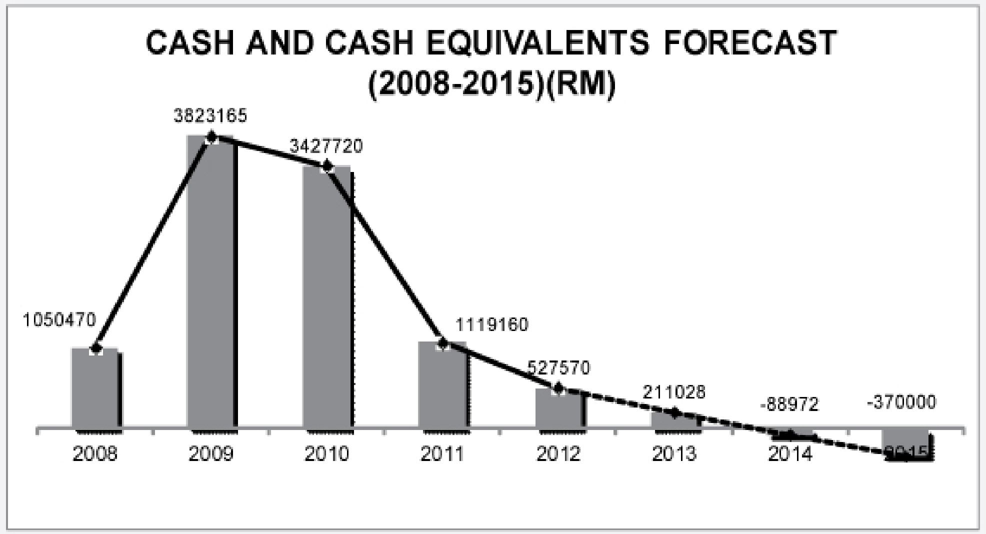
educating future leaders

2012

annual report

AMMA Foundation (061151-D)
No 40-B, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
T: +603-7725 8001
F: +603-7725 2070
www.ammafoundation.com.my



At the present rate AMMA Foundation is predicted to be heading towards a storm. By 2014 we are expected to get into a negative cash flow. With an annual overhead of RM180,000 for administration and RM650,000 for interest free loan provision, the Foundation is in need of funding. The students of today are the pillars of tomorrow and we are proud to be part of the vehicle that is driving it. We would like you to be together with us in this venture. We sincerely hope and would like to urge you to come forward and help the community and us at large as we have a fund raising of atleast RM700,000. Your smallest support would go a long way for the community, these future individuals, and the AMMA Founadation.

CONTENTS

Message from our President . . .

31st AGM 2012

Dear Members and Friends,

This year marks 35 years since the inception of AMMA Foundation (AF), originally called AMMA Education Foundation. During the course of this term the AF has grown in recognition as a notable Foundation that is looked upon by many students for financial aid. Our interest free loans and extended terms of payment seems to be a major inducement to many needy students and parents to turn to AF for support and the applications keep increasing day by day.

However, during the course of the coming years we face an insurmountable task of catering to this increased demand as our funds are slowly but surely diminishing. The Board of Directors (BOD) are diligently managing and monitoring the activities of AF but the BOD alone will not be able to keep shouldering this responsibility of raising funds at a continuous pace. This is a community based project and we cannot walk this path alone. Your support is vital in this fund raising endeavour.

We hope that the Community Centre project that is being planned by the All Malaysia Malayalee Association and AF, will take shape in the near future and provide a recurring income to AF. However, the project will require time and would probably take at least another 5 years to materialize. In the meanwhile, we will have to review our current plans and also seek new avenues and alternative solutions to increase the Funds and we welcome your inputs and efforts in assisting us in this worthy cause.

For the ensuing year, we hope to initiate some exciting plans not only at significantly increasing our membership but also to increase our reserves through some fund raising activities. We look towards our members, sponsors, donors and other well-wishers to provide us with the much needed support.

I am grateful for this opportunity to personally thank those who have contributed their time and monies to make this another eventful year for the Foundation. Special thanks again to my fellow Directors for their selfless service and also to Mr. Nathan, our Office Manager, for his dedicated support.

Warmest Regards & Thank You

Sathian Menon
President

OUR APPEAL

Your Support is Vital

The AMMA Foundation is managed by a Board of Directors, who voluntarily contributes their time and effort to ensure that the goals and objectives are met. We are committed to the cause and are prepared to labour that extra mile. However, we are unable to do this alone and require the support of one and all.

It is unfortunate that the AF currently does not have a source to provide us with a recurring income to support its needs. Although this is being actively explored and plans are slowly being put in place, until this materializes, we need to look at ways and means to raise funds to meet our objectives and commitments.

We would like to reach out to each and every Malayalee and appeal to them to contribute towards the AMMA Foundation. We need your help. Our target groups are as follows:

a. Reinvestment of a minimum of RM 1,000/- and above from all our current members.

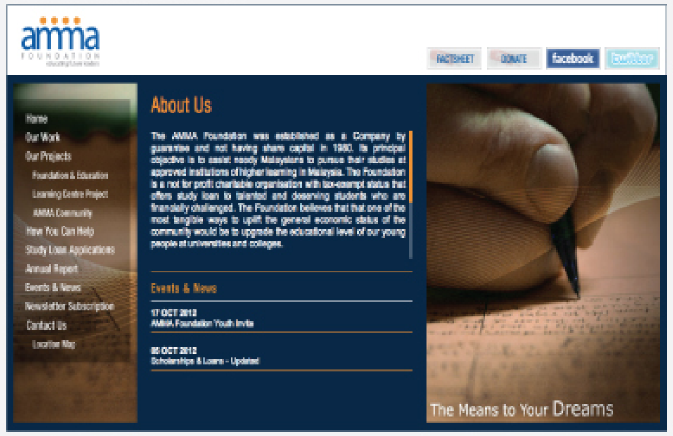
b. New membership from immediate family members of our existing members who are gainfully employed

c. New members including loan applicants who have completed their studies

d. Donations from well-wishers of minimum RM 100.

COMMUNICATION

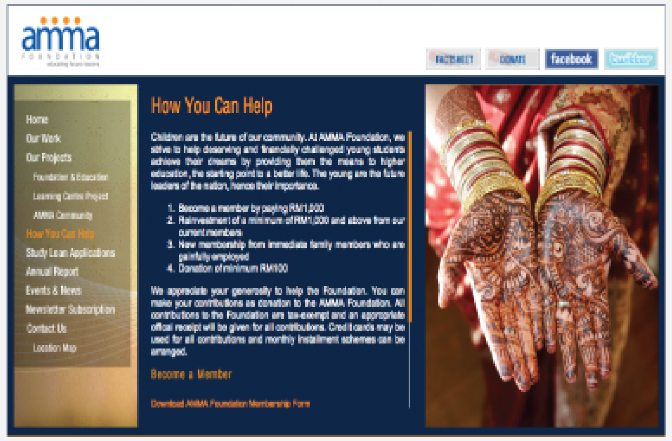
Our Website
(http://www.ammafoundation.com.my)



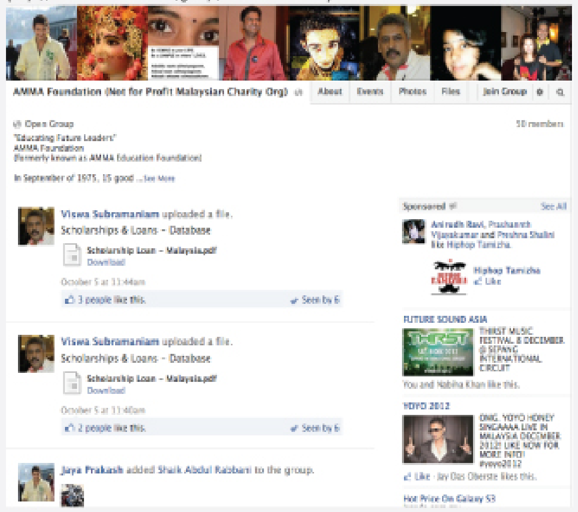
Study Loan Application
(http://www.ammafoundation.com.my/html/study_loan_applications.aspx)

Newsletter Subcription
(http://www.ammafoundation.com.my/html/newsletter_subscription.aspx)

Donation / Contribution
(http://www.ammafoundation.com.my/html/how_you_can_help.aspx)



Facebook
(http://www.facebook.com/group/ammafoundation)



FOUNDATION SNAPSHOT

HIGHLIGHTS

- ✓ 35 year old foundation
- ✓ RM3,064,855 financial aid was provided to students
- ✓ RM421,000 given out as excellence awards
- ✓ 210 students were aided through student loans
- ✓ 553 students benefited through excellence awards

ANNUAL PERFORMANCE

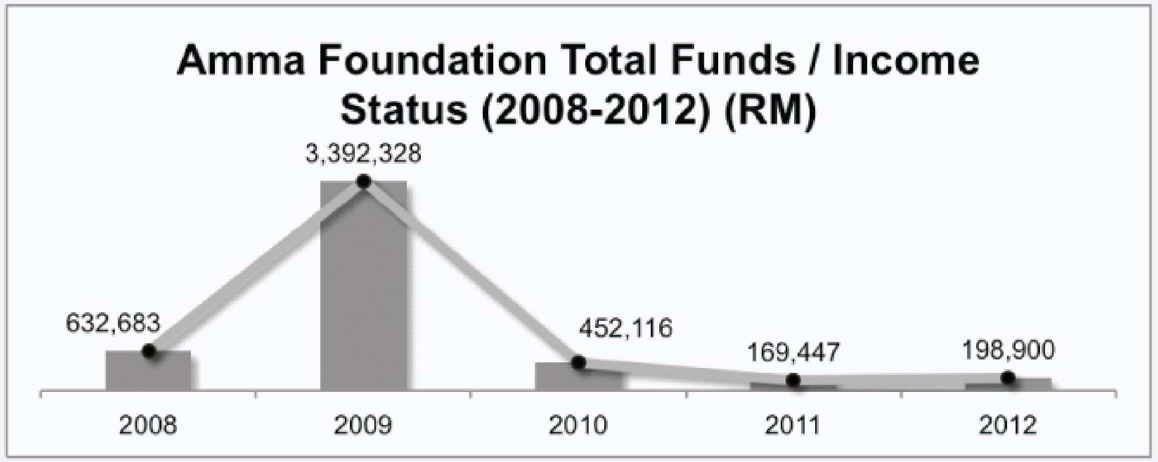
- ✓ RM586,490 financial aid provided during the year
- ✓ 26 new students were awarded loans during the year
- ✓ RM23,000 given out as excellence awards during the year
- ✓ 56 students received the prestigious excellence award

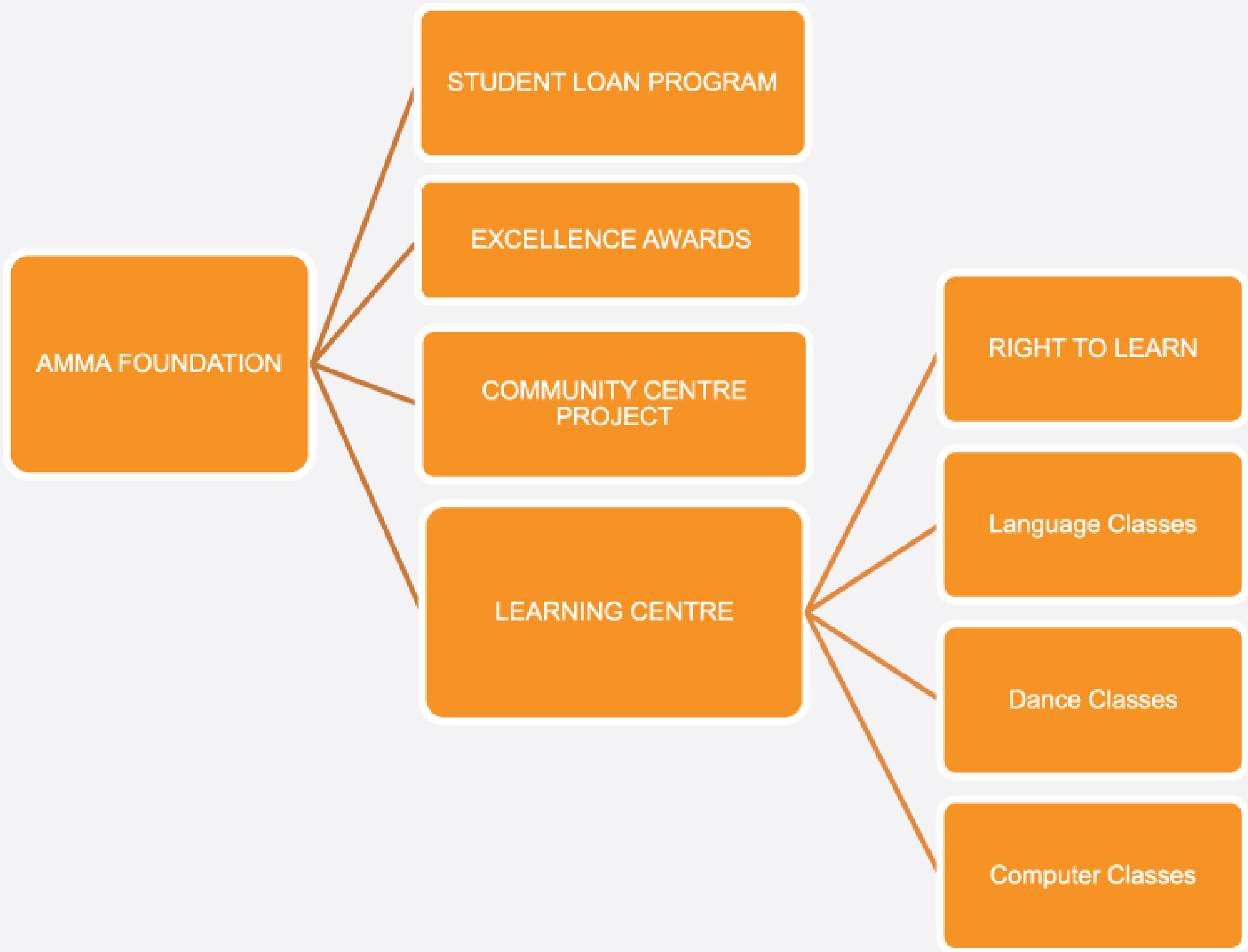
MEMBERSHIP

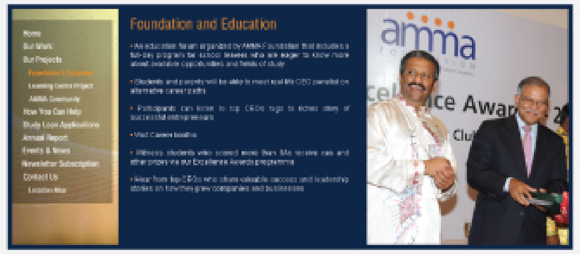
- ✓ 11 new members joint the Foundation

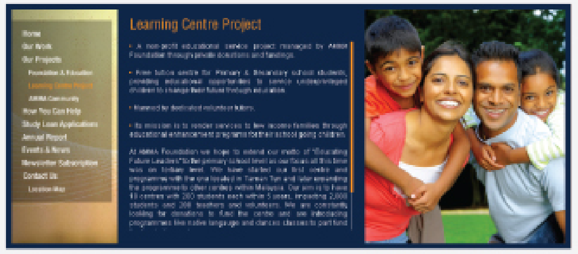
FUND RAISING

- ✓ RM198,900 was raised during the financial year 2011-12
- ✓ Donation amounting to RM65,350 was raised from MCEF, Dinesh Nambiar, Aviyal, Sinar Ventures Sdn Bhd, Family of Dato K Pathmanaban and Tuan Varghese George
- ✓ 3% rise in the amount of loan recovery from the previous year









PAST PRESIDENTS

Tan Sri BC Sekhar	1981-1983
VMN Menon	1983-1985
KD Menon	1985-1987
GK Das	1987-1989
MK Menon	1989-1991
Dato' K Pathmanabhan	1991-1993
Ir K Bhaskaran	1993-1995
AJ Menon	1995-1997
MR Chandran	1997-1999
Dato' K Pathmanabhan	1999-2001
Dr Joy Varughese	2001-2003
K Narayanan	2003-2005
Tan Sri Datuk Ravindran Menon	2005-2010

FOUNDATION MANAGEMENT

Board Of Directors – Annual Meeting Attendance

		2012	2011	2010	2009	2008
	Santhinathan Menon President	4/4	7/7	6/6	6/7	6/6
	Girish Ramachandran Vice President	4/4	7/7	5/6	4/7	5/6
	Prof. Dr. Aruna Gopinath Head of Education / Loans	4/4	7/7	6/6	6/7	4/6
	Tan Sri Datuk Ravindran Menon Past President	2/4	4/7	6/6	7/7	6/6
	Ahmad Hassan	1/4	4/7	4/6	(N/A)	(N/A)
	G Satheesan	2/4	7/7	5/6	6/7	5/6
	Baskaran Nair	0/4	3/7	3/6	6/7	3/6
	Pramugh Pathmanaban	2/4	6/7	5/5	(N/A)	(N/A)
	Rodney D'cruz	4/4	3/5	(N/A)	(N/A)	(N/A)
	Abdul Kadir Moldutty	1/4	4/7	(N/A)	(N/A)	(N/A)
	Neville Fernandez	2/3	(N/A)	(N/A)	(N/A)	(N/A)
	Datuk Gopala Krishnan	1/1	(N/A)	(N/A)	(N/A)	(N/A)

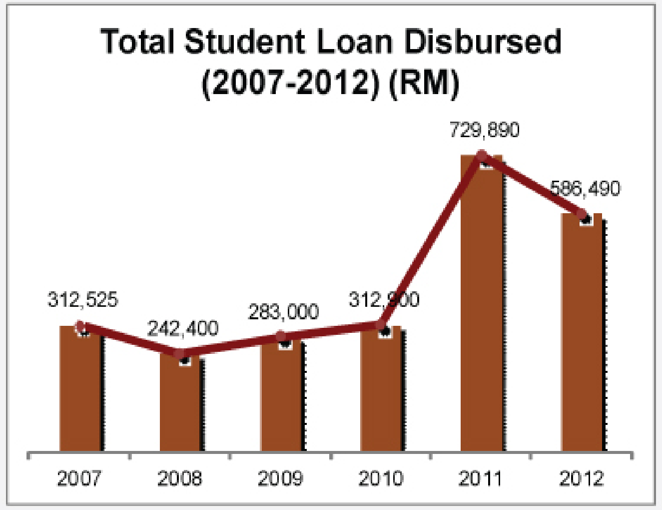
Viswanathan Subramaniam (Nathan)
Office Manager

Ms. Yans Ganghadaran
Founder RTL

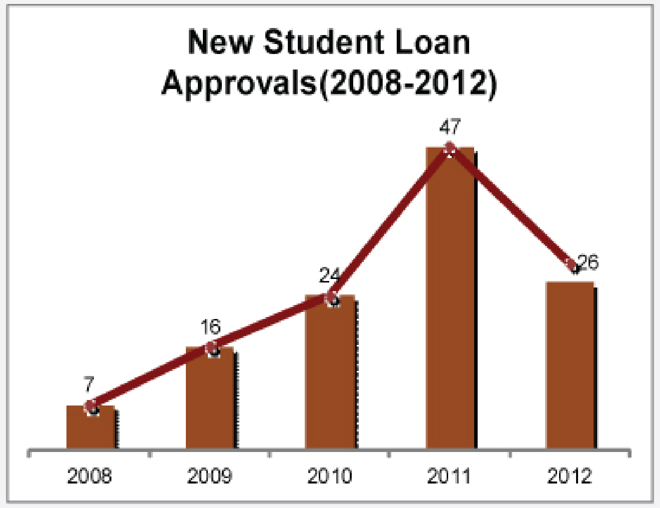
PROJECT REPORTS

STUDENT EDUCATION LOANS

Since its inception, the AMMA Foundation has been active in assisting students in need of funds to complete their higher studies by providing them with a study loan. Currently each approved candidate is given a loan not exceeding RM 4,500 per semester per year, for degree courses and RM 3,500 per semester per year for diploma courses. The aid, given in the form of interest – free loan is subject to a bond by which the student undertakes to repay the loan in monthly installments on gaining employment after graduation.

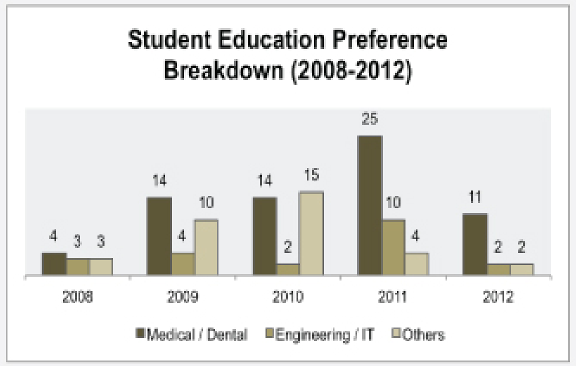


The Foundation has granted loans to needy students in various parts of Malaysia and has also embarked on establishing tie-ups with private educational institutions locally to further assist the students. To date, most recipients of the loans are continuing their tertiary studies in various universities and colleges, both local and foreign

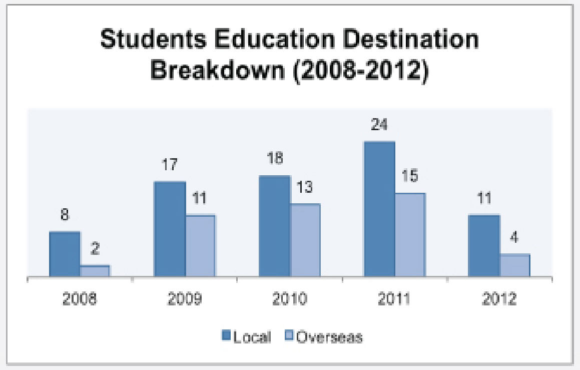


An Executive Committee headed by Prof. Dr Aruna Gopinath administers the Study Loan Programme by AMMA. The committee also consists of Mr. Pramugh Pathmanaban and Mr. Baskaran Nair. The committee met on 03 March 2012 this year to consider and approve applications for study loans.

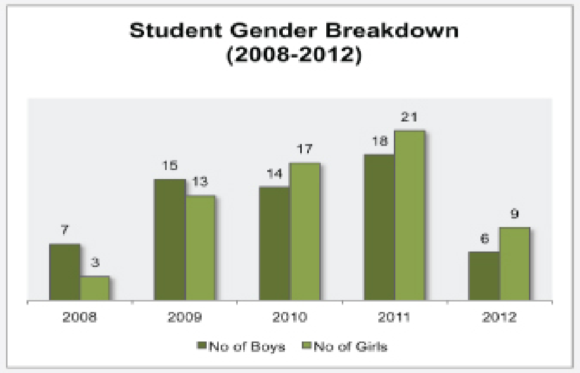
In the financial year 2012, loans were granted to 26 students for higher education. A total of RM586,490 was disbursed as financial aid during the present financial year. This marked a 19% drop in the loan disbursed and a 40% drop in the number of new students disbursed with these loans.



An annual analysis of the loans disbursed, show that the majority of the students had their education preference for Medical / Dental courses. The previous year saw 65% of students preferring Medicine / Dental courses whereas this year the number rose to 73%. However the average number of students who prefer studying Medicine / Dental courses from AF over the past is over 55%.



The AMMA Foundation not only provides financial aid for students interested in pursuing their education locally but also overseas. The demand by students to go overseas is much less when compared to the students opting to study locally. However the demand remains consistent around the 20%-40% mark over the past years.



The numbers of female applicants and awardees have shown an increase in trend in comparison to male applicants and awardess.

*Analysis based on loans disbursed in each calendar year

Company No: 061151 D

HALS & Associates
AF 0755

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Foundation as of 30th June 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 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's 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.

HALS & ASSOCIATES
A.F. 0755
CHARTERED ACCOUNTANTS

Subramaniam Sankar
Bil 925/02/14 (J/PH)
Partner

KUALA LUMPUR

DATE: 29 SEP 2012

Company No: 061151 D

HALS & Associates
Chartered Accountants
AF No: 0755

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AMMA FOUNDATION
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Amma Foundation which comprise the balance sheet as at 30th June 2012 of the Foundation, and the income and expenditure statement, 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 notes, as set out on pages 4 to 13.

Directors' Responsibility for the Financial Statements

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

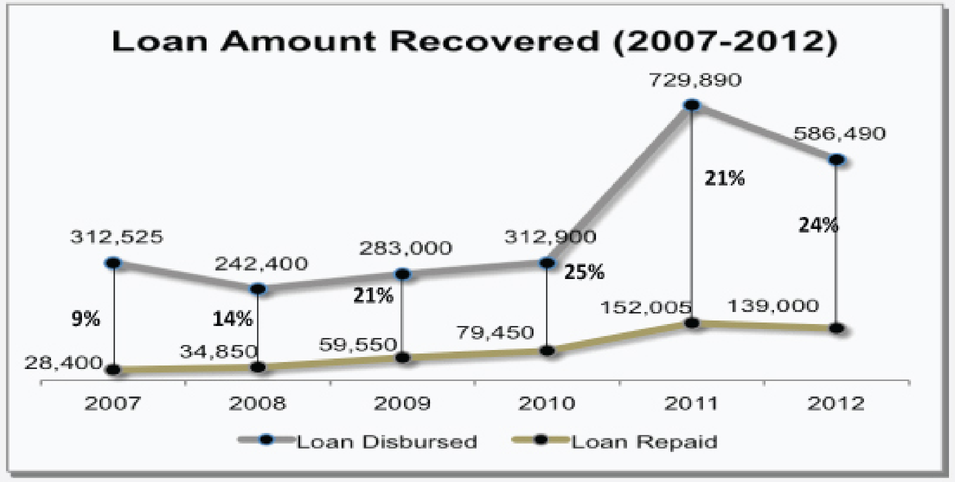
Auditors' Responsibility

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 about whether the financial statements are free of material misstatement.

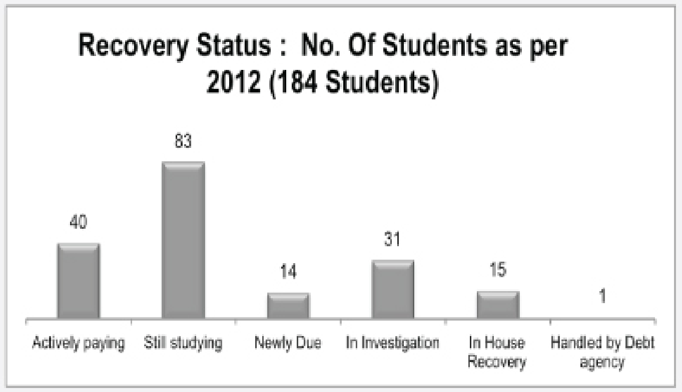
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making 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 directors, as well as evaluating the overall presentation of the financial statements.

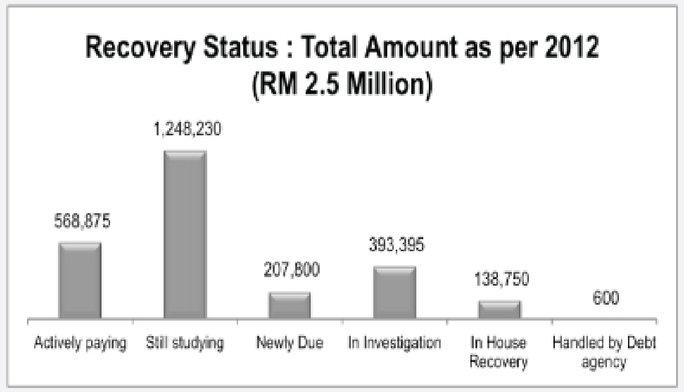
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Suite 1602, 16th Floor, Wisma Lim Foo Yong, 86 Jalan Raja Chulan, 50200 Kuala Lumpur
P.O. Box 11688, 50754 Kuala Lumpur Tel :03-27320322(Hunting) Fax :03-21423116
AFFILIATED WITH GMN INTERNATIONAL



At the end of the financial year AF has outstanding loans amounting to RM2,557,650 from 184 students. With a 0% interent loan facitlity, in most cases recovering monthly installments on time is a challenge by itself. Over the last 5 years the recovery percentage has been seen improving. The last financial year witnessed AF recover about 25% of its amount due. This marked a rise of 3% from 2011. All efforts are being made to collect outstanding loans.





Loans outstanding at year end was RM2.58M. Of this amount about 50% are due for repayment. The above charts reflects the present status of the loans outstanding.

A glimpse of students who benefitted through the financial aid and awards provided by AMMA Foundation in the year 2012:

Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, SATHIANATHAN A/L M.N. MENON and GIRISH A/L M. RAMACHANDRAN, being two of the directors of AMMA FOUNDATION, do hereby state that in our opinion, the financial statements on pages 4 to 13 are drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Foundation as at 30th June 2012 and of the results of its operations and of the cash flows of the Foundation for the year ended on that date.

On behalf of the Board

SATHIANATHAN A/L M.N. MENON	GIRISH A/L M. RAMACHANDRAN

KUALA LUMPUR

DATE: 29 SEP 2012

STATUTORY DECLARATION

I, SATHIANATHAN A/L M.N. MENON, I.C. No. 551210-71-5081, being the officer primarily responsible for the accounting records and financial management of AMMA FOUNDATION, do solemnly and sincerely declare that the financial statements on pages 4 to 13 of the Foundation are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at ~~Kuala Lumpur in Wilayah Persekutuan~~ Puchong, Selangor D.E. on
29 SEP 2012

Before me,

SATHIANATHAN A/L M.N. MENON	COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
No. B 401
MURALITHERAN ART PILLAI
MALAYSIA

61, Jalan 23, Taman Bukit Kuchai,
47100 Puchong,
Selangor D.E.

Company No: 061151 D

9. **FIXED DEPOSITS**

	2012 RM	2011 RM
Fixed deposits place with licensed financial institution	421,902	814,853

The interest rate ranges from 2.80% - 3.00% (2011: 2.80% - 3.05%) with a tenure of 1 and 12 months continuously rolled over on its maturity date.

10. **ACCUMULATED FUND**

	2012 RM	2011 RM
Balance brought forward	4,644,501	5,348,622
Deficit of income over expenditure for the year	(57,894)	(704,121)
Balance carried forward	4,586,607	4,644,501

11. **1 MALAYSIA LUNCHEON EXPENSES WITH THE PRIME MINISTER**

The expenses were incurred in hosting a luncheon with Prime Minister Malaysia together with over 7,500 Malayalees from all over Malaysia in the spirit of 1 Malaysia. The luncheon was to thank the Prime Minister and the Government of Malaysia for its past support and hope that such support will continue in future.

12. **TAXATION**

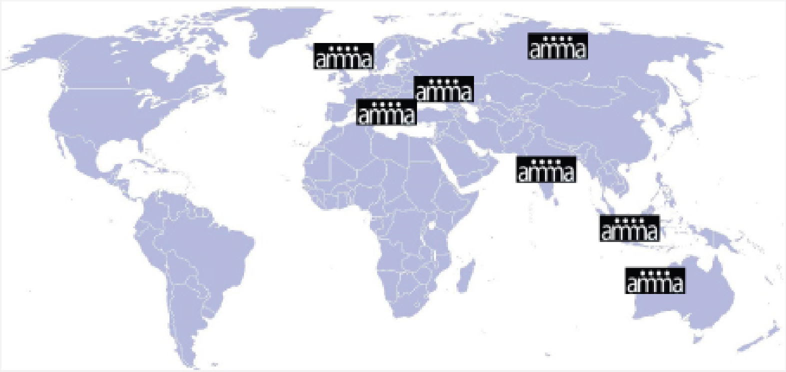
There is no charge to taxation as the Company had no chargeable income during the year.

The Foundation has obtained from the Inland Revenue Board tax exemption for donations and interest received.

13. **CASH AND CASH EQUIVALENTS AT END OF THE YEAR**

	2012 RM	2011 RM
Cash and bank balances	105,668	304,507
Fixed deposits	421,902	814,853
	527,570	1,119,360

AMMA Foundation Students located Globally



At present a number of students supported through the AMMA Foundation education loan are located globally. Russia and India form the most popular, overseas preference for Medicine while the United Kingdom is being preferred for engineering courses. It is also noted that, a rise in the number of foreign institutions and foreign programs in Malaysia has led to a vast number of students preferring to continue here.

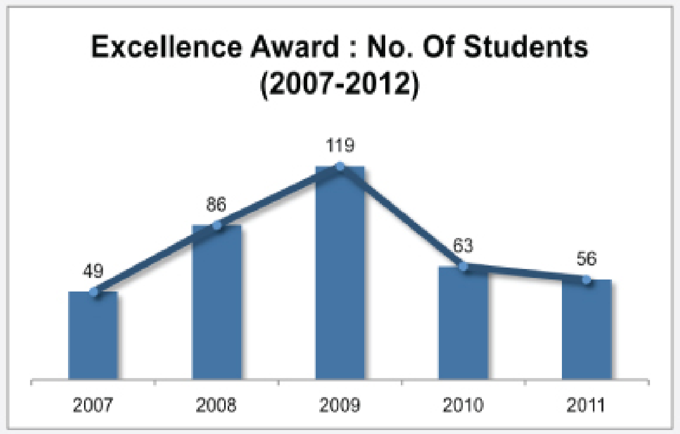
Courses Funded by AMMA Foundation (Based on Demand)

- Bachelor of Medicine & Surgery (MBBS)
- Bachelor of Dental Surgery
- Bachelor of Law (LLB)
- B.Eng (Hons) Electronic Engineering & Information Technology
- Bachelor (Hons) of Mech. Engineering
- Bachelor of Computer Graphic Design
- Masters in Business Administration (MA)
- Diploma in Aircraft Maintenance Technology & Manufacturing
- B.Eng Chemical Engineering with Environmental Studies
- BA (Hons) in Accounting & Finance
- Bachelor of Computer Science
- Diploma / Cert in APT Professional Hairstyling Academic
- Diploma in Marine Engineering
- Foundation & Diploma in Culinary Arts
- Bachelors in Pharmaceutical Science & Technology
- Computer Forensic Studies
- Bachelors in Construction Management
- BSc (Hons) Biotechnology
- Diploma in Multimedia Design
- Bachelors of Education
- Robotics Electronics Studies
- Bachelor of Communication
- Commercial Pilot Training
- Diploma in Automotive Technology

EXCELLENCE AWARDS

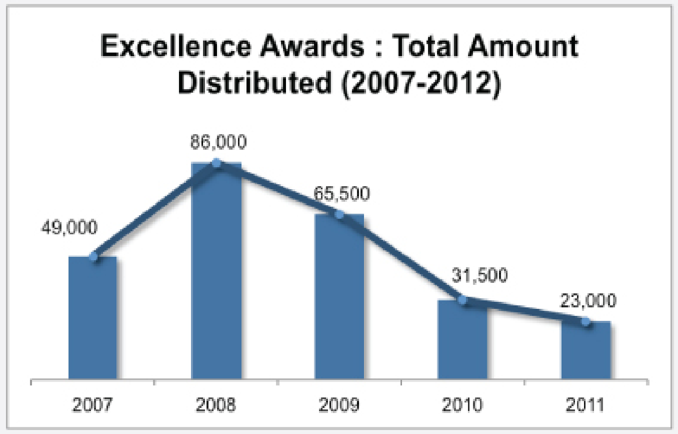
The Tenth Annual Excellence Awards was conducted on the 28th July 2012 at Crystal Crown Hotel, Petaling Jaya. The Foundation had a humble start with very limited funds but over the last few years the fund raising activities have shown much promise, hereby enabling us to reach out to a greater number of the deserving children. So far AMMA Foundation has give out more than RM2 million of study loans and cash awards to more than 300 excelling students.

This annual function saw a turnout of more than 250 people, consisting of student recipients, parents, invited guests, Foundation's Donors, Benefactors and Board of Directors. Guest of Honour, YB Senator Datuk Maglin Dennis D'Cruz, Deputy Minister from the Ministry of Information, Communication and Culture Malaysia, graciously presented the awards to a total of 56 students. To date the Foundation has awarded a total of RM 421,000 to 553 students who have excelled in their SPM Examinations.



During this financial year, AMMA Foundation gave awards to 56 students who excelled in their SPM examinations. A small drop from the number of students it awarded in 2010.

This year AMMA Foundation distributed a sum of RM23,000 to 56 SPA achievers. A 25% drop from the previous years' RM31,500.
13 students were also awarded laptops through the foundation for their performance.



Company No: 061151 D

7. INVESTMENTS

	2012 RM	2011 RM
At cost:		
Public Islamic Bond Fund	118,227	108,817
Public Balanced Fund	254,523	240,306
Public Enhanced Bond Fund	114,003	102,950
Public Bond Fund	75,726	71,645
Public Far East Consumer Theme Fund	-	56,764
Public Far East Teleco & Infra Fund	-	53,212
Public Far East Alpha 30 Stock	-	150,000
Public Far East Dividend Fund	-	101,768
Public South East Asia Fund	46,569	154,412
Public Islamic Select Bond Fund	559,217	400,000
Public Islamic Income Fund	221,650	-
Public Islamic Enhanced Bond Fund	105,820	-
CIMB-China, India, Indonesia Equity Fund	50,000	100,000
	1,545,735	1,539,874
Market Value:		
Public Islamic Bond Fund	122,808	111,798
Public Balanced Fund	231,327	256,995
Public Enhanced Bond Fund	118,209	108,914
Public Bond Fund	84,400	76,455
Public Far East Consumer Theme Fund	-	61,349
Public Far East Teleco & Infra Fund	-	52,936
Public Far East Alpha 30 Stock	-	149,872
Public Far East Dividend Fund	-	106,886
Public South East Asia Fund	49,666	157,624
Public Islamic Select Bond Fund	581,478	415,135
Public Islamic Income Fund	229,915	-
Public Islamic Enhanced Bond Fund	107,594	-
CIMB-China, India, Indonesia Equity Fund	28,108	91,606
	1,553,505	1,589,570

8. STUDY LOANS

	2012 RM	2011 RM
Balance as at beginning of the year	2,015,205	1,436,920
Loans disbursed during the year	606,290	729,190
Repayments during the year	(151,130)	(150,905)
	2,470,365	2,015,205
Less: Allowance for doubtful debts	(71,846)	(71,846)
Balance as at end of the year	2,398,519	1,943,359

FOUNDATION FINANCIALS

Company No: 061151 D

6. FIXED ASSETS

The details of fixed assets are as follows:-

2012 **Cost:**	**At 1st July 2011** **RM**	**Additions** **RM**	**Disposals** **RM**	**At 30th June 2012** **RM**
Computer	14,560	740	(1,438)	13,862
Computer software	7,080	7,655	-	14,735
Office equipment	2,045	3,780	(1,845)	3,980
Furniture and fittings	14,795	35,541	(14,795)	35,541
Renovation	-	15,800	-	15,800
Air conditioner	2,590	13,190	(2,590)	13,190
Total	41,070	76,706	(20,668)	97,108

Accumulated Depreciation:	**At 1st July 2011** **RM**	**Charge for the year** **RM**	**Disposals** **RM**	**At 30th June 2012** **RM**	**Net Book Value at 30th June 2012** **RM**
Computer	7,978	2,755	(623)	10,110	3,752
Computer software	6,660	2,806	-	9,466	5,269
Office equipment	703	313	(503)	513	3,467
Furniture and fittings	4,346	2,130	(3,128)	3,348	32,193
Renovation	-	790	-	790	15,010
Air conditioner	777	660	(777)	660	12,530
Total	20,464	9,454	(5,031)	24,887	72,221

2011 **Cost:**	**At 1st July 2010** **RM**	**Additions** **RM**	**At 30th June 2011** **RM**
Computer	14,560	-	14,560
Computer software	7,080	-	7,080
Office equipment	2,045	-	2,045
Furniture and fittings	14,795	-	14,795
Air conditioner	2,590	-	2,590
Total	41,070	-	41,070

Accumulated Depreciation:	**At 1st July 2010** **RM**	**Charge for the year** **RM**	**At 30th June 2011** **RM**	**Net Book Value at 30th June 2011** **RM**
Computer	5,066	2,912	7,978	6,582
Computer software	5,244	1,416	6,660	420
Office equipment	498	205	703	1,342
Furniture and fittings	2,867	1,479	4,346	10,449
Air conditioner	518	259	777	1,813
Total	14,193	6,271	20,464	20,606









AMMA LEARNING CENTRE:

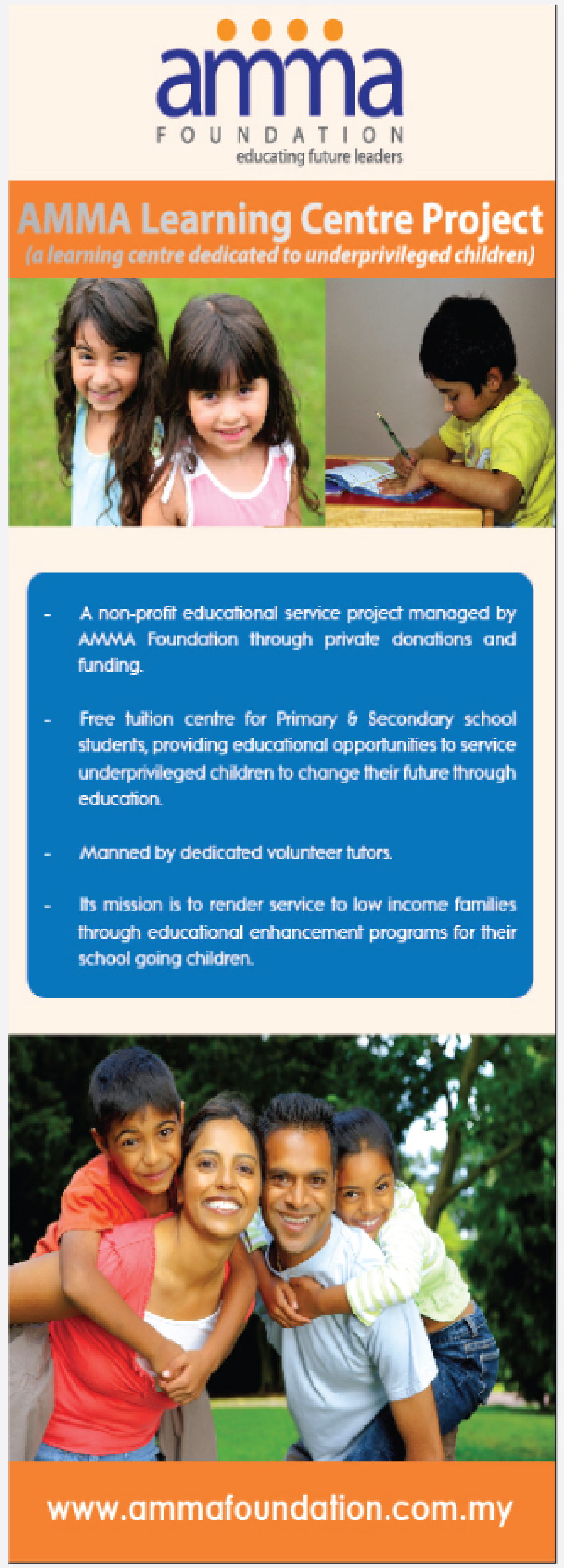
The AMMA Learning Centre (ALC) is a non-profit educational service project managed by AMMA Foundation through private donations and funding. This free tuition centre, which commenced its operations on 14 November 2011, for Primary and Secondary school students, was setup to provide consistent learning support and a learning environment for underprivileged children who are struggling in school with reading, writing in English and Maths. More than 60% of Malaysian Indian students drop out of SPM or Form 3 and enter into the lower end of society getting involved in drugs, alcoholism and crime. By addressing the early learning centre to handle these issues early, we will be able to provide better assurance in addressing these problems for the society.

Dedicated volunteer tutors will man the ALC and its mission is to render service to low-income families through educational enhancement programs for their school going children. There are currently an average of 25 students, ranging between 6 and 14 years –old. There are 5 volunteer tutors. Each tutor works with small groups of students of the same level. Each tutor gives an average of 1 to 5 hours of volunteer teaching a week. The centre is open from Monday to Saturday.

The Foundation wants to make this ambitious project a reality and it is hoping to reach out to well-wishers and donors to fund the operations and overheads of the Centre. Our project cost estimate is RM 250,000 annually.

Our objectives:

- To provide reading classes to students of all ages.
- To provide support to students struggling with school work
- To give additional help in core subjects i.e Math, English, Science and Bahasa Malaysia.
- To provide a learning friendly environment for young people to use
- To provide a place for them to study and to do their homework when the home environment is not conducive for learning
- To later incorporate AMMA Foundation offices and the Centre into the Building Project using this as an incubator



Company No: 061151 D

(d) **Investments**

Investments are stated at cost plus other direct costs and is held on a long term basis.

Where an indication of impairment losses exists, the carrying amount of the investments are assessed and written down immediately to their recoverable amount.

(e) **Income Recognition**

Income on investments are recognised when the right to receive the income is established.

Income on fixed deposits are recognised on received and receivable basis.

(f) **Payables**

Payables are stated at cost which is the consideration to be paid in the future for products and services received.

(g) **Study Loans**

Study loans represent amount advanced to local students to finance their studies locally or abroad. The initial amount will be advanced after the study loan committee is satisfied with students eligibility to obtain the loan. Subsequent advances will be made at the beginning of every semester after evaluating the students result from previous semester. The loans are repayable after six months from the completion of the study course or students obtain their job employment.

Loans advanced will be recorded at cost and repayment by the students will be set off against the advances made.

(h) **Cash and Cash Equivalents**

Cash consists of cash at bank and in hand including deposits.

Cash equivalents consists of investments maturing within three months from the date of acquisition and which are readily convertible to known amount of cash which are subject to an insignificant risk of change in value.

Company No: 061151 D

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of fixed assets exceeds its recoverable amount. The impairment loss is charged to the income and expenditure statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write down or write off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used are as follows:-

	%
Office equipment	10
Computer software	20
Computer	20

Gain or losses on disposal are determined by comparing proceeds with carrying amounts and are included in operating income.

(c) **Taxation and Deferred Taxation**

Provision for taxation is made based on the amount of tax estimated to be payable on profits adjusted for tax purposes and is measured using the tax rates that have been enacted at the balance sheet date. Deferred tax is provided by the balance sheet liability method based on all taxable temporary differences by comparing carrying amounts of assets and liabilities and their corresponding tax bases.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income and expenditure statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

AMMA Learning Centre: RIGHT TO LEARN

The Right-to-Learn project was founded in 2007 and is adopted by AF for a period of two years. It works to give every child an opportunity to better themselves by staying in school. Our students are from lower income groups and orphanages within Kuala Lumpur. Ms. Yans Ganghadaran established the tuition centre at the Sri Mariaman temple in Taman Tun on 25th February 2007. It was set up for the underprivileged students in the Taman Tun community, mainly Indian students from the long house. Its focus was to provide consistent learning support and a learning environment for underprivileged children who are struggling in school with reading, writing in English and Maths. The Centre has since been adopted by AMMA Foundation and is operating in its new premises called AMMA Learning Centre as a funded project.

Children from challenged backgrounds are known to have difficulties in schoolwork a often lose interest when they don't understand lessons taught in school. We believe that all children have potential and with the right approach and time, even the neglected ones will prove to be outstanding students. Lessons are conducted in a children-friendly environment at the Amma Learning Centre. Volunteers range between trained teachers, university students and homemakers who want to give back to the community.

Our dedicated and committed volunteers guide and assist the students in their problem areas. Students from these circumstances are often below the level they are slotted into at school. There are currently 30 students, ranging between 7 and 17 years old. There are 5 volunteer tutors. Each tutor works with small groups of students of the same academic level. Each volunteer gives up an average of between 4 hours a week. The centre is open from Mondays to Saturdays. There are no fees charged to any of the students.

A soft Launch of the "Right to Learn" Project was conducted on the 28th July 2012 at the Crystal Crown Hotel, Petaling Jaya

Our objectives:

- To ensure literacy in all the children who come to us
- To ensure the proficiency of English and Bahasa Malaysia
- To bridge the gap between their real level and school level
- To give assistance wherever their academic difficulties are at the students pace
- To work with small groups in order to give maximum attention to the students



Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 2012

1. GENERAL

The financial statements of the Foundation are expressed in Malaysian Ringgit (RM).

The Foundation was incorporated in Malaysia as a company limited by guarantee and not having a share capital. It is resident in Malaysia with its registered office at Suite 1007, 10th Floor, Wisma Lim Foo Yong, No. 86, Jalan Raja Chulan, 50200 Kuala Lumpur and principal place of business at 40-B, Lorong Rahim Kajai 14, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

2. PRINCIPAL ACTIVITIES

The principal activities of the Foundation are to receive and administer funds for charitable and educational purposes. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Foundation have been prepared in accordance with Malaysian Accounting Standards Board's ("MASB") Private Entity Reporting Standards and the provisions of the Companies Act, 1965.

4. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Foundation have been approved by the Board of Directors for issuance on ..29 September 2012...............

5. ACCOUNTING POLICIES

(a) **Basis of Accounting**

The financial statements are prepared under the historical cost convention.

(b) **Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation and impairment losses.

Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 RM	2011 RM
CASH FLOW FROM OPERATING ACTIVITIES			
Deficit for the year before taxation		(57,894)	(704,121)
Adjustments for:			
Depreciation		9,454	6,271
Dividend income		(65,429)	(51,289)
Gain on disposal of fixed asset		(257)	-
Interest income		(17,749)	(47,788)
Loss/(Gain) on disposal of investment		58,340	(1,156)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES		(73,535)	(798,083)
Increase in receivables		(474,170)	(593,085)
Decrease in payables		(2,250)	(3,000)
CASH USED IN OPERATIONS		(549,955)	(1,394,168)
Interst income		17,749	47,788
NET CASH USED IN OPERATING ACTIVITIES		(532,206)	(1,346,380)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		65,429	51,289
Purchase of fixed assets		(76,706)	-
Sale proceed from disposal of fixed asset		15,894	-
Sale proceed from investment		465,459	38,020
Purchase of investments		(529,660)	(1,051,289)
NET CASH USED IN INVESTING ACTIVITIES		(59,584)	(961,980)
Net decrease in cash and cash equivalents		(591,790)	(2,308,360)
Cash and cash equivalents at beginning of the year		1,119,360	3,427,720
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13	527,570	1,119,360

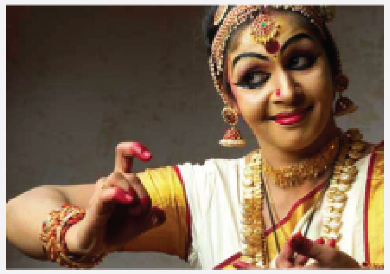
The above statement is to be read in conjunction with the notes to the financial statements on pages 8 to 13.

AMMA Learning Centre: Other Projects

Malayalam Language Classes:

“Learn fluent Malayalam in 10 weeks over 20 classes, twice weekly.”

This is a conversational course for beginners. It starts with a history of Malayalam Language and its use. Classes will be conducted in English and texts are written in English characters to assist in the verbal pronunciation of Malayalam words. While focusing on listening and speaking skills in daily use, this course also deals with basic grammer. Techniques include multimedia aids. Teachers include renowned Kerala teacher from Kanoor with more than 20 years experience. Students may opt to attend Advanced Classes with writing and reading after progressing.



Dance Classes (upcoming) :

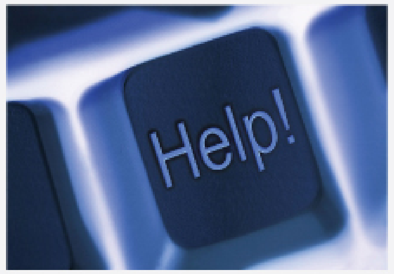
Mohiniattam for Beginners

The dance of the Enchantress, known for its beauteous and graceful movements hails from God’s own Country-Kerala. Learn the aesthetic qualities in the Kathakali style with an experienced teacher from Kalamandalam. Join the classes to be fit physically, mentally and to maintain your youthfulness.

Computer Classes (upcoming) :

Basics of Using the Computers

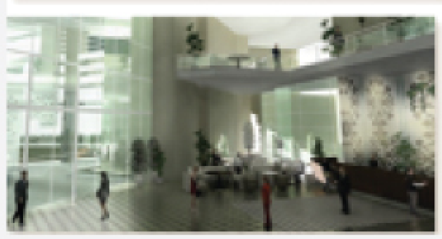
A straightforward programme for women and children on how to setup and use emails, the Internet, searches, Facebook, Twitter, Microsoft Word (typing letters, proposals), Excel (spreadsheets, budgets) and PowerPoint.

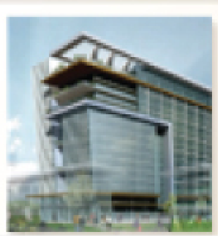


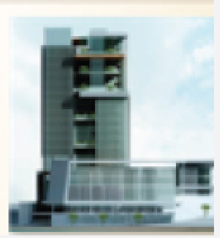
AMMA Foundation Community Centre Project

In the meanwhile, we will have to review our current plans and also seek new avenues and alternative solutions to increase the Funds and we welcome your inputs and efforts in assisting us in this worthy cause.

The rationale for having a Community Centre is two fold. Our community rarely gather and comes together other than in occasions of marriage or death. As we do not have a place to congregate, our affairs and concerns within the community are rarely heard nor addressed. The second rationale is to be able to provide an NGO based administrative centre where we can address all socio-economic issues currently being faced by the community.







Company No: 061151 D

	Note	2012 RM	2011 RM
Balance brought forward		(57,894)	(689,887)
EXCELLENCE AWARDS			
- CURRENT YEAR EXPENSES		-	(12,850)
- UNDERPRPROVIDED IN PRIOR YEARS		-	(1,384)
DEFICIT OF INCOME OVER EXPENDITURE		(57,894)	(704,121)
Less: TAXATION	12	-	-
DEFICIT OF INCOME OVER EXPENDITURE AFTER TAXATION		(57,894)	(704,121)

The above income statement is to be read in conjunction with the notes to the financial statements on pages 8 to 13.

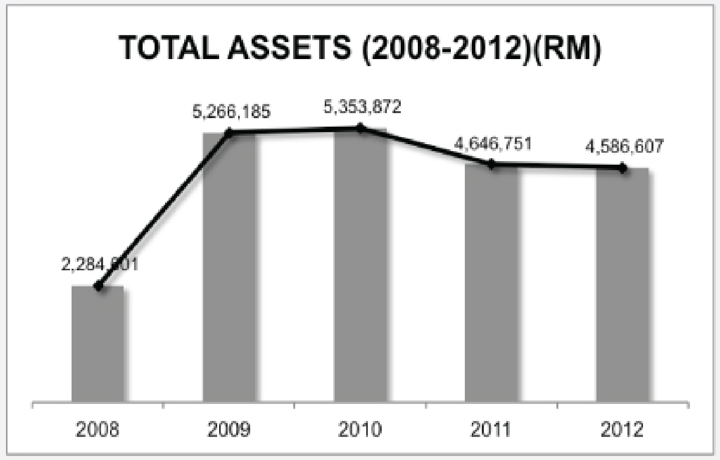
Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

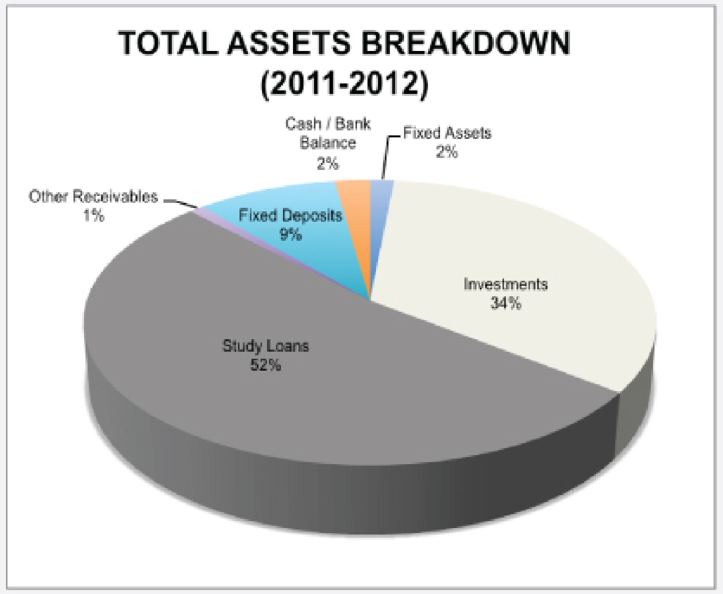
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2012

	Note	2012 RM	2011 RM
INCOME			
Contribution and donation		92,900	56,400
Dividend income		65,429	51,289
Interest on fixed deposits		17,749	47,788
Office rental income		21,750	12,600
Programme and events		650	-
Sundry income		165	214
Gain on disposal of fixed asset		257	-
Gain on disposal of investment		-	1,156
		198,900	169,447
EXPENDITURE			
Advertisement		3,000	-
AGM and board meeting expenses		8,889	5,443
Amma Learning Centre		12,617	-
Bank charges		475	225
Benefactor programme		-	2,000
Commission		63	-
Depreciation		9,454	6,271
Electricity and water		3,366	2,025
Insurance premium		(467)	-
License fee		100	-
Loss on disposal of investments		58,340	-
1 Malaysia Luncheon Expenses with Prime Minister	11	-	696,547
Honorarium to auditors		1,000	1,000
Legal fee, license fee and insurances		879	1,305
Office rental		49,159	30,259
Penalty		-	300
Printing, stationery and postage		6,916	12,316
Sundry expenses		7,420	3,377
Staff cost			
- Medical expenses		1,144	3,210
- Salary and allowance		68,861	72,292
- EPF and Socso		8,558	9,181
- Staff benefit		2,161	2,533
Secretarial and accounting fees		4,250	2,850
Telephone and fax		8,138	6,038
Travelling expenses		1,167	504
Upkeep of computer and office equipment		1,104	1,378
Upkeep of website		200	280
		256,794	859,334
DEFICIT OF OPERATING INCOME OVER EXPENDITURE		(57,894)	(689,887)

FOUNDATION FINANCIALS



The current and non-current assets of the AMMA Foundation (AF) have remained moderately constant over the last few years. However in the just ended financial year an investment was disposed at loss.



Over 50% of AF's assets lie in its Disbursed Study Loans among students. About 35% is with investments and 9% in Fixed Deposits. The cash balance comprising of a mere 2%.

FOUNDATION FINANCIALS

Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

BALANCE SHEET AS AT 30TH JUNE 2012

	Note	2012 RM	2011 RM
ASSETS			
FIXED ASSETS	6	72,221	20,606
INVESTMENTS	7	1,545,735	1,539,874
CURRENT ASSETS			
Study loans	8	2,398,519	1,943,359
Other receivables and prepayments		42,562	23,552
Fixed deposits	9	421,902	814,853
Cash and bank balances		105,668	304,507
		2,968,651	3,086,271
CURRENT LIABILITIES			
Sundry payables and accruals		-	2,250
		-	2,250
NET CURRENT ASSETS		2,968,651	3,084,021
		4,586,607	4,644,501
Financed by:-			
ACCUMULATED FUND	10	4,586,607	4,644,501

The above balance sheet is to be read in conjunction with the notes to the financial statements on pages 8 to 13.

Company No: 061151 D

AUDITORS

The auditors, Messrs HALS & Associates have expressed their willingness to continue in office.

On behalf of the Board of Directors:

GIRISH A/L M. RAMACHANDRAN

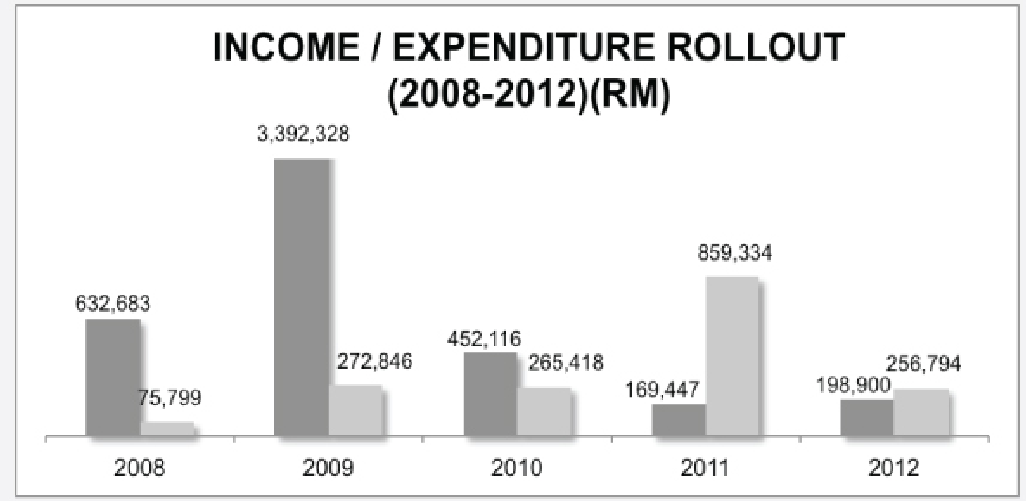
Directors

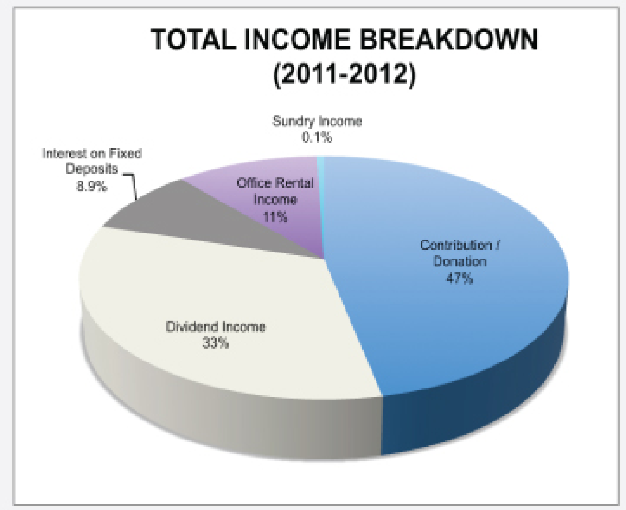
SATHIANATHAN A/L M.N. MENON

KUALA LUMPUR

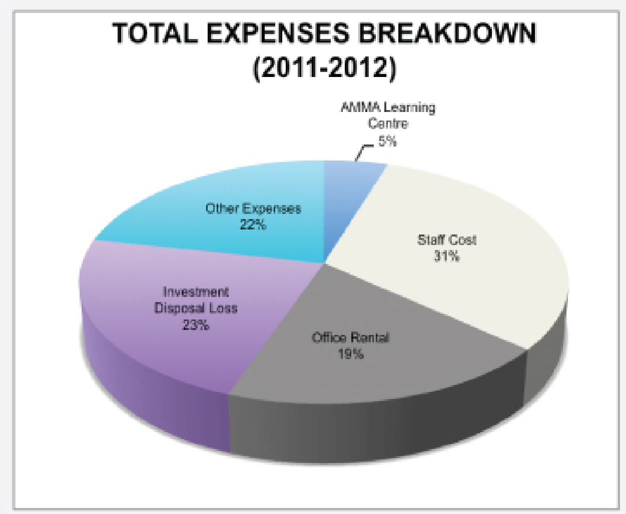
DATE: 29 SEP 2012

FOUNDATION FINANCIALS





The primary source of Income for the AF is the Donations and Contributions made by its members. Over the years this has contributed to about 50% each year. Apart from that a small portion is also received from its dividend income.



The operating expenses of AF is primarily is its Management costs and Office rentals. Apart from that the costs of conducting events, advertising and promotions are included in the "Other Expenses" category.

Company No: 061151 D

AMMA FOUNDATION
(Incorporated in Malaysia)

REPORT OF THE BOARD OF DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements of AMMA FOUNDATION ("The Foundation") for the year ended 30th June 2012.

1. **PRINCIPAL ACTIVITIES**

The principal activities of the Foundation are to receive and administer funds for charitable and educational purposes. There have been no significant changes in these activities during the financial year.

2. **RESULTS**

	RM
Excess of expenditure over income after taxation	(57,894)

3. **LIMITED LIABILITY**

The Foundation incorporated under the Companies Act, 1965 is a company limited by guarantee and not having a share capital. Every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of the same being wound up during the time he is a member, or within one year afterwards for payment of the debts and liabilities of the Foundation contracted before he ceases to be a Member, and the costs, charges and expenses of winding up the same, and for adjusting the rights of the contributors amongst themselves, such amount as may be required, not exceeding the sum of Ringgit Malaysia One Hundred (RM100).

4. **DIRECTORS OF THE FOUNDATION**

The members of the Board of Directors who held office since the date of the last report are:-

Sathianathan a/l M.N. Menon	
Satheesan a/l Gopalan	
Tan Sri Datuk K. Ravindran a/l C. Kutty Krishnan	
Girish a/l M. Ramachandran	
Baskaran a/l Madhavan Nair	
Gerald Robin a/l J.M. Miranda	(Resigned: 25.1.2012)
Aruna Devi a/p Gopinath (f)	
Ahmad Bin Hassan	
Pramugh a/l K. Pathmanaban	
Abdul Kadir Bin P.A. Moidutty	
Dato' T. Puraharan a/l C.P. Ramakrishnan	(Resigned: 8.7.2011)
Rodney Gerard D'Cruz	
Neville Anthony a/l Fernandez	(Appointed: 21.3.2012)
Datuk M.R. Gopala Krishnan C.R.K. Pillai	(Appointed: 8.8.2012)

FOUNDATION FINANCIALS

Company No: 061151 D

The directors retiring by rotation are Satheesan a/l Gopalan, Ahmad Bin Hassan, Neville Anthony a/l Fernandez and Datuk M.R. Gopala Krishnan C.R.K. Pillai and they, being eligible offer themselves for re-election.

Since the date of the last report, no director of the Foundation has received or become entitled to receive any benefit by reason of a contract made by the Foundation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. **OTHER STATUTORY INFORMATION**

(a) Before the income and expenditure statement and balance sheet of the Foundation were made out, the directors 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 have satisfied themselves that all known bad debts have been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts which were unlikely to realise their book values as shown in the accounting records of the Foundation had been written down to their estimated realisable values.

(b) At the date of this report:

(i) the directors are not aware of any circumstances which have arisen that would render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate;

(ii) the Directors are not aware of any circumstances that would render any amount stated in the financial statements misleading;

(iii) there does not exist any charge on the assets of the Foundation that has arisen since the end of the financial year which secures the liabilities of any other person; and

(iv) there does not exist any contingent liability that has arisen since the end of the financial year.

(c) No contingent liability or other liability of the Foundation has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Foundation to meet its obligations as and when they fall due.

(d) In the opinion of the directors:

(i) the results of the Foundation during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Foundation for the financial year in which this report is made.

FOUNDATION PROFILE

BACKGROUND

In September 1975, fifteen good Samaritans of the Malayalee community met and discussed ways and means of uplifting the general economic status of the community in Malaysia in the long term. They agreed that one of the most tangible ways would be to upgrade the educational level of our young people at universities and colleges and that a fund be created to provide interest free loans. This proposal was tabled and discussed by the Delegates Conference of the All Malaysia Malayalee Association (AMMA) in October 1975 where it was unanimously accepted. Much hard work, discussion and study followed in order to identify the optimum method to raise and operate such a fund.

MISSION

AMMA Foundation's mission is to provide disadvantaged students with a range of programmes and resources that include interest free loans, scholarships, grants, community outreach as well as networking opportunities to young graduates and assist them to become self-sufficient individuals and future leaders.
Education is a basic human right and the Foundation is committed to play its part in helping needy Malaysians in this area.

GOALS

- To provide loans and scholarships to deserving students to enable them to pursue tertiary education
- To solicit financial grants from the government, public and private sources to finance students' tertiary education.
- To develop and strengthen community resources, relationships and partnerships in support of the funding and networking programmes to assist students become self-sufficient individuals.

Governance

- AMMA Foundation (AF) is a non-profit organization with a tax exempt status
- The Foundation is administered by the President and 11 other Directors
- 12 volunteer Directors meet atleast once every 2 months
- Action Committees
    - Fund Raising
    - Loans Disbursement
    - Loans Monitoring
    - Investments
    - Communication
    - Secretariat

REGISTERED NAME	AMMA FOUNDATION
REGISTERED OFFICE	No 40-B, Lorong Rahim Kajai 14 Taman Tun Dr Ismail 60000 Kuala Lumpur
CONTACT	Tel : 03- 7725 8001 Fax : 03- 7725 2070
EMAIL	svnathan@ammafoundation.com.my
URL	www.ammafoundation.com.my
COMPANY SECRETARY	Business Genius Sdn Bhd Suite 1007, 10th Floor Wisma Lim Foo Yong 86 Jalan Raja Chulan 50200 Kuala Lumpur
AUDITORS	HALS & Associates Suite 1602, 16th Floor Wisma Lim Foo Yong 86 Jalan Raja Chulan 50200 Kuala Lumpur