporate Responsibility at Khazanah Nasional Berhad, where she helped shape Khazanah's Corporate Responsibility strategy and established initiatives such as PINTAR Foundation, GEMS Malaysia as well as Sejahtera. Prior to that, she was Chief Operations Officer at MERCY Malaysia, where she served in humanitarian missions to Darfur, Sri Lanka, Iran, Aceh and remote areas throughout Malaysia.

Shareen was a former board member of the Humanitarian Accountability Partnership and a recipient of the Pingat Darjah Paduka Mahkota Perak for her

contributions towards humanitarian efforts. She holds a Master of Studies in Sustainability Leadership from Cambridge University and Master in Public Policy from University Malaya.

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**SHAHIRA AHMED BAZARI**

As the Managing Director of Yayasan Hasanah, Shahira works together with a network of civil society partner organisations to create long-term impact and changes within Malaysia's social and community landscape. Apart from her involvement in Sejahtera as a Trustee, Shahira also serves as a Trustee on the Boards of other social-based organisations including PINTAR Foundation and Think City Sdn Bhd.

Shahira's role to Hasanah evolved out of her nine-year tenure at Khazanah as a Director in the Managing Director's Office between 2006 and 2015. She was instrumental in the setting up of Hasanah between 2013 and 2015. Prior to Khazanah, Shahira led a regional role in Public Affairs for Procter & Gamble Malaysia; and also worked in a private think-tank at the start of her career.

Shahira holds a Bachelor of Arts from the International Islamic University Malaysia, and M.A. in Public Communication from American University, Washington D.C.

# SEJAHTERA'S TEAM

## CHIEF OPERATION OFFICER

**SUHEILAH ABU BAKAR**  
Chief Operation Officer

## CORPORATE PLANNING & MARKETING COMMUNICATION

**SYARFINA JUNAIDA BOLHAN**  
Senior Officer

**SYAZANA SARAA ABAS ABAS**  
Executive Assistant

## FINANCE, ADMINISTRATION & HUMAN RESOURCES

**SITI SHAMSINAR MUSTAPHA**  
Head of Finance, Administration & Human Resource

**AZRI ZOLKIPLI**  
Executive Assistant, Human Resource

**ZALINA ABDUL HADI**  
Executive Assistant, Administration

**NUR AMALINA MOHD ROHAIZAD**  
Executive Assistant, Finance

## PROGRAMME MANAGEMENT

**ZALEHA ABU BAKAR**  
Head of Programme

**KHAIRUL ANUAR SULAIMAN**  
Senior Officer

**KHAIRUL ANWAR KAMARUDIN**  
Associate

**NURSYAFIQAH RAMLI**  
Executive Assistant

**RAZIF MOHAMED**  
Executive Assistant

**HEMMY GRACE SANIN**  
Executive Assistant

**NURUL ATIQAH AHMAD KHAIRI**  
Executive Assistant

**MUHAMMAD KHAIRUL AMIR MAZLI**  
Project Assistant

**MARIA ABANG**  
Project Assistant

**ALFREDO MASIKAH**  
Project Assistant

**PADRIC PHILIP**  
Project Assistant

# WHERE WE OPERATE

**1,359**  
FAMILIES

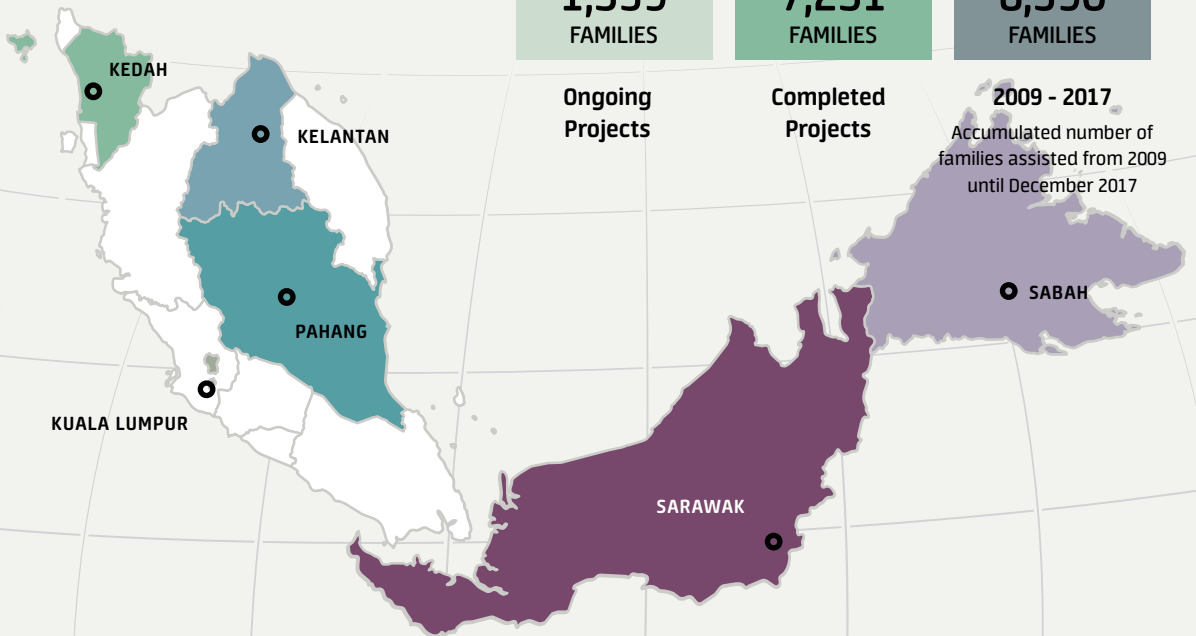
**7,231**  
FAMILIES

**8,590**  
FAMILIES

Ongoing  
Projects

Completed  
Projects

2009 - 2017  
Accumulated number of  
families assisted from 2009  
until December 2017



Region	Ongoing Projects	Completed Projects
<b>KEDAH</b> Home Rehabilitations <i>Ayer Hitam, Baling &amp; Sik</i>	18	385
<b>KELANTAN</b> Pilot 2: Napier and Watermelon <i>Bachok</i>	30	44
Small Grants 1.0 <i>Pasir Puteh &amp; Bachok</i>	20	
One Enterprise for One Family <i>Pasir Puteh</i>	60	
Sejahtera-TM Single Mothers <i>Bachok &amp; Pasir Puteh</i>	3	
Small Grants 2.0 <i>Bachok &amp; Pasir Puteh</i>	55	
Small Grants 3.0 <i>Bachok</i>	54	
Post Flood 2014 <i>Kota Bharu</i>	60	
<b>PAHANG</b> Pilot 1: Projek Perumahan Sejahtera & Flood Relief 2014 <i>Maran</i>	20	
Blind Community <i>Maran</i>	5	
Sejahtera-TM Single Mothers <i>Maran</i>	3	
<b>KUALA LUMPUR</b> Community Enhancement Programme (CEP) PPR <i>Pantai Ria</i>	120	
<b>SARAWAK</b> Community Enhancement Programme (CEP) PPR <i>Sungai Bonus</i>	100	385
<b>SABAH</b> Chili Fertigation <i>Pitas</i>	26	
Water Solution <i>Kg. Song Song, Kota Belud</i>	40	
Teaching for Change <i>SK Suang Punggor, Kota Belud</i>	112	
Livelihood Kg. Song Song <i>Kota Belud</i>	50	
Community Development Programme (CDP) Pitas: Water Solution* <i>Kg Tampakahu, Kg Sungai Eloi &amp; Kg Kinango</i>	126	2,042
Community Development Programme (CDP) Pitas: Rainwater Harvesting Tanks <i>Mukim Telaga</i>	514	1,772
Community Development Programme (CDP) Pitas Phase 2: Subsistence Farming <i>Kg Tampakahu, Kg Sungai Eloi &amp; Kg Kinango</i>	118	272
Women Economic Empowerment (WEE), Suang Kina <i>Kota Belud</i>	75	393
<b>PETRONAS Planting Tomorrow</b> <i>Mukim Dandun</i>	625	48
<b>PETRONAS Planting Tomorrow</b> <i>Kota Marudu</i>		385
<b>SARAWAK</b> Food drop <i>Lusong Laku</i>	188	
Food parcels <i>Pulau Bruit</i>	2,042	
Water filters <i>Pulau Bruit</i>	1,772	
Mosque rehabilitation <i>Kampung Tekajong, Pulau Bruit</i>	272	
Water purification system <i>Kampung Semop, Pulau Bruit</i>	393	
Water Solution <i>Pulau Bruit (Rumah Juing)</i>	48	
Water Solution <i>Pulau Bruit (Kg. Sebako, Kg. Penuai, Kg. Sedik)</i>	210	
Alternative Water System <i>Lusong Laku</i>	133	
Primary School Support <i>Pulau Bruit - 9 schools</i>	687	
Primary School Support <i>Pulau Bruit - SK Sebako</i>	52	
Community Development Programme (CDP) Kampung <i>Pinggane Jaya, Kuching</i>	130	

# KUALA LUMPUR

Rapid growth in Malaysian cities particularly in Kuala Lumpur leads to what many scholars describe as the 'urbanisation of poverty'. In urban areas, this raises concern among vulnerable low-income households; on the inflation of cost of living, access to business and employment opportunities, and current social environment in the city.



## **PROGRAM PERUMAHAN RAKYAT (PPR)**

It is an initiative by the Malaysian government in providing basic housing needs for the low-income families that meet the minimum requirement of basic standard of living and overcoming squatter resettlement issues.



## **URBAN LIVELIHOOD**

One of the most promising approaches of poverty reduction in developing countries is to encourage sustainable livelihood for the poor. This takes account of their opportunities, asset and the source of their vulnerability.



## **NURTURING COMMUNITY TRUST**

The Community-Based Approach (CBA) introduced by Yayasan Hasanah focusses on efforts to understand the differences and establishing commonalities between the community and the organizations through mutual trust which enhances community networks and increase productivity.



Provision of  
Equipment & Tools



Entrepreneurship  
Training



Educational Support  
Programmes



▲ Intensive tutorial classes for PPR Sg. Bonus's PT3 candidates in preparation on the upcoming examination



▲ Yayasan Sejahtera assisted local kiosk operators in the provision of equipment and tools to support their daily business activities



▲ In every Latihan Dalam Kumpulan (LDK) session, the team are required to complete certain task and solve riddles as a fun way to learn and socialise

## COMMUNITY ENHANCEMENT PROGRAMME (CEP) PPR SUNGAI BONUS

SETAPAK, KUALA LUMPUR

The CEP for PPR Sg. Bonus, was specifically crafted to promote continuous learning and skill development in different groups of ages; adult, youth and children. The programme aims to enhance the capacity of income-generation and educational enrichment of the community.

In 2017, we have identified 20 existing local kiosk, operators and conducted numerous series of entrepreneurial trainings under the adult livelihood programme which exposed them to basic book keeping, income monitoring, the current market demands and how they can leverage social media in selling their products and goods.

A Facebook business community group was established, (<https://www.facebook.com/groups/CEPSgBonus/>) and traders are now active on WhatsApp mobile application, promoting their services and reaching out directly to their customers. To boost their business capacity, each kiosk operator received equipment and tools for their daily business operations.

Yayasan Sejahtera has assisted the PPR Sg. Bonus's youth to identify career opportunities and arranged series of interviews with potential employers for those interested to gain work experience and attachment. With trainee programmes provided by the identified employers and with our

strategic partners, the development of the local youth was designed to empower them in enhancing their capabilities for employment and also to contribute back to their own community.

Addressing concerns of education development of PPR Sg. Bonus's primary and secondary students, Yayasan Sejahtera held free weekly English and Mathematic tuition classes with an addition of group exercise 'Latihan Dalam Kumpulan' (LDK) sessions that motivate and encourage teamwork, develop problem solving skills and build confidence amongst our young beneficiaries. We monitored the students' progress and worked closely with Sekolah Kebangsaan Seri Bonus in the implementation of the programmes.

### Activities conducted in PPR Sg. Bonus

- Rehabilitation of MINTS Community Centre
- Free English & Mathematic Tutorial Classes
- Group Exercise (LDK) session
- Motivational Camp for UPSR & PT3 candidates
- Series of Entrepreneur Courses for Adult
- Provision of Equipment for Kiosk Operators

## STORIES FROM THE FIELD



### **MOHAMAD FUAD OMAR**

*School Headmaster, Sekolah Kebangsaan Seri Bonus*

Yayasan Sejahtera has approached us to assist in terms of academic, especially in English and Mathematics. We acknowledge the fact that our students required a lot of assistance in both subjects. The programme had tremendously improved their command of both subjects, which was clearly reflected in their results. Even the teachers were inspired to develop their own programmes for the students. I am truly great full for the dedication of Yayasan Sejahtera's team in instilling their passion through its Community Based Approach concept in their programmes and look forward to work with them in the future.



### **JARIAH PAJRI**

*Stationery Retailer, Kiosk Operator*

I was really happy when I was selected to be one of the recipients of the kiosk provided by Kuala Lumpur City Hall at PPR Sg. Bonus. Since then, I have been attending various business and marketing training modules and activities provided by Sejahtera which has helped me to understand and utilise online marketing strategies through Facebook and monitoring online orders and inquiries for my service.

I have to admit, business has been good as my kiosk is now well known as a one stop centre providing not only photocopying, printing and binding services, stationery and beauty products but also other soft skill services such my administrative and secretarial services.

Although I would end up being the last kiosk to close up at the end of the day, it is a good problem to have as a business owner.



# SARAWAK

Yayasan Sejahtera established its presence in Sarawak since 2010, assisting the low-income community by uplifting their living standards and income-earning capacity. Based on the statistics from e-Kasih list in 2015, Sarawak has been identified amongst the top five states in terms of incidence of poverty with 30,130 low-income households earning less than RM590 per month.



## COMMUNITY-BASED APPROACH

Yayasan Sejahtera has become the entrusted partner for Yayasan Hasanah in implementing its Community-based Approach (CBA) in our programmes. It is an integrated approach that aims to build trust with the community and working together with other related organisations for a larger impact.



## KPJ GULA APONG HUB

Yayasan Sejahtera aims to establish a *Gula Apong* business hub that can be benefited by Kampung Pinggan Jaya's (KPJ) community with an inclusive participation from the villagers. With the establishment of the cottage industry, it would provide business and job opportunities to generate income.



School support  
assistance



Entrepreneur &  
ICT courses



Industrial cooking  
equipment



▲ Participants being briefed by Bujang on the steps involved in making 'Gula Apong'



▲ Keretop Energy Bar - One of KPJ's successful Gula Apong based products developed in the CDP KPJ programme



▲ Free English & Mathematic tutorial classes for KPJ's children every Tuesday and Thursday

## COMMUNITY DEVELOPMENT PROGRAMME (CDP) KAMPUNG PINGGAN JAYA

KUCHING, SARAWAK

In implementation of the Community-based Approach initiated by Yayasan Hasanah, Kampung Pinggan Jaya has been selected as one of the pioneers of the CBA implementation by Yayasan Sejahtera. The programme comprises segments for adults, youths and children with an objective to increase their capacity in their generating income using the available resources and creating a value-chain of the community economy that can benefit the whole households and community at large.

One of Kampung Pinggan Jaya's significant uniqueness and heritage is their Nipah tree sap, harvested to make Sarawak's famous sweetener 'gula apong'. The lucrative prospect for gula apong however lacks popularity among younger generation due to the long hard-labouring process and working condition. With focus to develop Kampung Pinggan Jaya as one of Sarawak's gula apong hub, Yayasan Sejahtera provided trainings and modern equipment assistance to produce gula apong.

Side by side, Yayasan Sejahtera and Universiti Malaysia Sarawak (UNIMAS) also conducted series of entrepreneur, information communication technology (ICT) and skill enhancement courses to expose and develop villagers' capacity to grow their businesses and market their product on the

digital market platform. With guidance, the participants learned to prepare their own business proposal, the use internet and social media for promotion as well as market expansion, and attended skill development courses at Giat Mara to make varieties of Frozen Food products and welding skills for the men.

For the educational development of Kampung Pinggan Jaya's children, Yayasan Sejahtera also conducted free tuition classes (English & Mathematics), group session (LDK) activities and delivered school aids such as school bags and stationery in preparation for school year.

### Activities conducted in Kampung Pinggan Jaya

- Back To School Programme
- Community Hall Rehabilitation
- ICT Literacy & Entrepreneur Courses
- English & Mathematics Free Tutorial Classes
- Landscape Project: Flower & Edible Garden
- Gula Apong Marketing Centre
- Gula Apong Training By Local Expert
- Gula Apong Keretop Energy Bar

## STORIES FROM THE FIELD

One of Kampung Pinggan Jaya's eminent natural resources is the *Nipah* palm trees (*Nypa Fruticans*) that have been growing wildly in the surrounding area. The villagers harvest the *Nipah* sap to produce *Gula Apong*, a form of natural sweetener that is popular among the locals and used regularly in Sarawak's cuisine. This is the journey of Kampung Pinggan Jaya in becoming Sarawak's Gula Apong Hub.



▲ (Left) Traditional cooking method of Gula Apong, (Right) Modern industrial equipment for more consistent quality of production

▲ The newly built 'Marketing Centre' by Yayasan Sejahtera for the community to run their daily business activities



▲ Freshly produced raw Gula Apong to be used in local signature dishes and cooking



▲ The community worked hard transforming their villages for a better quality of life

# SABAH

In Malaysia, agriculture still holds the key to reducing poverty and increasing the security of livelihoods in many rural areas. The diverse challenges for the rural poor includes the potential conflicts over increasing food and water insecurity, and the largely unpredictable long-term effects of climate change. In attempting to deal with these issues, the importance of training to improve productivity, increase adaptability to deal with change and crisis, and facilitate the diversification of livelihoods to manage risks are at a premium in rural areas.



## **PETRONAS PLANTING TOMORROW**

'Planting Tomorrow' is part of PETRONAS' Corporate Social Investment (CSI) programmes that aim to empower and create shared values within the communities, through three main pillars namely Education; Community Wellbeing and Development; and Environment.



## **INTERGRATING AGRICULTURE**

Integrating agricultural training with entrepreneurship training can help smallholder farmers to manage and market their farm production more effectively, to take advantage of new agricultural opportunities.



## **RURAL NON-FARM ECONOMY**

The promotion of diversification of activities such as food processing, composting for business purposes, etc. may be an important component of poverty alleviation in rural areas. The rural non-farming economy is of great importance to the rural economy for its productive and employment effects, while the income it provides to rural households represents a substantial and growing share of rural incomes.



Gravity-fed  
Water System



Agricultural Skill  
Training



Seedling  
Starter



▲ Local farmer, Mailin asked several questions on how he can improve his crops



▲ Participants successfully completed the training programmes on Agriculture



▲ Yayasan Sejahtera and PETRONAS delivering agriculture equipment for the participants

## PETRONAS PLANTING TOMORROW

MUKIM SIMPANGAN & MUKIM DANDUN, SABAH

As part of Petroliaam Nasional Berhad (PETRONAS) corporate social investment (CSI) in Sabah, Yayasan Sejahtera worked hand-in-hand with PETRONAS to activate the gravity-fed water solutions which helped the villagers gain access to clean water supply which is closer to their homes as part of the overall project. Before the provisions, residents of the seven villages in Mukim Dandun and three villages in Mukim Simpangan needed to walk through a four kilometre route passing small hills carrying heavy water containers for their daily use.

The programme is expected to improve the quality of life for targeted rural communities and uplift the socio-economic wellbeing through the implementation of Yayasan Sejahtera's livelihood activities. Components of the activities include providing assistance to a total of 80 families which includes agricultural trainings, equipment and 200kg of ginger seeds each to start off with their farms.

Yayasan Sejahtera worked with several local experts in Jabatan Pertanian Malaysia and the Federal Agricultural Marketing Authority (FAMA) to determine the best seed varieties to match the suitability of the designated growing areas. In addition to community farming, the participants were exposed to the potential of contract farming; one of the high-impact projects introduced as a mechanism to help small and medium-scale agricultural production farmers to guarantee their agricultural produce returns commensurate with their efforts.

Many rural communities are looking for relevant solutions and practicable processes that they can competently manage and successfully implement. Creating a sustainable agricultural development path means improving the quality of life in rural areas, ensuring enough food for present and future generations whilst generating sufficient income for community.

### Outcome of the final evaluation

- 87% Livelihood beneficiaries increased their monthly income to RM500 – RM2000 (Before programme, 78% were earning below RM500)
- 17% Livelihood beneficiaries able to save more than RM100 per month (Saving is now a priority for future sustainability)
- 81% Agree that the training provided are beneficial (Yayasan Sejahtera provided programmes and exposure towards improving their capabilities and skills)

## STORIES FROM THE FIELD



▲ Yayasan Sejahtera continue to serve and reach out to the community



**CALVIN MAGUDAMPAI**  
*Kampung Kotud Committee, Secretary*

"We would wake up as early as 5 am and make our way to river, bringing with us containers to collect water, and walk back to our homes. Mind you it is a long walk, took us more than an hour. But after the completion of the project, the villagers are happy because they now have more than enough water for their daily use."



**BUBUDAN O T MAJALU**  
*District Officer, Pitas*

"We have always had a strong working relationship with Yayasan Sejahtera through the years. In 2014, the project was improved to assist local residents in this district as a support and complementary programme towards the government efforts."



**KHAIRUL ANWAR SULAIMAN**  
*Project Manager, Sabah*

"Due to the unpredictable weather conditions, along with the heavy floods in Pitas early of the year, it was difficult for us to commute into the rural areas. We have to cross the river as an alternative route to reach there."



Water  
Solutions



Quality of  
dietary needs



Embarking  
Entrepreneur



▲ The participants from Kg. Kinango during Yayasan Sejahtera's visit



▲ One of Phase 3: Participants, Sutria @ Fina Ening (Family Bersatu), sharing her update on her retail shop in Kg Sg. Eloi

## COMMUNITY DEVELOPMENT PROGRAMME (CDP) PITAS

PITAS, SABAH

Yayasan Sejahtera has established its presence in Pitas, Sabah since the introduction of the Chili Fertigation Project in 2011. The success of the project has allowed Yayasan Sejahtera to advance its work in addressing the issue of poverty and basic needs of the community in Pitas. It is important to note that Pitas has the highest number of hardcore poor based on the e-Kasih list obtained from Implementation Coordination Unit (ICU) of the Prime Minister's Office and District Office.

The Community Development Programme (CDP) in Pitas began in 2013 with an objectives to 1) Improve quality of life, 2) Graduate from poverty line to earn above the poverty line. In the CDP Pitas, involving three villages: -

- a) Kampung Tampakahu (32 households)
- b) Kampung Sungai Eloi (55 households)
- c) Kampung Kinango (15 households)

The programme was implemented in three phases. Phase One was to provide an alternative water system to 113 houses in the village via the distribution of water tanks and installation of water gravity system to improve their basic water needs.

Phase Two seeks to maximise the improved water distribution system implemented in Phase One in enhancing farming activities of the community. Dubbed as the Subsistence Farming initiative, Sejahtera has provided farming materials, equipment, and training supported by the Jabatan Pertanian Pitas to improve their existing farming production.

The Income Generation/Entrepreneurship programme is Phase Three of the initiative. Beneficiaries were required to form groups based on the livelihood activities of their interests. The groups attended series of training in capacity-building, knowledge enhancement, technique development, management and marketing to equip them with the required skills for their business.

I've always been in agriculture all my life. Most of my knowledge is passed down from generations to generations within the family cluster and the villagers. Yayasan Sejahtera has been the only organisation that has reached out to us and provided training for the community. I've been fortunate to join the ginger planting training module which has provided an extra RM150 for my harvest.



**DARIUS LANDAN**

"Before the presence of Yayasan Sejahtera, there were no cohesive activities held within the community, but after the programme was conducted, it brought changes up to 80 percent to their community activities and land development."

## STORIES FROM THE FIELD



**SUTRIA@FINA ENING**

Participant, CDP Phase 3 – Entrepreneurship



▲ Sutria keeps improving herself to provide the best for her children's future



▲ Grocery items sold in Sutria's shop

Before participating in the Phase Three CDP Pitang programme, I was a fulltime house wife earning from a small-scale retail shop which was set up in my house. With a RM1200 starting capital, I've managed to generate an average of RM200 to RM300 monthly profits.

I immediately jumped at the opportunity when I first heard about the collaborative effort by Yayasan Sejahtera and Kota Marudu Community College to conduct courses in grocery retail management. The modules taught me basic accounting and I have been applying that knowledge in my

daily business operations. This knowledge has also helped me gain the trust of my supervisor at a local canteen I currently work to manage its daily operations.

I truly hope such initiatives would continue to help myself and others like me to improve our business capacity as I dream of expanding my business in the future. Having assisted Yayasan Sejahtera and the Kota Marudu Community College to win Best Social Entrepreneurship Project at the Ministry of Higher Education Entrepreneurial Awards 2016 was basically the highlight of my achievement for the year.



▲ Yayasan Sejahtera with Kota Marudu's Community College. They provide great assistance in enhancing the community's skills and knowledge





### Creative Craft Sewing and Cooking Courses



### Financial Literacy Programme



### Fully Equipped Workshop For Sewing And Cooking



▲ Participants from Kampung Suang Kina is showcasing their craft and food in an exhibition during the launch of PETRONAS Planting Tomorrow in Sabah



▲ Crafting and sewing classes drew large attention from participants due to its high demand



▲ Participants learnt new recipes, tips and tricks in baking in class held at the WEE Suang Kina workshop

## WOMEN ECONOMIC EMPOWERMENT (WEE) SUANG KINA

KOTA BELUD, SABAH

As part of Yayasan Sejahtera's commitment to empower women in becoming household income contributors, we introduced the Women Economic Empowerment Programme (WEE) to Kampung Suang Kina and its surrounding villages which consists of skills training courses, aimed at assisting the women to actively contribute to the household income.

We identified two focus interests within the community; creative craft sewing and cooking/baking. In addition to the skills programme, we have included financial literacy and bookkeeping courses to advocate the participants in financial management and business operation. The combination of these skills is important to sustain a business interest.

In support, Yayasan Sejahtera built a workshop, equipped with sewing and cooking machineries in Kampung Suang Punggor for the participant and the community to fully utilise in generating income for themselves and as a community. We are pleased to note that demand for WEE products grew tremendously, benefitting

52 participants directly from the programmes. 32 participants have successfully generated additional income for their families, giving them the chance to improve their livelihoods.

Yayasan Sejahtera continues to empower the women by highlighting them in exhibitions. It is a good marketing platform in promoting their local product and share their journey to inspire and aspire others. The participants joined several events such as Guinness World Record in conjunction with the Malaysian Batik Sewing Art Exhibition and Hasanah Bersama Rakyat Roadshow in Jerlun, Kedah.

#### We gather women participants from:

- Kampung Suang Kina
- Kampung Suang Punggor
- Kampung Kulambai
- Kampung Kulambai Dundau
- Kampung Song Song
- Kampung Kuala Abai

## STORIES FROM THE FIELD



▲ Malini (right) is showcasing her skills in an exhibition in Jerlun, Kedah with the support from EPAL Malaysia, Mr. Thien - EPAL representative (middle), is one of Yayasan Sejahtera's training partners



▲ Malini's handcrafted tote bags for sale during the exhibition. She also produced other varieties of products, such as coin purses, pencil boxes and others

# 2017 EVENTS



## PETRONAS' CORPORATE SOCIAL INVESTMENT LAUNCH

10 February 2017



10 February 2017 – A major part of PETRONAS' corporate social investment initiatives activities in Sabah was carried out under a community wellbeing and development programme called "Planting Tomorrow". The programme aims to improve the standards of living through the provision of basic needs as well as livelihood programme in targeted areas. Apart from the provision of water supply solutions, Planting Tomorrow programmes also strives to provide sustainable livelihood opportunities to 160 participating households in Pitas, Kota Marudu and Tongod.



## MOU SIGNING CEREMONY BETWEEN YAYASAN SEJAHTERA AND UNIKL

6 April 2017

6 April 2017 – Yayasan Sejahtera (Sejahtera) dan Universiti Kuala Lumpur (UniKL) signed a Memorandum of Understanding (MoU) to work together in community development programmes for the low income communities in Malaysia at UniKL City Campus. This MoU is a joint initiative between Sejahtera and UniKL in encouraging the participation and contributions to low income communities via a number of areas of collaboration, namely development of innovation in education, education-based technology transfer, development of value-added services and development of human capital and training.





## HARI HASANAH AT PUSAT JAGAAN BAITUL HIDAYAH

4 September 2017

Hari Hasanah is one of the initiatives under Khazanah's "Negeraku, Negara Kita" campaign, which celebrates and commemorates Malaysia's journey and progress as a nation, in conjunction with Hari Kebangsaan and Hari Malaysia. Yayasan Sejahtera and Yayasan Hasanah's strategic partners believed this approach is an admirable way in engaging with the community. Yayasan Sejahtera visited Pusat Jagaan Baitul Hidayah in Puchong as one of our 'Hasanah' initiatives to encourage volunteerism to do good.



# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENT

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# TRUSTEES' REPORT & AUDITED FINANCIAL STATEMENT

YAYASAN SEJAHTERA (INCORPORATED IN MALAYSIA)

## TRUSTEES' REPORT

The Trustees hereby present their report together with the audited financial statements of the Yayasan Sejahtera ("the Foundation") for the financial year ended 31 December 2017.

## PRINCIPAL ACTIVITY

The principal activity of the Foundation 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.

## RESULTS

	RM
Net surplus for the year	69,073

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 Foundation during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDEND

The Foundation, being a company limited by guarantee, is not allowed to pay or declare dividends to its corporate member.

## TRUSTEES

The name of the Trustees of the Foundation in office since the beginning of financial year to the date of this report are:

Tan Sri Faizah binti Mohd Tahir  
Puan Sri Ng Siew Yong  
Prof. Madya Dr. Sulochana Nair a/p Kutiri Raman Nair  
Shareen Shariza binti Dato' Abd Ghani  
Shahira binti Ahmed Bazari

# TRUSTEES' REPORT & AUDITED FINANCIAL STATEMENT

YAYASAN SEJAHTERA (INCORPORATED IN MALAYSIA)

## 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 Foundation was a party, whereby the Trustees might acquire benefits by means of the acquisition of shares in or debentures of the Foundation or any other body corporate.

Since the end of the previous financial year, no Trustee has received or become entitled to receive any benefit by reason of a contract made by the Foundation 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 Foundation or its related corporations during the financial year.

## OTHER STATUTORY INFORMATION

- (a) Before the statement of comprehensive income and statement of financial position of the Foundation 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 impairment 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 allowance for impairment in respect of the financial statements of the Foundation; and
  - (ii) the values attributed to current assets in the financial statements of the Foundation 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 Foundation misleading or inappropriate.
- (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 Foundation which would render any amount stated in the financial statements misleading.

# TRUSTEES' REPORT & AUDITED FINANCIAL STATEMENT

YAYASAN SEJAHTERA (INCORPORATED IN MALAYSIA)

## OTHER STATUTORY INFORMATION (CONT'D.)

- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Foundation 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 Foundation 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 Foundation 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 Foundation for the financial year in which this report is made.

## AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office. Auditors' remuneration are disclosed in the statement of comprehensive income.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the term of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young for the financial year ended 31 December 2017.

Signed on behalf of the Board of Trustees in accordance with a resolution of the Trustees dated 24 June 2018.

**Tan Sri Faizah binti Mohd Tahir**

**Shahira binti Ahmed Bazari**

Kuala Lumpur, Malaysia



# STATEMENT BY TRUSTEES

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Tan Sri Faizah binti Mohd Tahir and Shahira binti Ahmed Bazari, being two of the Trustees of Yayasan Sejahtera, do hereby state that, in our opinion, the accompanying financial statements set out on pages 39 to 52 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Foundation as at 31 December 2017 and of the financial performance and cash flows of the Foundation for the year then ended.

Signed on behalf of the Board of Trustees in accordance with a resolution of the Trustees dated 24 June 2018.

Tan Sri Faizah binti Mohd Tahir

Shahira binti Ahmed Bazari

# STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Suheilah binti Abu Bakar, being the officer primarily responsible for the financial management of Yayasan Sejahtera, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 52 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 above named Suheilah binti  
Abu Bakar at Kuala Lumpur in the  
Federal Territory on 24 June 2018

Suheilah binti Abu Bakar

Before me,

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YAYASAN SEJAHTERA

## REPORT ON THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of Yayasan Sejahtera ("the Foundation"), which comprise the statement of financial position as at 31 December 2017, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 39 to 52.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence and other ethical responsibilities*

We are independent of the Foundation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Information other than the financial statements and auditors' report thereon*

The Trustees of the Foundation are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Foundation and our auditors' report thereon, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Foundation does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Foundation, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Foundation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Trustees and take appropriate action.

## *Responsibilities of the Trustees for the financial statements*

The Trustees of the Foundation are responsible for the preparation of financial statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of financial statements of the Foundation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Foundation, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

## *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Foundation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF YAYASAN SEJAHTERA

## *Auditors' responsibilities for the audit of the financial statements (cont'd.)*

- Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements of the Foundations represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **OTHER MATTERS**

This report is made solely to the member of the Foundation, as a body, in accordance with Section 266 of the Companies Act, 2016 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

Kuala Lumpur, Malaysia  
24 June 2018

**Ahmad Qadri Bin Jahubar Sathik**  
No. 03254/05/2020 J  
Chartered Accountant

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 RM	2016 RM
<b>INCOME</b>			
Government grant	3	258,321	1,400,072
Donations/contributions	4	2,788,595	2,413,659
Interest income	5	57,333	102,398
		3,104,249	3,916,129
<b>EXPENDITURE</b>			
Project costs		1,907,357	2,567,570
Staff costs	6	757,505	769,483
Staff training		6,742	4,489
Marketing and communications		36,193	23,306
Travelling expenses		67,513	13,947
Professional fees		18,794	31,774
Auditors' remuneration		13,000	13,000
Depreciation	8	47,920	44,958
Property and equipment written off	8	3,557	10,050
Office rental		76,320	136,334
Office utilities		37,171	46,714
Trustee allowances		19,500	18,400
Other expenses		43,604	78,033
		3,035,176	3,758,058
Surplus before taxation		69,073	158,072
Taxation	7	-	-
Surplus for the year, representing total comprehensive income for the year		69,073	158,072

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
<b>Non-current asset</b>			
Property and equipment	8	112,894	122,522
<b>Current assets</b>			
Other receivables	9	295,237	435,409
Cash and bank balances	10	3,265,529	3,943,297
		3,560,766	4,378,706
<b>Current liabilities</b>			
Other payables	11	252,068	851,009
Deferred income	12	772,192	811,571
		1,024,260	1,662,580
<b>Net current assets</b>			
		2,536,506	2,716,126
		2,649,400	2,838,648
<b>Represented by:</b>			
Contribution from members	13	-	-
Retained surplus		1,827,388	1,758,315
		1,827,388	1,758,315
<b>Non-current liability</b>			
Government grant	3	822,012	1,080,333
		2,649,400	2,838,648

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Contribution from members RM (Note 13)	Retained surplus RM	Total RM
<b>At 1 January 2016</b>	-	1,600,244	1,600,244
Total comprehensive income for the year	-	158,072	158,072
<b>At 31 December 2016</b>	-	1,758,316	1,758,316
<b>At 1 January 2017</b>	-	1,758,316	1,758,316
Total comprehensive income for the year	-	69,073	69,073
<b>At 31 December 2017</b>	-	1,827,388	1,827,388

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	2017 RM	2016 RM
<b>Cash flows from operating activities</b>		
Surplus before taxation	69,073	158,072
Adjustments for:		
Interest income	(57,333)	(102,398)
Depreciation	47,920	44,958
Property and equipment written off	3,557	10,050
Amortisation of government grant	(258,321)	(1,400,072)
Donations/contributions recognised in profit or loss	(2,788,595)	(2,413,659)
Operating loss before working capital changes	(2,983,699)	(3,703,050)
Decrease/(increase) in receivables	44,858	(21,828)
(Decrease)/increase in payables	(598,941)	830,635
Net cash used in operating activities	(3,537,782)	(2,894,243)
<b>Cash flows from investing activities</b>		
Decrease in deposits with a licensed bank	536,887	1,335,070
Purchase of property and equipment	(41,849)	(78,882)
Interest received	79,824	147,262
Net cash generated from investing activities	574,862	1,403,450
<b>Cash flow from financing activity</b>		
Donations received, representing net cash generated from financing activity	2,822,039	1,918,349
<b>Net changes in cash and cash equivalents</b>	(140,881)	427,556
<b>Cash and cash equivalents at beginning of year</b>	1,845,816	1,418,260
<b>Cash and cash equivalents at end of year</b>	1,704,935	1,845,816
<b>Cash and cash equivalents comprise of (Note 10):</b>		
Cash on hand and at bank	1,704,935	1,845,816

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 1. CORPORATE INFORMATION

The principal activity of the Foundation 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 Foundation was incorporated on 7 August 2009 and is a company limited by guarantee, incorporated and domiciled in Malaysia. The registered office of the Foundation is located at Epsilon Advisory Services Sdn Bhd, 802, 8th 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 24 June 2018.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements of the Foundation have been prepared in accordance with the provisions of the Companies Act, 2016 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").

The financial statements have been prepared on a historical cost basis, except when otherwise indicated.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Foundation.

### 2.2 Changes in accounting policies

The new and amended MFRSs which are mandatory for companies with financial year beginning on or after 1 January 2017 did not give rise to any significant effect on the financial statements of the Foundation.

### 2.3 Standards issued but not yet effective

The Trustees expect that the new MFRSs which are issued but not yet effective for the financial year ended 31 December 2017 will not have a material impact on the financial statements of the Foundation 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.

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 a material adjustment to the carrying amounts of asset and liabilities within the next financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Summary of significant accounting policies

#### (a) Property and equipment, and depreciation

All items of property and equipment are initially recorded at cost. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably.

Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of property and equipment are required to be replaced in intervals, the Foundation recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of the property and equipment is computed on a straight-line basis over the estimated useful life of the assets as follows:

Renovation	33%
Computer equipment	33%
Office equipment	33%
Motor vehicle	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

#### (b) Impairment of non-financial assets

The Foundation assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Foundation 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")).

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Summary of significant accounting policies (cont'd.)

#### (b) Impairment of non-financial assets (cont'd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When 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.

#### (c) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Foundation 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 Foundation determines the classification of its financial assets at initial recognition.

##### (i) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables. The Foundation's receivables include deposit and other 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.

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 or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Summary of significant accounting policies (cont'd.)

#### (d) Impairment of financial assets

The Foundation assesses 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 Foundation 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) 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 statement of financial position when, and only when, the Foundation becomes a party to the contractual provisions of the financial instrument.

The Foundation'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. Gain and losses 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Summary of significant accounting policies (cont'd.)

#### (f) Cash and cash equivalents

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

#### (g) 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 Foundation pays fixed contribution into separate entities or fund and will have no legal or 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").

#### (h) Equity instruments

Contribution from members are classified as equity.

#### (i) Government grant

Government grant is recognised initially at their fair value in the statement of financial position where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grant that compensates the Foundation 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 Foundation for the cost of an asset is recognised as income on a systematic basis over the useful life of the asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

### 2.5 Summary of significant accounting policies (cont'd.)

#### (j) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Foundation and the income 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 Foundation's rights to receive the payment is established or conditions attached to the donations/contributions have been fulfilled. Donation is recognised initially as deferred income and will be recognised as income in profit or loss as and when expenses are incurred.

#### (k) Key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. All Board of Trustees and the Chief Operating Officer of the Foundation are considered key management personnel.

## 3. GOVERNMENT GRANT

	2017 RM	2016 RM
At 1 January	1,080,333	2,480,405
Amortised to profit or loss	(258,321)	(1,400,072)
At 31 December	822,012	1,080,333

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 4. DONATIONS/CONTRIBUTIONS

	2017 RM	2016 RM
Project Funds (Notes 9 and 12)	1,907,357	2,338,310
Non-Project Funds (Note 12)	869,498	-
Donations/corporates contributions	11,740	75,349
	2,788,595	2,413,659

Mainly relates to donations/contributions from Yayasan Hasanah and PETRONAS (2016: Yayasan Hasanah, PEMANDU and PETRONAS).

## 5. INTEREST INCOME

Interest income relates to interest earned from the Foundation's fixed deposits and current accounts.

## 6. STAFF COSTS

	2017 RM	2016 RM
Included in:		
Project costs	613,374	882,865
Statement of comprehensive income (representing non-project related staff costs)	757,505	769,483
	1,370,879	1,652,348
Staff costs are further analysed as follows:		
Wages and salaries	522,244	479,706
Statutory contributions to Employees Provident Fund and social security	103,607	94,443
Other allowances	131,654	195,334
	757,505	769,483

Included in staff costs is remuneration of the Chief Operating Officer, amounting to RM220,730 (2016: RM220,620).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 7. TAXATION

The Foundation has been granted tax exemption status on all gross income except dividend income under Section 44(6) of the Income Tax Act, 1967, from the Year Assessment of 2011 onwards.

## 8. PROPERTY AND EQUIPMENT

	Renovation RM	Computer equipment RM	Office equipment RM	Motor vehicle RM	Total RM
<b>At 31 December 2017</b>					
<b>Cost</b>					
At 1 January 2017	57,700	84,279	61,347	122,501	325,827
Additions	-	25,534	16,315	-	41,849
Written off	-	(10,790)	(8,414)	-	(19,204)
At 31 December 2017	57,700	99,023	69,248	122,501	348,472
<b>Accumulated depreciation</b>					
At 1 January 2017	4,759	81,127	40,077	77,342	203,305
Depreciation charge for the year	19,041	3,259	8,280	17,340	47,920
Written off	-	(10,785)	(4,862)	-	(15,647)
At 31 December 2017	23,800	73,601	43,495	94,682	235,578
<b>Net carrying amount</b>					
At 31 December 2017	33,900	25,422	25,753	27,819	112,894



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 8. PROPERTY AND EQUIPMENT (CONT'D.)

	Renovation RM	Computer equipment RM	Office equipment RM	Motor vehicle RM	Total RM
<b>At 31 December 2016</b>					
<b>Cost</b>					
At 1 January 2016	176,926	95,225	52,157	122,501	446,809
Additions	57,700	-	21,182	-	78,882
Written off	(176,926)	(10,946)	(11,992)	-	(199,864)
At 31 December 2016	57,700	84,279	61,347	122,501	325,827
<b>Accumulated depreciation</b>					
At 1 January 2016	162,129	86,947	46,243	52,842	348,161
Depreciation charge for the year	11,368	5,123	3,967	24,500	44,958
Written off	(168,738)	(10,943)	(10,133)	-	(189,814)
At 31 December 2016	4,759	81,127	40,077	77,342	203,305
<b>Net carrying amount</b>					
At 31 December 2016	52,941	3,152	21,270	45,159	122,522

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 9. OTHER RECEIVABLES

	Note	2017 RM	2016 RM
Deposits		32,187	83,759
Prepayments		40,843	34,129
Interest receivable		52,221	74,712
Donation receivable	(i)		
- At 1 January		242,809	186,484
- Received during the year		(1,198,100)	(1,334,400)
- Amortised to profit & loss		1,125,080	1,390,725
- Adjustment on fund received and amortised in 2016		197	-
- At 31 December		169,986	242,809
		295,237	435,409
Add: Cash and bank balances (Note 10)		3,265,529	3,943,297
Less: Prepayments		40,843	34,129
<b>Total loans and receivables</b>		<b>3,519,923</b>	<b>4,344,576</b>

(i) Amount is in relation to contribution due from a sponsor.

## 10. CASH AND BANK BALANCES

	2017 RM	2016 RM
Cash at bank	1,704,935	1,845,816
Deposits with licensed banks with original maturity more than 90 days	1,560,594	2,097,481
<b>Total cash and bank balances</b>	<b>3,265,529</b>	<b>3,943,297</b>

	WAEIR per annum		Average maturity	
	2017 %	2016 %	2017 Days	2016 Days
Fixed rate deposits	3.48	3.60	363	364

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 11. OTHER PAYABLES

	2017 RM	2016 RM
Accrual	2,109	19,000
Sundry payables	249,959	832,009
	252,068	851,009

Sundry payables are interest free and are normally settled on an average term of 30 days (2016: average term of 30 days).

## 12. DEFERRED INCOME

	2017 RM	2016 RM
At 1 January	811,571	1,250,556
Received during the year	1,612,396	508,600
Amortised to profit or loss	(1,651,775)	(947,585)
At 31 December	772,192	811,571

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

## 13. CONTRIBUTION FROM MEMBERS

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

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Foundation's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Foundation's objectives and principle activities whilst managing its liquidity risk, credit risk and interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (a) Liquidity risk

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

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

	Within one year	
	2017	2016
	RM	RM
Other payables	252,068	851,009

### (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 Foundation's exposure to credit risk arises primarily from its other receivables and cash and bank balances.

At the reporting date, the Foundation's maximum exposure to credit risk is represented by the carrying amount of these financial assets. The Foundation minimises this risk by dealing exclusively with high credit rating and/or credit worthy counterparties.

The Foundation's financial assets are neither past due nor impaired.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market interest rates.

The Foundation's primary interest rate risk relates to its deposit in financial institutions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

### (c) Interest rate risk (cont'd.)

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates with all other variables held constant.

	Effect on surplus before tax	
	2017 RM	2016 RM
<b>Deposits in financial institutions</b>		
Increase in 25 basis points in market interest rates	143	255
Decrease in 25 basis points in market interest rates	(143)	(255)

## 15. FAIR VALUES

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

## 16. CAPITAL MANAGEMENT

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

## 17. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Foundation had the following transactions with the following related parties during the financial year:

	2017 RM	2016 RM
<b>(i) Pintar Foundation, a foundation related to a member</b>		
<b>Statement of comprehensive income</b>		
Other operating expenses	-	23,313
<b>(ii) Yayasan Hasanah, a foundation related to a Trustee</b>		
<b>Statement of comprehensive income</b>		
Donations/contributions	1,584,102	445,599
<b>Statement of financial position</b>		
Deferred income	194,648	332,054



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