

Company No.

510087	M
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CANCER RESEARCH MALAYSIA

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

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2018

1830A9/nm

Company No.

510087

M

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

TRUSTEES

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
Leela Barrock
Datuk Professor Dr. Looi Lai Meng (Appointed on 13 July 2018)

SECRETARIES

Chua Siew Chuan
Chin Mun Yee

AUDITORS

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)
Chartered Accountants

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Height
50490 Kuala Lumpur
Wilayah Persekutuan

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

(Incorporated in Malaysia as a company
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TRUSTEES' REPORT

The Trustees hereby submit their report together with the audited financial statements of the Economic Entity and of the Foundation for the financial year ended 31 December 2018.

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.

FINANCIAL RESULTS

	<u>Economic Entity</u> RM	<u>Foundation</u> RM
Excess of income over expenditure for the financial year	<u>1,831,670</u>	<u>1,831,670</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 in office during the financial year and from the end of the financial year to the date of the report are:

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
Leela Barrock
Datuk Professor Dr. Lool Lai Meng

CANCER RESEARCH MALAYSIA

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TRUSTEES' REPORT (CONTINUED)

TRUSTEES' BENEFITS

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

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.

No trustee has received any remuneration during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Economic Entity and of the Foundation were prepared, 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 including the values of current assets as shown in the accounting records of the Economic Entity and of the Foundation, have been written down to an amount which the current assets 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.

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.

CANCER RESEARCH MALAYSIA

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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 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 PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Trustees on 28 JUN 2019.

Signed on behalf of the Board of Trustees:



TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

TRUSTEE

Kuala Lumpur



TENGGU DATUK SERI AHMAD
SHAH AL-HAJ IBNI ALMARHUM
SULTAN SALAHUDDIN ABDUL
AZIZ SHAH AL-HAJ

TRUSTEE

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)INCOME AND EXPENDITURE STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Economic Entity		Foundation	
		2018 RM	2017 RM	2018 RM	2017 RM
INCOME					
Donations		10,120,275	5,355,008	10,120,275	5,355,008
Research grants		2,724,324	2,034,547	2,724,324	2,034,547
Other income		108,815	110,996	108,815	110,996
Interest income		338,827	421,371	338,827	421,371
		<u>13,292,241</u>	<u>7,921,922</u>	<u>13,292,241</u>	<u>7,921,922</u>
LESS: EXPENDITURE					
Staff costs	5	(5,101,712)	(3,781,216)	(5,101,712)	(3,781,216)
Research expenditure		(2,910,264)	(1,667,109)	(2,910,264)	(1,667,109)
Depreciation of property, plant and equipment		(1,050,034)	(1,095,785)	(1,050,034)	(1,095,785)
Loss on disposal of property, plant and equipment		-	(161,978)	-	(161,978)
Write-off of property, plant and equipment		(7,019)	-	(7,019)	-
Training expenditure		(82,144)	(90,237)	(82,144)	(90,237)
Repairs and maintenance expenditure		(59,991)	(64,858)	(59,991)	(64,858)
Professional fees		(38,514)	(53,989)	(38,514)	(53,989)
Travelling expenses		(65,798)	(48,368)	(65,798)	(48,368)
Computer related expenses		(213,514)	(108,804)	(213,514)	(108,804)
Seminar/conference expenses		(272,496)	(305,368)	(272,496)	(305,368)
Insurance expenses		(23,771)	(101,782)	(23,771)	(101,782)
Marketing and fund raising expenses		(310,326)	(210,051)	(310,326)	(210,051)
Cost of merchandise		-	(3,170)	-	(3,170)
Laboratory maintenance		(229,459)	(173,975)	(229,459)	(173,975)
Rental		(321,021)	(173,167)	(321,021)	(173,167)
Utilities		(116,986)	(125,509)	(116,986)	(125,509)
Purchased services		(233,167)	(206,026)	(233,167)	(206,026)
Dues and subscriptions		(44,215)	(16,036)	(44,215)	(16,036)
Other expenses		(380,140)	(515,027)	(380,140)	(515,027)
		<u>(11,460,571)</u>	<u>(8,902,455)</u>	<u>(11,460,571)</u>	<u>(8,902,455)</u>
Reversal of impairment of investment in joint venture		-	3,053	-	-
Share of losses in a joint venture		-	(3,053)	-	-
EXCESS OF INCOME OVER EXPENDITURE/(EXPENDITURE OVER INCOME)		<u>1,831,670</u>	<u>(980,533)</u>	<u>1,831,670</u>	<u>(980,533)</u>

CANCER RESEARCH MALAYSIA
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**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	Economic Entity		Foundation	
		2018 RM	2017 RM	2018 RM	2017 RM
GENERAL FUNDS					
Balance at beginning of the financial year		14,488,102	15,468,635	14,488,102	15,468,635
Excess of income over expenditure/ (expenditure over income)		1,831,670	(980,533)	1,831,670	(980,533)
Balance at end of the financial year		<u>16,319,772</u>	<u>14,488,102</u>	<u>16,319,772</u>	<u>14,488,102</u>
Represented by:					
NON-CURRENT ASSETS					
Property, plant and equipment	7	2,869,489	3,824,120	2,869,489	3,824,120
Investment in joint venture	8	-	-	-	-
		<u>2,869,489</u>	<u>3,824,120</u>	<u>2,869,489</u>	<u>3,824,120</u>
CURRENT ASSETS					
Receivables	9	1,490,739	2,461,455	1,490,739	2,461,455
Cash and cash equivalents	10	13,303,966	10,402,313	13,303,966	10,402,313
		<u>14,794,705</u>	<u>12,863,768</u>	<u>14,794,705</u>	<u>12,863,768</u>
LESS: CURRENT LIABILITY					
Payables	11	1,032,189	1,554,353	1,032,189	1,554,353
Deferred income	12	312,233	333,200	312,233	333,200
		<u>1,344,422</u>	<u>1,887,553</u>	<u>1,344,422</u>	<u>1,887,553</u>
NET CURRENT ASSETS		<u>13,450,283</u>	<u>10,976,215</u>	<u>13,450,283</u>	<u>10,976,215</u>
NON-CURRENT LIABILITY					
Deferred income	12	-	312,233	-	312,233
NET ASSETS		<u>16,319,772</u>	<u>14,488,102</u>	<u>16,319,772</u>	<u>14,488,102</u>

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STATEMENTS OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	<u>Economic Entity</u>		<u>Foundation</u>	
	<u>2018</u> RM	<u>2017</u> RM	<u>2018</u> RM	<u>2017</u> RM
As at 1 January	14,488,102	15,468,635	14,488,102	15,468,635
Excess of income over expenditure/ (expenditure over income)	<u>1,831,670</u>	<u>(980,533)</u>	<u>1,831,670</u>	<u>(980,533)</u>
As at 31 December	<u><u>16,319,772</u></u>	<u><u>14,488,102</u></u>	<u><u>16,319,772</u></u>	<u><u>14,488,102</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

1 GENERAL INFORMATION

The Foundation is a company incorporated and domiciled in Malaysia, limited by guarantee and does not have a share capital. The registered office of the Foundation is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan and the principal place of business of the Foundation is located at 2nd Floor, Outpatient Centre, Sime Darby Medical Centre Subang Jaya, 47500 Subang Jaya, Selangor Darul Ehsan.

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. It remains dormant during the financial year.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution dated 28 June 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2016 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

The Economic Entity and the Foundation have applied the following standard for the first time for the financial year beginning on 1 January 2018:

- MFRS 9 'Financial Instruments'

The Economic Entity and the Foundation have applied MFRS 9 retrospectively with the date of initial application of 1 January 2018. In accordance with the transitional provisions provided in MFRS 9, comparative information for 2017 was not restated and continued to be reported under the previous accounting policies governed under MFRS 139. The initial application of MFRS 9 did not give rise to any adjustment as at 1 January 2018.

(b) Standards and amendments that have been issued but not yet effective:

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2018. None of these is expected to have a significant effect on the financial statements of Economic Entity and the Foundation, except the following set out below:

- MFRS 16 'Leases' (effective from 1 January 2019) supersedes MFRS 117 'Leases' and the related interpretations.'

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Economic Entity and the Foundation are assessing the impact of the above standard.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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.

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 the net disposal proceeds with the carrying amounts and are included in the income and expenditure statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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.

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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS

Accounting policies applied from 1 January 2018 (MFRS 9)

(i) Classification

The Economic Entity and the Foundation classifies its financial assets as those to be measured at amortised cost.

(ii) Recognition and initial measurement

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Economic Entity and the Foundation commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Economic Entity and the Foundation have transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

• Debt instruments at amortised cost

After initial recognition, financial assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest are measured at amortised cost using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'other operating income' or 'other operating expenses'.

(iv) Subsequent measurement – Impairment

The Economic entity and Foundation assess on a forward looking basis the expected credit loss ('ECL') associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The financial instruments held by the Economic Entity and the Foundation that are subject to the ECL model are donations receivable and other receivables. While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Economic Entity and the Foundation expect to receive, over the remaining life of the financial instrument.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**I FINANCIAL ASSETS (CONTINUED)**Accounting policies applied from 1 January 2018 (MFRS 9) (CONTINUED)**(iv) Subsequent measurement – Impairment (continued)**

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for donation receivables and other receivables

At each reporting date, the Economic Entity and the Foundation measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

(v) Significant increase in credit risk

The Economic Entity and the Foundation consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Economic Entity and the Foundation compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

(vi) Definition of default and credit-impaired financial assets

The Economic Entity and Foundation define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- When the counterparty fails to make contractual payment when they fall due.
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganise
- the debtor is insolvent

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

Accounting policies applied from 1 January 2018 (MFRS 9) (CONTINUED)

(vii) Write-off

Financial assets are written off when the Economic Entity and the Foundation have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicator of no reasonable expectation of recovery include failure of a debtor to engage in a repayment plan with the Economic Entity and the Foundation. The Economic Entity and the Foundation may write-off financial assets that are still subject to enforcement activity.

(viii) De-recognition

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

Accounting policies applied until 31 December 2017

(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 9 and Note 10).

(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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

Accounting policies applied until 31 December 2017 (CONTINUED)

(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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 become 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 11).

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 2018 (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 the 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 2018 (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

The Economic Entity and Foundation are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The following sections provide details regarding the Economic Entity's and Foundation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The management does not consider there to be any significant concentration of credit risk.

The Economic Entity's and Foundation's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising therefrom are minimised in view of the financial strength of these financial institutions.

Exposure to credit risk

At the reporting date, the Economic Entity's and Foundation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

CANCER RESEARCH MALAYSIA

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

General 3-stage approach for donation receivables, other receivables and cash and bank

Donations receivables and other receivables are considered to have low credit risk, and thus the impairment provision during the period was limited to 12 months expected credit loss. They are considered to be low credit risk as they have a low risk of default and the counterparties have strong capacity to meet their contractual cash flow obligations in the near term.

Bank balances are placed with licensed financial institutions with high credit ratings assigned by credit rating agencies, hence, the credit risk is considered to be low.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Economic Entity and Foundation will encounter difficulty in meeting financial obligations due to shortage of funds. The Economic Entity's and Foundation's exposure to liquidity risk arises primarily from mismatch of the maturity of the financial assets and liabilities.

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 Economic Entity's and Foundation's non-derivative financial liabilities and net-settled derivative 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>2018</u>	<u>2017</u>
	RM	RM
<u>Less than 1 year</u>		
Payables	1,032,189	1,554,353

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Economic Entity's and Foundation's financial instruments will fluctuate because of changes in market interest rates.

The Economic Entity and the Foundation are subject to interest rate risk as the deposits with the licensed bank are interest-bearing. A 0.5% increase in the interest rate would result in an increase in the income and expenditure statements by RM51,098.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

4 CAPITAL 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.

5 STAFF COSTS

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Salaries, wages and overtime	4,492,919	3,175,386
Defined contribution plan	529,792	476,032
Other employee benefits	79,001	129,798
	<u>5,101,712</u>	<u>3,781,216</u>

6 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).

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
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	<u>Laboratory equipment</u> RM	<u>Renovations</u> RM	<u>Computers</u> RM	<u>Office equipment</u> RM	<u>Total</u> RM
2018					
<u>Cost</u>					
At 1 January 2018	10,608,121	1,007,198	784,411	172,169	12,571,899
Additions	14,247	-	87,380	795	102,422
Write off	(12,500)	-	(28,963)	(9,850)	(51,313)
At 31 December 2018	<u>10,609,868</u>	<u>1,007,198</u>	<u>842,828</u>	<u>163,114</u>	<u>12,623,008</u>
<u>Accumulated depreciation</u>					
At 1 January 2018	7,146,699	899,872	605,301	95,907	8,747,779
Depreciation charge for the financial year	872,584	37,583	124,765	15,102	1,050,034
Write off	(6,355)	-	(28,963)	(8,976)	(44,294)
At 31 December 2018	<u>8,012,928</u>	<u>937,455</u>	<u>701,103</u>	<u>102,033</u>	<u>9,753,519</u>
<u>Net book value</u>					
At 31 December 2018	<u>2,596,941</u>	<u>69,743</u>	<u>141,726</u>	<u>61,078</u>	<u>2,869,489</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Economic Entity and Foundation

	<u>Laboratory equipment</u> RM	<u>Renovations</u> RM	<u>Computers</u> RM	<u>Office equipment</u> RM	<u>Total</u> RM
<u>2017</u>					
<u>Cost</u>					
At 1 January 2017	10,081,916	992,446	707,443	164,875	11,946,681
Additions	1,135,875	14,752	83,127	13,126	1,246,880
Disposals	(609,670)	-	(6,159)	(5,833)	(621,662)
At 31 December 2017	<u>10,608,121</u>	<u>1,007,198</u>	<u>784,411</u>	<u>172,169</u>	<u>12,571,899</u>
<u>Accumulated depreciation</u>					
At 1 January 2017	6,563,508	833,242	480,315	84,293	7,961,358
Depreciation charge for the financial year	882,236	66,630	131,145	15,774	1,095,785
Disposals	(299,045)	-	(6,159)	(4,160)	(309,364)
At 31 December 2017	<u>7,146,699</u>	<u>899,872</u>	<u>605,301</u>	<u>95,907</u>	<u>8,747,779</u>
<u>Net book value</u>					
At 31 December 2017	<u>3,461,422</u>	<u>107,326</u>	<u>179,110</u>	<u>76,262</u>	<u>3,824,120</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

8 INVESTMENT IN JOINT VENTURE

	<u>Economic Entity</u>		<u>Foundation</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	RM	RM	RM	RM
Unquoted shares in Malaysia, at cost	99,960	99,960	99,960	99,960
Add: Share of post-acquisition results and reserve	(94,438)	(94,438)	-	-
	5,522	5,522	99,960	99,960
Less: Accumulated impairment loss	(5,522)	(5,522)	(99,960)	(99,960)
	-	-	-	-

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

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Principal activities</u>	<u>Foundation's effective interest</u>	
			<u>2018</u>	<u>2017</u>
			%	%
AseaCyte Sdn. Bhd.*	Malaysia	Rendering of services and products based in cell biology and cell culture technology	49.00	49.00

* Audited by a firm other than member firm of PricewaterhouseCoopers International Limited.

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. The joint venture company is no longer active since the financial year ended 31 December 2017, and is in the process of liquidation.

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
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8 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

	<u>2018</u> RM	<u>2017</u> RM
NON-CURRENT ASSET	-	27
CURRENT ASSETS		
Cash and cash equivalents	-	3,748
Other current assets	-	3,629
	<u> </u>	<u> </u>
		7,377
CURRENT LIABILITIES		
Other current liabilities	-	(22,606)
Net current assets/(liabilities)	<u> </u>	<u> </u>
	-	(15,229)
Net assets/(liabilities)	<u> </u>	<u> </u>
	-	(15,202)

(b) Summarised statement of comprehensive income

	<u>2018</u> RM	<u>2017</u> RM
Depreciation and amortisation	-	(126)
Other operating income	23,937	16,610
Administrative expenses	(4,779)	(5,106)
Other operating expenses	(3,956)	(12,461)
	<u> </u>	<u> </u>
Profit/(Loss) before tax	15,202	(1,083)
Income tax expense	-	-
Profit/(Loss) after tax	<u> </u>	<u> </u>
	15,202	(1,083)

CANCER RESEARCH MALAYSIA(Incorporated in Malaysia as a company
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)****8 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:

	<u>Economic Entity</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Opening net (liabilities)/assets	(15,202)	17,501
Profit/(Loss) for the financial year	15,202	(1,083)
	<u> </u>	<u> </u>
Closing net assets/(liabilities)	<u> -</u>	<u> (15,202)</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.

9 RECEIVABLES

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Donations receivable	851,307	2,338,792
Less: Impairment of donations receivables	-	(1,000,000)
	<u>851,307</u>	<u>1,338,792</u>
Deposits	43,620	40,410
Interest receivable	98,892	28,531
Prepayment	13,511	40,637
Other receivables	54,961	732,475
GST input	428,448	280,610
	<u>1,490,739</u>	<u>2,461,455</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

9 RECEIVABLES (CONTINUED)

The donations receivable balance can be analysed as follows:

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Neither past due nor impaired	821,549	1,312,565
Past due but not impaired		
- 61- 90 days	1,250	-
- Over 180 days	28,508	26,227
		26,227
Impaired	-	1,000,000
	<u>851,307</u>	<u>2,338,792</u>

The donations receivable which were past due but not impaired relate to a number of independent donors for whom there is no recent history of default and the Foundation does not expect a significant increase in credit risk for these receivables.

As at 31 December 2017, donation receivables of RM1,000,000 were impaired and provided for. This relates to the pledged donation from one of the core donors. The donation receivable is written off in the financial year ended 31 December 2018. Movement in the allowance account is as follows:

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
At 1 January	1,000,000	1,000,000
Write off	(1,000,000)	-
	<u>-</u>	<u>1,000,000</u>

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 2018 (CONTINUED)

10 CASH AND CASH EQUIVALENTS

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Deposits with licensed bank	12,475,707	10,219,530
Bank balances	827,659	180,947
Cash on hand	600	1,836
	<u> </u>	<u> </u>
Cash and cash balances	<u>13,303,966</u>	<u>10,402,313</u>

The deposits with licensed bank carry interest rates ranging from 3.10% to 3.90% (2017: 2.95% to 3.88%) per annum as at the reporting date and have maturity periods ranging from one to six months (2017: one to six months).

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Short-term bank deposits with maturity of three months or less	1,770,000	1,730,000
Bank balances	827,659	180,947
Cash on hand	600	1,836
	<u> </u>	<u> </u>
Cash and cash equivalents	<u>2,598,259</u>	<u>1,912,783</u>

11 PAYABLES

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Accruals	782,362	532,298
Other payables	201,578	992,580
GST output	48,249	29,475
	<u> </u>	<u> </u>
	<u>1,032,189</u>	<u>1,554,353</u>

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

12 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 statement 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 statement over the periods to match the related costs for which the grants are intended to compensate.

	<u>Economic Entity and Foundation</u>	
	<u>2018</u>	<u>2017</u>
	RM	RM
Current	312,233	333,200
Non-current	-	312,233
At 31 December	<u>312,233</u>	<u>645,433</u>

13 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by Trustees on 28 June 2019.

Company No.

510087 M

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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STATEMENT BY TRUSTEES PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We Toh Puan Dato' Seri Hajjah Dr Aishah Ong and Encik Abdul Hamid Ibrahim, being two of the Trustees of Cancer Research Malaysia, 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 financial position of the Economic Entity and of the Foundation as at 31 December 2018 and financial performance of the Economic Entity and the Foundation 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 2016 in Malaysia.

Signed on behalf of the Board of Trustees in accordance with the resolution of the Board of Trustees dated **28 JUN 2019**

x 

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

TRUSTEE


x 

TENGGU DATUK SERI
AHMAD SHAH AL-HAJ
IBNI ALMARHUM SULTAN
SALAHUDDIN ABDUL AZIZ
SHAH AL-HAJ

TRUSTEE

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Toh Puan Dato' Seri Hajjah Dr Aishah Ong, the Trustee primarily responsible for the financial management of Cancer Research Malaysia, 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.

x 

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

Subscribed and solemnly declared by the above named Toh Puan Dato' Seri Hajjah Dr Aishah Ong at Selangor Darul Ehsan on **28 JUN 2019**

Before me,



NO 36, JLN NELAYAN B19/B
SEKSYEN 19
40300 SHAH ALAM
SELANGOR DARUL EHSAN.
TEL : 019-2565661



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CANCER RESEARCH MALAYSIA**
(Incorporated in Malaysia as a company
Limited by guarantee and not having a share capital)
(Company No. 510087-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Cancer Research Malaysia ("the Economic Entity and the Foundation") give a true and fair view of the financial position of the Economic Entity and the Foundation as at 31 December 2018, 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 and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Economic Entity and the Foundation, which comprise the statements of financial position as at 31 December 2018, and the income and expenditure statements, statements of changes in general funds and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 28.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CANCER RESEARCH MALAYSIA (CONTINUED)**

(Incorporated in Malaysia as a company
limited by guarantee and not having a share capital)
(Company No. 510087-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Trustees of the Foundation are responsible for the other information. The other information comprises Trustees' Report but does not include the financial statements of the Economic Entity and the Foundation and our auditors' report thereon.

Our opinion on the financial statements of the Economic Entity and the Foundation does not cover the Trustees' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Economic Entity and the Foundation, our responsibility is to read the Trustees' Report and, in doing so, consider whether the Trustees' Report is materially inconsistent with the financial statements of the Economic Entity and the Foundation or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Trustees for the financial statements

The Trustees of the Foundation are responsible for the preparation of the financial statements of the Economic Entity and the Foundation that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Trustees are also responsible for such internal control as the Trustees determine is necessary to enable the preparation of financial statements of the Economic Entity and the Foundation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Economic Entity and the Foundation, the Trustees are responsible for assessing the Economic Entity's and the Foundation's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Economic Entity and the Foundation or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CANCER RESEARCH MALAYSIA (CONTINUED)**

(Incorporated in Malaysia as a company
Limited by guarantee and not having a share capital)
(Company No. 510087-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CANCER RESEARCH MALAYSIA (CONTINUED)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Economic Entity and the Foundation, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Economic Entity to express an opinion on the financial statements of the Economic Entity. We are responsible for the direction, supervision and performance of the Economic Entity audit. We remain solely responsible for our audit opinion.

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

OTHER MATTERS

This report is made solely to the members of the Foundation, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

HEW CHOOI YOKE
03203/07/2019 J
Chartered Accountant

Kuala Lumpur
28 June 2019