

Company No.

510087	M
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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 2011

2179A2/nm

Company No.

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## CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

(Incorporated in Malaysia as a company  
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### 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

### 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

47500 Subang Jaya

Selangor Darul Ehsan

Malaysia

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## CANCER RESEARCH INITIATIVES FOUNDATION

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(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 Cancer Research Initiatives Foundation (the "Foundation") for the financial year ended 31 December 2011.

#### 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	1,162,687
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1,162,687

#### 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

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.

Tengku Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj and Alan Hamzah Sendut 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.

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### 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 balance sheet 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.

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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 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:

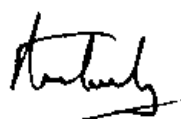
- (a) the results of the Foundation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction 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 12 June 2012.

  
TUNKU TAN SRI DATO' SERI AHMAD  
BIN TUNKU YAHAYA  
TRUSTEE

  
TOH PUAN DATO' SERI HAJAH  
DR AISHAH ONG  
TRUSTEE

Kuala Lumpur  
12 June 2012

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# CANCER RESEARCH INITIATIVES FOUNDATION

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## INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u> RM	<u>2010</u> RM
<b>INCOME</b>			
Donations		5,084,771	3,332,653
Research grants		333,200	1,418,499
Other income		42,050	43,657
Interest income		59,964	70,991
Gain on disposal of property, plant and equipment		-	6,999
		<u>5,519,985</u>	<u>4,872,799</u>
<b>LESS: EXPENDITURE</b>			
Staff costs	3	1,799,736	1,622,516
Research expenditure		333,013	1,080,902
Depreciation of property, plant and equipment		1,178,798	1,105,083
Training expenditure		63,690	53,515
Repairs and maintenance expenditure		20,128	92,193
Professional fees		178,550	60,567
Travelling expenses		40,080	43,219
Computer related expenses		39,493	44,290
Seminar/conference expenses		113,041	7,337
Insurance expenses		67,242	64,458
Marketing and fund raising expenses		101,904	46,573
Laboratory maintenance		74,981	40,952
Rental		60,000	50,000
Utilities		15,738	15,772
Purchase service		84,823	-
Dues and subscriptions		24,505	-
Motor vehicle expenses		29,700	1,587
Property, plant and equipment written off		-	14,328
Other expenses		104,094	80,946
		<u>4,329,516</u>	<u>4,424,238</u>
Share of results of a jointly controlled entity		(27,782)	-
<b>EXCESS OF INCOME OVER EXPENDITURE</b>		<u><u>1,162,687</u></u>	<u><u>448,561</u></u>

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# CANCER RESEARCH INITIATIVES FOUNDATION

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## BALANCE SHEET AS AT 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u> RM	<u>2010</u> RM
GENERAL FUND			
Balance at beginning of the financial year		6,485,552	6,036,991
Excess of income over expenditure		1,162,687	448,561
		<u>7,648,239</u>	<u>6,485,552</u>
Balance at end of the financial year		<u><u>7,648,239</u></u>	<u><u>6,485,552</u></u>
Represented by:			
NON-CURRENT ASSET			
Property, plant and equipment	5	5,344,296	5,836,432
Jointly controlled entity	6	(22,882)	4,900
		<u>5,321,414</u>	<u>5,841,332</u>
CURRENT ASSETS			
Receivables	7	545,595	980,449
Cash and cash equivalents	8	4,845,409	2,949,725
		<u>5,391,004</u>	<u>3,930,174</u>
LESS: CURRENT LIABILITY			
Payables	9	315,546	308,121
		<u>315,546</u>	<u>308,121</u>
NET CURRENT ASSETS		5,075,458	3,622,053
Deferred income	10	2,748,633	2,977,833
		<u>7,648,239</u>	<u>6,485,552</u>



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## STATEMENT OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	<u>2011</u> RM	<u>2010</u> RM
As at 1 January	6,485,552	6,036,991
Excess of income over expenditure	1,162,687	448,561
At 31 December	<u>7,648,239</u>	<u>6,485,552</u>

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# CANCER RESEARCH INITIATIVES FOUNDATION

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## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	<u>Note</u>	<u>2011</u> RM	<u>2010</u> RM
<b>OPERATING ACTIVITIES</b>			
Excess of income over expenditure		1,162,687	448,561
Adjustments for non-cash movements:			
Share of results of a jointly controlled entity		27,782	-
Depreciation of property, plant and equipment		1,178,798	1,105,083
Gain on the disposal of property, plant and equipment		-	(6,999)
Property, plant and equipment written off		-	14,328
Interest income		(59,964)	(70,991)
		<u>2,309,303</u>	<u>1,489,982</u>
Changes in operating assets and liabilities:			
Decrease/(increase) in receivables		434,854	(880,048)
Increase in payables		7,425	112,375
Decrease in deferred income		(229,200)	(333,200)
		<u>2,522,382</u>	<u>389,109</u>
Net cash generated from operating activities			
<b>INVESTING ACTIVITIES</b>			
Purchase of available-for-sale financial asset		-	(4,900)
Purchase of property, plant and equipment		(686,662)	(687,039)
Proceeds on the disposal of property, plant and equipment		-	7,000
Interest income received		59,964	70,991
		<u>(626,698)</u>	<u>(613,948)</u>
Net cash used in investing activities			
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,895,684</b>	<b>(224,839)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>2,949,725</b>	<b>3,174,564</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>8</b>	<b>4,845,409</b>	<b>2,949,725</b>

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## CANCER RESEARCH INITIATIVES FOUNDATION

(Company No. 510087-M)

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limited by guarantee and not having a share capital)

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011

#### 1 GENERAL INFORMATION AND PRINCIPAL ACTIVITY

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 balance sheet date was 33 (2010: 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  
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. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### A Basis of preparation

The financial statements of the Foundation have been prepared in accordance with the provisions of the Companies Act 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities. 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 Financial Reporting Standards 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 revenues 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.

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (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 new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Foundation's financial year beginning on 1 January 2011 are as follows:

- Revised FRS 1 "First-time Adoption of Financial Reporting Standards"
- Revised FRS 127 "Consolidated and separate financial statements"
- Amendment to FRS 7 "Financial instruments: Disclosures – improving disclosures about financial instruments"
- Amendments to FRS 1 "First-time adoption of financial reporting standards"
- Amendment to FRS 132 "Financial instruments: Presentation – Classification of rights issues"
- Improvements to FRSs (2010)

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

The MASB issued a new accounting framework, the Malaysian Financial Reporting Framework on 19 November 2011. This IFRS-compliant framework is applicable for all non-private entities for annual periods beginning on or after 1 January 2012 other than Transitioning Entities, which may defer adoption by one year in view of potential changes on the horizon that may change current accounting treatment. The Foundation will apply the following new standards, amendments to standards and interpretations that are applicable to the Foundation:

- (i) Financial year beginning on 1 January 2012

- Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation" (effective from 1 January 2012) includes two changes to MFRS 1. The first replaces references to a fixed date of 1 January 2004 with 'the date of transition to MFRSs', thus eliminating the need for entities adopting MFRSs for the first time to restate de-recognition transactions that occurred before the date of transition to MFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with MFRSs after a period when the entity was unable to comply with MFRSs because its functional currency was subject to severe hyperinflation.

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### A Basis of preparation (continued)

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

(i) Financial year beginning on 1 January 2012 (continued)

- Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets" (effective from 1 January 2012) promotes transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.

(ii) Financial year beginning on 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.
- 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.

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### A Basis of preparation (continued)

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

##### (ii) Financial year beginning on 1 January 2013 (continued)

- 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 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.
- 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.

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### A Basis of preparation (continued)

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

- (iii) Financial year beginning on 1 February 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.

The guidance in MFRS 139 on impairment of financial assets and hedge accounting continues to apply.

MFRS 7 requires disclosures on transactions 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.

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**CANCER RESEARCH INITIATIVES FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)**

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

**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.

**D Property, plant and equipment**

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

Property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset over their estimated useful lives at the following annual rates:

Laboratory equipment	10.0%
Renovations	25.0%
Computers	33.3%
Office equipment	10.0%
Motor vehicle	20.0%

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in excess/(deficit) of income over expenditure.

**E 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.



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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### F Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value 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 each reporting date.

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

##### 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.

##### 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 balance sheet (Notes 7 and 8).

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (a) Financial assets (continued)

##### (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 assets

Assets 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.

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.

# 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 - 31 DECEMBER 2011 (CONTINUED)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 1 Financial assets (continued)

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

###### Assets carried at amortised cost (continued)

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.

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.

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## CANCER RESEARCH INITIATIVES FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 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 profit or loss 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.

##### 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.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 STAFF COSTS

	<u>2011</u> RM	<u>2010</u> RM
Wages, salaries and bonus	1,564,504	1,435,927
Defined contribution plan	188,108	172,323
Other employee benefits	47,124	14,266
	<u>1,799,736</u>	<u>1,622,516</u>

4 TAXATION

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

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# CANCER RESEARCH INITIATIVES FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

5

### PROPERTY, PLANT AND EQUIPMENT

	Laboratory equipment RM	Renovations RM	Computers RM	Office equipment RM	Motor vehicle RM	Total RM
<u>2011</u>						
<u>Cost</u>						
At 1 January	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	10,748,082	650,781	627,424	96,613	-	12,122,900
<u>Accumulated depreciation</u>						
At 1 January	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	5,658,561	560,624	514,691	44,728	-	6,778,604
<u>Net book value</u>						
At 31 December	5,089,521	90,157	112,733	51,885	-	5,344,296
<u>2010</u>						
<u>Cost</u>						
At 1 January	9,681,594	601,176	443,370	68,200	58,000	10,852,340
Additions	511,995	37,100	113,564	24,380	-	687,039
Disposals	-	-	-	-	(58,000)	(58,000)
Write offs	(45,141)	-	-	-	-	(45,141)
At 31 December	10,148,448	638,276	556,934	92,580	-	11,436,238
<u>Accumulated depreciation</u>						
At 1 January	3,643,650	431,249	422,648	27,989	57,999	4,583,535
Depreciation charge for the financial year	988,373	69,461	40,006	7,243	-	1,105,083
Disposals	-	-	-	-	(57,999)	(57,999)
Write offs	(30,813)	-	-	-	-	(30,813)
At 31 December	4,601,210	500,710	462,654	35,232	-	5,599,806
<u>Net book value</u>						
At 31 December	5,547,238	137,566	94,280	57,348	-	5,836,432

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**CANCER RESEARCH INITIATIVES FOUNDATION**

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limited by guarantee and not having a share capital)**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)****JOINTLY CONTROLLED ENTITY**

	<u>2011</u> RM	<u>2010</u> RM
Unquoted shares in Malaysia, at cost	4,900	4,900
Add: Share of post-acquisition results and reserve	(27,782)	-
	<u>(22,882)</u>	<u>4,900</u>
Share of net liabilities	<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>2011</u> RM	<u>2010</u> RM
Current assets	79	4,900
Current liabilities	(22,961)	-
	<u>(22,882)</u>	<u>4,900</u>
Share of net liabilities	<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>2011</u> RM	<u>2010</u> RM
Revenue	4,495	-
Operating expenses including taxation	(32,277)	-
	<u>(27,782)</u>	<u>-</u>
Loss for the financial year	<u>(27,782)</u>	<u>-</u>

The details of the jointly controlled entity are as follows:

<u>Name of company</u>	<u>Place of incorporation</u>	<u>Principal activities</u>	<u>Foundation's effective interest</u>	
			<u>2011</u> %	<u>2010</u> %
AseaCyte Sdn. Bhd.	Malaysia	Rendering of services and products based in cell biology and cell culture technology	49.00	49.00

**CANCER RESEARCH INITIATIVES FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)**

7 RECEIVABLES

	<u>2011</u> RM	<u>2010</u> RM
Deposit	17,210	17,210
Grant receivables	391,500	821,900
Prepayment	9,810	6,651
Other prepaid costs	123,146	5,057
Other receivables	3,929	129,631
	<u>545,595</u>	<u>980,449</u>

8 CASH AND CASH EQUIVALENTS

	<u>2011</u> RM	<u>2010</u> RM
Deposit with licensed bank	4,200,000	-
Bank balances	641,409	2,942,225
Cash on hand	4,000	7,500
	<u>4,845,409</u>	<u>2,949,725</u>

9 PAYABLES

	<u>2011</u> RM	<u>2010</u> RM
Accruals	60,500	500
Other payables	255,046	307,621
	<u>315,546</u>	<u>308,121</u>



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# CANCER RESEARCH INITIATIVES FOUNDATION

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## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

### 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 profit or loss over the periods to match the related costs for which the grants are intended to compensate.

During the financial year, the Foundation obtained a 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 as at balance sheet date. The remaining grant of RM96,000 for the financial year 2013 will be receivable/received upon fulfilment of the obligation by the Foundation.

	2011 RM	2010 RM
At 1 January	2,977,833	3,311,033
New grant received during the financial year	104,000	-
Credited to income and expenditure statement	(333,200)	(333,200)
At 31 December	<u>2,748,633</u>	<u>2,977,833</u>

### 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.

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CANCER RESEARCH INITIATIVES FOUNDATION  
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## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2011 (CONTINUED)

### 12 SUBSEQUENT EVENT AFTER BALANCE SHEET DATE

The Foundation has subscribed additional 40,060 ordinary shares of RM1.00 each in AseaCyte Sdn Bhd, a joint venture with AvantiCell Science Ltd ("AvantiCell") and Sime Darby Allied Products Berhad ("SDAPB") on 14 February 2012. The Foundation, AvantiCell and SDAPB have 49%, 49% and 2% shareholding respectively.

### 13 APPROVAL OF FINANCIAL STATEMENTS


The financial statements have been approved for issue in accordance with a resolution of the Board of Trustees dated 12 June 2012.


**CANCER RESEARCH INITIATIVES FOUNDATION**  
(Company No. 510087-M)  
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**STATEMENT BY TRUSTEES PURSUANT TO  
SECTION 169(15) OF THE COMPANIES ACT, 1965**

We, Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya and Toh Puan Dato' Seri 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 2011 and of its results and cash flows for the financial year ended on that date in accordance with the provisions of the Companies Act 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

In accordance with the resolution of the Board of Trustees dated 12 June 2012.

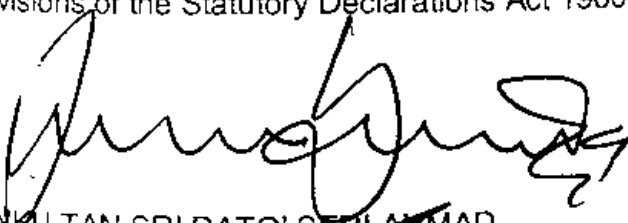
  
TUNKU TAN SRI DATO' SERI AHMAD  
BIN TUNKU YAHAYA  
TRUSTEE

  
TOH PUAN DATO' SERI HAJAH  
DR AISHAH ONG  
TRUSTEE

Kuala Lumpur  
12 June 2012

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

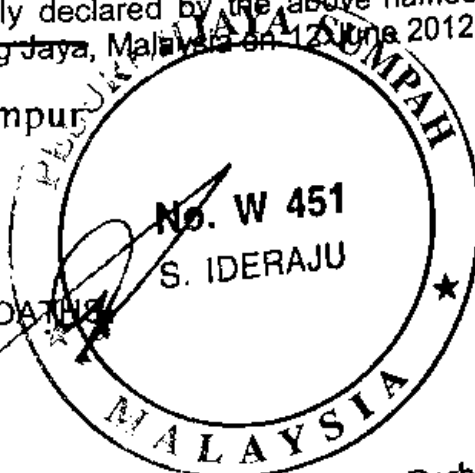
I, Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, the Trustee primarily responsible for the financial management of Cancer Research Initiatives Foundation, do solemnly and sincerely declare that the financial statements set out on pages 4 to 23 are, in my opinion, correct and I make this solemn declaration 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

9. Subscribed and solemnly declared by the above named Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya at Subang Jaya, Malaysia on 12 June 2012 before me.

Kuala Lumpur

COMMISSIONER FOR OATHS



Wisma Sime Darby  
Raja Laut



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 balance sheet as at 31 December 2011 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 in Notes 1 to 13.

#### 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 MASB Approved Accounting Standards in Malaysia for Entities (other than Private Entities and the Companies Act, 1965, 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.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,  
Level 10, 1 Sentral, Jalan Travers, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, [www.pwc.com/my](http://www.pwc.com/my)



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF CANCER RESEARCH INITIATIVES FOUNDATION (CONTINUED)  
(Company No. 510087-M)  
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REPORT ON THE FINANCIAL STATEMENTS

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with ~~Malaysian~~ Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Foundation as at 31 December 2011 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

This report is made solely to the members of the Foundation, as a body, in accordance with Section 19 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  
12 June 2012