

Foundation No.

LAF	00399-(I)
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ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2022

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2022

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ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

FOUNDATION INFORMATION

FOUNDERS :

AMMAR BIN ROSLIZAR
AMMAR BIN SHAHRIN
WAN MOHD AIZUDDIN BIN WAN MOHAMAD
AMIRUDDIN BIN HAMIDUN

COUNCIL MEMBERS :

AMMAR BIN ROSLIZAR
MUHAMMAD HUSSAINI BIN KHAIRUDIN
AHMAD NAIM JAAPAR

SUPERVISOR

HARITH BIN ROSLIZAR

SHAHRIAH ADVISOR

AZLAN SHAH BIN NABEES KHAN

OFFICER

AZLAN SHAH BIN NABEES KHAN

SECRETARY:

Sititrust & Administrator Limited (LL03986)

REGISTERED OFFICE:

Lot 2(a), Level 4, Wisma Lazenda
Jalan Kemajuan
87000 Federal Territory of Labuan
Malaysia

AUDITORS:

AGS ADVISORY (AAL 0048)
D-2-8, Plaza Damas
No. 60, Jalan Sri Hartamas 1
Sri Hartamas
50480 Kuala Lumpur
Malaysia

BANKER:

Affin Islamic Bank Berhad

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ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATEMENT BY MEMBER OF THE COUNCIL

I, AMMAR BIN ROSLIZAR, being one of the Council Members of the Foundation, do hereby state that, in the opinion of the Council, the statement of financial position, statement of comprehensive income, statement of changes in foundation fund, statement of cash flows and the accompanying notes attached thereto, set out on pages 7 to 19, are drawn up so as to give a true and fair view of the state of affairs of the financial statements as at 31 December 2022 and of its results for the financial period ended on that date in accordance with Malaysian Private Entities Reporting Standards, the requirements of the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010.

ON BEHALF OF THE COUNCIL



AMMAR BIN ROSLIZAR

Dated: 22th June 2023

STATEMENT BY OFFICER

I, AZLAN SHAH BIN NABEES KHAN, being the Officer primarily responsible for the financial management of ARBA INTERNATIONAL WAQF (L) FOUNDATION, do solemnly and sincerely declare that the financial statements set out on pages 7 to 19 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Labuan Foundations Act 2010.



AZLAN SHAH BIN NABEES KHAN

Dated: 22th June 2023

**Independent Auditors' Report To The Members Of
ARBA INTERNATIONAL WAQF (L) FOUNDATION
(Foundation No. LAF00399-I)
31 DECEMBER 2022**

**AGS ADVISORY
(AAL 0048)**
Chartered Accountants
D-2-8, Plaza Damas
60, Jalan Sri Hartamas 1
Sri Hartamas 50480
Kuala Lumpur, Malaysia
Telephone : +60 3 6203 1835
Facsimile : +60 3 6203 1842
Website : www.agsadvisory.com

Report on the Financial Statements

Opinion

We have audited the financial statements of ARBA INTERNATIONAL WAQF (L) FOUNDATION which comprise the statement of financial position as at 31 December 2022, and the statement of deficit, statement of changes in the foundation fund and statement of cash flows for the financial year then ended, and notes to financial statements, including a summary of significant accounting policies, as set out on pages 7 to 19.

In our opinion, the Foundation's financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2022, and of its financial performance and its cash flows for the financial year ended 31 December 2022, in accordance with Malaysian Financial Reporting Standards and the requirements of the Labuan Financial Services Authority Act 1996 and Labuan Foundations Act 2010.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

**Independent Auditors' Report To The Members Of
ARBA INTERNATIONAL WAQF (L) FOUNDATION
(Foundation No. LAF00399-I)
31 DECEMBER 2022
(Continued)**

Report on the Financial Statements (Continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Foundation Council are responsible for the other information. The other information comprises the Foundation information, but does not include the financial statements of the Foundation and our auditors' report thereon.

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

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

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

Responsibilities of the Foundation Council for the Financial Statements

The Foundation Council is responsible for the preparation of financial statements of the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the requirements of the Labuan Financial Services Authority Act 1996 and Labuan Foundations Act 2010. The Foundation Council is also responsible for such internal control as the Foundation Council determines is necessary to enable the preparation of financial statements of the Foundation that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

**Independent Auditors' Report To The Members Of
ARBA INTERNATIONAL WAQF (L) FOUNDATION
(Foundation No. LAF00399-I)
31 DECEMBER 2022
(Continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standard on auditing in Malaysia and International

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

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

**Independent Auditors' Report To The Members Of
ARBA INTERNATIONAL WAQF (L) FOUNDATION
(Foundation No. LAF00399-I)
31 DECEMBER 2022
(Continued)**

Report on the Financial Statements (Continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Labuan Financial Services Authority Act 1996, 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 the Labuan Financial Services Authority Act 1996, in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**AGS ADVISORY
(No.: AAL 0048)
Chartered Accountants**



**AMARJEET SINGH A/L WAZIR SINGH
(No. 02611/03/2025 (J))
Partner of the Firm
Chartered Accountant**

Kuala Lumpur
Date : 22 June 2023

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	<u>2022</u> RM	<u>2021</u> RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	14,478	0
Total non current asset		<u>14,478</u>	<u>0</u>
CURRENT ASSET			
Other receivables	6	1,000	0
Cash and cash equivalents	7	798,106	849,437
Total current asset		<u>799,106</u>	<u>849,437</u>
TOTAL ASSETS		<u>813,584</u>	<u>849,437</u>
FUND AND LIABILITIES			
Represented by: -			
Foundation fund	8	186,752	186,752
Accumulated deficit		<u>(415,466)</u>	<u>(435,332)</u>
Total foundation fund		<u>(228,714)</u>	<u>(248,580)</u>
CURRENT LIABILITIES			
Other payables	9	1,042,298	1,098,017
Total current liabilities		<u>1,042,298</u>	<u>1,098,017</u>
TOTAL FUND AND LIABILITIES		<u>813,584</u>	<u>849,437</u>

The annexed notes form an intergral part of these financial statements.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

			<u>6 March 2020</u> <u>(Date of</u> <u>registration) to</u> <u>31 December</u> <u>2021</u>
	Note	<u>2022</u> RM	<u>2021</u> RM
Revenue	10	907,597	1,087,743
Other operating income	11	1,271	1,227
Less: Charity project expenses		(440,812)	(981,787)
Less: Operating expenses			
Advertisements		6,653	120,638
Auditor's remuneration		9,500	9,500
Allowances		353,889	376,349
Dues and subscriptions		9,482	0
Depreciation of property, plant and equipment		3,620	0
Legal and professional fees		7,900	12,047
Rental of office		9,000	9,000
Office expenses		8,169	5,874
Tax compliance fee		2,300	0
Travelling expenses		5,654	0
Other administrative expenses		32,022	9,107
		<u>(448,189)</u>	<u>(542,515)</u>
Surplus/ (deficit) before tax	12	19,867	(435,332)
Tax expense	13	0	0
Net surplus/ (deficit) for the financial year/period		<u>19,867</u>	<u>(435,332)</u>
Other comprehensive surplus, net off tax		<u>0</u>	<u>0</u>
Total comprehensive surplus/(deficit) for the financial year/period		<u><u>19,867</u></u>	<u><u>(435,332)</u></u>

The annexed notes form an intergral part of these financial statements.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

**STATEMENT OF CHANGES IN THE FOUNDATION FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Foundation <u>fund</u> RM	Accumulated <u>Deficit</u> RM	Total <u>fund</u> RM
As at 6 March 2020 (Date of registration)	0	0	0
Contribution from the Founders	186,752	0	186,752
Net deficit for the financial period	0	(435,332)	(435,332)
Other comprehensive income, net of tax	0	0	0
Total comprehensive income for the financial period	<u>0</u>	<u>(435,332)</u>	<u>(248,580)</u>
Balance as at 31 December 2021	186,752	(435,332)	(248,580)
Contribution from the Founders	0	0	0
Net surplus for the financial year	0	19,867	19,867
Other comprehensive income, net of tax	0	0	0
Total comprehensive income for the financial year	<u>0</u>	<u>19,867</u>	<u>19,867</u>
Balance as at 31 December 2022	<u><u>186,752</u></u>	<u><u>(415,466)</u></u>	<u><u>(228,714)</u></u>

The annexed notes form an integral part of these financial statements.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATEMENT OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	<u>Note</u>	<u>2022</u> RM	<u>6 March 2020</u> (Date of registration) to <u>31 December</u> <u>2021</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Deficit before taxation		19,867	(435,332)
Adjustment for:			
Depreciation of property, plant and equipment		3,620	0
Operating deficit before working capital changes in:		<u>23,487</u>	<u>(435,332)</u>
Other receivables		(1,000)	0
Other payables		<u>(55,720)</u>	<u>1,098,017</u>
Net cash (used in)/ from generated from operating activities		<u>(33,233)</u>	<u>662,685</u>
CASH FLOW FROM INVESTING ACTIVITY			
Acquisition of property, plant and equipment		<u>(18,098)</u>	<u>0</u>
Net cash used in investing activity		<u>(18,098)</u>	<u>0</u>
CASH FLOW FROM FINANCING ACTIVITY			
Contributions from the Founders		<u>0</u>	<u>186,752</u>
Net cash generated from financing activity		<u>0</u>	<u>186,752</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(51,331)	849,437
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		849,437	0
CASH AND CASH EQUIVALENTS AT END THE FINANCIAL YEAR	7	<u>798,106</u>	<u>849,437</u>

The annexed notes form an integral part of these financial statements.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

1 PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Foundation is registered under the Labuan Foundations Act 2010 in Federal Territory of Labuan .

ARBA International Waqf (L) Foundation, sets out to raise and distribute funds and assets, according to a social investment framework and good governance standard.

The objective of ARBA is to help eradicate the widening poverty in Malaysia.

The address of the registered office of the Foundation is at :

Lot 2(a), Level 4, Wisma Lazenda
Jalan Kemajuan
87000 Federal Territory of Labuan
Malaysia

The address of the principal place of the Foundation is at :

K-3-01, Conezion
Persiaran IRC3, IOI Resort
62502, Putrajaya
Malaysia

BASIS OF PREPARATION

The financial statements of the Foundation have been prepared on the cost basis unless otherwise stated in the accounting policies and in compliance with Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board.

SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies were adopted in the preparation of these financial statements.

a) Property, Plant and Equipment and Depreciation

Tangible assets that are used for more than one financial reporting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Foundation obtains control of the assets. The assets, including major spares, servicing equipment and stand-by equipment, are classified into appropriate classes based on their nature.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****a) Property, Plant and Equipment and Depreciation (continued)**

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

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

Depreciation of property, plant and equipment is calculated using the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rates used are:

Computer	- 20%
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At each reporting period, the residual values, useful lives and depreciation method for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing from the current period.

b) Impairment of Non-Financial Assets

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount. The Foundation assesses at each reporting date whether there is any indication that a non-financial asset other than inventories may be impaired. If any indication exists, the Foundation estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use.

For an asset stated at cost, any impairment loss is recognised in surplus or loss. For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the carrying amount of the assets.

c) Financial Instruments**(i) Initial Recognition and Measurement**

The Foundation recognises a financial asset or a financial liability in the statement in financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****c) Financial Instruments (continued)**

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through surplus or loss. For instruments measured at fair value through surplus or loss, transaction costs are expensed to surplus or loss when incurred.

(ii) Fair Value Measurement of Financial Instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted price in an active market. In the absence of observable market price, a valuation technique commonly used by market participants to price the asset and that has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, is used.

(iii) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Foundation classifies financial assets into two categories: financial assets at fair value through surplus or loss and financial assets at amortised cost. Other than financial assets measured at fair value through surplus or loss, all other financial assets are subject to review for impairment.

(iv) Derecognition of Financial Assets

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Foundation transfers the contractual rights to receive cash flows of the financial asset and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

(v) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(vi) Derecognition of Financial Liabilities

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(vii) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified at fair value through surplus or loss are recognised in surplus or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****d) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balances, deposits with banks and short-term highly liquid investments that are readily convertible to known amount of cash and have insignificant risk of changes in value.

e) Foundation Fund

Foundation Fund is classified as equity instrument when there is no mandatory contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Foundation.

f) Taxes

Taxes payable are determined by the Foundation. An income tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability or asset is measured at the amount the Foundation expects to pay or recover using tax laws and rates that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or a liability in a transaction that affects neither accounting surplus nor taxable surplus or tax loss. The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable surplus will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arising at the time of the transactions affects neither accounting surplus nor taxable surplus or tax loss.

A deferred tax asset is recognised for the carry forward of unutilised tax losses and unused tax credits to the extent that it is probable that future taxable surplus will be available against which the unutilised tax losses and unused tax credits will be utilised.

At each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable surplus will be available.

A current or deferred tax is recognised as income or expense in income and expenditure for the period, except to the extent that the tax arises from items recognised outside surplus or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****g) Revenue Recognition and Measurement****(i) Revenue**

The Foundation measures revenue from services at the fair value of the consideration received or receivable.

Revenue is recognised when: (i) the amount of the revenue can be measured reliably and (ii) it is probable that the economic benefits associated with the transaction will flow to the Foundation.

h) Employee Benefit Expenses

The Foundation recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Foundation consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

(i) Short-Term Benefits

Salaries are usually accrued and paid on a monthly basis and are recognised as an expense.

(ii) Post-Employment Benefits

The Foundation has various post-employment benefit plans established with local laws and practices. The main benefit plans are defined contribution plans in which the Foundation makes statutory contributions to approved provident funds and the contributions made are expensed to income and expenditure in the period in which they relate. When the contributions are paid, the Foundation has no further payment obligations.

i) Foreign Currency Transactions

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date (i.e. the closing rates).

All exchange differences arising on settled transactions and unsettled monetary items are recognised in surplus or loss during the year.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**3 SIGNIFICANT ACCOUNTING POLICIES (continued)**

j) Leases

Short-term leases of assets are recognised as operating leases, in which the Foundation neither capitalise the underlying leased assets nor recognise a lease liability other than the lease amounts that are due and payable at the reporting date. Lease payments under operating leases are recognised as expense using the straight-line method over the lease term.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future financial periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies in these financial statements.

5 PROPERTY, PLANT AND EQUIPMENT

	<u>Website</u> RM	<u>Computer</u> RM	<u>Total</u> RM
<u>Cost</u>			
As at 1 January 2022	0	0	0
Additions	12,000	6,098	18,098
As at 31 December 2022	<u>12,000</u>	<u>6,098</u>	<u>18,098</u>
<u>Less: Accumulated depreciation</u>			
As at 1 January 2022	0	0	0
Depreciation charge during the year	2,400	1,220	3,620
As at 31 December 2022	<u>2,400</u>	<u>1,220</u>	<u>3,620</u>
<u>Carrying amount</u>			
As at 31 December 2022	<u>9,600</u>	<u>4,878</u>	<u>14,478</u>
As at 31 December 2021	<u>0</u>	<u>0</u>	<u>0</u>

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**6 OTHER RECEIVABLES**

	<u>2022</u> RM	<u>2021</u> RM
Arba Travel and Tours - Prepayments	<u>1,000</u>	<u>0</u>

7 CASH AND CASH EQUIVALENTS

	<u>2022</u> RM	<u>2021</u> RM
Bank balances, held in:		
- Affinmax	798,106	843,450
- Bigpay	0	5,000
- RHB Islamic	0	987
	<u>798,106</u>	<u>849,437</u>

8 FOUNDATION FUND

	<u>2022</u> RM	<u>2021</u> RM
Balance as at beginning of the year	186,752	0
Proceeds received from Founders	0	186,752
Balance as at end of the financial year	<u>186,752</u>	<u>186,752</u>

9 OTHER PAYABLES

	<u>2022</u> RM	<u>2021</u> RM
Other payables:-		
Deferred income	1,028,898	1,085,667
Accruals	13,400	12,350
Total other payables and accruals	<u>1,042,298</u>	<u>1,098,017</u>

Deferred income represent donation received in advance for charity projects in the year 2023.

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)

10 REVENUE

	<u>2022</u>	<u>6 March 2020</u> <u>(Date of registration) to</u> <u>31 December</u>
	RM	<u>2021</u> RM
Donation	443,250	0
Events income		
- Projek Bantuan 1.0 Keluarga Susah	0	281,569
- Projek Bendera Putih	0	187,144
- Projek Infaq Ramadhan	405,297	235,522
- Projek Bantuan Frontliners	0	15,416
- Projek Bantuan Keluarga 2.0	0	145,160
- Projek Pasca Bah	0	74,490
- Projek Bantuan Banjir	0	40,562
- Projek Bantuan Sabah	0	39,122
- Projek Puan Balqis	0	10,512
- Projek Susu Ibu	59,050	15,020
- Projek Bantuan Tablet	0	43,226
	<u>907,597</u>	<u>1,087,743</u>

11 OTHER OPERATING INCOME

	<u>2022</u>	<u>6 March 2020</u> <u>(Date of registration) to</u> <u>31 December</u>
	RM	<u>2021</u> RM
Hibah received	<u>1,271</u>	<u>1,227</u>

12 SURPLUS/ (DEFICIT) BEFORE TAXATION

Deficit before taxation is stated after charging / (crediting) :

	<u>2022</u>	<u>6 March 2020</u> <u>(Date of registration) to</u> <u>31 December</u>
	RM	<u>2021</u> RM
Auditors' remuneration	9,500	9,500
Tax compliance fee	2,300	0
Rental of office	9,000	9,000
Hibah received	<u>(1,271)</u>	<u>(1,227)</u>

Foundation No.

LAF 00399-(I)

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)

13 TAX EXPENSE

	<u>2022</u> RM	<u>6 March 2020</u> (Date of registration) to 31 December <u>2021</u> RM
Surplus/ (deficit) before taxation	<u>19,867</u>	<u>(435,332)</u>
Labuan Business Activity Tax @ 24%	4,768	(104,480)
Unutilised tax losses	<u>(4,768)</u>	<u>104,480</u>
Tax expense for the financial year/period	<u>0</u>	<u>0</u>

All Islamic Foundation is not taxable as provided by the Labuan Business Activity Tax Act 1990.

14 FINANCIAL INSTRUMENTS

	<u>2022</u>	<u>6 March 2020</u> (Date of registration) to 31 December 2021
<u>Financial assets</u>		
Other receivables	1,000	0
Cash and cash equivalents	<u>798,106</u>	<u>849,437</u>
	<u>799,106</u>	<u>849,437</u>
<u>Financial liabilities</u>		
Other payables	<u>1,042,298</u>	<u>1,098,017</u>

Foundation No.

LAF 00399-(I)

ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

**STATEMENT OF DETAILED INCOME AND EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	<u>2022</u>	<u>6 March 2020</u> <u>(Date of registration) to</u> <u>31 December</u> <u>2021</u> <u>RM</u>
REVENUE		
Donation	443,250	0
Events income		
- Projek Bantuan 1.0 Keluarga Susah	0	281,569
- Projek Bendera Putih	0	187,144
- Projek Infaq Ramadhan	405,297	235,522
- Projek Bantuan Frontliners	0	15,416
- Projek Bantuan Keluarga 2.0	0	145,160
- Projek Pasca Bah	0	74,490
- Projek Bantuan Banjir	0	40,562
- Projek Bantuan Sabah	0	39,122
- Projek Puan Balqis	0	10,512
- Projek Susu Ibu	59,050	15,020
- Projek Bantuan Tablet	0	43,226
	<u>907,597</u>	<u>1,087,743</u>
OTHER OPERATING INCOME		
Hibah received	1,271	1,227
Total other operating income	<u>1,271</u>	<u>1,227</u>
TOTAL INCOME	<u>908,868</u>	<u>1,088,970</u>
LESS: CHARITY PROJECT EXPENSES		
- Projek Bantuan One-Off	50,754	0
- Projek Bakul Makanan	10,000	0
- Projek Adiwira	8,049	0
- Projek Bantuan 1.0 Keluarga Susah	42,950	257,700
- Projek Bantuan Banjir	23,500	37,067
- Projek Bantuan Sabah	0	30,750
- Projek Bendera Putih	0	182,900
- Projek Infaq Ramadhan	144,950	229,900
- Projek Nadi	85,600	0
- Projek Puan Balqis	0	9,990
- Projek Susu Ibu	59,050	10,330
- Projek Teroka X KidZania	15,960	0
- Projek Bantuan Tablet	0	37,500
- Bantuan Frontliner	0	13,600
- Projek Bantuan Keluarga 2.0	0	112,050
- Projek Pasca Bah	0	60,000
	<u>(440,812)</u>	<u>(981,787)</u>
ADMINISTRATION AND OTHER OPERATING EXPENSES	<u>(448,189)</u>	<u>(542,515)</u>
SURPLUS/(DEFICIT) BEFORE TAXATION	<u>19,867</u>	<u>(435,332)</u>

This statement is prepared for the purpose of the management's use only and does not form part of the statutory audited financial statements.

Foundation No.

LAF	00399-(I)
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ARBA INTERNATIONAL WAQF (L) FOUNDATION

(Established in Federal Territory of Labuan Pursuant to the Labuan Islamic Financial Services and Securities Act 2010 and Labuan Foundations Act 2010)

STATEMENT OF DETAILED EXPENSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	<u>2022</u>	<u>6 March 2020</u> <u>(Date of</u> <u>registration) to</u> <u>31 December</u> <u>2021</u> RM
<u>ADMINISTRATION AND OTHER OPERATING EXPENSES :</u>		
Advertisement	6,653	109,528
Accounting fees	1,600	2,850
Auditor's remuneration	9,500	9,500
Allowances	0	376,349
Bank charges	258	293
Depreciation of property, plant and equipment	3,620	0
Dues and subscription	9,482	0
General expenses	9,212	5,247
Legal and professional fees	7,900	12,047
Marketing expenses	18,929	11,110
Office expenses	8,169	5,874
Printing and stationery	2,001	717
Payroll expenses	353,889	0
Payment gateway expenses	22	0
Rental of office	9,000	9,000
Tax compliance fee	2,300	0
Travelling expenses	5,654	0
TOTAL ADMINISTRATION AND OTHER OPERATING EXPENSES	<u>448,189</u>	<u>542,515</u>

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