



SUPPORTING  
SUSTAINABLE  
LIVELIHOODS



# SEJ<sup>o</sup>HTERA

Building Sustainable Communities

2013 ANNUAL REPORT



SUPPORTING  
BASIC FOOD  
NEEDS



PROVIDING  
BASIC  
COMMUNITY  
SERVICES



REHABILITATION  
/ BUILDING OF  
HOMES





#### COVER PHOTO

*The photo illustration on the cover represents Yayasan Sejahtera's 4 program modules and some of the participants who have benefitted from the projects undertaken.*

*Photos courtesy of Mohamed Muaz Bin Mohamed & Lister Mihun*

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## MESSAGE FROM OUR CHAIRMAN



### TAN SRI FAIZAH MOHD TAHIR

Chairman

*"Skills development, training, creation of self-employment opportunities and access to capital; all stemming from providing solid educational grounding, should be given the utmost priority as they would yield the most permanent and durable outcomes. The after-effects can then be exploited to further the efforts of the other approaches, creating a positive domino effect and making the goals and objectives easier to attain."*

The Board of Trustees and I proudly present the 2013 Annual Report of Yayasan Sejahtera. Our association with Yayasan Sejahtera fills us with the utmost pleasure and pride, the work carried out and milestones achieved gratify our hearts, and the way forward promises exciting challenges and accomplishments to strive for. The effort to fight poverty is an ongoing struggle that has begun since independence, and the fruits of our toil are evidenced by the economic progress we have achieved. Yet, more still needs to be done, as total poverty eradication is quite a distance away. Yayasan Sejahtera was established in 2009 under the auspices of Putrajaya Committee of GLC High Performance as a platform for GLCs and corporate Malaysia to support national development in the area of poverty eradication. Through past, present and future projects, we aim to reach out to the poverty stricken even in the far corners of the nation to offer medium and long-term efforts towards totally alleviating hardcore poverty. By providing assistance to enable sustainable means of improving the standard of living of underserved communities, Yayasan Sejahtera will strive together with the Government, GLCs, private sector and other NGOs to help Malaysia move towards becoming a developed nation by 2020.

It will take time. Tremendous effort must be made in a consistent and continuous manner. Resources will need to be pooled from various avenues. But more importantly we must pave the

way for these underserved communities to have access to the same opportunities as everybody else to enjoy a decent and comfortable standard of living. Yayasan Sejahtera has adopted the four-pronged approach to achieve these goals: supporting sustainable livelihoods, supporting basic food needs, providing basic community services and rehabilitating or building new homes. By implementing a well-coordinated effort, optimizing available resources and garnering accessible talents and capabilities, we can make a difference to the individual lives as well as the nation as a whole.

The year 2013 has been both challenging as well as productive for us. With our projects and operations cost totaling RM3.4 million, we were able to provide assistance to over 1000 families in Kelantan, Sabah and Sarawak. Some of the key achievements to be highlighted include the provision of small grants to help expand microbusinesses and improve individual income, with an overall success rate of 29% over the past 5 years that has impacted 75 families. We carried out livelihood projects enabling 295 families through farming and small business activities, and installed water supply systems enabling 338 families to have access to clean and constant water supply. We also provided education support and assistance to 10 primary schools in Sabah and Sarawak, enabling assistance for school children from 1798 families.

Greater effort must be made in the coming years to attain better results. The support of sustainable livelihoods should not be confined to handing out monetary assistance. Skills development, training, creation of self-employment opportunities and access to capital, all stemming from providing solid educational grounding, should be given priority as they would yield the most permanent and durable outcomes. The after-effects can then be exploited to further the efforts of the other approaches, creating a positive domino effect and making the goals and objectives easier to attain.

The year 2014 marks the beginning of a new phase for Yayasan Sejahtera, with new projects to be undertaken and challenges to face. We will not only be continuing our efforts to eradicate poverty in rural areas; we will be reaching out to urban communities living under the poverty line. According to the 10th Malaysia Plan Report, in 2009, 51.4% of the 40% lowest income households in Malaysia are actually from urban areas, with an average income of less than RM1440 per month. With the continual increase of the cost of living in towns and cities, this community is hard-struck by the rapid growth of the Malaysian economy. The earnings they bring home are insufficient to cover critical needs for urban living such as childcare services for working parents, or beneficial child and youth activities to prevent social ills. Yayasan Sejahtera aims to mitigate these issues through collaborative efforts with Government agencies, GLCs, other NGOs and academic institutions. We are excited to enter this new phase and look forward to galvanizing all resources and efforts to ensure its success.

Our never-ending thanks and appreciation to the Malaysian Government and Khazanah Nasional Berhad for their unwavering support, as well as to Bank Islam Malaysia Berhad, CCM Berhad, Implementation and Coordination Unit (ICU) Prime Minister's Office, Kuwait Finance House (Malaysia) Berhad, Lembaga Tabung Haji, Malaysia Airline System (MAS) Berhad, Maybank Berhad, Performance Management and Delivery

Unit (PEMANDU), Proton Holdings Berhad, Pusat Pungutan Zakat (PPZ), Telekom Malaysia Berhad and UEM Berhad for their priceless contributions. "Terima kasih daun keladi..."

A special thank you to all our beneficiary families, who have allowed and welcomed us and accepted our assistance, inspired us with their determination and perseverance despite all obstacles, and enriched our organization in more ways than we can express.

The time has come for all of us to realize that we can make a difference in our own way. Collectively, we can overcome any obstacle and face the challenges that stand in our path towards poverty eradication and a more equitable society.

**TAN SRI FAIZAH MOHD TAHIR**

Chairman

## ABOUT OUR FOUNDATION

# VISION

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

# 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
- Become a leading platform for experiential learning for poverty alleviation and sustainable communities

## ABOUT OUR FOUNDATION

### 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 Malaysia
- To work in partnership with beneficiaries and civil society partners to leverage and maximize program benefits

### PROGRAM MODULES

At Yayasan Sejahtera, poverty is not just about lack of income, but 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. Three states were identified as having

the highest number of hard-core poor families through the 2013 eKasih list, i.e. Kelantan, Sabah and Sarawak and have been targeted for our programs. Yayasan Sejahtera's holistic approach to poverty alleviation and empowerment of the hardcore poor is premised on four building blocks:



#### 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.

#### 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.

For the hardcore poor, 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 innovative and affordable methods. With access to these amenities, it would be easier for the beneficiaries to embark on livelihood projects to generate better income for their families.

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.



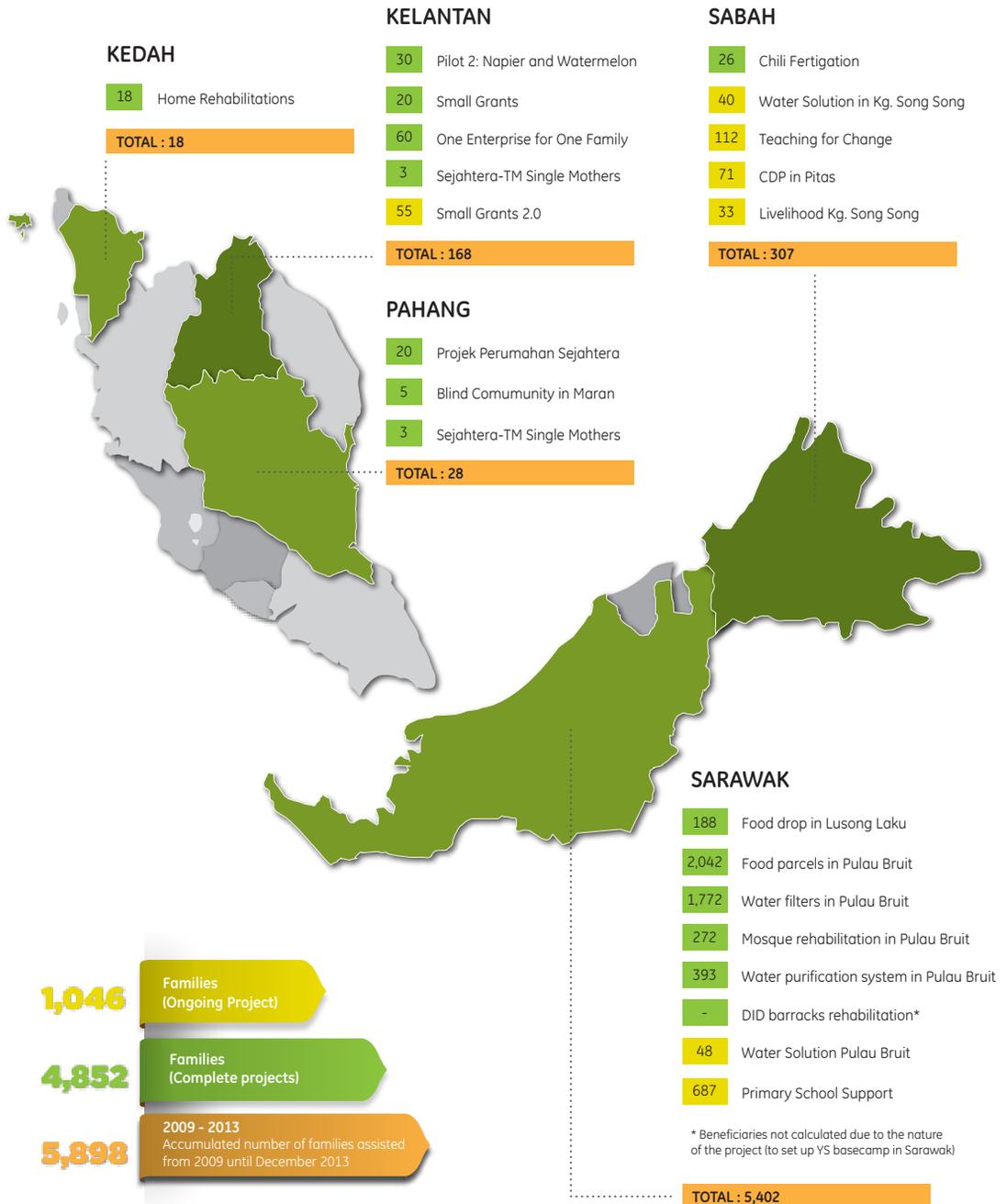
#### PROVIDING BASIC COMMUNITY SERVICES

#### REHABILITATION / BUILDING OF HOMES



## WHERE WE OPERATE

### Families reached as at 31 December 2013





OUR WORK

# KELANTAN

Yayasan Sejahtera aims to enable participants to add value to their existing economic and revenue-generating activities by providing relevant materials, financial assistance and skills development training.





## SMALL GRANTS 2.0, PASIR PUTEH AND BACHOK, KELANTAN

Duration November 2012 - September 2014

Families 55

The Small Grants 2.0 is a continuation from the Small Grants 1.0 project (completed in 2010). The project targets 55 beneficiaries with existing small businesses in Bachok and Pasir Puteh, Kelantan. Through this project, participants were provided with materials and equipment by YS with which they could add value to their existing economic and revenue-generating activities including agriculture-based, food-related businesses and garment-making.

Jabatan Pertanian was invited to conduct agriculture-related training for the participants to upgrade their knowledge and skills for better crop production. Universiti Malaysia Kelantan (UMK) facilitated a financial literacy program that was introduced to encourage beneficiaries to maintain a record of their income and expenditure so that they could monitor their economic activities.

YS also collaborated with UMK on a Student Community Service voluntary program. As this program is an ongoing effort by UMK, YS paired a UMK student with 1 participating family, acting as an "anak angkat". Their role was to visit their foster family on a regular basis and extend support on financial literacy know-how as well as provide soft skills training, motivation and peer support to the children in the family. The students then submitted a progress report on their foster family's recording of earnings and expenses through their economic activities, gaining credit points in relevant subjects at the university for their efforts.

A competition is currently being held called "Pertandingan Petani Sejahtera", which was created to inculcate healthy competition amongst the project participants. The winner will be chosen in 2014 and honoured in a special ceremony to be held later.

### ACHIEVEMENT IN 2013:

**RM 85,000.00**  
Target Total Additional  
Gross Income

**RM 216,849.00**  
Actual Total Additional  
Gross Income

### CHALLENGES AND LESSONS LEARNED

- Appropriate training on pest and disease control for crops should be provided to participants at the onset of planting to manage potential problems
- Effective communication with implementing partners will ensure comprehensive and relevant information are obtained
- Adequate manpower must be provided to ensure efficient processes in procurement, logistical and monitoring activities to avoid unnecessary delay

## STORIES FROM THE FIELD – Making Dreams A Reality



### Nor Aslina Yassin

Bachok, Kelantan



*"I want my children to have a better life and future to look forward to. That is why I am willing to do whatever it takes to make my dreams a reality."*

OUR WORK:  
KELANTAN

Nor Aslina Yassin of Bachok was born into a hard-core poor family. However, that did not stop her from having dreams and ambitions for a better future. She learned to become a seamstress and began making "baju kurung" for villagers from a young age. She could not afford a hemming machine and had to use the nearby tailor's. This caused delays to finish a dress, sometimes taking up to one week.

Nur Aslina received a hemming machine from YS as a participant of Small Grant 2.0 in 2012. The mother of 2 can now complete a dress even within a day in cases of emergency. She charges an average of RM30 per dress, depending on the design and material. With the additional income generated, she was able to extend her house by adding a 'work room' to expand her business operations.

Having had a difficult life, she tries to do her bit of charity by charging only half to her less fortunate customers. She says it is a chance for her to "give back" and show compassion for those in greater need than her.

Determined to provide better for her two children than the life she had had, Nor Aslina strives to use every opportunity to generate more income. Earlier this year, on a trip to the nearest store, which was about a kilometer away to buy groceries, she came up with the idea to start a small sundries business. She began stocking up

on daily supplies such as onions, chillies, tomato and chilli sauce and selling them from a corner of her workroom to her neighbours. This has grown to a shelf-full of everyday goods including rice, instant noodles and even slippers.

Nor Aslina used to dream of a better life. Today, with the help of Yayasan Sejahtera, she is able to surpass her earlier expectations and dares to aim for more progress. Her next target is to expand both her tailoring and sundries businesses.

### ADDITIONAL MONTHLY INCOME

**RM 350.00**  
2013 Average Additional  
Monthly Income

**RM 150.00**  
Previous Average Monthly  
Income

## STORIES FROM THE FIELD – Building A Better Future



### Zalihar Ab. Rahim

Bachok, Kelantan



*"After 10 years of slow progress in the construction of my house, we are able to continue work at a faster pace with the additional income from the increased sale of my 'kuih'."*

Zalihar Ab Rahim and her family decided to return to her native Kelantan in 2004 after living in Kedah for a number of years. Things were not easy, as they had to live in her brother's coffee shop. She earned a living by making different types of kuih and selling them for breakfast, her customers' favourites being roti goreng (fried bread with spicy filling) and doughnuts.

In 2012, Zalihar became one of Yayasan Sejahtera's Small Grant participants and received a mixer. This allowed her to triple her dough production, enabling her to earn an additional income of up to RM500 a month. A portion of this was put aside to be used for the coming month's operations, whilst 2/3 goes to the construction of the family's dream home.

The work on this house started about 10 years ago upon her return to the village and is being carried out by the family themselves, as her husband is a "tukang rumah". It has been slow-going but the pace has much improved in 2013 as she managed to increase the family's income.



*Zalihar looks forward to the completion of her dream home by 2015, which is being constructed by the family themselves.*

### UTILISATION OF ADDITIONAL MONTHLY INCOME



Rolling capital for next month's operations



Construction of family home (now 60% completed)

## STORIES FROM THE FIELD – Hard Work Pays Off



**Rofi Ab. Ghani**  
Pasir Puteh, Kelantan



*"By selling our own vegetables and helping neighbouring farmers to sell their produce at Pasar Borong RTC, we have been able to generate more income for our families."*

OUR WORK:  
KELANTAN

Rofi Ab Ghani of Pasir Puteh began planting tobacco in 1998. In 2009, he decided to switch to cash crops like chilli, brinjal, lady's finger and cucumber. Then in 2012, he decided to participate in Yayasan Sejahtera's Small Grant 2.0 programme. He received seedlings, fertilizers, plastic covers and pesticide and subsequently managed to improve and expand his farming efforts. However, he observed that some of the other farmers were harvesting better quality and greater amount of produce than him. When he tried asking for tips, they were not keen on sharing. This made Rofi determined to find out for himself.

He began experimenting with different techniques, fertilizers and other relevant factors. Each cycle was treated as a trial and error towards discovering the best methods and materials that would produce optimum results. As a result, Rofi has now identified his own formula to obtain the best harvest possible. And he decided that it would not benefit him alone, so he shares them with his friends and whoever may be interested enough to learn from him. Through his consistent effort and sheer determination he made RM10,000 selling his October harvest of chilli, brinjal, lady's finger and cucumber.

In 2010 during the month of Ramadhan leading up to Hari Raya Aidilfitri, he noticed that the middleman to whom he had been selling his produce was selling them at the market for

double the price. He realized that he could earn more by selling his own produce at the market. He invested in his late father's van, purchased from his siblings, to transport his harvest to the market. He managed to rent a spot at the Pasar Borong RTC in Tunjong and has never looked back. Currently he sells produce from 6 other farmers in addition to his own.



*Rofi earns more by selling his own produce at the Pasar Borong RTC in Tunjong.*

### ADDITIONAL MONTHLY INCOME

**RM 2640.00**  
2013 Average Additional  
Monthly Income

**RM 600.00**  
Previous Average Monthly  
Income



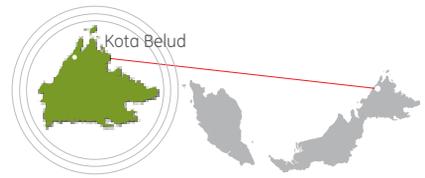


## OUR WORK

# SABAH

Yayasan Sejahtera seeks to improve the livelihood of participants through a holistic approach comprising the provision of alternative water systems, primary education support, skills development training and agricultural activities support.

## LIVELIHOOD KG. SONG SONG, KOTA BELUD, SABAH



Duration January 2013 - November 2014

Families 33

Kampung Song Song was found to have the right combination of elements to plant ginger as a commercial crop and brinjal as a short-term crop to be harvested for household consumption. 33 families were chosen as participants of this project and were divided into 4 groups. Each group would be led by an appointed leader whose responsibility, apart from being a project participant himself, include monitoring the progress of team members and taking care of stock items such as fertilizers and pesticide. This coordinated division of tasks and responsibilities empowered the participants and encouraged them to motivate each other.

Each participating family was provided with ginger and brinjal seedlings together with the necessary tools and equipment to begin farming. They were also instructed on the use of a ledger to record relevant expenses, enabling proper monitoring of income and expenditure. In April 2013, the project participants began land clearing activities to start planting the ginger and brinjal. A visit to the project site by FAMA (Lembaga Pemasaran Pertanian Persekutuan or Federal Agriculture Marketing Authority) in October 2013 ensured that the participants would be able to sell their harvest as potential income.

For 31 of the participants, the first ginger harvest is expected to be gathered in February 2014 as the commencement of the plantation was done on May 2013, with all the necessary planning currently being arranged. As part of the learning process of the project, beneficiaries were taken on trips to other successful ginger plantations around Tambunan district, with briefings by FAMA officers. They also underwent training on harvesting techniques that would ensure the availability of ginger seeds for the next planting cycle.

Brinjals are planted as short-term crops while waiting for the completion of the ginger cycle, and consumed by the families. This was also a way for them to save on household expenses. Excess brinjals harvested that were not consumed are also be sold at the nearest *tamu* (market).

### ACHIEVEMENT IN 2013:

- A total land area of 17.4 acres previously under-utilised has been cultivated into a ginger and brinjal planting patches, and participants have been given training from FAMA to ensure proper planting and harvesting techniques.
- Accumulatively, as at December 2013 after four months of planting, the income generated from brinjal sales amounted to RM12,306.50, with at least 4 of the beneficiaries managing to gain additional income of more than RM500

### CHALLENGES AND LESSONS LEARNED

- A change management plan when introducing a new initiative can facilitate participants to better understand and accept the benefits of the project, as well as the importance of their involvement and commitment
- Proper monitoring, evaluation and reporting should allow modification of targets and activities as mitigation measures

## STORIES FROM THE FIELD – Paying it Forward



### Elas Bin Shoud

Leader of Team Meraja 2,  
Kg. Song Song, Kota Belud,  
Sabah



*"I work hard not only for my own benefit, but also for everyone who helped me achieve success."*

As a pioneer participant of the Kampung Song Song Livelihood project, Encik Elas was one of the earliest to begin planting ginger. He was no novice at agricultural activities, having previously tried out other crops such as banana and tapioca. However, the endeavour was less than profitable due to scrounging monkeys and wild boars. The ginger was a more promising prospect as the taste was not liked by pests. The plant also did not require much water, which was ideal as water supply was limited, and soil conditions on his land was most suitable for this crop. As recommended by the Kota Belud District Agriculture Department he embarked on the ginger planting. His commitment to seeing the success of the project was apparent from the very beginning, inspiring and motivating his team members and community.

It was by no means an easy feat. Encik Elas spends up to 8 hours a day in the fields everyday, and as of December 2013, he has managed to retain 4010 ginger trees from the 4500 seedlings planted in May 2013. The ginger cycle is relatively longer than most other cash crops, lasting up to 9 months. But he believes in the adage, *"kepimpinan melalui teladan"* and sets out to be a good example to his fellow participants, and so perseveres toiling in the fields.

Encik Elas is also keen on experimenting with planting techniques. One of his findings was that he believed his ginger grew better when the plants

were further apart with corn planted in between. When his efforts began to produce good results, the other participants took notice and became motivated to follow in his footsteps.

He also planted the brinjal seedlings provided as part of subsistence farming. He currently has 79 brinjal trees and the harvests from September till December was more than enough for his family's consumption. This enabled him to sell some of the excess harvest in the tamu (market) and give out the balance as 'sedekah' or alms especially during weddings kenduri or any other communal events. He was happy to be able to do so, and said, "To me, the more you receive, the more you should give back. YS has given me the opportunity to improve my livelihood, and so whatever extra I have, I will not hesitate to share with others. I work hard not for my own benefit, but for the benefit of everyone who helps me achieve success."

## STORIES FROM THE FIELD – A Family Affair



### Hasnah Juin

Kg. Song Song, Kota Belud,  
Sabah



*"My daughters and I work the land ourselves; from the clearing to planting and harvesting. It is hard work, but the results are worth the sweat and tears."*

Puan Hasnah and her 2 daughters, Arpah and Asiah are among the few female participants of this project. They work on their hilly 6-acre land and together, have overcome many challenges such as drought, diseases and foraging monkeys that affected their crops. The thought of giving up has never entered their minds despite the difficulties and challenges they had faced.

The three women undertake all the tasks themselves, from land clearing to planting and tending to the crops everyday. As of December 2013, they have managed to retain 2000 ginger trees from 3900 ginger seedlings provided in May 2013, as well as 158 brinjal trees. In the months

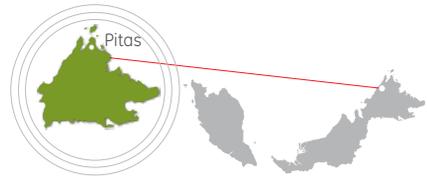
of October till December, they harvested their first cycle of brinjals for their own consumption, and even managed to sell the excess harvest in the nearest tamu (market) for an average additional income of RM110.

As working mothers, they decided to build a small hut by the slope. They made it into a comfortable spot for some R&R in between working hours, as well as a safe place for their children to play in while they carry out their farming work. Puan Hasnah is determined to plant all the seedlings provided to her family, not wanting to waste any of it and ensuring they succeed in their efforts.



*Hasnah and her daughter Arpah tend to their ginger crops everyday despite the challenges of drought, diseases and foraging animals.*

## COMMUNITY DEVELOPMENT PROGRAMME IN 3 VILLAGES IN PITAS, SABAH- PHASE 1 (WATER SOLUTION & VIDEO PARTICIPATORY PROJECT)



Duration	December 2012 - May 2014
Families	126 (113 houses)

Pitas is part of the Kudat Division in Sabah and located in the northern part of the state. Identified by the Implementation Coordination Unit (ICU) and District Office in the 2012 eKasih list as one of the districts with the highest number of hardcore poor families, Pitas was selected for YS' Community Development Programme which began in 2012 and is due to be completed by end of 2015. 126 families from three villages were chosen to be participants of this programme namely Kampung Tampakahu, Kampung Sungai Eloï and Kampung Kinango. Apart from having no access to clean water, two of the villages have poor sanitation, which resulted in unhealthy living conditions.

This programme aims to improve the standard of living of the participants through a 3-phase planned intervention initiative:

- 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 enhancing household income.
- Phase Three** : Embarking on entrepreneurship development

The first phase was successfully completed when YS installed the individual rainwater harvesting and gravity-feed water systems with participation of the people from the 3 villages. These systems were also chosen based on the conditions and locations of the villages.

The distribution of water systems installed are as follows:

Village	System	No of Houses
Kampung Tampakahu	2 individual water tanks (400 gallons) for each house	36
Kampung Sungai Eloï	2 individual water tanks (400 gallons) for each house	56
Kampung Kinango	1 individual water tank (400 gallons) for each house 1 gravity-feed water system	21

The installation of the individual water tanks was completed by December 2013, whilst the gravity-feed system in Kampung Kinango will begin construction in early 2014. The effort will be undertaken by the participants themselves, as this can instill a sense of ownership and propagate harmonious relations and cohesiveness within the community.

Transportation of the tanks became one of the main challenges of this project, as road conditions to the villages, though located only 20km from Pitas town, made the journey into a 1-2 hour expedition of rough terrain and dirt roads. Reaching the participants' houses became even more difficult as some were located on sloping lands with no proper road access for the lorries to go through. The community strived and eventually succeeded in transporting the tanks to the participants' homes.



## COMMUNITY DEVELOPMENT PROGRAMME IN 3 VILLAGES IN PITAS, SABAH- PHASE 1 (WATER SOLUTION & VIDEO PARTICIPATORY PROJECT)

To commemorate the effort and camaraderie, the project also involved the development of a participatory video to capture these moments from the eyes of the community. Over a span of 5 months, 20 youths were selected and instructed by two trainers from PACOS Trust, Mr Andrew Ambrose and Mr Nasiri Sabiah. They were trained on script writing, storyline designing and editing as well as equipment handling, usage and care. Once they had acquired the skills, the video recording of the project was carried out on a scheduled basis. Upon training completion, the participants were tasked to come up with their own story on video, which was then shown to the villagers at a community event held on 28<sup>th</sup> November 2013. Two group videos and five individual works were showcased.

It is also hoped that the villagers will find inspiration in their achievements to propel them towards greater heights and eventually help bring themselves and each other out of the grip of poverty.

### ACHIEVEMENT IN 2013:

- 113 houses in the three villages have been provided with access to continuous and clean water supply through sustainable, low-cost and low maintenance systems.
- 20 youths from the three villages were provided with photography and video-production equipment and training to record the project's progress, challenges and milestones. This will enable them to gain additional income and improve their livelihood.

### CHALLENGES AND LESSONS LEARNED

- Projects involving technical knowledge and skills should include engagement of relevant engineers and contractors to ensure efficiency of the activities carried out



*The rain water-harvesting tanks had to be transported into the villages through narrow dirt roads to a central location before being hand-carried to the individual participants' houses.*

## STORIES FROM THE FIELD – Exposed to a New Future



### Lister Mihun

Kg. Tampakahu, Pitas,  
Sabah



*"The training has opened new doors and allowed me to become involved in the photography business, which is totally different from the life I previously had."*

Born into a family of generations of planters from Kampung Tampakahu, Pitas, Lister Mihun thought that he was destined to become one as well. At 23 years old, he was following in the ways of his forefathers as expected. A turn of events and an unexpected opportunity came up when his family became one of the participants and beneficiary of the rainwater harvesting project from Yayasan Sejahtera in 2012.

Part of the project included the development of a participatory video that was to be carried out by members of the community. As one of the 20 participants, Lister was provided with the necessary equipment and training. "The first time I held an SLR camera in my hand, I was instantly hooked." He attended every training session without fail and worked hard to complete each given assignment. At the end of the training, the participants were required to develop a story on video, and Lister produced his own individual work apart from acting in another team's group video. His individual video was entitled "Budak Sekolah", which was based on his personal school-days experience.

Not only has the project enabled him to acquire new skills, but he also gained benefits beyond what he imagined. "I now have a new outlook, a different perspective of the life I once thought was destined for me." The experience has opened new doors for him to explore new opportunities. Consequently, his self-confidence has grown and

he is encouraged to try new things and pursue new experiences.

With this newfound self-belief, Lister has started to take-on jobs at video recording and editing weddings and other community events around Pitas. He is continuously improving himself by taking additional courses to upgrade his skills, techniques and knowledge. Lister aims to pursue his dream of becoming a professional photographer and owning his own studio.



*Lister now takes on jobs at video recording and editing weddings as well as other community events around Pitas.*

## COMMUNITY DEVELOPMENT PROGRAMME IN 3 VILLAGES IN PITAS, SABAH-PHASE 2 & 3 (SUBSISTANCE FARMING & CULTIVATING ENTREPRENEURSHIP)



Duration	December 2012 - November 2015
Families	71

YS commenced with Phase 2 of the Community Development Programme in Pitas at the end of 2012. This project is aimed at improving the quality of the dietary needs of the participants, whilst at the same time providing them with the opportunity to earn additional income. Simultaneously, the project addresses YS' second module of poverty alleviation and empowerment of the hardcore poor, through providing basic food needs with subsistence farming.

With participants having access to continuous water supply through Phase 1 of the project, farming activities can be increased and plants and crop cultivation can be more productive. 71 families were selected to farm, on a small scale, crops they had chosen which they were familiar and had worked with such as chili, sweet potato, brinjal and corn. YS plays the role of providing the necessary support to increase production through the provision of seedlings, pesticide and appropriate tools and equipment. The participants were then trained on good agricultural techniques and practices by Jabatan Pertanian Pitas. The first training session began on 28<sup>th</sup> November 2013, with the actual planting started at the end of 2013, whilst the harvesting of the first cycle is expected to be in the 1<sup>st</sup> quarter of 2014.

In conjunction with Phase 3, which is embarking on entrepreneurship development, participants who demonstrate high level of commitment to the programme shall be provided with more extensive and intensive training targeted at enabling higher production rate and expansion of economic activities. Shortlisting of selected participants is expected to be carried out by mid-2014.

The eventual target for this project is for the participating families to be self-sufficient in meeting their own dietary needs and consumption, and to be able to sell their excess

harvest to earn additional income. Through Phase 3 of the project, YS aims for at least 50% of the participants to gain RM300 in additional income for at least 3 months of the year.

As with all agricultural activities, climate conditions play a vital role in determining the quality of the harvest. In the final months of 2013, chilli plants were especially affected by the rainy season. In some cases the chilli harvest was reduced by 50%. However, this did not discourage the participants or deter them from continuing their efforts. With better weather forecasted for the new year, participants are expecting a better harvest. It is hoped that this will become a continuous motivating factor for the participants to strive harder to achieve their goals and improve their standard of living.

### ACHIEVEMENT IN 2013:

- 71 families are currently benefitting from the subsistence farming programme. They now have access to additional food source and do not have to rely on purchasing the crops they have planted.

### CHALLENGES AND LESSONS LEARNED

- To engage the community for livelihood projects, introducing them to activities that would directly benefit them can help gain their interest and eventual full involvement and commitment in the project

## STORIES FROM THE FIELD – Farming is Business



**Mastupang Somoi**  
Pitas, Sabah



*"Farming is a business. I will continue to work hard in making my family business a success."*

November 2013 marked a major milestone in the life of En Mastupang Somol, when he began planting sweet corn and chillies on his 2.5-acre land as one of the participants of YS' Community Development Programme. With a successful 1<sup>st</sup> cycle, he used the harvested corn and chilli for his family's consumption, and still managed to sell some from a stall set up by the road in front of his house, and the rest was saved as seedling for the next planting cycle.

Having three grown children to pitch in with the work proved helpful. He is now in charge of his time, efforts and activities, which also means taking full charge of the outcome. He appreciates this opportunity even more as he had previously worked for others his whole life. "I strongly believe that 'farming is a business', and I will continue to work in making my family business a success".



*Chilli is among the crops Mastupang plants and sells as a participant of the YS Community Development Programme.*

## STORIES FROM THE FIELD – Never Give Up



### Loadjhon Savantal

Pitas, Sabah'



*"Prevention is better – and easier – than cure in order to ensure a fruitful harvest. So I work hard to ensure my crops are well cared for."*

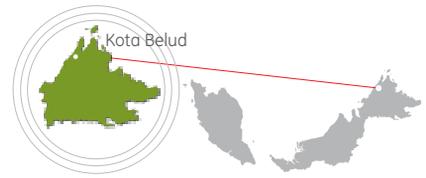
For many, having almost half of one's crops destroyed during a rainy season may be enough reason to give up entirely and discontinue any effort to try and recoup the loss. But for Encik Loadjhon Savantal, it merely propelled him to strive harder and work smarter, learning from his mistakes and from the success of others. Working on his 1-acre land, he has been planting chilli and sweet potatoes since November 2013 when the misfortune of bad weather befell his crops. He used the experience to gain invaluable lessons such as ideal planting times and other best practices and techniques. He also started gathering tips shared by successful planters on the internet. Loadjhon even began exchanging ideas and experiences with other participants.

As a result Loadjhon became more meticulous in caring for his crops, spending a few hours each day to inspect the plants for signs of infection or pests. He goes by the adage "prevention is better – and easier – than cure" in order to ensure a fruitful harvest. Even though it was hard work, and required a hefty investment of one's time and effort, to the extent that some of the other participants had already become discouraged, Loadjhon is a big believer in the "no pain, no gain" attitude.



*Loadjhon gathers tips and lessons from other successful planters to learn best practices and techniques.*

## TEACHING FOR CHANGE, S.K. SUANG PUNGGOR, KOTA BELUD, SABAH



Duration November 2012 - December 2013

Families 204 students from 12 families

To ensure that the younger generation starts off on a stronger footing, YS launched the Teaching for Change project in November 2012. The objective is to focus on improving the results of students of Sekolah Kebangsaan Suang Punggor, who are mainly from Kampung Song Song and Kampung Suang Punggor. The program was developed through a partnership with Universiti Malaysia Sabah (UMS).

In October 2012, a preliminary assessment was conducted on the students to evaluate their level of understanding for three subjects (Mathematics, Science and English), and for the purpose of developing teaching modules. The result of the assessments were used to create modules that incorporate classroom learning with experiential learning activities. The development of the modules took over two months with the involvement of 10 lecturers and 30 volunteer students from UMS. Among the activities carried out include indoor and outdoor games, quizzes and giving out small tokens such as erasers and writing utensils as motivation for students who did well in class. The casual and easy-going approach adopted by the UMS volunteers enabled the children to learn in an enjoyable environment.

### PROGRAMMES AND ACTIVITIES

EXTRA MATHEMATICS, SCIENCE AND ENGLISH CLASSES FOR ALL STUDENTS BY UMS STUDENT VOLUNTEERS  
(every Saturday, 9am to 5pm)

PROVISION OF BOOKS AND FACILITIES FOR EXISTING MINI LIBRARY

MOTIVATIONAL TALKS WITH TEACHERS AND PARENTS

PRIZE GIVING CEREMONY FOR ACHIEVING STUDENTS

STUDENT VISITS TO UMS CAMPUS

## TEACHING FOR CHANGE, S.K. SUANG PUNGGOR, KOTA BELUD, SABAH

### ACHIEVEMENT IN 2013:

Sekolah Kebangsaan Suang Punggor's results in the 2013 UPSR indicated significant improvement in the overall passing rate, with an increase of nearly 10% in the subjects of Mathematics and Science.

	2012	2013
UPSR Overall Passing Rate - Increase Of 10.9%	53.6%	64.5%
Ministry Of Education's "Pencapaian Prestasi Sekolah Rendah"	BAND 4	BAND 3

### CHALLENGES AND LESSONS LEARNED

- Involvement and training of teachers at every stage is critical to ensure the successful continuity of the program, and will be a key aspect to be considered in future programs.



Some of the activity workbooks that were used by the UMS students to teach in the extra classes.



The students enjoyed the activities conducted by the UMS volunteers and were keen to attend the extra classes.

## STORIES FROM THE FIELD – A Teacher's Wish



### Cikgu Midah Bar

Senior Assistant of Sekolah Kebangsaan Suang Punggor, Sabah



*"I have adopted some of the methods used by the UMS student volunteers in my own teaching to gain the interest of my students."*

Cikgu Midah Bar, the Senior Assistant of Sekolah Kebangsaan Suang Punggor said that the students' attendance during the project duration was encouragingly high. The feedback she received was that the students enjoyed the extra classes more than going to school, as the teaching methods were exciting and the students were motivated by the young teachers.

"Having my own children and pupils becoming excited to go to school on a Saturday was an eye-opening experience for me. I have now adopted some of the methods used by the UMS volunteers in my own teaching, and some of the other teachers have become inspired to hold extra classes at their own initiative in order to continue to improve the school's achievements." Cikgu Midah also expressed her wish to have the program extended, saying, "There is still so much that can be done, and with YS and UMS volunteers' help, the students will surely have a brighter future ahead of them."



*Through the YS Teaching for Change Programme, the students became excited to go to school on Saturdays for extra classes.*



*The teachers of Sekolah Kebangsaan Suang Punggor have been inspired to continue with the teaching methods introduced by the program to improve the school's achievements.*

## STORIES FROM THE FIELD – Inspired to Succeed



### Nur Haslina Bt. Rosli

Standard 5 Student of Sekolah  
Kebangsaan Suang Punggor,  
Sabah



*"I want to be a teacher just like the UMS volunteers when I grow up, and then come back to my school to teach the younger generation."*

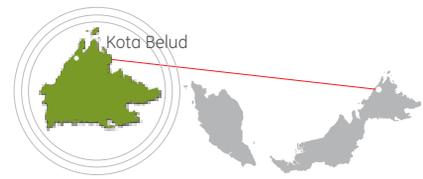
Nur Haslina looked up to her elder sister as a role model. When the latter scored 4As in her 2013 UPSR exams and became one of the top students in Sekolah Kebangsaan Suang Punggor, Nur Haslina became encouraged to work harder at school to emulate her sister's success. She now has set her sights on to become a teacher and is determined to work hard to realize her ambitions. Prior to the Teaching for Change project, she used to spend her weekends at home helping her parents with chores and playing with her friends.

Now, she looks forward to Saturdays to attend the extra classes at school. She said, "The classes are interesting because the teachers are young and fun to be around, and they motivate us to study hard. I want to be a teacher just like them when I grow up, and then I want to come back to this school and teach the younger generation."



*The UMS volunteers used teaching methods including games, quizzes and giving out small tokens such as writing utensils as motivation for students who did well in class.*

## WATER SOLUTION KG.SONG SONG, KOTA BELUD, SABAH



Duration August - December 2013

Families 40

Kampung Song Song is a remote Bajau village approximately 25km from Kota Belud, Sabah. One of the poorest villages in the district of Kota Belud, West Coast Division, it is home to 65 families with an average of four to five dependents. According to sources obtained from the District Office, 70% of the villagers are hardcore poor earning a monthly income of less than RM700. An assessment conducted earlier by YS discovered that 30% of the heads of household work as full-time fishermen, whilst another 20% are fishermen while carrying out other odd jobs such as woodcutter, brick maker or roof-fixer. The rest of the heads of household work in factories, workshops as mechanic, selling 'kuih' and other odd jobs around the village.

During the assessment it was also observed that the community did not have access to clean water supply. The villagers depended mainly on rainwater and untreated water from the river, making it difficult to carry out livelihood projects such as livestock rearing and agriculture-based activities.

Working together with PACOS Trust, an NGO active in indigenous people's rights and issues in Sabah, YS decided on the gravity-feed water system as the best solution for Kampung Song Song. The villagers were involved in the installation process to instill a sense of ownership and responsibility for the system as maintenance works will be carried out by the villagers themselves.



*The villagers were involved in the installation process of the gravity-feed water system.*

### ACHIEVEMENT IN 2013:

- The installation work commenced in August 2013, and with the villagers pitching in to prepare the pipe paths, implementation was kept on-schedule. By December 2013, the project was successfully completed, enabling 40 families to have access to clean and constant water supply by means of the gravity-feed water system piped directly to their houses.

### CHALLENGES AND LESSONS LEARNED

- Activities such as community discussions are essential to ensure villagers' participation in voluntary work particularly involving physical labour. Clear and effective communication will enable participants to better realize the need for community commitment and cooperation.

## STORIES FROM THE FIELD – Water Relief



### Jeloh Salang

Participant, Kg. Song Song,  
Sabah



*“Having clean water supply from the gravity-feed water system has been a relief for me and my family, especially during the drought season.”*

Encik Jeloh and his family are among the beneficiaries of the the water solution and livelihood program in Kampung Song Song. Before, they, like all the other villagers, were solely dependent on water obtained from natural sources such as rainwater, underground water from dug-out wells and the river. Most of the time there was not enough to carry out their day-to-day activities.

Their lives have improved since the installation of the gravity-feed water system was completed. Cooking, washing and cleaning and other daily chores are no longer hindered by insufficient water supply. Encik Jeloh has even set up an outdoor shower at his house, an installation much used and enjoyed by him and his family, particularly his grandchildren. When asked why he did so, En Jeloh who is a fisherman and also a participant in the Livelihood Kg Song Song project said “It is something I have always wanted, and the convenience of having constant clean water is a relief for me and my family.”



*En Jeloh has set up an outdoor shower for his family to enjoy.*



OUR WORK

# SARAWAK

Yayasan Sejahtera targets for participants to have better access to water supply through the provision of alternative water systems and to gain primary education support through the delivery of teaching materials, library facilities as well as training modules for teachers.



## PRIMARY SCHOOL SUPPORT IN PULAU BRUIT, SARAWAK

Duration    December 2012 - November 2014

Families    Assistance for 9 Primary Schools (1686 pupils)

Pulau Bruit is the second largest island in Malaysia. It is located in the Rejang Delta within the Mukah division. The 43,700 hectare island is inhabited by some 2,042 families living in 13 villages, most of whom are of Melanau descendants. The main economic activities are fishing and farming. According to the 2012 eKasih list, 23.3% of the population is categorised as hardcore poor.

Currently, there are no secondary schools in Pulau Bruit, and only 10 primary schools accommodating children from the thirteen villages. Kampung Semop will have the first secondary school, due for completion by 2015.

In an assessment conducted in June 2012, 9 schools were in need of teaching facilities such as furniture, library with required books, teaching aids and physical education area. YS also discovered that the achievement level for UPSR 2011 was an average of one (1) 5As result per school.

This suggests that there may be a low awareness level of the importance of education amongst students and families. After further engagement with the families of the students, it was also discovered that they preferred for the children to be involved in income generating activities to help their families. Though the teachers are highly dedicated, their efforts are often hindered by limited funds and resources, requiring them at times to resort to using their own money.

YS' main aim for this project is to facilitate efforts to improve educational outcomes through the provision of basic materials that are found lacking e.g. books, furniture, etc. in two phases:

### Phase 1

Establish a proper action plan to increase awareness of the importance of education amongst the people

- An award-winning headmaster, Cikgu Jaul Anak Bunyau of Sekolah Kebangsaan Ulu Lubai, Limbang was chosen to help develop an educational support program for the 9 schools in Pulau Bruit that caters to the needs of the students and identifies the best methods to engage parents' involvement as well as community participation in its implementation.
- A 2-day workshop entitled "Bengkel Peningkatan Prestasi Sekolah-Sekolah di Pulau Bruit" was conducted by Cikgu Jaul from 8-9 May 2013 at Tanahmas Hotel, Sibul, Sarawak. Participation came from the 9 schools' PIBG Chairmen, Headmasters, Senior Assistants and Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK) Representatives.

### Phase 2

Address the physical conditions and needs of the 9 schools

- The construction of a properly equipped resource centre for SK Sungai Penibong, due for completion by February 2014. This school was selected as it is a boarding school with no library, making it a critical need to be fulfilled.
- Provision of books, furniture and other basic library facilities and equipment to the other recipient schools.

## PRIMARY SCHOOL SUPPORT IN PULAU BRUIT, SARAWAK

### ACHIEVEMENT IN 2013:

- In the 2013 UPSR results, most of the 9 schools demonstrated an increase in the students' passing rate.
- Sekolah Kebangsaan Salah Kechil recorded an increase in student's passing rate from 63.3% in 2012 to 75% in 2013.
- Sekolah Kebangsaan Kampung Kut was upgraded from low performing school to reasonably well performing school in 2013 UPSR results.
- In a survey conducted by YS, all 9 Headmasters who had participated in Cikgu Jaul's workshop acknowledged the positive impact of the efforts carried out, including an increase in the awareness of the importance of education, not only to the students and parents but also the entire community.

### CHALLENGES AND LESSONS LEARNED

- The success of an educational school support project requires collaboration with a reliable partner on a long-term basis. This is to ensure continuity and consistency in the implementation, monitoring and evaluation of the project's effectiveness



A new resource centre has been constructed for SK Sungai Penibong to replace the makeshift mini library in the teacher's quarters.

## STORIES FROM THE FIELD – Small School, Big Ambitions



**Cikgu Masaad Ahmad Rais**  
Headmaster, Sekolah  
Kebangsaan Sebako, Sarawak



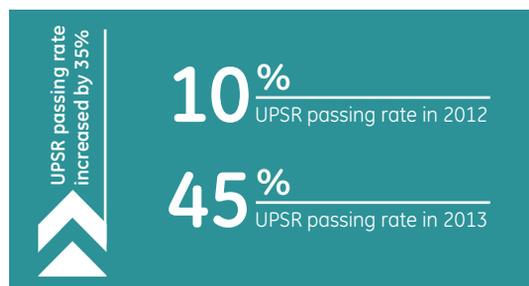
*"I tell my students that poverty is not a destiny they must accept, and that education is the key to improving their lives."*

In 2010 this school achieved 100% passing rate in the UPSR examinations. It dipped drastically to 50% a year later, and further downhill to 10% in 2012. According to the Cikgu Masaad, a significant decline was seen in the interest and focus of the students towards their academic performance. The lack of proper facilities and resources was a major contributing factor, making it difficult for teachers to spark any desire for learning amongst the students.

In 2013, as one of the beneficiaries of YS' Primary School Support in Pulau Brait program, Sekolah Kebangsaan Sebako received library facilities and resources including reading materials and learning and teaching aids, as well as the participation in the educational support programme for its fifty four year 1 to 6 students.

The result of this effort has been most encouraging. UPSR results for 2013 jumped to 45% passing rate; a commendable improvement if not yet entirely a desirable achievement. More importantly, according to Cikgu Masaad, is the change of attitude in the students and teachers. A marked improvement was to be seen in the interest to read, with more and more students spending time in the new library. "It is so popular now, that we have had to limit the number of usage to 1 class per day during school hours, while the rest can use it after school right up till evening!"

Cikgu Masaad attributes this to the increase in awareness of how education can make a difference in one's life amongst students and even their families. The realization that poverty is not a destiny one must succumb to, and that education is key to elevating one's quality of life is dawning upon them and driving them to dream and work towards that very attainable goal. With YS' programs, the students of Sekolah Kebangsaan Sebako, as well as all the other schools in Pulau Brait can aspire and realize their ambitions and lead a better life.



SK Sebako received library facilities including books, cabinets and learning aids through the Primary School Support Programme.

## STORIES FROM THE FIELD – Making It Better



### Cikgu Hammidi Ayong

Teacher, Sekolah Kebangsaan  
Sebako, Sarawak



*"I wanted to make the library a fun and inviting place for students to read and study. So I searched for new ideas and concepts online and implemented it in our school library."*

A lover of books and reading, it saddened Cikgu Hammidi that his students lacked that very important interest. Having taught at Sekolah Kebangsaan Sebako for the past 6 years, he was determined to take affirmative action to improve the situation. When assistance came from YS through the Primary School Support in Pulau Bruit program in the form of reading materials and furniture such as cabinets and shelves, Cikgu Hammidi's resolve was revived and he was ready to take charge again. He went online to search for new ideas and concepts to make the library a fun and inviting place for students to read and learn. He obtained creative ways to decorate the library to make it a more conducive environment to "explore the outside world from inside".

An effort to strengthen the structure of the steel cabinets became an outlet for students' creativity, with teachers, parents and other family members soon taking part. The boards were painted fresh exciting colours to stimulate the brain, then curtains and drapes were also added. The concerted effort has instilled a sense of pride and ownership amongst the students, creating a greater desire to spend time and explore the contents of the library, subsequently encouraging the habit of reading and learning.



*The upgrading and decorating of the SK Sebako library was the result of the effort of parents, teachers and students.*

## STORIES FROM THE FIELD – A Teacher's Wish



### Cikgu Senot Bt Dahari

Senior Assistant & PIBG Treasurer,  
SK Sungai Penibong, Sarawak



*"Even the teachers are excited at the prospect of the new resource centre because it means that students will benefit from the facilities and activities carried out."*

Sekolah Kebangsaan Sungai Penibong's current library is a makeshift of the teacher's housing. The lack of space added to the inconvenience of clutter makes it less than conducive for students to visit or spend time in. The school has 113 students, where 32 of them are boarders and another 23 make up the the pre-school group.

Through the Primary School Support program, YS is building a new library/resource centre for the school. Construction began in August 2013 and is due for completion by February 2014. In the meantime, they received some of the resource centre's equipment and materials. The arrival of new books has attracted the students' interest, especially the English and Bahasa Malaysia story books.

Cikgu Senot, who happens to be a former student of the school herself is excited at the prospect of the new resource centre and what it means to the students and teachers of the school. Plans have begun to take shape to utilize the resource centre to its maximum potential to fully benefit the students. She pointed out with pride some paper decorations and charts that were placed on the table next to her and said "These have been made by the teacher and students, and I plan to have it hanging on the walls and cabinets. It will look very nice and colourful, and it will make the resource centre a place where the students would enjoy spending time in."



*The new resource centre will be able to accommodate the 113 students comfortably when they come to read and study.*

## WATER SOLUTION FOR FOUR VILLAGES IN PULAU BRUIT, SARAWAK



Duration December 2013 - May 2014

Families 258

This project is aimed at providing water supply using sustainable means for the villages of Kampung Sebako, Kampung Penuai, Kampung Sedik and Rumah Panjang Juung in Pulau Bruit by 2014. Drinkable water is a rare commodity during drought season in July for these villages. The situation is further aggravated by factors such as low lying ground which allows salt to travel upriver and permeate the underground water, uncondusive living conditions including poor sanitation and disposal of household and human waste as well as the use of chemicals and fertilizers in palm oil plantations.

Even though a majority of the areas in Pulau Bruit have access to constant water supply provided from the reservoir in Kampung Semop, a water purification system in Kampung Bruit and an underwater pump in Kampung Tekajong, the more remote parts of the island still depend heavily on harvesting rainwater to cater for their daily needs.

The rainwater harvesting system has been identified as the most suitable water supply system for these villages and fulfills YS' third module i.e. Providing Basic Community Services through the use of innovative methods. The system will enable storage of up to 40,000 litres of water for each platform, which is essential to cater to the villagers' daily needs, particularly during the drought season. This water solution has also been chosen for its easy and low maintenance requirement, whereby the project participants will be trained on the proper process and procedures. This will help instil a sense of ownership and community responsibility values amongst the villagers.

The project consists of the following:

Village	No of Families	Details
Rumah Panjang Juung	48	2 individual water tanks Existing platforms will be rehabilitated and new water tanks to be installed
Kg Penuai	48	1 platform to be constructed with 2 new water tanks to be installed
Kg Sebako	132	3 platforms to be constructed and 3 new water tanks to be installed
Kg Sedik	30	1 platform to be constructed and utilising existing water tank

Logistics have been and continues to be a major challenge in providing assistance to these villages. Many areas like Kampung Sebako and Kampung Penuai can only be accessed by boat, as the existing roads cannot accommodate the lorries required to transport the tanks and other equipment. As a result, weather conditions and water tide become additional elements to contend with. This has caused several delays to the project, as it was originally scheduled for completion by 2013. However, the project team members and participants persevered and were able to overcome these obstacles to achieve the project objectives.

## WATER SOLUTION FOR FOUR VILLAGES IN PULAU BRUIT, SARAWAK



The rain water-harvesting system will enable storage of up to 40,000 litres of water for each platform to cater to the villagers' daily needs.

### ACHIEVEMENT IN 2013

- As at June 2013, new water tanks have been successfully installed on existing and rehabilitated platforms in Rumah Panjang Juing, benefitting 28 families with clean water supply which is also reserved for the annual dry season.
- After encountering delays due to poor weather conditions and logistical issues, work on the new platforms for Kg Penuai, Kg Sebako and Kg Sedik will commence in January 2014.

### CHALLENGES AND LESSONS LEARNED

- Although the initial plan was to construct the platforms and install the water systems through community cooperation, engaging professionals is essential to provide technical knowledge on construction-related matters. This will ensure the safety and proper installation of the water systems.
- Logistical issues and poor weather conditions are a main challenge; as such, proper planning and scheduling is critical to prevent unnecessary delays and problems for future projects.

## STORIES FROM THE FIELD – Water Works



### Basri

Ketua Kaum Kg Sebako, Sarawak



*"I will continue my efforts as the Ketua Kaum of Kampung Sebako to raise the standard of living of this community."*

As the village head, one of En Basri's main concerns for his villagers is to be able to get them sufficient supply of clean water to meet their daily needs, especially during the dry season. Being dependent on collected rainwater, which is rarely enough to last even a week, usually means they have to go out of their way to obtain more or make do without. During drought season, there are times when he is required to seek assistance from the Welfare Department in the form of mineral water supply for his villagers for drinking and cooking purposes.

When YS selected Kampung Sebako as the recipient for the installation of the rain water-harvesting system, it brought relief to En Basri and his villagers, as they would not have to worry about insufficient water supply. The quality of life of the people will be much improved. "I would like to thank YS for all the effort, and as a leader, I will continue my efforts in raising the living condition of this community till my last breath," he added with determination.



*En Basri and his villagers will no longer have to worry about insufficient water supply, especially during the drought season.*



*The villagers welcome the installation of the rain water-harvesting system in Kampung Sebako.*





MOVING

# FOWARD

Yayasan Sejahtera is targeting to reach out to 14,000 beneficiaries from the rural and urban areas by 2018, and alleviate more than 700 families out of poverty through a 5-year Strategic Plan.



## MOVING FOWARD

YS aims to continue with the current efforts undertaken, going beyond and planning for even more substantial projects in order to reach out to a wider group of participants and gaining greater impact towards poverty eradication. A 5-year Strategic Plan (2014-2018) has been put together to increase and enhance YS' programmes based on a more systematic and concerted approach, taking into consideration valuable lessons learnt from previous projects.

With the vision to *"Be the champion on building sustainable communities to alleviate poverty in Malaysia"*, YS, through the 5-year Strategic Plan, is targeting to reach out to more than 14,000 beneficiaries by 2018, and alleviate more than 700 families out of poverty. Areas of focus will be the implementation of high-impact projects, collaboration with strategic partners on taking a holistic approach in the provision of support and meeting the immediate needs of the poor and hard-core poor communities, becoming the central hub for collection and dissemination of contribution resources for poverty, as well as setting the standards and leading the way in poverty alleviation and building sustainable communities.

The holistic approach as identified by YS seeks to cover the basic needs and requirements for safe and healthy living by supporting better access to food sources and water, housing and infrastructure, access to health services, education and mentoring and for long term impact by providing access towards sustainable livelihood. These are the key issues that shall be addressed for the targeted 14,000 families whose lives shall be touched by YS by 2018 through the continuation of on-going projects and initiation of new ones.

Some of the new projects to be embarked on include the provision of clean and permanent water supply for the Penan community through an alternative water supply system at Lusong Laku, Sarawak, the provision of post flood relief to beneficiaries in Perumahan Sejahtera project



*Provision of sustainable source of income for hard-core urban and rural poor communities is key in helping to improve the livelihood of the poverty-stricken.*



*Installation of alternative water systems will ensure participants gain access to clean and constant water supply.*

(including household items, school articles and infrastructure) in Maran, Pahang, and provision of sustainable source of income for hard-core urban poor communities. In helping to build sustainable livelihood for the poverty-stricken, YS hopes to empower the participants and families to bring themselves out the state of poverty for good.

In order to increase funds to materialize all these plans, YS is also looking to strengthen their internal systems and processes. A 3-pronged approach has been identified to ensure that the strategies that have been determined will be manifested in the attainment of YS' objectives. We will undertake the necessary efforts to realize this and look forward to successful collaborations with existing and future partners.

## BOARD OF TRUSTEES



**Tan Sri Faizah Mohd Tahir** - *Chairman*

Tan Sri Faizah Mohd Tahir was appointed to the Board on January 2013. She holds a Bachelor Degree in Economics from Universiti Malaya and Masters in Development Economics from William 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 Gnanalingam 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 the Immediate Past President of Soroptimist International (SI) of South West Pacific and a Board Member of SI, a Trustee on the Board of the Women's Institute of Management, Nanyang Press Foundation, the Malaysian Health Promotion Board (Mysihat) and Resource Mobilisation.



**Professor Dr. Sulochana Nair**

Professor Dr. Sulochana Nair is the Vice Chancellor of Binary University, currently heading The Centre for Social Entrepreneurship (CSE), as well as the Dean of the Binary Graduate School. Her specialization is in Development Studies, specifically working in the fields of poverty, labour, gender and rural development. She was the founding director for the Centre for Poverty and Development Studies (CPDS) at Universiti Malaya. In addition to providing policy inputs to the government, Professor Dr. Nair is also involved in teaching, consultancy, training and capacity building programmes.



**Puan Shareen Shariza binti Dato' Abdul Ghani**

Shareen is Director of Special Projects Office at Khazanah. She began her career in Khazanah as head of Corporate Responsibility (CR) and was instrumental in establishing Khazanah's CR strategy and programmes. She is the founding Board of Trustee for PINTAR Foundation and Yayasan Sejahtera. She also serves on the Board of GEMS Malaysia Sdn Bhd, a graduate enhancement and employability programme under TalentCorp Malaysia. Prior to joining Khazanah, Shareen served as Chief Operations Officer for MERCY Malaysia. Some of her accomplishments include serving as board member for Humanitarian Accountability Partnership based in Geneva, Switzerland and receiving the Pingat Darjah Paduka Mahkota Perak for her contributions in humanitarian work.





# FINANCIAL STATEMENT

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 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 2013.

### 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. 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>200,577</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 Foundation 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 Foundation.

### 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:

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  
 Shahnaz Al-Sadat binti Abdul Mohsein

(resigned on 1 August 2013)

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## 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 period, no Trustee has received or become entitled to receive a 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 balance sheet 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 AND AUDITED FINANCIAL STATEMENTS

### 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.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 15 May 2014.

Tan Sri Faizah binti Mohd Tahir

Shareen Shariza binti Dato' Abd Ghani

Kuala Lumpur, Malaysia

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## Statement by Trustees Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Faizah binti Mohd Tahir 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 7 to 21 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 Foundation as at 31 December 2013 and of the financial performance and cash flows of the Foundation for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Trustees dated 15 May 2014.

Tan Sri Faizah binti Mohd Tahir

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 21 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 15 May 2014

Shareen Shariza binti Dato' Abd Ghani

Before me,

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### **Independent auditors' report to the members of Yayasan Sejahtera (Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Yayasan Sejahtera ("the Foundation"), which comprise the balance sheet as at 31 December 2013 of the Foundation, and the statement of comprehensive income, statement of changes in equity and cash flow statement of the Foundation for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 21.

#### *Trustees' responsibility for the financial statements*

The Trustees of the Foundation 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 Foundation'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 Foundation'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.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2013 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.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### **Independent auditors' report to the members of Yayasan Sejahtera (Incorporated in Malaysia) (cont'd.)**

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 Foundation have been properly kept in accordance with the provisions of the Act.

Other matters

This report is made solely to the members of the Foundation, 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. 2978/03/16(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
15 May 2014

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### Statement of comprehensive income For the financial year ended 31 December 2013

	Note	2013 RM	2012 RM
<b>INCOME</b>			
Government grant	3	793,040	1,762,538
Donations/contributions	4	2,623,139	281,919
Interest income	5	252,656	176,143
		<u>3,668,835</u>	<u>2,220,600</u>
<b>EXPENDITURE</b>			
Project costs		1,765,341	536,887
Staff costs	6	1,110,999	1,134,997
Staff training		8,584	26,651
Marketing and communications expenses		79,007	53,346
Traveling expenses		11,463	48,226
Professional fees		176,780	18,463
Auditor's remuneration		10,000	10,000
Depreciation	8	100,237	95,172
Office rental		110,936	102,220
Office utilities		40,016	65,170
Other expenses		54,895	63,843
		<u>3,468,258</u>	<u>2,154,975</u>
Surplus before taxation		200,577	65,625
Taxation	7	-	-
Surplus for the year representing total comprehensive income for the year		<u>200,577</u>	<u>65,625</u>

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

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### Balance sheet As at 31 December 2013

	Note	2013 RM	2012 RM
<b>Non-Current Asset</b>	8	<u>81,972</u>	<u>164,984</u>
<b>Current assets</b>			
Other receivables	9	109,977	129,776
Cash and bank balances	10	<u>8,088,561</u>	<u>8,762,795</u>
		<u>8,198,538</u>	<u>8,892,571</u>
<b>Current liabilities</b>			
Other payables	11	383,322	115,523
Deferred income	12	<u>838,019</u>	<u>1,290,400</u>
		<u>1,221,341</u>	<u>1,405,923</u>
<b>Net current assets</b>		<u>6,977,197</u>	<u>7,486,648</u>
		<u>7,059,169</u>	<u>7,651,632</u>
<b>Represented by:</b>			
Retained Surplus		<u>1,068,682</u>	<u>868,105</u>
		<u>1,068,682</u>	<u>868,105</u>
<b>Non-current liability</b>			
Government grant	3	<u>5,990,487</u>	<u>6,783,527</u>
		<u>7,059,169</u>	<u>7,651,632</u>

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

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### Statement of changes in equity For the financial year ended 31 December 2013

	Contribution from members RM	Retained Surplus RM	Total RM
<b>At 1 January 2011</b>		802,480	802,480
Total comprehensive income for the year	-	65,625	65,625
<b>At 31 December 2012</b>	-	868,105	868,105
<b>At 1 January 2013</b>	-	868,105	868,105
Total comprehensive income for the year	-	200,577	200,577
<b>At 31 December 2013</b>	-	1,068,682	1,068,682

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

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## Cash flow statement

For the financial year ended 31 December 2013

	2013	2012
	RM	RM
<b>Cash flows from operating activities</b>		
Surplus before taxation	200,577	65,625
Adjustments for:		
Interest income	(252,655)	(176,143)
Depreciation	100,237	95,172
Amortisation of Government Grant	(793,040)	(1,762,538)
Operating loss before working capital changes	(744,881)	(1,777,884)
Decrease/(increase) in receivables	38,012	184,991
Decrease in payables	225,935	(35,944)
Decrease in deferred income	(452,381)	(281,919)
Net cash used in operating activities	<u>(1,910,756)</u>	<u>(1,910,756)</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(17,225)	(28,603)
Interest received	276,306	10,581,654
Net cash used in investing activities	<u>259,081</u>	<u>8,762,795</u>
<b>Net changes in cash and cash equivalents</b>	(674,234)	(1,818,859)
<b>Cash and cash equivalents at beginning of year</b>	<u>8,762,795</u>	<u>13,678,454</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>8,088,561</u></u>	<u><u>10,581,654</u></u>
<b>Cash and cash equivalents comprise of (Note 10):</b>		
Cash on hand and at bank	1,081,453	147,723
Deposits with a licensed financial institution	7,007,108	8,615,072
	<u><u>8,762,795</u></u>	<u><u>8,762,795</u></u>

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

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## Notes to the financial statements - 31 December 2013

### 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 Foundation limited by guarantee, incorporated and domiciled in Malaysia. The registered office of the Foundation 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 15 May 2014.

### 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, 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").

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

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

#### 2.2 Changes in accounting policies

The adoption of new and revised MFRSs, amendments to MFRSs and IC Interpretations that are effective for the current financial year ended 31 December 2013 do not give rise to any significant effect on the financial statements of the Foundation.

#### 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 2013 will not have a material impact on the financial statements of the Foundation in the period of initial application.

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## 2. Significant accounting policies (cont'd.)

### 2.4 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 Foundation 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	33%

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 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.

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.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 2. Significant accounting policies (cont'd.)

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

##### (b) Financial assets (cont'd.)

###### (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 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. 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 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

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## 2. Significant accounting policies (cont'd.)

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

#### (d) Impairment of financial assets (cont'd.)

##### (i) Receivables carried at amortised cost (cont'd.)

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 grant

Government grant is recognised initially at their fair value in the balance sheet 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.

#### (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 Foundation 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.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 2. Significant accounting policies (cont'd.)

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

##### (h) Income recognition (cont'd.)

###### (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.

##### (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 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").

##### (j) 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")).

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

# TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

## 2. Significant accounting policies (cont'd.)

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

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

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 the Board of Trustees and the Programme Director.

### 2.5 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 Trustees 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.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 3. Government grant

	2013 RM	2012 RM
At 1 January 2011	6,783,527	8,546,065
Amortised to profit or loss	(793,040)	(1,762,538)
At 31 December	<u>5,990,487</u>	<u>6,783,527</u>

### 4. Donations/contributions

Relates to donations/contributions from PEMANDU, Khazanah Nasional Berhad, Pusat Pungutan Zakat, Permodalan Nasional Berhad and Lembaga Tabung Angkatan Tentera.

### 5. Interest income

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

### 6. Staff costs

	2013 RM	2012 RM
Wages and salaries	674,797	689,287
Statutory contribution to Employees Provident		
Statutory contribution to Employees Provident		
Fund and social security	264,928	273,691
Other allowances	171,274	172,019
	<u>1,110,999</u>	<u>1,134,997</u>

Included in staff costs is remuneration of the Programme Director amounting to RM82,216 (2012: RM253,404).

### 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.

Accordingly, the Foundation has no tax charge for the financial years ended 31 December 2013 and 2012.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 8. Property and equipment

	Renovation	Computer Equipment	Office Equip- ment	Motor Vehicle	Total
	RM	RM	RM	RM	RM
<b>At 31 December 2013</b>					
<b>Cost</b>					
At 1 January 201	156,902	74,333	36,544	39,048	306,827
Additions	-	7,849	9,376	-	17,225
At 31 December 2013	156,902	82,182	45,920	39,048	324,052
<b>Accumulated depreciation</b>					
At 1 January 2013	74,093	33,760	19,022	14,969	141,843
Depreciation charge for the year	52,301	26,323	13,803	7,810	100,237
At 31 December 2013	126,394	60,083	32,825	22,779	242,080
<b>Net carrying amount</b>					
At 31 December 2013	30,508	22,099	13,095	16,269	81,972
<b>At 31 December 2012</b>					
<b>Cost</b>					
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

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 8. Property and equipment (cont'd.)

#### 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
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### 9. Other receivables

	2013 RM	2012 RM
Deposits	47,360	38,883
Prepayments	29,286	19,550
Other debtors	1,339	15,700
Interest receivables	31,992	55,643
	109,977	129,776

Other receivables are neither past due nor impaired.

### 10. Cash and bank balances

	2013 RM	2012 RM
Cash on hand and at bank	1,081,453	147,723
Deposits with a licensed financial institution	7,007,108	8,615,072
	8,088,561	8,762,795

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

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 10. Cash and bank balances

	WAEIR		Average	
	2012	2011	2012	2011
	Per Annum		Ma turity	
	%	%	Days	Days
Fixed rate deposits	3.20	3.46	327	300

### 11. Other payables

	2013	2012
	RM	RM
Accrual	17,957	42,919
Other payables	365,365	72,604
	<u>383,322</u>	<u>115,523</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

	2013	2012
	RM	RM
At 1 January	1,290,400	1,572,319
Received during the year	2,089,758	-
Amortised to profit or loss	(2,542,139)	(281,919)
At 31 December	<u>838,019</u>	<u>1,290,400</u>

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.

## TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS

### 13. 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 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 Foundation 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 Foundation's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	With one year	
	2013	2012
	RM	RM
Other Payables	383,322	115,523

#### (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 from other receivables. The Foundation minimises credit risk by dealing exclusively with credible and established companies.

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

### 14. Fair Values

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

### 15. 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 contributions from third parties.

# ACKNOWLEDGEMENTS

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

## DONORS



## PROJECT PARTNERS



## BECOME A PARTNER or DONOR

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.

While our key focus is to build sustainable communities with the hardcore poor, we would also like to create value for your business, staff, and shareholders.

Please contact [info@sejahtera.my](mailto:info@sejahtera.my) or +60 3 2268 0041 to learn how your company can support the hardcore poor community through Yayasan Sejahtera.

*The images, opinions, and views of our beneficiaries and partners are documented with permission and do not necessarily reflect the position of Yayasan Sejahtera.*



**Building Sustainable Communities**

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