





Company No.

510087	M
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CANCER RESEARCH MALAYSIA
(formerly known as Cancer Research Initiatives Foundation)
(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2014

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Company No.

510087

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CANCER RESEARCH MALAYSIA
(formerly known as Cancer Research Initiatives Foundation)
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TRUSTEES

Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Abd. Hamid bin Ibrahim
Tengku Datuk Seri Ahmad Shah Al-Haj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun

SECRETARY

Noor Zita binti Hassan

AUDITORS

PricewaterhouseCoopers

REGISTERED OFFICE

1st Floor Lot 33
Jalan Pelukis U1/46
Temasya Industrial Park
Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

PRINCIPAL PLACE OF BUSINESS

2nd Floor, Outpatient Centre
Sime Darby Medical Centre Subang Jaya
47500 Subang Jaya
Selangor Darul Ehsan
Malaysia

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CANCER RESEARCH MALAYSIA

(formerly known as Cancer Research Initiatives Foundation)

(Incorporated in Malaysia as a company limited by guarantee and not having a share capital)

TRUSTEES' REPORT

The Trustees are pleased to submit their report together with the audited financial statements of the Economic Entity and of the Foundation for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the Foundation is to receive and administer funds for cancer research purposes. There have been no significant changes in the nature of this activity during the financial year.

The Foundation's joint venture is principally involved in rendering of services and products based in cell biology and cell culture technology.

The Foundation is incorporated in Malaysia as a company limited by guarantee and does not have a share capital.

CHANGE OF NAME

The Foundation changed its name from Cancer Research Initiatives Foundation to Cancer Research Malaysia with effect from 8 April 2015.

FINANCIAL RESULTS

	<u>Economic Entity</u> RM	<u>Foundation</u> RM
Excess of income over expenditure for the financial year	<u>1,953,416</u>	<u>1,953,416</u>

RESERVES AND PROVISIONS

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

BOARD OF TRUSTEES

The members of the Board of Trustees who have held office during the period since the date of the last report are as follows:

Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya
Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Abd. Hamid bin Ibrahim
Tengku Datuk Seri Ahmad Shah Al-Haj Ibni
Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun

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CANCER RESEARCH MALAYSIA

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TRUSTEES' REPORT (CONTINUED)

BOARD OF TRUSTEES (CONTINUED)

Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Toh Puan Dato' Seri Hajjah Dr Aishah Ong, being over seventy years of age, retire in accordance with Section 129 of the Companies Act, 1965 and offers themselves for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Foundation.

Lim Siew Lian, Abd. Hamid bin Ibrahim and Dato' Leong Kwei Chun who retire by rotation in accordance with the Articles of Association of the Foundation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

TRUSTEES' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Foundation is a party, being arrangements with the object or objects of enabling the Trustees of the Foundation to acquire benefits by means of the acquisition of shares in, or debentures of, the Foundation or any other body corporate.

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements were made out, the Trustees took reasonable steps:

- (a) 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 all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Economic Entity and of the Foundation, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Trustees are not aware of any circumstances:

- (a) which would render the amounts written-off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Economic Entity and of the Foundation inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Economic Entity and of the Foundation misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Economic Entity and of the Foundation misleading or inappropriate.

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TRUSTEES' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

No contingent 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, in the opinion of the Trustees, will or may substantially affect the ability of the Economic Entity and of the Foundation to meet their obligations when they fall due.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Economic Entity and of the Foundation which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Economic Entity and of the Foundation which has arisen since the end of the financial year.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Trustees:

- (a) the results of the Economic Entity's and of the Foundation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 that is likely to affect substantially the results of the operations of the Economic Entity and of the Foundation for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with the resolution of the Board of Trustees dated 25 May 2015.


TUNKU TAN SRI DATO' SERI AHMAD
BIN TUNKU YAHAYA
TRUSTEE


TOH PUAN DATO' SERI
HAJJAH DR AISHAH ONG
TRUSTEE

Kuala Lumpur

CANCER RESEARCH MALAYSIA

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INCOME AND EXPENDITURE STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Economic Entity		Foundation	
		2014 RM	2013 RM	2014 RM	2013 RM
INCOME					
Donations		6,666,578	6,682,015	6,666,578	6,682,015
Research grants		582,200	502,200	582,200	502,200
Other income		361,555	542,535	361,555	542,535
Interest income		172,535	143,782	172,535	143,782
		<u>7,782,868</u>	<u>7,870,532</u>	<u>7,782,868</u>	<u>7,870,532</u>
LESS: EXPENDITURE					
Staff costs	4	(2,707,426)	(2,299,563)	(2,707,426)	(2,299,563)
Research expenditure		(509,136)	(366,099)	(509,136)	(366,099)
Depreciation of property, plant and equipment		(1,010,968)	(890,224)	(1,010,968)	(890,224)
Loss on disposal of property, plant and equipment		(75,383)	(7,791)	(75,383)	(7,791)
Write-off of property, plant and equipment		(10,455)	-	(10,455)	-
Training expenditure		(78,443)	(73,517)	(78,443)	(73,517)
Repairs and maintenance expenditure		(61,316)	(24,236)	(61,316)	(24,236)
Professional fees		(59,074)	(75,629)	(59,074)	(75,629)
Travelling expenses		(53,521)	(56,571)	(53,521)	(56,571)
Computer related expenses		(47,697)	(40,852)	(47,697)	(40,852)
Seminar/conference expenses		(80,433)	(61,470)	(80,433)	(61,470)
Insurance expenses		(109,325)	(91,861)	(109,325)	(91,861)
Marketing and fund raising expenses		(82,750)	(154,241)	(82,750)	(154,241)
Cost of merchandise		(24,458)	(157,914)	(24,458)	(157,914)
Laboratory maintenance		(159,413)	(153,427)	(159,413)	(153,427)
Rental		(146,202)	(90,017)	(146,202)	(90,017)
Utilities		(116,373)	(54,224)	(116,373)	(54,224)
Purchased services		(266,966)	(357,496)	(266,966)	(357,496)
Dues and subscriptions		(31,955)	(25,720)	(31,955)	(25,720)
Motor vehicle expenses		-	(35,100)	-	(35,100)
Other expenses		(198,158)	(81,414)	(198,158)	(81,414)
		<u>(5,829,452)</u>	<u>(5,097,366)</u>	<u>(5,829,452)</u>	<u>(5,097,366)</u>
Reversal of impairment of investment in joint venture		29,605	11,447	-	-
Share of losses in a joint venture		(29,605)	(11,447)	-	-
EXCESS OF INCOME OVER EXPENDITURE		<u>1,953,416</u>	<u>2,773,166</u>	<u>1,953,416</u>	<u>2,773,166</u>

CANCER RESEARCH MALAYSIA

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STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	Economic Entity		Foundation	
		2014 RM	2013 RM	2014 RM	2013 RM
GENERAL FUND					
Balance at beginning of the financial year		12,622,772	9,849,606	12,622,772	9,849,606
Excess of income over expenditure		1,953,416	2,773,166	1,953,416	2,773,166
Balance at end of the financial year		<u>14,576,188</u>	<u>12,622,772</u>	<u>14,576,188</u>	<u>12,622,772</u>
Represented by:					
NON-CURRENT ASSETS					
Property, plant and equipment	6	5,287,042	4,835,154	5,287,042	4,835,154
Investment in joint venture	7	-	-	-	-
		<u>5,287,042</u>	<u>4,835,154</u>	<u>5,287,042</u>	<u>4,835,154</u>
CURRENT ASSETS					
Receivables	8	4,313,248	4,260,858	4,313,248	4,260,858
Cash and cash equivalents	9	7,052,255	5,927,739	7,052,255	5,927,739
		<u>11,365,503</u>	<u>10,188,597</u>	<u>11,365,503</u>	<u>10,188,597</u>
LESS: CURRENT LIABILITY					
Payables	10	431,324	422,746	431,324	422,746
		<u>431,324</u>	<u>422,746</u>	<u>431,324</u>	<u>422,746</u>
NET CURRENT ASSETS		<u>10,934,179</u>	<u>9,765,851</u>	<u>10,934,179</u>	<u>9,765,851</u>
NON-CURRENT LIABILITY					
Deferred income	11	1,645,033	1,978,233	1,645,033	1,978,233
NET ASSETS		<u>14,576,188</u>	<u>12,622,772</u>	<u>14,576,188</u>	<u>12,622,772</u>

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STATEMENTS OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Economic Entity		Foundation	
	2014 RM	2013 RM	2014 RM	2013 RM
As at 1 January	12,622,772	9,849,606	12,622,772	9,849,606
Excess of income over expenditure	1,953,416	2,773,166	1,953,416	2,773,166
At 31 December	<u>14,576,188</u>	<u>12,622,772</u>	<u>14,576,188</u>	<u>12,622,772</u>

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STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Economic Entity		Foundation	
		2014 RM	2013 RM	2014 RM	2013 RM
OPERATING ACTIVITIES					
Excess of income over expenditure		1,953,416	2,773,166	1,953,416	2,773,166
Adjustments for non-cash movements:					
Reversal of impairment of investment in joint venture		(29,605)	(11,447)	-	-
Share of losses in a joint venture		29,605	11,447	-	-
Property, plant and equipment					
- depreciation		1,010,968	890,224	1,010,968	890,224
- loss on disposal		75,383	7,791	75,383	7,791
- write-off		10,455	-	10,455	-
Interest income		(172,535)	(143,782)	(172,535)	(143,782)
		<u>2,877,687</u>	<u>3,527,399</u>	<u>2,877,687</u>	<u>3,527,399</u>
Changes in operating assets and liabilities:					
Increase in receivables		(52,390)	(663,921)	(52,390)	(663,921)
Increase/(decrease) in payables		8,578	(266,592)	8,578	(266,592)
Decrease in deferred income		(333,200)	(333,200)	(333,200)	(333,200)
Net cash generated from operating activities		<u>2,500,675</u>	<u>2,263,686</u>	<u>2,500,675</u>	<u>2,263,686</u>
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	6	(1,548,694)	(1,097,931)	(1,548,694)	(1,097,931)
Proceeds from disposal of property, plant and equipment		-	236	-	236
Interest income		172,535	143,782	172,535	143,782
Net cash used in investing activities		<u>(1,376,159)</u>	<u>(953,913)</u>	<u>(1,376,159)</u>	<u>(953,913)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>5,927,739</u>	<u>4,617,966</u>	<u>5,927,739</u>	<u>4,617,966</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	9	<u><u>7,052,255</u></u>	<u><u>5,927,739</u></u>	<u><u>7,052,255</u></u>	<u><u>5,927,739</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1 GENERAL INFORMATION

The Foundation is a company incorporated and domiciled in Malaysia, limited by guarantee and does not have a share capital.

The principal activity of the Foundation is to receive and administer funds for cancer research purposes.

The Foundation's joint venture is principally involved in rendering of services and products based in cell biology and cell culture technology.

There have been no significant changes in the nature of this activity during the financial year.

The address of the registered office of the Foundation is as follows:

1st Floor Lot 33
Jalan Pelukis U1/46
Temasya Industrial Park
Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan
Malaysia

The principal place of business of the Foundation is as follows:

2nd Floor, Outpatient Centre
Sime Darby Medical Centre Subang Jaya
47500 Subang Jaya
Selangor Darul Ehsan
Malaysia

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

A BASIS OF PREPARATION

The financial statements of the Economic Entity and of the Foundation have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Economic Entity are the financial statements of the Foundation in which equity method of accounting has been applied to account for its investment in the joint venture.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**A BASIS OF PREPARATION (CONTINUED)**

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires the Trustees to exercise their judgement in the process of applying the Economic Entity's and the Foundation's accounting policies. Although these estimates and judgement are based on the Trustees' best knowledge of current events and actions, actual results may differ.

The Trustees are of the view that there were no critical accounting estimates and assumptions which would have a material impact to the Economic Entity's and the Foundation's income and expenditure and financial position or accounting policies that require subjective judgement in the current financial year.

(a) Standards and amendments to published standards that are effective

The new accounting standards, amendments and improvements to published standards that are effective for the Economic Entity's and the Foundation's financial year beginning on or after 1 January 2014 are as follows:

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 136 'Recoverable Amount Disclosures for Non-Financial Assets'
- Amendments to MFRS 10 'Consolidated Financial Statements', MFRS 12 'Disclosures of Interests in Other Entities' and MFRS 127 'Separate Financial Statements - Investment entities'

The adoption of the above amendments to published standards did not have any material impact on the financial statements of the Economic Entity and the Foundation.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

- (b) Standards and amendments to published standards that are applicable to the Economic Entity and the Foundation but not yet effective

The Economic Entity and the Foundation will apply the new standards and amendments to published standards in the following period:

Effective for annual periods beginning on or after 1 January 2015

- Annual Improvements to MFRSs 2010-2012 Cycle includes MFRS 13 'Fair Value Measurement' and MFRS 116 'Property, Plant and Equipment'
- Annual Improvements to MFRSs 2011-2013 Cycle includes MFRS 13 'Fair Value Measurement'

Effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 116 'Property, plant and equipment' clarifies that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- Amendments to MFRS 10 and MFRS 128 regarding the sale or contribution of assets between an investor and its associate or joint venture resolve a current inconsistency between MFRS 10 and MFRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor or where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

- (b) Standards and amendments to published standards that are applicable to the Economic Entity and the Foundation but not yet effective (continued)

The Economic Entity and the Foundation will apply the new standards and amendments to published standards in the following period (continued):

Effective for annual periods beginning on or after 1 January 2017

- MFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations.

Effective for annual periods beginning on or after 1 January 2018

- MFRS 9 'Financial Instruments' will replace MFRS 139 'Financial Instruments: Recognition and Measurement'. The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For financial liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

- (b) Standards and amendments to published standards that are applicable to the Economic Entity and the Foundation but not yet effective (continued)

The Economic Entity and the Foundation will apply the new standards and amendments to published standards in the following period (continued):

Effective for annual periods beginning on or after 1 January 2018 (continued)

There is now a new expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Economic Entity and the Foundation is assessing the impact of the above standards and amendments to standards on the financial statements of the Economic Entity and the Foundation in the year of initial adoption.

B DONATIONS AND RESEARCH GRANTS

Donations and research grants are recognised as income when the Economic Entity's and the Foundation's right to receive payment is established.

C OTHER INCOME

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Economic Entity and the Foundation.

Income from advisory and consultancy service is recognised when the services are provided.

D PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Economic Entity and the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are recognised as expenses in the income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****D PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Property, plant and equipment are depreciated on a straight line basis to write-off the cost of the assets to their residual values over their estimated useful lives at the following annual depreciation rates, as summarised below:

Laboratory equipment	10.0%
Renovations	25.0%
Computers	33.3%
Office equipment	10.0%

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of the reporting period. The effects of any revision of the residual values and useful lives are included in the income and expenditure statements for the financial year in which the changes arise.

At the end of each reporting period, the Economic Entity and the Foundation assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see accounting policy E on impairment of non-financial assets).

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income and expenditure statements.

E IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting date.

The impairment loss is charged to the income and expenditure statements and any subsequent increase in recoverable amount is recognised in the income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F GOVERNMENT GRANTS

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grant will be received and the Economic Entity and the Foundation will comply with their attached conditions.

Government grants relating to costs are deferred and recognised in the income and expenditure statements over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to the income and expenditure statements on a straight line basis over the expected useful lives of the related assets.

G CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and bank balances and demand deposits with original maturity of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

H EMPLOYEE BENEFITS

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Economic Entity and the Foundation.

The Economic Entity's and the Foundation's contributions to the Employees' Provident Fund are charged to the income and expenditure statements in the period to which they relate. Once the contributions have been paid, the Economic Entity and the Foundation have no further payment obligations.

I FINANCIAL ASSETS

(a) Classification

The Economic Entity and the Foundation classify the financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Economic Entity's and the Foundation's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statements of financial position (Note 8 and Note 9).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(b) Recognition and initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

(c) Subsequent measurement – gains and losses

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

(d) Subsequent measurement - Impairment of financial assets

Loans and receivables carried at amortised cost

The Economic Entity and the Foundation assess at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Loans and receivables are impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the income and expenditure statements. If 'loans and receivables' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Economic Entity and the Foundation may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****I FINANCIAL ASSETS (CONTINUED)****(d) Subsequent measurement - Impairment of financial assets (continued)**Loans and receivables carried at amortised cost (continued)

When an asset is uncollectible, it is written-off against the related allowance account. Such assets are written-off after all the necessary procedures have been completed and the amount of the loss has been determined.

(e) Derecognition

Financial assets are derecognised when the rights to receive cash flows or have been transferred and the Economic Entity and the Foundation have transferred substantially all risks and rewards of ownership.

J FINANCIAL LIABILITIES

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments in another enterprise under conditions that are potentially unfavourable.

Financial liabilities are recognised in the statements of financial position when, and only when, the Economic Entity and the Foundation becomes a party to the contractual provisions of the financial instrument.

The Economic Entity and the Foundation classify the financial liabilities as other financial liabilities. The classification depends on the nature of the liabilities and the purpose for which the financial liabilities were incurred. Management determines the classification at initial recognition.

Other financial liabilities

Other financial liabilities comprise 'payables' (Note 10).

When other financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs.

Subsequent to the initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in the income and expenditure statements when the other financial liabilities are derecognised, and through the amortisation process.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial liabilities are classified as current liabilities for those having maturity dates of less than twelve months after the reporting date, otherwise, the balance is classified as non-current.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**K OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

L JOINT ARRANGEMENTS

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Foundation with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Foundation's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Foundation's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Foundation's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Foundation's net investment in the joint ventures), the Foundation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Foundation and its joint venture are eliminated to the extent of the Foundation's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Foundation.

In the Foundation's separate financial statements, investment in joint venture is carried at cost less accumulated impairment losses. On disposal of investment in joint venture, the difference between disposal proceeds and the carrying amounts of the investments are recognised in income and expenditure statements.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****M CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Economic Entity and the Foundation do not recognise a contingent asset and liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Foundation or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Economic Entity and the Foundation. The Economic Entity and the Foundation do not recognise contingent assets but discloses its existence where inflows or economic benefits are probable, but not virtually certain.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**(i) Financial instruments by category**

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
<u>Loan and receivables</u>		
<u>Current</u>		
Receivables (excluding prepayments)	4,296,634	4,204,441
Cash and cash equivalents	7,052,255	5,927,739
Total financial assets	<u>11,348,889</u>	<u>10,132,180</u>
<u>Other financial liabilities at amortised cost</u>		
<u>Current</u>		
Payables	<u>431,324</u>	<u>422,746</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Financial risk factors

(a) Credit risk

The management does not consider there to be any significant concentration of credit risk.

Credit quality of financial assets

Information regarding credit quality of other receivables is disclosed in Note 8. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Other receivables that are neither past due nor impaired are substantially companies with no history of default with the Economic Entity and the Foundation.

(b) Interest rate risk

The Economic Entity and the Foundation are subject to interest rate risk as the deposit with the licensed bank is interest-bearing. A 1% (2013: 1%) increase in the interest rate would result in an increase in the income and expenditure statements by RM70,000 (2013: RM56,000).

(c) Liquidity and cash flow risk

The Economic Entity and the Foundation adopt prudent liquidity risk management by maintaining sufficient cash resources and having available funding through donors. The Economic Entity's and the Foundation's operations are financed mainly through donations and research grants received.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
<u>Less than 1 year</u>		
Payables	<u>431,324</u>	<u>422,746</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****(iii) Capital risk management**

The Economic Entity's and the Foundation's objectives when managing capital are to safeguard the Economic Entity's and the Foundation's ability to continue as a going concern in order to provide returns for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Economic Entity and the Foundation regard the general fund as their capital.

4 STAFF COSTS

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
Salary, wages and overtime	2,336,305	1,953,450
Defined contribution plan	297,318	269,749
Other employee benefits	73,803	76,364
	<u>2,707,426</u>	<u>2,299,563</u>

5 TAXATION

No provision has been made for taxation as the Foundation is a charitable institution which is exempted from tax by virtue of Section 127 (1) of the Income Tax Act, 1967 (Paragraph 13(1)(a) of Schedule 6).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

6 **PROPERTY, PLANT AND EQUIPMENT**

Economic Entity and Foundation

2014	Laboratory equipment RM	Renovations RM	Computers RM	Office equipment RM	Total RM
<u>Cost</u>					
At 1 January 2014	9,714,932	824,769	706,013	169,910	11,415,624
Additions	1,528,567	40,208	59,620	1,908	1,630,303
Reclassification	(95,000)	-	95,000	-	-
Disposals	(672,240)	-	(30,000)	-	(702,240)
Write-off	(98,613)	-	(56,757)	(4,546)	(159,916)
At 31 December 2014	<u>10,377,646</u>	<u>864,977</u>	<u>773,876</u>	<u>167,272</u>	<u>12,183,771</u>
<u>Accumulated depreciation</u>					
At 1 January 2014	5,232,330	662,549	623,944	61,647	6,580,470
Depreciation charge for the financial year	838,369	59,626	98,669	14,304	1,010,968
Reclassification	(57,792)	-	57,792	-	-
Disposals	(515,248)	-	(30,000)	-	(545,248)
Write-off	(88,166)	-	(56,757)	(4,538)	(149,461)
At 31 December 2014	<u>5,409,493</u>	<u>722,175</u>	<u>693,648</u>	<u>71,413</u>	<u>6,896,729</u>
<u>Net book value</u>					
At 31 December 2014	<u>4,968,153</u>	<u>142,802</u>	<u>80,228</u>	<u>95,859</u>	<u>5,287,042</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Economic Entity and Foundation

<u>2013</u>	<u>Laboratory equipment</u> RM	<u>Renovations</u> RM	<u>Computers</u> RM	<u>Office equipment</u> RM	<u>Total</u> RM
<u>Cost</u>					
At 1 January 2013	10,970,439	650,781	696,645	99,763	12,417,628
Additions	813,773	173,988	38,525	71,645	1,097,931
Disposals	(2,069,280)	-	(29,157)	(1,498)	(2,099,935)
At 31 December 2013	<u>9,714,932</u>	<u>824,769</u>	<u>706,013</u>	<u>169,910</u>	<u>11,415,624</u>
<u>Accumulated depreciation</u>					
At 1 January 2013	6,523,107	621,079	586,306	51,662	7,782,154
Depreciation charge for the financial year	771,533	41,470	66,795	10,426	890,224
Disposals	(2,062,310)	-	(29,157)	(441)	(2,091,908)
At 31 December 2013	<u>5,232,330</u>	<u>662,549</u>	<u>623,944</u>	<u>61,647</u>	<u>6,580,470</u>
<u>Net book value</u>					
At 31 December 2013	<u>4,482,602</u>	<u>162,220</u>	<u>82,069</u>	<u>108,263</u>	<u>4,835,154</u>

The net cash outflow for the acquisition of property, plant and equipment during the financial year is as follows:

	<u>Economic Entity and Foundation</u>	
	<u>2014</u> RM	<u>2013</u> RM
Acquisition of property, plant and equipment during the financial year	1,630,303	1,097,931
Less: Trade-in of property, plant and equipment during the financial year	(81,609)	-
Net cash outflow on the acquisition of property, plant and equipment	<u>1,548,694</u>	<u>1,097,931</u>

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****7 INVESTMENT IN JOINT VENTURE**

	Economic Entity		Foundation	
	2014 RM	2013 RM	2014 RM	2013 RM
Unquoted shares in Malaysia, at cost	99,960	99,960	99,960	99,960
Add: Share of post-acquisition results and reserve	(85,988)	(56,383)	-	-
	13,972	43,577	99,960	99,960
Less: Accumulated impairment loss	(13,972)	(43,577)	(99,960)	(99,960)
	-	-	-	-

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Foundation.

Name of company	Place of incorporation	Principal activities	Foundation's effective interest	
			2014 %	2013 %
AseaCyte Sdn. Bhd.	Malaysia	Rendering of services and products based in cell biology and cell culture technology	49.00	49.00

AseaCyte Sdn. Bhd. grants the Foundation 5 year royalty-free license for access to its cell biology and cell culture technology from 12 February 2010 to 11 February 2015.

The joint venture is a private company and there is no quoted market price available for its shares.

There are no commitments or contingent liabilities relating to the Foundation's interest in the joint venture.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****7 INVESTMENT IN JOINT VENTURE (CONTINUED)**

Set out below are the summarised financial information for AseaCyte Sdn. Bhd. which is accounted for using the equity method.

(a) Summarised statement of financial position

	Economic Entity	
	2014 RM	2013 RM
NON-CURRENT ASSET	1,536	4,092
CURRENT ASSETS		
Cash and cash equivalents	29,781	61,049
Other current assets	43,910	73,831
	<u>73,691</u>	<u>134,880</u>
CURRENT LIABILITIES		
Other current liabilities	(46,713)	(50,040)
Net current assets	<u>26,978</u>	<u>84,840</u>
Net assets	<u>28,514</u>	<u>88,932</u>

(b) Summarised statement of comprehensive income

	Economic Entity	
	2014 RM	2013 RM
Revenue	2,870	242,699
Depreciation and amortisation	(2,556)	(2,556)
Other operating expenses	(60,732)	(263,504)
Loss before tax	<u>(60,418)</u>	<u>(23,361)</u>
Income tax expense	-	-
Loss after tax	<u>(60,418)</u>	<u>(23,361)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

7 INVESTMENT IN JOINT VENTURE (CONTINUED)

(c) Reconciliation of summarised financial information

The reconciliation between the summarised financial information and the carrying amount of the joint venture are as follows:

	Economic Entity	
	2014	2013
	RM	RM
Opening net assets/(liabilities)	88,932	112,293
Loss for the financial year	(60,418)	(23,361)
Closing net assets	<u>28,514</u>	<u>88,932</u>
Share of net assets in joint venture	13,972	43,577
Accumulated impairment loss	(13,972)	(43,577)
Carrying amount of investment in joint venture	<u>-</u>	<u>-</u>

The Foundation has fully impaired the carrying value of the investment in the joint venture on the basis that the Foundation will be discontinuing with this joint venture arrangement and the recoverable amount is not expected to be significant.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

8 RECEIVABLES

As at 31 December 2014, the other receivables balance can be analysed as follows:

	Economic Entity and Foundation	
	2014 RM	2013 RM
Deposits	38,610	38,610
Prepayment	16,614	56,417
Other receivables	4,258,024	4,165,831
	<u>4,313,248</u>	<u>4,260,858</u>

Other receivables comprise the donations which have not been received as at the reporting date.

As at 31 December 2014, the other receivables balance can be analysed as follows:

	Economic Entity and Foundation	
	2014 RM	2013 RM
<u>Other receivables:</u>		
- Current	3,088,439	4,006,224
- Past due		
61- 90 days	9,915	-
Over 180 days	1,159,670	159,607
	<u>4,258,024</u>	<u>4,165,831</u>

The other receivables which were past due but not impaired relate to a number of independent donors for whom there is no recent history of default.

The other classes within other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Economic Entity and the Foundation do not hold any collateral as security.

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NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)****9 CASH AND CASH EQUIVALENTS**

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
Deposits with licensed bank	7,000,000	5,600,000
Bank balances	48,255	323,739
Cash on hand	4,000	4,000
	<u>7,052,255</u>	<u>5,927,739</u>

The deposits with licensed bank carry interest rates ranging from 2.70% to 3.15% (2013: 3.00% to 3.05%) per annum as at the reporting date and have maturity periods ranging from one to three months (2013: one to three months).

10 PAYABLES

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
Accruals	271,421	348,956
Other payables	159,903	73,790
	<u>431,324</u>	<u>422,746</u>

11 DEFERRED INCOME

The Economic Entity and the Foundation obtained a government grant of RM3,500,000 in the financial year ended 31 December 2008 and were required to utilise the funds for certain projects and activities, including the acquisition of certain assets, as approved and prescribed under the terms of the grant. Government grant relating to the purchase of assets is credited to the income and expenditure statements on a straight line basis over the expected useful lives of the related assets. Government grant relating to costs is recognised in the income and expenditure statements over the periods to match the related costs for which the grants are intended to compensate.

	<u>Economic Entity and Foundation</u>	
	<u>2014</u>	<u>2013</u>
	RM	RM
At 1 January	1,978,233	2,311,433
Credited to income and expenditure statement	(333,200)	(333,200)
At 31 December	<u>1,645,033</u>	<u>1,978,233</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Trustees dated 25 May 2015.

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

We, Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Toh Puan Dato' Seri Hajjah Dr Aishah Ong, being two of the Trustees of Cancer Research Malaysia (formerly known as Cancer Research Initiatives Foundation), do hereby state that, in the opinion of the Trustees, the financial statements set out on pages 4 to 28 are drawn up so as to give a true and fair view of the state of affairs of the Economic Entity and of the Foundation as at 31 December 2014 and of its results and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Signed in accordance with the resolution of the Board of Trustees dated 25 May 2015.

TUNKU TAN SRI DATO' SERI AHMAD
BIN TUNKU YAHAYA
TRUSTEE


TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG
TRUSTEE


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

I, Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, the Trustee primarily responsible for the financial management of Cancer Research Malaysia (formerly known as Cancer Research Initiatives Foundation), do solemnly and sincerely declare that the financial statements set out on pages 4 to 28 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.


TUNKU TAN SRI DATO' SERI AHMAD
BIN TUNKU YAHAYA

Subscribed and solemnly declared by the above named Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya at Subang Jaya, Malaysia on 25 May 2015.

Before me,


COMMISSIONER FOR OATHS
No: B 246
Name: MOHAMMED
ISAH BIN
ABDUL HAMID

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D/A Shah, Rina & Co
5G-03A-01 Tingkat 1 Shopping Gallery
Subang Square Jalan SS15-1/1
47500 Subang Jaya, Selangor D.E.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF CANCER RESEARCH MALAYSIA
(formerly known as Cancer Research Initiatives Foundation)
(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)
(Company No. 510087-M)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Cancer Research Malaysia (formerly known as Cancer Research Initiatives Foundation) on pages 4 to 28, which comprise the statements of financial position as at 31 December 2014 of the Economic Entity and of the Foundation, and the income and expenditure statements, statements of changes in general funds and statements of cash flows of the Economic Entity and of the Foundation for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 12.

Trustees' Responsibility for the Financial Statements

The Trustees of the Foundation are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Trustees of the Foundation are also responsible for such internal control as the Trustees 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 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 judgement, 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 accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF CANCER RESEARCH MALAYSIA (CONTINUED)
(formerly known as Cancer Research Initiatives Foundation)
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REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Economic Entity and of the Foundation as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 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.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

SHIRLEY GOH
(No. 1778/08/16 (J))
Chartered Accountant

Kuala Lumpur
25 May 2015