CANCER RESEARCH MALAYSIA

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

STATUTORY FINANCIAL STATEMENTS

31 DECEMBER 2015

pwc

Company No.	
510087	M

CANCER RESEARCH MALAYSIA

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

TRUSTEES

SECRETARY

Chua Siew Chuan

AUDITORS

PricewaterhouseCoopers

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

Company No.

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CANCER RESEARCH MALAYSIA
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Company No.

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CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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TRUSTEES' REPORT

The Trustees are pleased to submit their report together with the audited financial statements of the Economic Entity and of the Foundation for the financial year ended 31 December 2015.

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

	Economic Entity RM	Foundation RM
Excess of income over expenditure for the financial year	2,103,677	2,103,677

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:

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TRUSTEES' REPORT (CONTINUED)

BOARD OF TRUSTEES (CONTINUED)

Toh Puan Dato' Seri Hajjah Dr Aishah Ong, being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers herself for reappointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Foundation. Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahya retired as Chairman and Trustee effective from 11 September 2015.

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

TRUSTEES' BENEFITS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Economic Entity and of the Foundation, have been written down to an amount which they might be expected so to realise.

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

(a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Economic Entity and of the Foundation inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Economic Entity and of the Foundation misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Economic Entity and of the Foundation misleading or inappropriate.

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CANCER RESEARCH MALAYSIA
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TRUSTEES' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Trustees, will or may substantially affect the ability of the Economic Entity and of the Foundation to meet their obligations when they fall due.

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

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

(b) any contingent liability of the Economic Entity and of the Foundation which has arisen since the end of the financial year.

At the date of this report, the Trustees are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Trustees:

(a) the results of the Economic Entity's and of the Foundation's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature that is likely to affect substantially the results of the operations of the Economic Entity and of the Foundation for the financial year in which this report is made.

AUDITORS

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

In accordance with the resolution of the Board of Trustees dated 8 June 2016.

TOH PUAN DATO' SERI
HAJJAH DR AISHAH ONG
TRUSTEE

ABD. HAMID BIN IBRAHIM
TRUSTEE

Kuala Lumpur

Company No.

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CANCER RESEARCH MALAYSIA
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INCOME AND EXPENDITURE STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Economic Entity 2015 RM	Economic Entity 2014 RM	Foundation 2015 RM	Foundation 2014 RM
INCOME					
Donations		8,445,358	6,666,578	8,445,358	6,666,578
Research grants		579,200	582,200	579,200	582,200
Other income		231,059	361,555	231,059	361,555
Interest income		221,790	172,535	221,790	172,535
		9,477,407	7,782,868	9,477,407	7,782,868
LESS: EXPENDITURE					
Staff costs	5	(3,157,637)	(2,707,426)	(3,157,637)	(2,707,426)
Research expenditure		(586,981)	(509,136)	(586,981)	(509,136)
Depreciation of property, plant and equipment		(1,031,814)	(1,010,968)	(1,031,814)	(1,010,968)
Loss on disposal of property, plant and equipment		-	(75,383)	-	(75,383)
Write-off of property, plant and equipment		(1,213)	(10,455)	(1,213)	(10,455)
Allowance for impairment of donations receivable		(1,000,000)	-	(1,000,000)	-
Training expenditure		(61,235)	(78,443)	(61,235)	(78,443)
Repairs and maintenance expenditure		(51,173)	(61,316)	(51,173)	(61,316)
Professional fees		(63,300)	(59,074)	(63,300)	(59,074)
Travelling expenses		(50,329)	(53,521)	(50,329)	(53,521)
Computer related expenses		(60,431)	(47,697)	(60,431)	(47,697)
Seminar/conference expenses		(62,992)	(80,433)	(62,992)	(80,433)
Insurance expenses		(116,817)	(109,325)	(116,817)	(109,325)
Marketing and fund raising expenses		(243,193)	(82,750)	(243,193)	(82,750)
Cost of merchandise		(8,750)	(24,458)	(8,750)	(24,458)
Laboratory maintenance		(179,918)	(159,413)	(179,918)	(159,413)
Rental		(157,994)	(146,202)	(157,994)	(146,202)
Utilities		(121,530)	(116,373)	(121,530)	(116,373)
Purchased services		(256,053)	(266,966)	(256,053)	(266,966)
Dues and subscriptions		(18,259)	(31,955)	(18,259)	(31,955)
Motor vehicle expenses		-	-	-	-
Other expenses		(144,111)	(198,158)	(144,111)	(198,158)
		(7,373,730)	(5,829,452)	(7,373,730)	(5,829,452)
Reversal of impairment of investment in joint venture		3,805	29,605	-	-
Share of losses in a joint venture		(3,805)	(29,605)	-	-
EXCESS OF INCOME OVER EXPENDITURE		2,103,677	1,953,416	2,103,677	1,953,416

Company No.

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CANCER RESEARCH MALAYSIA

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Economic Entity 2015 RM	Economic Entity 2014 RM	Foundation 2015 RM	Foundation 2014 RM
GENERAL FUNDS					
Balance at beginning of the financial year		14,576,188	12,622,772	14,576,188	12,622,772
Excess of income over expenditure		2,103,677	1,953,416	2,103,677	1,953,416
Balance at end of the financial year		16,679,865	14,576,188	16,679,865	14,576,188
Represented by:					
NON-CURRENT ASSETS					
Property, plant and equipment	7	4,620,351	5,287,042	4,620,351	5,287,042
Investment in joint venture	8	-	-	-	-
		4,620,351	5,287,042	4,620,351	5,287,042
CURRENT ASSETS					
Receivables	9	5,860,939	4,313,248	5,860,939	4,313,248
Cash and cash equivalents	10	8,022,121	7,052,255	8,022,121	7,052,255
		13,883,060	11,365,503	13,883,060	11,365,503
LESS: CURRENT LIABILITY					
Payables	11	511,713	431,324	511,713	431,324
NET CURRENT ASSETS		13,371,347	10,934,179	13,371,347	10,934,179
NON-CURRENT LIABILITY					
Deferred income	12	1,311,833	1,645,033	1,311,833	1,645,033
NET ASSETS		16,679,865	14,576,188	16,679,865	14,576,188

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STATEMENTS OF CHANGES IN GENERAL FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Economic Entity		Foundation	
	2015	2014	2015	2014
	RM	RM	RM	RM
As at 1 January	14,576,188	12,622,772	14,576,188	12,622,772
Excess of income over expenditure	2,103,677	1,953,416	2,103,677	1,953,416
As at 31 December	16,679,865	14,576,188	16,679,865	14,576,188

Company No.

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CANCER RESEARCH MALAYSIA
(Incorporated in Malaysia as a company
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Economic Entity 2015 RM	Economic Entity 2014 RM	Foundation 2015 RM	Foundation 2014 RM
OPERATING ACTIVITIES					
Excess of income over expenditure		2,103,677	1,953,416	2,103,677	1,953,416
Adjustments for:					
Reversal of impairment of investment in joint venture		(3,805)	(29,605)	-	-
Share of losses in a joint venture		3,805	29,605	-	-
Property, plant and equipment					
- depreciation		1,031,814	1,010,968	1,031,814	1,010,968
- loss on disposal		-	75,383	-	75,383
- write-off		1,213	10,455	1,213	10,455
Write-off of other receivables		1,000,000	-	1,000,000	-
Interest income		(221,790)	(172,535)	(221,790)	(172,535)
		3,914,914	2,877,687	3,914,914	2,877,687
Changes in working capital:					
Receivables		(2,547,691)	(52,390)	(2,547,691)	(52,390)
Payables		80,389	8,578	80,389	8,578
Deferred income		(333,200)	(333,200)	(333,200)	(333,200)
Net cash generated from operating activities		1,114,412	2,500,675	1,114,412	2,500,675
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	7	(366,336)	(1,548,694)	(366,336)	(1,548,694)
Proceeds from disposal of property, plant and equipment		-	-	-	-
Interest income		221,790	172,535	221,790	172,535
Net cash used in investing activities		(144,546)	(1,376,159)	(144,546)	(1,376,159)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		969,866	1,124,516	969,866	1,124,516
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		7,052,255	5,927,739	7,052,255	5,927,739
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10	8,022,121	7,052,255	8,022,121	7,052,255

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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 2015

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 and 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.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution dated 8 June 2016.

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, 1965 in Malaysia.

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

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

The new accounting standards, amendments and improvements to published standards that are effective for the Economic Entity's and the Foundation's financial year beginning on or after 1 January 2015 are as follows:

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle
- Amendments to MFRS 119 "Defined Benefit Plans: Employees Contributions"

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

(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 financial year beginning after 1 January 2016.

- Amendments to MFRS 116 'Property, plant and equipment' clarifies that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

- Amendments to MFRS 101 'Disclosure Initiatives'. The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

  a) Materiality
  b) Disaggregation and subtotals
  c) Notes structure
  d) Disclosure of accounting policies
  e) Presentation of items of other comprehensive income arising from equity accounted investments

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2016. (continued)

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

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

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

  MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from Contracts with Customers' (effective from 1 January 2018) replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

  Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A BASIS OF PREPARATION (CONTINUED)

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

A number of new standards and amendments to standards and interpretations are effective for financial year beginning after 1 January 2016. (continued)

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

B DONATIONS AND RESEARCH GRANTS

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

C OTHER INCOME

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

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

D PROPERTY, PLANT AND EQUIPMENT

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

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

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%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

E IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

F GOVERNMENT GRANTS

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G CASH AND CASH EQUIVALENTS

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

H EMPLOYEE BENEFITS

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

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

I FINANCIAL ASSETS

(a) Classification

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

Loans and receivables

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

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(e) Derecognition

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

J FINANCIAL LIABILITIES

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

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

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

Other financial liabilities

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K OFFSETTING FINANCIAL INSTRUMENTS

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

L JOINT ARRANGEMENTS

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

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

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

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

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 there from 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 statement of financial position.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 mismatches of the maturities of 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.

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Less than 1 year		
Payables	511,713	431,324

(b) 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 deposit with the licensed bank is interest-bearing. A 2% (2014: 1%) increase in the interest rate would result in an increase in the income and expenditure statements by RM140,000 (2014: RM70,000).

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

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Salary, wages and overtime	2,795,262	2,336,305
Defined contribution plan	296,321	297,318
Other employee benefits	66,054	73,803
	3,157,637	2,707,426

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).

Company No.

510087	M

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT

Economic Entity and Foundation

2015	Laboratory equipment RM	Renovations RM	Computers RM	Office equipment RM	Total RM
Cost					
At 1 January 2015	10,377,646	864,977	773,876	167,272	12,183,771
Additions	176,391	-	175,987	13,958	366,336
Reclassification	-	-	-	-	-
Disposals	-	-	-	-	-
Write-off	-	-	(61,543)	(4,113)	(65,656)
At 31 December 2015	10,554,037	864,977	888,320	177,117	12,484,451
Accumulated depreciation					
At 1 January 2015	5,409,493	722,175	693,648	71,413	6,896,729
Depreciation charge for the financial year	896,660	54,862	65,712	14,580	1,031,814
Reclassification	-	-	-	-	-
Disposals	-	-	-	-	-
Write-off	-	-	(61,543)	(2,900)	(64,443)
At 31 December 2015	6,306,153	777,037	697,817	83,093	7,864,100
Net book value					
At 31 December 2015	4,247,884	87,940	190,503	94,024	4,620,351

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CANCER RESEARCH MALAYSIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

7 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Economic Entity and Foundation

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

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

	Economic Entity and Foundation 2015 RM	2014 RM
Acquisition of property, plant and equipment during the financial year	366,336	1,630,303
Less: Trade-in of property, plant and equipment during the financial year	-	(81,609)
Net cash outflow on the acquisition of property, plant and equipment	366,336	1,548,694

8 INVESTMENT IN JOINT VENTURE

	Economic Entity		Foundation	
	2015	2014	2015	2014
	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	(89,793)	(85,988)	-	-
	10,167	13,972	99,960	99,960
Less: Accumulated impairment loss	(10,167)	(13,972)	(99,960)	(99,960)
	-	-	-	-

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

Name of company	Place of incorporation	Principal activities	Foundation's effective interest 2015 %	2014 %
AseaCyte Sdn. Bhd.	Malaysia	Rendering of services and products based in cell biology and cell culture technology.	49.00	49.00

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

The joint venture is a private company and there is no quoted market price available for its shares. The joint venture company is no longer active as at 31 December 2015.

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

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

	Economic Entity	
	2015 RM	2014 RM
NON-CURRENT ASSET	279	1,536
CURRENT ASSETS		
Cash and cash equivalents	22,072	29,781
Other current assets	15,290	43,910
	37,362	73,691
CURRENT LIABILITIES		
Other current liabilities	(16,892)	(46,713)
Net current assets	20,470	(26,978)
Net assets	20,749	28,514

(b) Summarised statement of comprehensive income

	Economic Entity	
	2015 RM	2014 RM
Revenue	-	2,870
Depreciation and amortisation	(1,257)	(2,556)
Other operating expenses	(6,508)	(60,732)
Loss before tax	(7,765)	(60,418)
Income tax expense	-	-
Loss after tax	(7,765)	(60,418)

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:

	Economic Entity	
	2015	2014
	RM	RM
Opening net assets/(liabilities)	28,514	88,932
Loss for the financial year	(7,765)	(60,418)
Closing net assets	20,749	28,514
Share of net assets in joint venture	10,167	13,972
Accumulated impairment loss	(10,167)	(13,972)
Carrying amount of investment in joint venture	-	-

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

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Donations receivable	6,690,254	4,258,024
Less: Impairment of donations receivables	(1,000,000)	-
	5,690,254	4,258,024
Deposits	38,906	38,610
Interest receivable	32,471	-
Prepayment	30,308	16,614
Other receivables	69,000	-
	5,860,939	4,313,248

9 RECEIVABLES (CONTINUED)

As at 31 December 2015, the donations receivable balance can be analysed as follows:

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Neither past due nor impaired	4,084,948	3,088,439
Past due but not impaired		
- 61 - 90 days	1,368,909	9,915
- Over 180 days	236,397	1,159,670
	1,605,306	1,169,585
Impaired	1,000,000	-
	6,690,254	4,258,024

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.

As at 31 December 2015, donation receivables of RM1,000,000 (2014: Nil) were impaired and provided for. This relates to the pledged donation from one of the core donors, which according to the Board of Trustees, may not be recoverable. Movement in allowance accounts:

	Economic Entity and Foundation	
	2015	2014
	RM	RM
At 1 January	-	-
Charge for the year	1,000,000	-
	1,000,000	-

The other classes do not contain impaired assets.

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

10 CASH AND CASH EQUIVALENTS

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Deposits with licensed bank	8,000,000	7,000,000
Bank balances	18,121	48,255
Cash on hand	4,000	4,000
	8,022,121	7,052,255

The deposits with licensed bank carry interest rates ranging from 2.75% to 3.60% (2014: 2.70% to 3.15%) per annum as at the reporting date and have maturity periods ranging from one to three months (2014: one to three months).

11 PAYABLES

	Economic Entity and Foundation	
	2015	2014
	RM	RM
Accruals	497,610	271,421
Other payables	14,103	159,903
	511,713	431,324

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 statements on a straight line basis over the expected useful lives of the related assets. Government grant relating to costs is recognised in the income and expenditure statements over the periods to match the related costs for which the grants are intended to compensate.

	Economic Entity and Foundation	
	2015	2014
	RM	RM
At 1 January	1,645,033	1,978,233
Credited to income and expenditure statement	(333,200)	(333,200)
At 31 December	1,311,833	1,645,033

Company No.

510087	M

CANCER RESEARCH MALAYSIA
(Incorporated in Malaysia as a company
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STATEMENT BY TRUSTEES PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We Toh Puan Dato' Seri Hajjah Dr Aishah 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 8 to 26 are drawn up so as to give a true and fair view of the state of affairs of the Economic Entity and of the Foundation as at 31 December 2015 and of its results and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Signed in accordance with the resolution of the Board of Trustees dated 8 June 2016.

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG
TRUSTEE

ABD HAMID BIN IBRAHIM

TRUSTEE

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

I, Toh Puan Dato' Seri Hajjah Dr Aishah, 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 8 to 26 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.

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

Subscribed and solemnly declared by the above named Toh Puan Dato' Seri Hajjah Dr Aishah at Subang Jaya, Malaysia on 8 June 2016.

Before me,

PESURUHJAYA SUMPAH
No: B 246
Nama: MOHAMED ESAH BIN ABDUL HAMID
MALAYSIA

COMMISSIONER FOR OATHS

D/A Shah, Rina & Co
SG-03A-01, Tingkat 1, Shopping Gallery,
Subang Square, Jalan SS15/4G,
47500 Subang Jaya, Selangor D.E.

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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 FINANCIAL STATEMENTS

We have audited the financial statements of Cancer Research Malaysia on pages 8 to 26, which comprise the statements of financial position as at 31 December 2015 of the Economic Entity and of the Foundation, and the income and expenditure statements, statements of changes in general funds and statements of cash flows of the Economic Entity and of the Foundation for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 12.

Trustees' Responsibility for the Financial Statements

The Trustees of the Foundation are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Trustees of the Foundation are also responsible for such internal control as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Foundation's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, 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

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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 FINANCIAL STATEMENTS (CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Economic Entity and of the Foundation as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

This report is made solely to the members of the Foundation, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS	SHIRLEY GOH
(No. AF: 1146)	(No. 1778/08/16 (J))
Chartered Accountants	Chartered Accountant

Kuala Lumpur
8 June 2016