

Company No.

510087	M
--------	---

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2012

Company No.

510087

M

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

TRUSTEES

Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya

Toh Puan Dato' Seri Hajah Dr Aishah Ong

Lim Siew Lian

Abd. Hamid bin Ibrahim

Tengku Indera Setia Selangor Tengku Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin

Abdul Aziz Shah Al-Haj

Alan Hamzah Sendut

Dato' Dr Ir Gan Thian Leong

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

Company No.

510087

M

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

CONTENTS	PAGES
TRUSTEES' REPORT	1 - 3
FINANCIAL STATEMENTS	
INCOME AND EXPENDITURE STATEMENT	4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF CHANGES IN GENERAL FUNDS	6
STATEMENTS OF CASH FLOWS	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 23
STATEMENT BY TRUSTEES	24
STATUTORY DECLARATION	24
INDEPENDENT AUDITORS' REPORT	25 - 26

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(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 Cancer Research Initiatives Foundation (the "Foundation") for the financial year ended 31 December 2012.

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

FINANCIAL RESULTS

	RM
Excess of income over expenditure for the financial year	<u>2,201,367</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 Hajah Dr Aishah Ong

Lim Siew Lian

Abd. Hamid bin Ibrahim

Tengku Indera Setia Selangor Tengku Ahmad Shah

Al-Haj ibni Almarhum Sultan Salahuddin Abdul

Aziz Shah Al-Haj

Alan Hamzah Sendut

Dato' Dr Ir Gan Thian Leong

(Appointed on 20 December 2012)

Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself 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.

Toh Puan Dato' Seri Hajah Dr Aishah Ong, Lim Siew Lian and Abd Hamid bin Ibrahim 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.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

TRUSTEES' REPORT (CONTINUED)

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 income and expenditure statement and statement of financial position of the Foundation 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 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 Foundation inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Foundation misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Foundation misleading or inappropriate.

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 Foundation to meet its obligations when they fall due.

Company No.

510087

M

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

TRUSTEES' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

- (a) any charge on the assets 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 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 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 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 5 June 2013.



TUNKU TAN SRI DATO' SERI AHMAD
BIN TUNKU YAHAYA
TRUSTEE



TOH PUAN DATO' SERI HAJAH
DR AISHAH ONG
TRUSTEE

Kuala Lumpur
5 June 2013

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	<u>Note</u>	<u>2012</u> RM	<u>2011</u> RM
INCOME			
Donations		7,276,367	5,084,771
Research grants		514,632	333,200
Other income		34,665	42,050
Interest income		38,688	59,964
		<u>7,864,352</u>	<u>5,519,985</u>
LESS: EXPENDITURE			
Staff costs	4	2,086,716	1,799,736
Research expenditure		450,297	333,013
Depreciation of property, plant and equipment		1,003,550	1,178,798
Training expenditure		65,982	63,690
Repairs and maintenance expenditure		48,282	20,128
Professional fees		170,651	178,550
Travelling expenses		48,489	40,080
Computer related expenses		41,507	39,493
Seminar/conference expenses		66,110	113,041
Insurance expenses		83,711	67,242
Marketing and fund raising expenses		308,768	101,904
Laboratory maintenance		84,347	74,981
Rental		60,500	60,000
Utilities		20,269	15,738
Purchase service		892,733	84,823
Dues and subscriptions		21,993	24,505
Motor vehicle expenses		44,550	29,700
Other expenses		92,352	104,094
		<u>5,590,807</u>	<u>4,329,516</u>
Impairment of investment in jointly controlled entity		55,024	-
Share of losses in a jointly controlled entity		17,154	27,782
EXCESS OF INCOME OVER EXPENDITURE		<u><u>2,201,367</u></u>	<u><u>1,162,687</u></u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
GENERAL FUND				
Balance at beginning of the financial year		7,648,239	6,485,552	6,036,991
Excess of income over expenditure		2,201,367	1,162,687	448,561
Balance at end of the financial year		<u>9,849,606</u>	<u>7,648,239</u>	<u>6,485,552</u>
Represented by:				
NON-CURRENT ASSET				
Property, plant and equipment	7	4,635,474	5,344,296	5,836,432
Jointly controlled entity	8	-	(22,882)	4,900
		<u>4,635,474</u>	<u>5,321,414</u>	<u>5,841,332</u>
CURRENT ASSETS				
Receivables	9	3,596,937	545,595	980,449
Cash and cash equivalents	10	4,617,966	4,845,409	2,949,725
		<u>8,214,903</u>	<u>5,391,004</u>	<u>3,930,174</u>
LESS: CURRENT LIABILITY				
Payables	6	689,338	315,546	308,121
		<u>689,338</u>	<u>315,546</u>	<u>308,121</u>
NET CURRENT ASSETS		7,525,565	5,075,458	3,622,053
Deferred income	11	2,311,433	2,748,633	2,977,833
		<u>9,849,606</u>	<u>7,648,239</u>	<u>6,485,552</u>

Company No.

510087

M

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

STATEMENT OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> RM	<u>2011</u> RM
As at 1 January	7,648,239	6,485,552
Excess of income over expenditure	<u>2,201,367</u>	<u>1,162,687</u>
At 31 December	<u>9,849,606</u>	<u>7,648,239</u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Note	2012 RM	2011 RM
OPERATING ACTIVITIES			
Excess of income over expenditure		2,201,367	1,162,687
Adjustments for non-cash movements:			
Share of losses of a jointly controlled entity		17,154	27,782
Depreciation of property, plant and equipment		1,003,550	1,178,798
Interest income		(38,688)	(59,964)
Impairment of investment in jointly controlled entity		55,024	-
		<u>3,238,407</u>	<u>2,309,303</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(3,051,340)	434,854
Increase in payables		373,790	7,425
Decrease in deferred income		(437,200)	(229,200)
Net cash generated from operating activities		<u>123,657</u>	<u>2,522,382</u>
INVESTING ACTIVITIES			
Purchase of unquoted Shares		(95,060)	-
Purchase of property, plant and equipment		(294,728)	(686,662)
Interest income		38,688	59,964
Net cash used in investing activities		<u>(351,100)</u>	<u>(626,698)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(227,443)	1,895,684
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<u>4,845,409</u>	<u>2,949,725</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10	<u>4,617,966</u>	<u>4,845,409</u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

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.

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

The number of employees in the Foundation as at the statement of financial position date is 27 (2011: 30).

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 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.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

The financial statements of the Foundation for the year ended 31 December 2012 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 'First time adoption of MFRS'. The Foundation have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all years presented, as if these policies had always been in effect. The transition from Financial Reporting Standards to MFRS had no effect on the financial statements of the Foundation. Subsequent to the transition in the financial reporting framework to MFRS on 1 January 2011, the comparative information has not been audited under MFRS. The comparative statement of financial position as at 31 December 2011, comparative statements of income and expenditure, changes in general funds and cash flows for the year then ended have been audited under the previous financial reporting framework, Financial Reporting Standards in Malaysia.

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 Trustees to exercise their judgment in the process of applying the Foundation's accounting policies. Although these estimates and judgment are based on the Trustees' best knowledge of current events and actions, actual results may differ.

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Foundation but not yet effective

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

- (i) Financial year beginning on/after 1 January 2013
- MFRS 11 "Joint arrangements" (effective from 1 January 2013) requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Foundation but not yet effective (continued)

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

- (i) Financial year beginning on/after 1 January 2013 (continued)

- MFRS 12 "Disclosures of interests in other entities" (effective from 1 January 2013) sets out the required disclosures for entities reporting under the two new standards, MFRS 10 and MFRS 11, and replaces the disclosure requirements currently found in MFRS 128 "Investments in associates". It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.
- MFRS 13 "Fair value measurement" (effective from 1 January 2013) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across MFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. The enhanced disclosure requirements are similar to those in MFRS 7 "Financial instruments: Disclosures", but apply to all assets and liabilities measured at fair value, not just financial ones.
- The revised MFRS 128 "Investments in associates and joint ventures" (effective from 1 January 2013) includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of MFRS 11.
- Amendment to MFRS 7 "Financial instruments: Disclosures" (effective from 1 January 2013) requires more extensive disclosures focusing on quantitative information about recognized financial instruments that are offset in the balance sheet and those that are subject to master netting or similar arrangement irrespective of whether they are offset.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Foundation but not yet effective (continued)

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

- (ii) Financial year beginning on/after 1 January 2014

- Amendment to MFRS 132 "Financial instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

- (iii) Financial year beginning on/after 1 January 2015

- MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities" (effective from 1 January 2015) replaces the multiple classification and measurement models in MFRS 139 with a single model that has only two classification categories: amortised cost and fair value. The basis of classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.
- The accounting and presentation for financial liabilities and for de-recognising financial instruments has been relocated from MFRS 139, without change, except for financial liabilities that are designated at fair value through profit or loss ("FVTPL"). Entities with financial liabilities designated at FVTPL recognise changes in the fair value due to changes in the liability's credit risk directly in other comprehensive income (OCI). There is no subsequent recycling of the amounts in OCI to income and expenditure statement, but accumulated gains or losses may be transferred within equity.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****A BASIS OF PREPARATION (CONTINUED)**

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Foundation but not yet effective (continued)

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

- (iii) Financial year beginning on/after 1 January 2015 (continued)

- The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.
- MFRS 7 requires disclosures on transition from MFRS 139 to MFRS 9.

The above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Foundation in the year of initial adoption.

B DONATIONS AND RESEARCH GRANTS

Donations and research grants are recognised as income when 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 rate over the period to maturity, when it is determined that such income will accrue to the Foundation.

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

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 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 income and expenditure statement.

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 income and expenditure statement for the financial year in which the changes arise.

At the end of each reporting period, the Foundation assesses 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).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in income and expenditure statement.

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 income and expenditure statement and any subsequent increase in recoverable amount is recognised in income and expenditure statement.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****F GOVERNMENT GRANTS**

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

Government grants relating to costs are deferred and recognised in the income and expenditure statement 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 statement 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 Foundation.

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

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****I FINANCIAL ASSETS****(a) Classification**

The Foundation classifies its 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 Foundation's loans and receivables comprise 'receivables' and 'cash and cash equivalents' in the statement of financial position (Note 9 and Note 10).

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Foundation commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

(c) Subsequent measurement – gains and losses

Loans and receivables financial assets are subsequently carried at amortised cost using the effective interest method.

(d) Subsequent measurement - Impairment of financial assetsAssets carried at amortised cost

The Foundation assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is 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.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement - Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

The criteria that the Foundation uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Foundation, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - (i) adverse changes in the payment status of borrowers in the portfolio; and
 - (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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 income and expenditure statement. 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 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 income and expenditure statement.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement - Impairment of financial assets (continued)

Assets 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) De-recognition

Financial assets are de-recognised when the rights to receive cash flows or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to income and expenditure statement.

J JOINTLY CONTROLLED ENTITIES

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Foundation with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Foundation's interest in jointly controlled entities is accounted for in the financial statements by the equity method of accounting. Equity accounting involves recognising the Foundation's share of the post-acquisition results of jointly controlled entities in income and expenditure statement and its share of post-acquisition changes of the investee's reserves in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment loss).

The Foundation recognises the portion of gains or losses on the sale of assets by the Foundation to the joint venture that is attributable to the other venturers. The Foundation does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Foundation from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Foundation.

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****K OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount presented in the balance sheet 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 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Foundation does 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 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 Foundation. The Foundation does 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**(a) Credit risk**

The management does not consider there to be any significant concentration of credit risk. The Foundation's cash and cash equivalents are placed with banks and financial institutions of reputable standing.

(b) Liquidity and cash flow risk

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

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

4 STAFF COSTS

	2012 RM	2011 RM
Wages, salaries and bonus	1,762,226	1,564,504
Defined contribution plan	220,228	188,108
Other employee benefits	104,262	47,124
	<u>2,086,716</u>	<u>1,799,736</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).

6 PAYABLES

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Accruals	689,338	60,500	500
Other payables	-	255,046	307,621
	<u>689,338</u>	<u>315,546</u>	<u>308,121</u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT

	Laboratory equipment RM	Renovations RM	Computers RM	Office equipments RM	Total RM
<u>2012</u>					
<u>Cost</u>					
At 1 January 2012	10,748,082	650,781	627,424	96,613	12,122,900
Additions	222,357	-	69,221	3,150	294,728
At 31 December 2012	10,970,439	650,781	696,645	99,763	12,417,628
<u>Accumulated depreciation</u>					
At 1 January 2012	5,658,561	560,624	514,691	44,728	6,778,604
Depreciation charge for the financial year	864,546	60,455	71,615	6,934	1,003,550
At 31 December 2012	6,523,107	621,079	586,306	51,662	7,782,154
<u>Net book value</u> At 31 December 2012	4,447,332	29,702	110,339	48,101	4,635,474
<u>2011</u>					
<u>Cost</u>					
At 1 January 2011	10,148,448	638,276	556,934	92,580	11,436,238
Additions	599,634	12,505	70,490	4,033	686,662
At 31 December 2011	10,748,082	650,781	627,424	96,613	12,122,900
<u>Accumulated depreciation</u>					
At 1 January 2011	4,601,210	500,710	462,654	35,232	5,599,806
Depreciation charge for the financial year	1,057,351	59,914	52,037	9,496	1,178,798
At 31 December 2011	5,658,561	560,624	514,691	44,728	6,778,604
<u>Net book value</u> At 31 December 2011	5,089,521	90,157	112,733	51,885	5,344,296

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

8 JOINTLY CONTROLLED ENTITY

	<u>31.12.2012</u> RM	<u>31.12.2011</u> RM	<u>1.1.2011</u> RM
Unquoted shares in Malaysia, at cost	99,960	4,900	4,900
Add: Share of post-acquisition results and reserve	(44,936)	(27,782)	-
	<u>55,024</u>	<u>(22,882)</u>	<u>4,900</u>
Share of net assets/(liabilities)	55,024	(22,882)	4,900
Less: Accumulated impairment loss	(55,024)	-	-
	<u>-</u>	<u>(22,882)</u>	<u>4,900</u>

The following amounts represent the Foundation's share of assets and liabilities of the jointly controlled entity:

	<u>31.12.2012</u> RM	<u>31.12.2011</u> RM	<u>1.1.2011</u> RM
Current assets	98,220	79	4,900
Current liabilities	(43,196)	(22,961)	-
Share of net assets/(liabilities)	<u>55,024</u>	<u>(22,882)</u>	<u>4,900</u>

The Foundation's share of revenue and expenses of the jointly controlled entity are as follows:

	<u>31.12.2012</u> RM	<u>31.12.2011</u> RM	<u>1.1.2011</u> RM
Revenue	127,507	4,495	-
Operating expenses including taxation	(144,661)	(32,277)	-
Loss for the financial year	<u>(17,154)</u>	<u>(27,782)</u>	<u>-</u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

8 JOINTLY CONTROLLED ENTITY (CONTINUED)

The details of the jointly controlled entity are as follows:

Name of company	Place of incorporation	Principal activities	Foundation's effective interest		
			31.12.2012 %	31.12.2011 %	1.1.2011 %
AseaCyte Sdn. Bhd.	Malaysia	Rendering of services and products based in cell biology and cell culture technology	49.00	49.00	49.00

9 RECEIVABLES

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Deposit	18,710	17,210	17,210
Grant receivables	-	391,500	821,900
Prepayment	10,547	9,810	6,651
Other prepaid costs	-	-	5,057
Other receivables	3,567,680	127,075	129,631
	<u>3,596,937</u>	<u>545,595</u>	<u>980,449</u>

10 CASH AND CASH EQUIVALENTS

	31.12.2012 RM	31.12.2011 RM	1.1.2011 RM
Deposit with licensed bank	-	4,200,000	-
Bank balances	4,613,966	641,409	2,942,225
Cash on hand	4,000	4,000	7,500
	<u>4,617,966</u>	<u>4,845,409</u>	<u>2,949,725</u>

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012 (CONTINUED)

11 DEFERRED INCOME

The Foundation obtained a government grant of RM3,500,000 in the financial year ended 31 December 2008 and is 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 statement on a straight line basis over the expected useful lives of the related assets. Government grant relating to costs is recognised in income and expenditure statement over the periods to match the related costs for which the grants are intended to compensate.

Also, the Foundation obtained an additional government grant of RM200,000 in relation to research and development project for the period of 24 months commencing January 2012. The grant of RM104,000 in relation to the financial year 2012 has been received on the statement of financial position date of December 2011. The remaining grant of RM96,000 for the financial year 2013 will be receivable/received upon fulfilment of the obligation by the Foundation.

	<u>31.12.2012</u>	<u>31.12.2011</u>
	RM	RM
At 1 January	2,748,633	2,977,833
New grant received during the financial year	-	104,000
Credited to income and expenditure statement	<u>(437,200)</u>	<u>(333,200)</u>
At 31 December	<u>2,311,433</u>	<u>2,748,633</u>

12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Trustees dated 5 June 2013.

Company No.

510087

M

CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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

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 Hajah Dr Aishah Ong, being two of the Trustees of Cancer Research Initiatives Foundation, do hereby state that, in the opinion of the Trustees, the financial statements set out on pages 4 to 23 are drawn up so as to give a true and fair view of the state of affairs of the Foundation as at 31 December 2012 and of its results and cash flows for the financial year ended on that date in accordance with the provisions of 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 5 June 2013.

TUNKU TAN SRI DATO' SERI AHMAD
BIN TUNKU YAHAYA
TRUSTEE

TOH PUAN DATO' SERI HAJAH
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 Initiatives Foundation, do solemnly and sincerely declare that the financial statements set out on pages 4 to 23 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 5 June 2013.

Before me.



24

Alamat pejabat perundangan
No. 174, Jalan SS 15/10A,
47500 Subang Jaya,
Selangor D. E.



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Cancer Research Initiatives Foundation on pages 4 to 23 which comprise the statement of financial position as at 31 December 2012 of the Foundation, and the income and expenditure statement, statement of changes in general fund and cash flows of the Foundation for the 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 that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia and 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of 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 MEMBER
OF CANCER RESEARCH INITIATIVES FOUNDATION (CONTINUED)

(Company No. 510087-M)

(Incorporated in Malaysia as a company

limited by guarantee and not having a share capital)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards the Companies Act, 1965 so as to give a true and fair view of the financial position of the Foundation as of 31 December 2012 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Foundation have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

1. As stated in Note A in the summary of significant accounting policies to the financial statements, Cancer Research Initiatives Foundation adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by Trustees to the comparative information in these financial statements, including the statements of financial position as at 31 December 2012 and 1 January 2011, and the statements of income and expenditure, changes in general funds and cash flows for the year ended 31 December 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the foundation for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.
2. 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


MOHAMMAD FAIZ BIN MOHAMMAD AZMI
(No. 2025/03/14 (J))
Chartered Accountant

Kuala Lumpur
5 June 2013