Registration No.
200001007481 (510087-M)

CANCER RESEARCH MALAYSIA

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

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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Registration No.

200001007481 (510087-M)

CANCER RESEARCH MALAYSIA

(Incorporated in Malaysia as a company
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TRUSTEES

Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun
Datuk Professor Dr. Looi Lai Meng
Ahmad Redza Bin Abdul Wahab (Appointed on 23 October 2020)
Wong Lup Hang (Appointed on 9 February 2021)

SECRETARIES

Chua Siew Chuan
Chin Mun Yee

AUDITORS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

Registration No.
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CANCER RESEARCH MALAYSIA

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Registration No.
200001007481 (510087-M)

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

TRUSTEES' REPORT

The Trustees have pleasure to submit their report together with the audited financial statements of the Foundation for the financial year ended 31 December 2020.

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	4,573,861

RESERVES AND PROVISIONS

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

BOARD OF TRUSTEES

The members of the Board of Trustees in office during the financial year and from the end of the financial year to the date of the report are:

Toh Puan Dato' Seri Hajjah Dr Aishah Ong
Lim Siew Lian
Tengku Datuk Seri Ahmad Shah Al-Haj ibni
Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
Alan Hamzah Sendut
Tan Sri Dato' Dr Ir Gan Thian Leong
Dato' Leong Kwei Chun
Datuk Professor Dr. Looi Lai Meng
Ahmad Redza Bin Abdul Wahab
Wong Lup Hang

CANCER RESEARCH MALAYSIA
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TRUSTEES' REPORT (CONTINUED)

TRUSTEES' BENEFITS

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

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

No trustee has received any remuneration during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Foundation were prepared, the Trustees took reasonable steps:

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

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

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

(a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the 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 their obligations when they fall due.

Registration No.
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CANCER RESEARCH MALAYSIA
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TRUSTEES' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

(a) any charge on the assets of the 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 PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Trustees on 6 August 2021.

Signed on behalf of the Board of Trustees:

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

TRUSTEE

ALAN HAMZAH SENDUT

TRUSTEE

Kuala Lumpur

Registration No.
200001007481 (510087-M)

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

INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 RM	2019 RM
INCOME			
Donations		10,330,384	6,643,530
Research grants		1,733,895	2,271,869
Other income		2,649	22,657
Interest income		336,309	414,088
		12,403,237	9,352,144
LESS: EXPENDITURE			
Staff costs	4	(5,058,292)	(5,002,852)
Research expenditure		(688,962)	(1,363,465)
Depreciation of property, plant and equipment	6	(516,982)	(769,938)
Depreciation of right-of-use asset	7	(127,305)	(173,155)
Gain on disposal of property, plant and equipment		9,838	-
Write-off of property, plant and equipment		(2,123)	(50,158)
Termination of lease contract (net)		(2,506)	-
Training expenditure		(5,083)	(15,079)
Repairs and maintenance expenditure		(35,879)	(99,508)
Professional fees		(111,850)	(74,455)
Travelling expenses		(39,809)	(165,367)
Computer related expenses		(153,685)	(99,324)
Seminar/conference expenses		-	(130,127)
Insurance expenses		(32,006)	(36,352)
Marketing and fund raising expenses		(58,942)	(158,560)
Laboratory maintenance		(143,960)	(173,884)
Rental		(79,910)	(53,917)
Utilities		(129,695)	(115,155)
Purchased services		(288,715)	(1,298,392)
Dues and subscriptions		(10,119)	(15,188)
Interest expense on lease liability	10	(6,330)	(5,247)
Other expenses		(347,061)	(406,375)
		(7,829,376)	(10,206,498)
EXCESS OF INCOME OVER EXPENDITURE/ (EXPENDITURE OVER INCOME)		4,573,861	(854,354)

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CANCER RESEARCH MALAYSIA
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 RM	2019 RM
GENERAL FUNDS			
Balance at beginning of the financial year		15,465,418	16,319,772
Excess of income over expenditure/ (expenditure over income)		4,573,861	(854,354)
Balance at end of the financial year		20,039,279	15,465,418
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,935,431	2,123,113
Right-of-use asset	7	125,155	46,318
		2,060,586	2,169,431
CURRENT ASSETS			
Receivables	8	2,583,975	2,074,766
Deposits, cash and bank balances	9	15,701,861	11,826,768
		18,285,836	13,901,534
NON-CURRENT LIABILITY			
Lease liability	10	16,628	-
CURRENT LIABILITIES			
Lease liability	10	116,220	44,720
Payables	11	174,295	560,827
		290,515	605,547
LESS: TOTAL LIABILITIES		307,143	605,547
NET ASSETS		20,039,279	15,465,418

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CANCER RESEARCH MALAYSIA
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STATEMENT OF CHANGES IN GENERAL FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 RM	2019 RM
As at 1 January		15,465,418	16,319,772
Excess of income over expenditure/ (expenditure over income)		4,573,861	(854,354)
As at 31 December		20,039,279	15,465,418

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 RM	2019 RM
OPERATING ACTIVITIES			
Excess of income over expenditure/ (expenditure over income)		4,573,861	(854,354)
Adjustments for:			
Property, plant and equipment			
- depreciation		516,982	769,938
- write-off		2,123	50,158
- gain on disposal		(9,838)	-
Termination of lease contract (net)		2,506	-
Depreciation of right-of-use asset		127,305	173,155
Deferred income		-	(312,233)
Interest expense on lease liability		6,330	5,247
Interest income		(336,309)	(414,088)
		4,882,960	(582,177)
Changes in working capital:			
Receivables		(592,099)	(561,413)
Payables		(386,532)	(471,362)
Net cash flows generated from/(used in) operating activities		3,904,329	(1,614,952)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(350,023)	(73,720)
Proceeds from disposal of property, plant and equipment		28,438	-
Interest income received		419,199	391,474
Increase in bank deposits maturing more than three months		7,180,000	1,975,707
Net cash flows generated from investing activities		7,277,614	2,293,461
FINANCING ACTIVITY			
Payment of lease liability		(126,850)	(180,000)
Net cash flow used in financing activity		(126,850)	(180,000)

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CANCER RESEARCH MALAYSIA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	Note	2020 RM	2019 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		11,055,093	498,509
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		3,096,768	2,598,259
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	9	14,151,861	3,096,768

CANCER RESEARCH MALAYSIA
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Cash flows and non-cash changes in liability arising from financing activity are as follows:

			Non-cash changes			
2020	At 1 January RM	Repayment RM	Interest expense RM	Lease addition RM	Lease termination RM	At 31 December RM
Lease liability	44,720	(126,850)	6,330	223,601	(14,953)	132,848
	44,720	(126,850)	6,330	223,601	(14,953)	132,848
2019						
Lease liability	219,473	-	(180,000)	5,247	-	44,720
	219,473	-	(180,000)	5,247	-	44,720

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 2020

1 GENERAL INFORMATION

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

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

The Foundation's joint venture is principally involved in rendering of services and products based in cell biology and cell culture technology. It remains dormant during the financial year.

The financial statements were authorised for issue by the Board of Trustees in accordance with a resolution dated on 6 August 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION

The financial statements of the Foundation have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 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 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) Accounting pronouncements that are effective and have been adopted by the Foundation as at 1 January 2020:

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 101 and MFRS 108 'Definition of Material'
- Amendments to MFRS 3 'Definition of a Business'
- Amendments to MFRS 9, MFRS 139 and MFRS 7 'Interest Rate Benchmark Reform'

The amendments listed above did not have significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Accounting pronouncements that are not yet effective and have not been early adopted by the Foundation:

Accounting pronouncements that are currently being assessed by the Trustees:

Effective for annual periods beginning on or 1 June 2020 with earlier application permitted

- Amendments to MFRS 16 'Covid-19-Related Rent Concessions'

Effective for annual periods beginning on or after 1 January 2021 with earlier application permitted

- Interest Rate Benchmark Reform—Phase 2 - Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 116 'Proceeds before Intended Use'
- Annual improvements to Illustrative Example Accompanying MFRS 16 Leases: Lease Incentives
- Annual improvements to MFRS 141 "Taxation in Fair Value Measurements"
- Annual improvements to MFRS 9 'Fees in the '10 per cent' test for Derecognition of Financial Liabilities'
- Amendments to MFRS 137 'Onerous Contracts - Cost of Fulfilling a Contract'
- Reference to the Conceptual Framework - Amendments to MFRS 3

Effective annual periods beginning on or after 1 January 2023

- Amendments to MFRS 101 'Classification of liabilities as current and non-current'
- Disclosure of Accounting Policies - Amendments to MFRS 101 and MFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to MFRS 108

The Trustees are currently assessing the impact of the above pronouncements on the financial statements of the Foundation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B DONATIONS AND RESEARCH GRANTS

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

C OTHER INCOME

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective interest 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

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of plant and equipment initially recognised includes its purchase price, import duties, non-refundable purchase taxes and any cost that is directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Plant and equipment are depreciated on the straight line method to allocate the costs to their residual values over their estimated useful lives, summarised as follows:

Property, plant and equipment	Estimated useful lives
Laboratory equipment	10 years
Renovations	4 years
Computers	3 years
Office equipment	10 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. At the end of the reporting period, the Foundation assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy E on impairment of non-financial assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E IMPAIRMENT OF NON-FINANCIAL ASSETS

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

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

F GOVERNMENT GRANTS

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

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

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

G CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H EMPLOYEE BENEFITS

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Foundation.

(b) Defined contribution plans

The Foundation's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

I FINANCIAL ASSETS

(i) Classification

The Foundation classifies its financial assets as those to be measured at amortised cost.

(ii) Recognition and initial measurement

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

(iii) Subsequent measurement

- Debt instruments at amortised cost

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

(iv) Impairment

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

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

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

The measurement of ECL reflects:

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

<u>General 3-stage approach for donation receivables and other receivables</u>

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

(v) Significant increase in credit risk

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I FINANCIAL ASSETS (CONTINUED)

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

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

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

(vii) Write-off

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

(viii) De-recognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation have transferred substantially all the 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 Foundation become a party to the contractual provisions of the financial instrument.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J FINANCIAL LIABILITIES (continued)

Other financial liabilities

Other financial liabilities comprise 'payables' (Note 11).

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

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

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

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

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 LEASES

The Foundation as a lessee

Leases are recognised as a right-of-use ("ROU") asset and a corresponding liability at the date at which the leased asset is available for use by the Foundation.

Contracts may contain both lease and non-lease components. The Foundation allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Foundation is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L LEASES (CONTINUED)

The Foundation as a lessee (continued)

(a) Lease term

In determining the lease term, the Foundation considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Foundation reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Foundation and affects whether the Foundation is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

The ROU asset is depreciated over the shorter of the right-of-use asset's useful life and the lease term on a straight-line basis, as follows:

ROU asset	Lease term
Premise	2 years

The ROU assets are adjusted for any remeasurement of the lease liability.

At each statement of financial position date, the Foundation assess whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L LEASES (CONTINUED)

The Foundation as a lessee (continued)

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Foundation under residual value guarantees;
- The exercise price of a purchase and extension options if the Foundation is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Foundation exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Foundation, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Foundation presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(c) Reassessment of lease liabilities

The Foundation is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L LEASES (CONTINUED)

The Foundation as a lessee (continued)

(d) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

M JOINT ARRANGEMENTS

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

The following sections provide details regarding the 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. At the reporting date, the Foundation's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Measurement of Expected Credit Loss ("ECL")

General 3-stage approach for donation receivables and other receivables

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

Cash and cash equivalents and deposits of the Foundation are placed with credit worthy financial institutions and the risks arising therefrom are minimised in view of the financial strength of these financial institutions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

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

The Foundation adopt 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.

The table below summarise the maturity profile and contractual undiscounted cash flows based on the remaining maturity periods at the statement of financial position date:

	Less than a year	Between 1 – 2 years	Between 2 – 5 years	Over 5 years	Total
	RM	RM	RM	RM	RM
At 31 December 2020					
Payables	174,295	-	-	-	174,295
Lease liabilities	116,220	19,370	-	-	135,590
	290,515	19,370	-	-	309,885
At 31 December 2019					
Payables	560,827	-	-	-	560,827
Lease liabilities	44,720	-	-	-	44,720
	605,547	-	-	-	605,547

4 STAFF COSTS

	2020 RM	2019 RM
Salaries, wages and overtime	4,294,399	4,256,607
Defined contribution plan	608,105	593,975
Other employee benefits	155,788	152,270
	5,058,292	5,002,852

5 TAXATION

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

6 PROPERTY, PLANT AND EQUIPMENT

	Laboratory equipment RM	Renovations RM	Computers RM	Office equipment RM	Total RM
2020					
Cost					
At 1 January 2020	10,459,868	1,017,495	866,828	169,303	12,513,494
Additions	172,060	26,235	151,728	-	350,023
Write off	(102,796)	(214,505)	(87,670)	(11,161)	(416,132)
Disposals	(1,319,502)	-	(22,288)	-	(1,341,790)
At 31 December 2020	9,209,630	829,225	908,598	158,142	11,105,595
Accumulated depreciation					
At 1 January 2020	8,535,693	973,225	773,640	107,823	10,390,381
Depreciation charge for the financial year	409,855	36,020	58,235	12,872	516 982
Write off	(102,796)	(214,505)	(87,670)	(9,038)	(414,009)
Disposals	(1,300,902)	-	(22,288)	-	(1,323,190)
At 31 December 2020	7,541,850	794,740	721,917	111,657	9,170164
Net book value					
At 31 December 2020	1,667,780	34,485	186,681	46,485	1,935,431

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Laboratory equipment	Renovations	Computers	Office equipment	Total
	RM	RM	RM	RM	RM
2019					
Cost					
At 1 January 2019	10,609,868	1,007,198	842,828	163,114	12,623,008
Additions	-	10,297	48,268	15,155	73,720
Write off	(150,000)	-	(24,268)	(8,966)	(183,234)
At 31 December 2019	10,459,868	1,017,495	866,828	169,303	12,513,494
Accumulated depreciation					
At 1 January 2019	8,012,928	937,455	701,103	102,033	9,753,519
Depreciation charge for the financial year	624,015	35,770	96,805	13,348	769,938
Write off	(101,250)	-	(24,268)	(7,558)	(133,076)
At 31 December 2019	8,535,693	973,225	773,640	107,823	10,390,381
Net book value					
At 31 December 2019	1,924,175	44,270	93,188	61,480	2,123,113

7 RIGHT-OF-USE ASSET

Building

2020	RM
Cost	
At 1 January 2020	219,473
Additions	223,601
Termination of lease contract	(219,473)
At 31 December 2020	223,601
Accumulated depreciation	
At 1 January 2020	173,155
Depreciation charge during the financial year	127,305
Termination of lease contract	(202,014)
At 31 December 2020	98,446
Net book value	
At 31 December 2020	125,155

2019	RM
Cost	
At 1 January 2019	219,473
At 31 December 2019	219,473
Accumulated depreciation	
At 1 January 2019	-
Depreciation charge during the financial year	173,155
At 31 December 2019	173,155
Net book value	
At 31 December 2019	46,318

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

8 RECEIVABLES

	2020 RM	2019 RM
Donations receivable	1,806,346	1,315,497
Deposits	30,962	42,150
Interest receivable	38,616	121,506
Prepayment	324,612	167,165
GST input	383,439	428,448
	2,583,975	2,074,766

9 DEPOSITS, CASH AND BANK BALANCES

	2020 RM	2019 RM
Fixed deposit with a licensed bank	15,530,000	11,230,000
Bank balances	170,661	596,224
Cash in hand	1,200	544
	15,701,861	11,826,768
Less: Fixed deposit with licensed bank more than 3 months	(1,550,000)	(8,730,000)
Cash and cash equivalents	14,151,861	3,096,768

The deposits with licensed bank carry fix interest rates ranging from 2.02% to 3.00% (2019: 2.95% to 4.00%) per annum as at the reporting date and have maturity periods ranging from one to nine months (2019: one to twelve months).

10 LEASE LIABILITY

	2020 RM	2019 RM
At 1 January	44,720	219,473
Additions	223,601	-
Termination of lease contract	(14,953)	-
Interest accretion	6,330	5,247
Payment of lease liabilities	(126,850)	(180,000)
At 31 December	132,848	44,720

10 LEASE LIABILITY (CONTINUED)

	2020 RM	2019 RM
Non-current	16,628	-
Current	116,220	44,720
	132,848	44,720

Total cash outflow for leases of the Foundation are as follows:

	2020 RM	2019 RM
Payment of lease liabilities	126,850	180,000
Rental of other equipment (service contract)	37,319	49,427
Rental of low value assets	10,191	4,490
Short-term lease payment	32,400	-
	206,760	233,917

11 PAYABLES

	2020 RM	2019 RM
Accruals	92,237	436,852
Other payables	33,809	75,726
GST output	48,249	48,249
	174,295	560,827

The fair value of payables approximates its carrying value, as the impact of discounting is not significant.

12 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by Trustees on 6 August 2021.

Registration No.
200001007481 (510087-M)

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

STATEMENT BY TRUSTEES PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We Toh Puan Dato' Seri Hajjah Dr Aishah Ong and Alan Hamzah Sendut, being two of the Trustees of Cancer Research Malaysia, do hereby state that, in the opinion of the Trustees, the financial statements set out on pages 4 to 27 are drawn up so as to give a true and fair view of the financial position of the Foundation as at 31 December 2020 and financial performance of the Foundation for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Trustees in accordance with the resolution of the Board of Trustees dated 6 August 2021.

TOH PUAN DATO' SERI HAJJAH
DR AISHAH ONG

TRUSTEE

ALAN HAMZAH SENDUT

TRUSTEE

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

I, Toh Puan Dato' Seri Hajjah Dr Aishah Ong, the Trustee primarily responsible for the financial management of Cancer Research Malaysia, do solemnly and sincerely declare that the financial statements set out on pages 4 to 27 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 Ong at Selangor Darul Ehsan on 6 August 2021.

Petaling Jaya
Selangor Darul Ehsan
Before me,

PESURUHJAYA SUMPAH MALAYSIA
No. PJS: B384
ZULKIFLY B. MAHMUD
Tempoh Lantikan
1/1/2021 - 31/12/2023

COMMISSIONER FOR OATHS

NO. 5-2, JALAN PJS 11/28,
BANDAR SUNWAY,
46150 PETALING JAYA,
SELANGOR



INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF CANCER RESEARCH MALAYSIA
(Incorporated in Malaysia)
Registration No. 200001007481 (510087-M)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Cancer Research Malaysia ("the Foundation") give a true and fair view of the financial position of the Foundation as at 31 December 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Foundation, which comprise the statement of financial position as at 31 December 2020, and the income and expenditure statement, statement of changes in general funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 27.

Basis for opinion

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

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

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



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Foundation does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Trustees for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Foundation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

(d) Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Foundation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Foundation, including the disclosures, and whether the financial statements of the Foundation represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MAHESH A/L RAMESH
03428/04/2023 J
Chartered Accountant

Kuala Lumpur
6 August 2021