

sata  
CommHealth†



# moving beyond

ANNUAL REPORT 2008

*“Besides TB-related care, we have evolved to provide a wide scope of healthcare services such as health screening, general practitioner and specialist services, as well as diagnostic imaging services.”*

**- A/P Mak Yuen Teen on SATA’s name change.**

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# sata

## CommHealth†

SATA was founded in 1947 by a group of philanthropists who wanted to contribute to the community when Tuberculosis was rampant in the 1940s. Tuberculosis is no longer a major threat, and SATA has evolved over the years to offer a wider range of healthcare services besides TB-related care.

Today, SATA runs four full-fledged medical centres, providing health screening, general practitioner and specialist services as well as diagnostic imaging services. Proceeds are then channeled into community work where we provide healthcare assistance to the needy.

SATA's name has been changed to SATA CommHealth with effect from 22 April 2009. This is the first major rebranding exercise in the 62 years of our history. The name change is necessary as we continue to evolve and grow, branching into other areas of community health besides Tuberculosis screening and treatment. However, Tuberculosis and lung health will remain an important concern of the new SATA CommHealth.

### OUR SERVICES TODAY

- Specialist consultation: respiratory specialist, cardiologist, radiologist.
- General consultation: acute ailments, chronic diseases.
- Health checks: pre-employment, work permit, social pass, visa application.
- Preventive medicine: vaccinations, health screenings.
- Diagnostic imaging: X-ray, mammogram, ultrasound, fluoroscopy.
- Specialised tests: spirometry, ECG, treadmill, audiometry, industrial tests.
- Laboratory services.



**We are dispensing with boundaries in a fresh bid to embrace and make new and more friends from our community, especially among the elderly, immobile and the financially disadvantaged.**

friendlier  
than ever



**We cannot achieve as much without the support so generously given by many people from all walks of life. We aspire to connect and get closer with more and more donors, volunteers, corporations and members of the public as we continue to grow as a one-stop, comprehensive health screening and primary healthcare institution.**

closer  
than ever



***Our Partners (Beginning second from left):***

*Mr Gabriel Wie (Teacher, Ping Yi Secondary School), Mr Ken Tong (Sales Manager, Fujifilm), Ms Cindy Chat (Member, Kreta Ayer – Kim Seng Citizens' Consultative Committee), Mr Lim Hock Huat (Laboratory Manager, Quest Laboratories)*

**We're a tight-knit team of professionals, each dedicated in carrying out services made more accessible to more members of our community, be it extending our operational hours, making it easier for beneficiaries to reach us or ensuring that the medical services we provide are cost effective and easily available.**

**stronger  
than ever**



## CHAIRMAN'S MESSAGE

**“ WE CO-ORGANISED OVER 600 EVENTS, RESULTING IN OVER 60,000 INTERACTIONS WITH INDIVIDUALS FROM ALL WALKS OF LIFE, REPRESENTING A 50 PERCENT INCREASE OVER 2007. ”**



SATA exists because of the community. Over the past few years, we have significantly increased the resources we have committed to helping the community. This has been possible as we continued to improve the social enterprise side of our operations so that the proceeds generated from business partners and the paying public can be channeled into our community work. We are now in a good position to focus even more of our attention on serving the community, and very timely I might add, because of the difficult times that many of the needy and disadvantaged will face in view of the global downturn.

In our concerted effort to reach out to more beneficiaries amongst the needy, aged and disadvantaged, there is a need to address the misperception that SATA is still solely about Tuberculosis screening and treatment. Besides TB-related care, we have since evolved to provide a wide scope of healthcare services such as health screening, general practitioner and specialist services, as well as diagnostic imaging services. In this respect, I am pleased to announce that at an Extraordinary General Meeting (EGM) in April 2009, members approved a change of our name to SATA CommHealth, and we have unveiled a new logo. This major rebranding exercise is a first in all of our 62 years, and one that we

hope will accurately reflect our primary healthcare services that we now offer to the community.

At the EGM in April 2009, members also approved amendments to our Memorandum and Articles of Association. Major changes relate to our objects, and to better align our governance structure to that for a company limited by guarantee. With the alignment of our governance structure, the Council is now called the Board of Directors.

SATA is committed to practising the highest standards of governance and has strategically invested resources to help achieve this goal. We have reviewed our corporate governance practices and made relevant changes to the constitution to ensure it is well-aligned with our mission and vision. We want stakeholders to know that their trust in SATA to serve the community is well-placed and one that is not taken lightly. We continue to practise strict internal controls and implement sound risk management in our operations and projects, as reflected in our smooth shift and transition from SATA Chinatown Medical Centre to SATA Ang Mo Kio Medical Centre in February 2009.

SATA understands and appreciates that people are our most valuable assets and that employees play a vital role in organisational excellence. Steps are being taken to put in place a proper staff development framework to ensure that we have good human resource policies that allow us to recruit, develop, motivate and retain the type of staff who can contribute significantly to our community work and social enterprise. Towards this end, we conducted an organisation climate survey to gather feedback from staff, as an important first step to improving our human resource policies.

SATA continues to reach out and strengthen our community work with several existing and new initiatives during the year. We co-organised over 600 events, resulting in over 60,000 interactions with individuals from all walks of life, representing a 50 percent increase over 2007. We make good use of various platforms to publicise and provide our services. One important success factor for SATA's community programmes is a winning partnership with our equally dedicated partners like the Community Development Councils, Voluntary Welfare Organisations, Senior Activity Centres,

community centres and grassroots organisations. These close partnerships are evident in the smooth operation of our Doctors-on-Wheels programme, in which we work closely with our partners to identify where the needy reside so that we are able to deliver our services to their doorstep. We were thus able to screen and treat more than 9,000 needy residents who may otherwise experience difficulties in getting adequate medical attention.

At our medical centres, we have in place subsidy schemes for the needy who seek treatment from us. We also collaborate with schools to ensure that students who require assistance are not turned away should their family have financial difficulties. Our GP Community Network Programme enlists neighbourhood general practitioners to treat our patients at either subsidised rates or for free. We continue to advocate Tuberculosis treatment and lung health, with a fund of \$300,000 set aside to support research by medical professionals on TB and lung health. On the prevention side related to lung health, we target youths, with activities organised to address the ills of smoking among the younger generation of today. Our staff give talks and conduct workshops and camps for students in order to equip them with the knowledge and confidence to resist taking the first puff.

SATA would not be where it is today if not for the dedicated Council members, management and staff of both past and present. I want to thank the Council for their support and invaluable contributions, and the management and staff for their hard work and commitment. In particular, I wish to thank Mr Martin Tsang who served as Chairman from 2004 to 2008, and who will be retiring after the 2009 Annual General Meeting. Mrs Dolly Goh resigned as Chief Executive Officer in December 2008 and we would like to place on record our heartfelt thanks to her for her significant contributions. As we progress ahead, I have no doubt that together, we will continue to give our best to our beneficiaries.

**A/P Mak Yuen Teen**

# CORPORATE GOVERNANCE REPORT



## THE COUNCIL

### COMPOSITION OF THE COUNCIL

The Council strives to ensure that Council members as a group has core competencies in areas such as accounting and finance, management, law, medicine, strategic planning and technology and that it incorporates a degree of diversity. All Council members must be independent. Independence refers to not having any family, employment, business and other relationship with SATA, any related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Council member's independent judgement with a view to the best interests of SATA. No Council member shall be related to another Council member by blood/marriage, and no more than one-quarter of the Council members shall be employees, executive officers, directors, partners or substantial shareholders of any single organisation. The CEO is an ex-officio non-voting member of the Council and attends all Council meetings unless otherwise directed by the Council. In addition, other members of management are invited from time to time to attend and make presentations at Council meetings.

The Council believes that to be effective, it should not be too large, whilst at the same time ensuring that there is a sufficient range and diversity of expertise and viewpoints. As of 31 December 2008, the Council has 11 members.



1 A/P Mak Yuen Teen  
*Chairperson*

2 Mr Robert Chew  
*Vice Chairperson*

3 Mrs Grace Lim  
*Vice Chairperson*

4 A/P Ho Yew Kee  
*Honorary Treasurer*

5 Mr George Abraham  
*Honorary Secretary*

6 Mr Martin Tsang Kwong Tin  
*Council Member*

7 Dr R W Rasanayagam  
*Council Member*

8 A/P Philip Eng Cher Tiew  
*Council Member*

9 Mr Michael Anthony Palmer  
*Council Member*

10 Mr Ang Hao Yao  
*Council Member*

11 Mr Wong Chak Weng  
*Council Member*



# CORPORATE GOVERNANCE REPORT

## THE COUNCIL'S COMMITMENT TO GOVERNANCE

The Council is committed to SATA practising the highest standards of governance relevant to listed Singapore companies and large voluntary welfare organisations, to the extent they are considered by the Council to be applicable to SATA. The Council holds the view that practising high standards of corporate governance is in the best interest of SATA and has committed to prudently invest resources to help achieve this.

In discharging its duties and responsibilities, the Council is guided by a set of corporate governance guidelines, based on best practices in the corporate and voluntary sectors. These corporate governance guidelines, which provided the standards that the Council aspires to, were reviewed and updated in 2008. The intent of the Council is to follow the spirit, and not just the letter, of these guidelines.

During 2008, the Governance and Nominating Committee (GNC) continued to assist the Council in implementing SATA's corporate governance guidelines, reviewing the extent of implementation and developing further plans for implementation. This corporate governance report discusses how corporate governance is practised in SATA.

## ROLE OF THE COUNCIL

The Council sees its primary role as providing strategic direction to SATA and monitoring management performance. It also ensures that there are adequate resources for the operations and programmes of SATA and that such resources are effectively and efficiently managed; that there are processes in place to ensure that SATA complies with all applicable laws, rules and regulations; and that there is an appropriate code of conduct which upholds the core values of SATA and processes to ensure compliance with the code.

The day-to-day management of SATA is delegated by the Council to management headed by the Chief Executive Officer. Initiation of new activities, review or cessation of existing business activities, major collaborations and significant transactions require the approval of the Council. The Council also reviews and approves the annual budget prepared by management.

## COUNCIL MEMBERS' DUTIES AND RESPONSIBILITIES

Council members are expected to be aware of their duties as directors, to demonstrate commitment in serving SATA, and to behave with high standards of integrity.

To provide guidance and clarity, the Council had adopted the Code of Conduct which all members had formally acknowledged. Council members are expected to use their best endeavours to attend Council meetings and to contribute constructively to Council discussions.

Council members are requested to provide reasons for their absence from Council meetings and are expected to attend at least 60 percent of meetings each year. To facilitate Council members' attendance, a schedule of Council and committee meetings for the following year is planned at the end of each year.

There were situations where Council members were unable to attend the expected 60 percent of meetings but participated in decision-making through other means (such as electronic communications) or otherwise provided assistance to the Council or management outside the Council meetings. The GNC reviews the contributions of Council members holistically in recommending Council members for re-appointment.

Council members are expected to avoid actual and perceived conflicts of interest. Where Council members have personal interests in business transactions or contracts that SATA may enter into, or have vested interest in other organisations that SATA have dealings with or is considering to enter into joint ventures with, they are expected to declare such interests to the Council as soon as possible and abstain from discussion and decision-making on the matter. Where such conflicts exist, the Council would evaluate whether any potential conflicts of interest would affect the continuing independence of Council members and whether it is appropriate for the Council member to continue to remain on the Council.

The Council members and office bearers of SATA are:

Council Member	Qualifications	Date First Appointed	Date of Last Election of Council Members	Attendance of Council Meetings 2008	Key Directorships & Appointments
A/P Mak Yuen Teen (Aged 49) - Chairperson	Ph.D, MCom, B.Com (Hons), FCPA	26.07.2002	06.07.2007	6/7	<ul style="list-style-type: none"> <li>Regional Director, Research, Asia Pacific, Watson Wyatt Worldwide</li> <li>Co-Director, Corporate Governance and Financial Reporting Centre, NUS</li> <li>Director, FIDReC Ltd</li> <li>Director, National Kidney Foundation Ltd</li> <li>Member, Charity Council</li> </ul>
Mr Robert Chew (Aged 51) - Vice Chairperson	MSc (Hons) Computer Science, University of Auckland, New Zealand; B.Acc (Hons) Accountancy National University of Singapore	26.03.2004	26.06.2008	7/7	<ul style="list-style-type: none"> <li>Retired</li> <li>Chairman, IT Standards Committee Council</li> <li>Director, Khoo Teck Puat Hospital</li> <li>Director, TOUCH Community Services Limited, TOUCH Family Services Limited and TOUCH Youth Limited</li> <li>Director, Lien Centre for Social Innovation (SMU)</li> <li>Director, Integrated Health Information Systems Pte Ltd</li> <li>Director, OpenNet Pte Ltd</li> </ul>
Mrs Grace Lim (Age 52) - Vice Chairperson	FCCA	27.07.2000	06.07.2007	6/7	<ul style="list-style-type: none"> <li>Vice President, Customer Management Group, American International Assurance Co Ltd</li> </ul>
Mr George Abraham (Aged 60) - Honorary Secretary	B.A. (Hons), M.A. (Pol. Sc.), Aligarh University, India, M.Soc.Sc., University of Singapore, M.A. (H.R.D), George Washington University, USA, Management Development Programmes in INSEAD, Australian Administrative Staff College and U.N.'s International Trade Centre	05.06.1991	06.07.2007	7/7	<ul style="list-style-type: none"> <li>Chairman &amp; Managing Director, The GA Group Pte Ltd</li> <li>Chairman, SME Development Council, Confederation of Asia Pacific Chambers of Commerce and Industry</li> <li>Director, The Indus Entrepreneurs Singapore Ltd</li> <li>Member, Resource Panel GPC on Trade and Industry</li> </ul>
A/P Ho Yew Kee (Aged 45) - Honorary Treasurer	Dip BS (Ngee Ann); B.EC (Hons), M.Ec (Monash); MSIA, PhD (Carnegie Mellon); CPA (Australia); CFA (US), CPA Singapore	26.03.2004	26.06.2008	6/7	<ul style="list-style-type: none"> <li>Vice Dean, NUS Business School</li> <li>Chairman, Audit Committee, St Luke's Hospital</li> <li>Treasurer, The Boys' Brigade in Singapore</li> <li>Vice Chairman, Kuo Chuan Presbyterian Schools</li> </ul>
Mr Martin Tsang Kwong Tin (Aged 59)	B.Sc (Hon) Physics, Advanced Management Programme in INSEAD	26.07.2002	06.07.2007	6/7	<ul style="list-style-type: none"> <li>Director and Executive Chairman, Stoval Technologies Pte Ltd</li> <li>Director, NTUC Link Pte Ltd</li> </ul>
Dr W R Rasanayagam (Aged 80)	MBBS (S)	29.07.1969	26.06.2008	4/7	<ul style="list-style-type: none"> <li>Physician, The Straits Clinic</li> <li>Member, Singapore Medical Council</li> <li>Chairman Emeritus, Singapore Red Cross</li> <li>Chairman, Red Cross Home For the Disabled</li> </ul>
A/P Philip Eng Cher Tiew (Aged 48)	MBBS (Singapore) MMed (Singapore) FAMS (Singapore) FCCP (USA) FACP (USA) FRCP (London)	27.07.2006	26.06.2008	6/7	<ul style="list-style-type: none"> <li>Physician, Philip Eng Respiratory &amp; Medical Clinic</li> <li>Adjunct Professor of Medicine, Yong Loo Lin School of Medicine, National University of Singapore</li> <li>Visiting Consultant, Singapore General Hospital</li> </ul>

# CORPORATE GOVERNANCE REPORT

Council Member	Qualifications	Date First Appointed	Date of Last Election of Council Members	Attendance of Council Meetings 2008	Key Directorships & Appointments
A/P Philip Eng Cher Tiew (Aged 48)	MBBS (Singapore) MMed (Singapore) FAMS (Singapore) FCCP (USA) FACP (USA) FRCP (London)	27.07.2006	26.06.2008	6/7	<ul style="list-style-type: none"> <li>• Visiting Consultant, Singapore Armed Forces</li> <li>• Managing Director, Philip Eng Pte Ltd</li> <li>• Chairman, Eng Investment Holdings Pte Ltd</li> <li>• Chairman, Ormonde Gate Investment Pte LTD</li> </ul>
Mr Michael Anthony Palmer (Aged 40)	LLB (Hons)	17.11.2005	26.06.2008	3/7	<ul style="list-style-type: none"> <li>• Partner, Harry Elias Partnership</li> <li>• Member of Parliament, Pasir Ris Punggol GRC</li> <li>• Advisor, North East Community Development Council</li> <li>• Member, One People.sg</li> <li>• Committee member, Sports Sub-Committee, Singapore Totalisator Board</li> <li>• Member, Board of Directors, Halogen Foundation (Singapore)</li> </ul>
Mr Ang Hao Yao (Aged 36 )	Bsc Mathematics, Bsc Economics. MBA. Finance and Investment Chartered Financial Analyst (CFA)	06.07.2007	NA	7/7	<ul style="list-style-type: none"> <li>• Director, Trader Investment Pte Ltd</li> <li>• Chairman, Membership, Securities Investors Association (Singapore)</li> <li>• Accounting Standards Committee member, Institute of Certified Public Accountants of Singapore (ICPAS)</li> <li>• Executive Committee member, Singapore Jian Chuan Tai Chi Chuan Physical Culture Association</li> </ul>
Mr Wong Chak Weng * (Aged 55 )	LLB (Hons)	26.06.2008	N.A	3/3	<ul style="list-style-type: none"> <li>• Consultant, Toh Tan LLP, Advocates &amp; Solicitors</li> <li>• Director, CDW Holdings Ltd</li> <li>• Chairman, Nominating Committee, and Member of Audit Committee and Remuneration Committee, CDW Holdings Ltd</li> <li>• Director, Old Chang Kee Ltd</li> <li>• Chairman, Nominating Committee and Member of Audit Committee and Remuneration Committee, Old Chang Kee Ltd.</li> <li>• Honorary Legal Advisor, ACI Singapore – The Financial Markets Association</li> <li>• Member of Audit Committee of the Law Society of Singapore</li> <li>• Joint Company Secretary of Lutheran Community Care Services Ltd</li> </ul>
Mr John Maxwell McCormack (Aged 79)	FCPA, FSID	06.10.1989	Stepped down – 26.06.2008	2/4	<ul style="list-style-type: none"> <li>• Director, Premier Taxi Pte Ltd</li> <li>• Director, Premier Rent-A-Car Pte Ltd</li> </ul>
Mr Koh Bee Chye (Aged 80)	FCIS, ACII, ASII	30.06.1982	Stepped down – 26.06.2008	0/4	Nil
Mr Wong Hoo Tung (Aged 73)	FCPA, FTIA, CMC, MCFI, MSID, FIPAS	23.06.1992	Stepped down – 26.06.2008	2/4	<ul style="list-style-type: none"> <li>• CEO, Wong Hoo Tung &amp; Co</li> <li>• Member, Audit Committee, Kwong Wai Shiu Hospital &amp; Nursing Home</li> <li>• Trustee, Kwong Wai Siew Peck San Theng</li> </ul>

## COMPOSITION OF THE COUNCIL

At the 2008 AGM, the Council had tabled a list of retiring directors; three Council members had stepped down as Council members. They were Mr John Maxwell McCormack, Mr Wong Hoo Tung and Mr Koh Bee Chye.

\* Mr Wong Chak Weng was appointed to the Council in July 2008 and attended three out of the three Council meetings in 2008 after his appointment.

After the AGM, the Council met to formalise the process of the re-appointment and new appointment of the office bearers as well as the Chairmen and members for the Council committees.

The Chairman, Mr Martin Tsang whose term as Chairman would only expire after the 2009 AGM indicated that he would not be seeking re-election upon the expiry of his term. However, he stepped down as Chairman and offered to remain as a Council member for one more year to assist in the transition. The Council accepted Mr Tsang's offer.

In July 2008, the officer bearers appointed were:

- A/P Mak Yuen Teen as Chairman
- Mr Robert Chew and Mrs Grace Lim as Vice Chairperson
- Mr George Abraham as Honorary Secretary
- A/P Ho Yew Kee as Honorary Treasurer

The Council met seven times during the financial year ended 31 December 2008 on the following dates:

- 31 January 2008
- 17 July 2008
- 20 March 2008
- 18 September 2008
- 8 May 2008
- 27 November 2008
- 26 June 2008

To ensure maximum participation, a schedule of Council meetings was provided to Council members at the end of the previous year. Where necessary, the Council may also hold additional meetings.

## APPOINTMENT, INDUCTION AND TRAINING

All new Council members receive a formal letter of appointment. The GNC began work with the SSTI during 2008 to develop a formal handbook which would be given to all existing Council members, and to new Council members on appointment. The completion of the handbook was pending the EGM to approve the amendments to the Memorandum of Association and Articles of Association. Now that the members have approved the amendments to the Memorandum of Association and Articles of Association, the Governance and Nominating Committee (GNC) will work towards completing the handbook as soon as practicable.

To ensure that Council members have sufficient knowledge relating to their responsibilities as Council members, Council members are expected to attend relevant training if necessary. Council members may claim the costs of attending training relevant to their responsibilities as Council members. However, these expenses must be pre-approved by the Council Chairman, and in the case of expenses to be incurred by the Council Chairman, by the GNC Chairman.

## INFORMATION FOR THE COUNCIL

Management provides the Council with information considered necessary by the Council in discharging its responsibilities.

This information includes background and other explanatory information relating to matters brought before the Council, annual reports, budgets and summarised monthly management accounts highlighting material variances between actual results and budgets/past results.

The Council also proactively considers the types and presentation of information which best helps it to discharge its responsibilities and, from time to time, requests for additional information from management where it feels necessary.

## COMPOSITION AND MEETINGS OF COUNCIL COMMITTEES

To assist the Council in making better decisions, and improve its oversight over management and its accountability to stakeholders, the Council has established several committees.

These committees, their membership and attendance at committee meetings are listed below:

Audit		Governance and Nominating	
Chairman	Mrs Grace Lim	Chairman	Mr Wong Chak Weng
Members	A/P Mak Yuen Teen Mr Ang Hao Yao Mr Wong Chak Weng	Members	Mr Robert Chew Mr Ang Hao Yao Mr Michael Palmer
Investment and Finance		Human Resource	
Chairman	Mr Ang Hao Yao	Chairman	Mr George Abraham
Members	A/P Ho Yew Kee Mr Robert Chew Mr Wong Hoo Tung Mr Foong Hock Meng Mr Stanley Sia	Members	Mr Martin Tsang Dr W R Rasanayagam A/P Mak Yuen Teen Mrs Grace Lim Dr Tan Tiong Har
Technology and Operations		Community Services	
Chairman	Mr Robert Chew	Chairman	A/P Ho Yew Kee
Members	Mr Martin Tsang A/P Ho Yew Kee Mrs Grace Lim Dr James Khoo	Members	Mr Ang Hao Yao Mr Wong Hoo Tung Mr Koh Bee Chye Dr Chee Bin Eng, Cynthia
Medical			
Chairman	A/P Philip Eng Cher Tiew	Members	Dr Cheah Foong Koon A/P Chee Swee Guan, Thomas Dr Tan Tiong Har Dr James Khoo Dr Chee Bin Eng, Cynthia Dr Thirugnanam Agasthian

All committees have written terms of reference which were approved by the Council. All chairs of Council committees were appointed by the Council. Members of all committees are recommended by the Chairs of committees and approved by the Council. All Council committees must be chaired by a Council member. All members of the AC and GNC must be Council members.

# CORPORATE GOVERNANCE REPORT

In the case of other committees, non-Council members may be appointed subject to approval by the Council. Committees may also appoint non-Council members as advisors. Where any authority is delegated by the Council to a committee, such delegation is made clear in the terms of reference of the committee. The CEO is an ex-officio member of all the committees.

These committees met as and when necessary. Minutes of committee meetings were provided to the Council. The table below shows the membership and attendance of Council members at meetings of the committees during 2008.

Committee	Name	Designation	Number of Meetings Attended
Investment and Finance	Mr Wong Hoo Tung	Chairperson (till 26.06.2008)	4/5
	Mr Ang Hao Yao	Chairperson (since 26.06.2008)	5/5
	Mr Martin Tsang	Member (till 26.06.2008)	2/3
	A/P Ho Yew Kee	Member	5/5
	Mr Foong Hock Meng	Member	1/5
	Mr Robert Chew	Member (since 26.06.2008)	2/2
	Mr Stanley Sia	Member (since 26.06.2008)	2/2
Audit	Mr John Maxwell McCormack	Chairperson (till 26.06.2008)	2/2
	Mrs Grace Lim	Chairperson (since 26.06.2008)	2/3
	A/P Mak Yuen Teen	Member	3/3
	Mr Ang Hao Yao	Member (since 26.06.2008)	1/1
	Mr Wong Chak Weng	Member (since 26.06.2008)	1/1
	Mr Wong Hoo Tung	Member (till 26.06.2008)	2/2
Governance and Nominating	A/P Mak Yuen Teen	Chairperson (since 26.06.2008)	2/2
	Mr Wong Chak Weng	Chairperson (since 26.06.2008)	1/1
	Mr Robert Chew	Member	2/3
	Mr Ang Hao Yao	Member	3/3
	Mr Michael Palmer	Member (since 26.06.2008)	1/1
Human Resource	Mr George Abraham	Chairperson	3/3
	A/P Mak Yuen Teen	Member	1/3
	Dr W R Rasanayagam	Member	3/3
	Mr Martin Tsang	Member	3/3
	Mrs Grace Lim	Member (since 18.09.2008)	1/1
	Dr Tan Tiong Har	Member (since 18.09.2008)	0/1
Medical	Dr Philip Eng Cher Tiew	Chairperson	2/2
	Dr Cheah Foong Koon	Member	2/2
	A/P Chee Swee Guan, Thomas	Member	1/2
	Dr Tan Tiong Har	Member	2/2
	Dr James Khoo	Member	0/2
	Dr Chee Bin Eng, Cynthia	Member	1/2
	Dr Thirugnanam Agasthian	Member	2/2
Technology & Operations	Mr Robert Chew	Chairperson	3/3
	Mr Martin Tsang	Member	2/3
	A/P Ho Yew Kee	Member	3/3
	Mrs Grace Lim	Member (since 18.09.2008)	1/2
	Dr James Khoo	Member (since 18.09.2008)	0/2
Community Services	A/P Ho Yew Kee	Chairperson	5/5
	Mr Wong Hoo Tung	Member	5/5
	Mr Koh Bee Chye	Member	4/5
	Mr Ang Hao Yao	Member (since 26.06.2008)	1/2
	Dr Chee Bin Eng, Cynthia	Member (since 18.09.2008)	1/1

**Note:**

**Audit Committee:** Mr John Maxwell McCormack stepped down as Chairman in July 2008 and Mrs Grace Lim was appointed as Chairman. Mr Ang Hao Yao and Mr Wong Chak Weng joined as members in July 2008.

**Governance & Nominating Committee:** A/P Mak Yuen Teen stepped down as Chairman in July 2008 and Mr Wong Chak Weng was appointed as Chairman. Mr Ang Hao Yao and Mr Michael Palmer joined as members in July 2008.

**Human Resource Committee:** Mrs Grace Lim and Dr Tan Tiong Har joined as members in September 2008.

**Technology & Operations Committee:** Mrs Grace Lim and Dr James Khoo joined as members in September 2008.

**Investment & Finance Committee:** Mr Wong Hoo Tung stepped down as Chairman in July 2008 and Mr Ang Hao Yao was appointed as Chairman. Mr Robert Chew and Mr Stanley Sia joined as members in July 2008.

**Community Services Committee:** Mr Ang Hao Yao and Dr Chee Bin Eng, Cynthia joined as members in July and September 2008 respectively.



## REPORTS OF COUNCIL COMMITTEES

### Governance and Nominating Committee

The Governance and Nominating Committee (GNC) assists the Council in fulfilling the Council's responsibilities for corporate governance (including compliance with relevant corporate governance requirements prescribed by regulators and with SATA's corporate governance guidelines), and the nomination of Council members for appointment or re-appointment. During 2008, the committee met three times.

The GNC continues to review the currency and implementation of SATA's Whistleblower Policy (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise serious concerns that could have a large impact on SATA, including actions that:

- (a) May lead to incorrect financial reporting;
- (b) Are unlawful;
- (c) Are not in line with SATA's code of conduct; or
- (d) Otherwise amount to serious misconduct.

The GNC was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

### Audit Committee

The Audit Committee (AC) is responsible for reviewing the scope and work of the internal auditors and the statutory auditors as well as assessing the adequacy of internal controls. The committee was also tasked with the evaluation and recommendation of new internal auditors (which are rotated on a periodic basis) with IT specialisation in view of the new IMCS to be set up and implemented in 2009.

The committee met three times in the year 2008 during which it reviewed the works carried out by the internal auditors, in particular internal control review, governance review and system audits. Several enhancements to the systems and processes were recommended by the internal auditors which were accepted by the committee for adoption and implementation with the main objectives of improving operating efficiency and productivity and heightened control processes.

The committee also reviewed the audited financial statements as presented by the external auditor. Recommendations by the external auditor on improvement of system processes and controls were discussed and reviewed by the committee. There were no significant unresolved audit or control issues for the year of 2008.

### Community Services Committee

The role of the Community Services Committees (CSC) is to assist

the Council in fulfilling its responsibilities for all community-related and charitable activities. It works with the Management and provides direction on behalf of Council and reports to and seeks Council's concurrence on issues under its scope.

The following are the major activities in 2008 under the supervision of the CSC:

- Organised health related activities with over 600 organisations, enabling SATA to interact with more than 60,000 individuals in the community. This is 50% more than 2007.
- Intensified efforts to reach out to more of the needy by working with Senior Activity Centres (SAC), Neighbourhood Links (NL) & Community Development Councils (CDC).
- Increased reach to the frail and elderly through the Doctors-on-Wheels (DOW) programme whose mission is to keep the elderly active and avoid unnecessary hospitalisation, and prevent premature institutionalisation.
- Proposed a new name for SATA to better reflect its mission and mandate.
- Reviewed viability and sustainability of programmes carried out in 2008 and set up targets for 2009.
- Streamlining of activities for 2009 to allow enhanced programme delivery by offering quality contact time with beneficiaries to educate and raise awareness, in addition to providing health screening.
- Advocate smoking prevention among the young aged 10 to 15 years old.
- Implement a smoking cessation programme.
- Set up a programme that would complement the Doctors-on-Wheels programme.

The committee will continue to guide the management on active contribution to the community.

### Human Resource Committee

The Human Resource Committee (HRC) met three times in 2008. The committee reviewed and approved the following:

#### Staff Benefits

- Payment of Variable Performance Improvement Bonus (VPIB) for year ending 2007 in February 2008;
- Payment of Service Increment and One-off Special Lump Sum Payment for eligible staff in July 2008;
- Remuneration packages, annual increment and payment of VPIB of the CEO and her direct reports;
- Staff benefits for non-bargainable staff including the introduction of Group Term Life Insurance for employees.

#### Review of HRC's Terms of Reference

- Inclusion of an additional clause stating that "The HRC should play the role as the final appellate authority with respect to any instances of claims of unfair staff appraisal".



## CORPORATE GOVERNANCE REPORT

### *Organisational Excellence*

- Reviewed the amended organisation chart to ensure smoother workflow and clearer accountability.

### *Senior Management*

Mrs Dolly Goh, CEO, resigned and left service on 19 December 2008. The Chief Operating Officer (COO), Ms Joelle Lee was appointed by the Council as Acting CEO.

### **Investment and Finance Committee**

The Investment and Finance Committee (IFC) is responsible for overseeing the performance of the investment manager and reviewing SATA's financial performance and annual budgets.

The committee met five times during 2008 with a good proportion of time spent in the review of the investment manager's performance. In addition, it evaluated the acquisition of SATA Ang Mo Kio clinic and the sale of a row of shophouses at Kreta Ayer.

The market environment in the year 2008 was not favourable. Due to the global economic and financial crisis, the investment performance for the year 2008 resulted in a loss. The total unrealised loss in the fair valuation of the investment amounted to \$7.3 million. This was partially balanced by Dividends and Interest earned of \$1.9 million and a gain of \$2.6 million from the sale of the shophouses. At the close of the financial year 2008, the investment portfolio was \$50.2 million.

The committee had followed the mandate of the Council in focusing a large proportion of the investment portfolios in fixed income instruments which are less risky.

### **Medical Committee**

The Medical Committee provides advice to SATA management and Council for medical standards and practice within the organisation. In recent years, the enlargement of SATA's vision and mission to include Lung Health in addition to Tuberculosis is providing impetus for change. A Visiting Consultant scheme based on collaboration with respiratory physicians has been implemented.

In 2008, the Medical Committee reviewed all clinical incidents and provided learning models with the goal of better care of patients. They proposed a review of all current standard operating procedures with regards to clinical practice and work flow.

The committee has also initiated a new framework to help SATA fund research in Tuberculosis and Lung Health in Singapore.

### **Technology and Operations Committee**

The Technology and Operations Committee is responsible for overseeing the information technology service and the operations of SATA, including the review of IT, clinical and Diagnostic Imaging equipment and systems.

The committee met three times in 2008. A major initiative reviewed is the integrated Medical Centre System (iMCS), with the completion of the evaluation and selection of the vendor to design, develop and implement iMCS.

In the area of Diagnostic Imaging, the Radiology Information System/Picture Archival Communication System (RIS/PAC) was implemented to help improve productivity and increase diagnostic confidence.

### **LOOKING AHEAD**

SATA remains committed to the practice of good corporate governance. To that end, the Council, together with SATA's management and staff will continue to review and improve SATA's corporate governance practices, learning from and adapting the most appropriate best practices so as to reassure all stakeholders that their trust in SATA to serve the community is well-founded and not taken lightly.

From time to time, SATA has been asked to share ideas about its corporate governance practices for the benefit of other charities and IPCs. SATA is open to such sharing as it believes that this will not only help to strengthen the charity sector for the common good of all, but also help SATA to improve itself.



## OPERATIONAL REVIEW

Our business arm is growing in line with our mission and vision of promoting lung health. Our cardiology service has been receiving encouraging support from our patients, prompting us to increase the number of sessions. We have also added more specialist tests such as treadmill stress test and echocardiography. With the support from various senior visiting consultants, SATA is able to offer both general medical consultations and specialist consultations.

SATA also planned and executed the closure of our Chinatown Medical Centre, the renovation of the new Ang Mo Kio Medical Centre and the move to the new centre in February 2009. This shift in premises was very well implemented by the management and staff, and completed within budget and on time.

We strive to offer medical services that emanate the warmth and closeness of a family clinic, but equipped with the capability and capacity to cater beyond primary care needs via our comprehensive array of diagnostic radiological and laboratory facilities.

### MEDICAL CONSULTATION 2008

Types of Consultations	No. of Patients Seen
General Consultation	10,423
Specialist Consult (Cardiology & Respiratory)	405

### MEDICAL CONSULTATION 2008 (OTHERS)

Specialised Medical Services	
Medical Check-Ups	114,775
Visa Consultation	3,410
Tuberculosis consultation	175

#### Preventive Healthcare

SATA strongly advocates health screening as an integral aspect of healthcare needs for all individuals. Under the umbrella of Preventive Healthcare, SATA has placed its primary focus on:

- Health education through forums, health education programmes (smoking cessation, Tuberculosis awareness programmes)
- Health Screening offered by our medical centres and mobile medical services
- Lung and Heart Health
- Vaccinations
- Mammography
- Pap smear

At SATA, all health screening examinations contain a detailed clinical history and medical examination of the patient. Some packages also consist of a wide array of laboratory and radiological examinations for a comprehensive health assessment of the individual.

In conjunction with our Preventive Healthcare service, a mammography bus service that provides mobile mammography screening was launched in 2008. We continue to advocate the importance of regular pap smears for the screening of cervical cancer, and vaccination against communicable diseases such as influenza and Hepatitis A and B. Typhoid prevention also remains an important priority for SATA.

### PREVENTIVE HEALTHCARE 2008

Type of Services	No. of Services
Comprehensive Health Screening	4,570
Mammogram	3,669
Pap Smear	1,917

### TYPE OF VACCINATION 2008

Types of Vaccine	Series 1
Typhoid	10,538
Influenza	1,638
Hepatitis B	1,072
Hepatitis A	196
Others	2,036

#### Radiology Services

Over the years, SATA has carved a niche as a diagnostic partner in community healthcare needs. We provide diagnostic imaging services to cater to the general community, our corporate partners and family clinics. Radiological services from SATA comprise the three areas of general X-ray, ultrasound and fluoroscopy. Our team of radiographers and radiologists are committed to quality imaging and diagnosis that are of the highest accuracy and reliability.

### DIAGNOSTIC SERVICES 2008

Type of Service	No. Performed
Chest Xray	233,003
Xrays of the Extremities (Arms & Legs)	8,414
Xray (Others)	7,794
Mammogram & Ultrasound	11,134
Special Examinations	851



## COMMUNITY SERVICES

Singapore has a well mapped-out social network that ensures the needy are cared for. These social networks are able to provide them with the bare necessities that most of us take for granted. Working with Voluntary Welfare Organizations, Community Development Councils, Senior Activity Centres, homes for the elderly and destitute and various community partners, SATA is able to reach out to those truly in need. At SATA, we go beyond treating them for their illnesses. We give them comfort in knowing that we are always there for them.

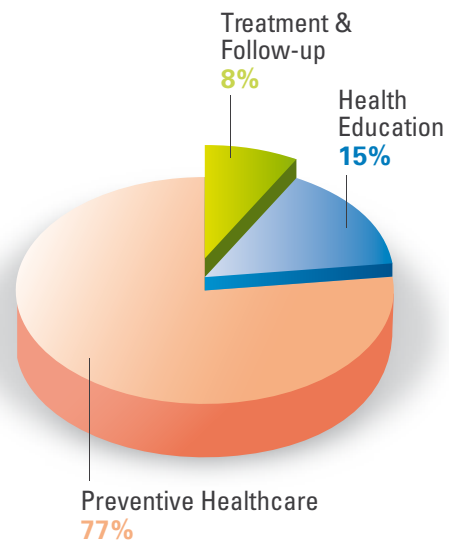
In 2008, SATA co-organised over 600 events, resulting in over 60,000 interactions with individuals from all walks of life. Through the Doctors-on-Wheels programme and our medical centres, we were able to treat individuals suffering from chronic ailments. In partnership with grassroots organisations, we also screened individuals to find out if they were suffering from chronic ailments.

SATA has grown in our engagements with the community, from over 8,000 interactions in 2006 to over 40,000 in 2007 and over 60,000 in 2008. For 2009, we aim to do more. We want each individual to benefit more from us. This year we will be focusing on enhancing the quality of care. We want to help beneficiaries in a more holistic manner.

### Community Services Activities In 2008

Our work in the community services sector is divided into these broad categories – Health Education, Preventive Healthcare, Treatment/Follow-up and Research.

- Health education comprises all the talks, workshops and exhibitions held in the community and workplace.
- Preventive healthcare covers all the diagnostic health screening services and vaccinations that we bring to the community.
- Treatment/follow-up includes treatment of chronic diseases and acute ailments.
- Research is our involvement towards the research work for Tuberculosis treatment and lung health.



### Health Education

With lung health being the focal point of many of our activities, a large part of our health education programme is devoted to smoking prevention and cessation.

We started a smoking prevention programme in 2008, in which we gave talks and conducted workshops and camps for students in upper primary and secondary classes. Our primary objective is to equip these students with the knowledge and confidence to resist taking the first puff.

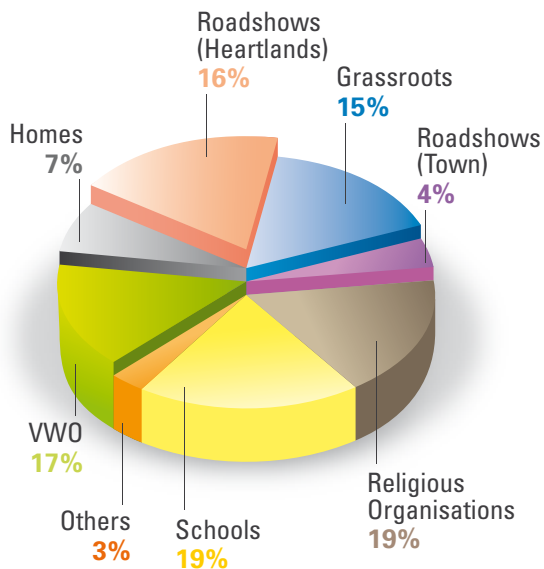
We also aim to track these students for five years through the various stress points in their lives, whether it is preparing for their PSLE, 'N' & 'O' level examinations or adjusting to a new tertiary environment, in order to maintain contact and encourage them to stay smoke-free.

In 2008 we conducted several training sessions for our doctors to be better-equipped to encourage patients to stop smoking. This also helped us lay the foundation for a more comprehensive approach towards smoking cessation, wherein counselling is led by nurses while the doctors would provide back-up and support in terms of nicotine-replacement therapy.



### Preventive Healthcare

Working with various partners, we made preventive healthcare and treatment accessible to the needy by bringing services such as health screening to their doorsteps.



One of the partners we worked closely with was Central CDC, which allows us to bring health screening services and Doctors-On-Wheels to the needy residents living in one and two-room housing estates like Toa Payoh and Chinatown. The residents in these housing estates are largely made up of elderly folk past retirement age, living alone or with a partner.

Such partnerships have made it possible for us to screen and treat a total of 9,951 needy residents who may otherwise experience difficulties in getting adequate medical attention.

2008 saw an extensive focus on preventive healthcare as we focused on diagnostics and screening for the purpose of early intervention should cases be detected.

### Treatment/Follow-Up

End 2008 was also the time when the wheels started turning in our efforts to shift the focus towards providing more holistic healthcare services.

We welcomed a respiratory specialist Visiting Consultant to our medical team. This addition allows us to not just provide screening and primary treatment services, but also to provide the support of having a respiratory specialist when needed.

In 2009 and moving forward, we aim to provide better quality medical care with treatment and adequate follow-up visits with the patients to aid and speed up the recovery process upon detection and diagnosis.

### Research

We have not forgotten our roots in Tuberculosis. The plan was first put in motion in 2008 and in 2009, \$300,000 to fund research in Tuberculosis or lung health was put in place. This fund is open for application to all medical professionals seeking to embark on research projects relating to Tuberculosis or lung health.

### Contribution By Volunteers

SATA was built on altruistic generosity. Since the beginning, SATA has been fortunate to have benefited from the support of individuals who have dedicated themselves to our causes.

SATA was built by volunteers; people from all walks of life who saw a problem and sought to eradicate it as fast as they could. They assisted us in the fight against Tuberculosis, a menace at the time of SATA's inception.

Today, volunteers continue to help us in promoting lung health to the community. They give their time and expertise to help us address the needs of many within the community.

We wish to express our heartfelt gratitude to these selfless individuals. Without them, we will not be where we are today. We are eternally grateful for their compassion and dedication towards the provision of quality care for the community.

You know who you are. Thank you.



## NOTES OF APPRECIATION

Support from corporate clients and community partners is paramount to our contribution to the community. When they engage our services for their employees, corporations are helping us raise funds to subsidise our beneficiaries' health needs, while community partners help us expand our reach.

### CORPORATE SUPPORT

#### Industry: Shipping

I wish to express my appreciation to the whole team who was involved with the recent health screening programme. The onsite exercise was delivered with your best effort and much pride. I am impressed by your strong work ethics and high level of professionalism. Excellent service and a hardworking group to work with!

#### Industry: Manufacturing

It was the first time my company engaged SATA for the annual health screening exercise for staff in 2008. We were pleased with the experience and have observed the following:

- The customer service level of the Account Manager is commendable. The customised health check programme and price package were reasonably worked out to meet the needs of the company. A prompt return to conduct a particular health check for a handful of staff and at no additional cost highly portray a positive service quality of the Manager.
- The team of medical personnel was down-to-earth and able to conduct the checks efficiently.
- There was no surprises of failure to turn up for the session or failure to deliver what was agreed upon.

Overall, we will continue to work with SATA in the future on any employee health-related programmes.

#### Industry: Insurance

We are glad to work with SATA in promoting a healthy lifestyle to our clients as we never knew that SATA has such a comprehensive range of services at affordable rates. Our corporate clients benefited from these services and we hope we can continue to work together to promote affordable healthcare services to our clients, which is especially crucial at this time.

#### Industry: Engineering

The service that SATA has provided was excellent. This includes the arrangement of the mammogram bus to arrive on site at very short notice and to provide a service to our employees that gave them peace of mind, and one that ensures they receive early detection should there be any discrepancies.

The staff was professional in treating our employees and SATA would always be considered again should our company decide to

hold any similar programmes in the future.

#### Industry: Banking & Finance

I was extremely pleased with the SATA screening process. The manner in which your staff behaved was extremely comforting. They were swift and easy going. Great job. Thanks.

### COMMUNITY PARTNERS

#### Singapore Heart Foundation

We have been working with SATA since November 2007 to reach needy residents living in 1- and 2-room flats. It has been a real pleasure working with SATA in this outreach programme and Singapore Heart Foundation is greatly appreciative of the support SATA has rendered. We are also especially appreciative of the open lines of communication our organisations enjoy with one another.

Thanks, SATA, and here's to many more years of great partnership for the benefit of needy residents!

#### The Eurasian Association

Thank you for co-organising the health screening at The Eurasian Association for the community.

We were very pleased with the turnout this time and I feel that people are becoming more aware of the importance of good health and are more willing to come forward for the tests.

We look forward to further collaborations. Thank you SATA for this initiative.

#### Faith Methodist Church

We wish to thank you and your team of dedicated staff for the excellent work done at Faith Methodist Church on Saturday, 19 April 2008.

The patience, professionalism and gracious attitude of each of your staff were exceptional.

#### Moral Welfare Home

I would like to state my appreciation for all the services and assistance SATA has provided to the Moral Welfare Home, its residents and staff.

The mammogram exercise for residents and staff was carried out smoothly. The female residents and staff who went for the screening found it convenient as the bus arrived at our doorstep, eliminating the logistical problem of having to provide transport.

Thank you once again and I hope that we will have the opportunity to work together again.



# financial statements

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# COUNCIL'S REPORT

The members of the Council are pleased to present their report together with the audited financial statements of the Singapore Anti-Tuberculosis Association (the "Association") for the financial year ended 31 December 2008.

## 1. COUNCIL MEMBERS AT DATE OF REPORT

The members of the Council in office at the date of this report are:

Associate Professor Mak Yuen Teen	(Chairman)
Mr Robert Chew	(Vice-Chairman)
Mrs Grace Lim	(Vice-Chairman)
Mr George Abraham	(Honorary Secretary)
Associate Professor Ho Yew Kee	(Honorary Treasurer)
Associate Professor Philip Eng Cher Tiew	
Dr W R Rasanayagam	
Mr Ang Hao Yao	
Mr Michael Anthony Palmer	
Mr Martin Tsang Kwong Tin	
Mr Wong Chak Weng	(Appointed on 26 June 2008)

## 2. ARRANGEMENT TO ENABLE MEMBERS OF THE COUNCIL TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARE AND DEBENTURES

The Association is a company limited by guarantee and has no share capital. None of the council members holding office at the end of the financial year had an interest in the share capital of the Association that is required to be reported pursuant to section 201 (6)(g) of the Singapore Companies Act, Cap. 50.

## 3. COUNCIL MEMBERS' INTEREST IN SHARES OR DEBENTURES

The Association is a company limited by guarantee.

There were no shares or debentures in issue in the Association at the end of the financial year.

## 4. CONTRACTUAL BENEFITS OF THE COUNCIL MEMBERS

Since the beginning of the financial year, no member of the council has received or become entitled to receive a benefit which is required to be disclosed under section 201 (8) of the Companies Act, Cap. 50, by reason of a contract made by the Association or a related corporation with the member of the council or with a firm of which he is a member, or with a company in which he has substantial financial interest.

## 5. SHARE OPTIONS

The Association is a company limited by guarantee. As such, there are no shares options or unissued shares under option.

## 6. INDEPENDENT AUDITORS

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

On Behalf of the Council



**Associate Professor Mak Yuen Teen**  
Chairman



**Associate Professor Ho Yew Kee**  
Honorary Treasurer

15 April 2009

## STATEMENT BY COUNCIL

In the opinion of the Council, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2008 and the results, changes in accumulated fund and cash flows of the Association for the year ended on that date and at the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On Behalf of the Council



**Associate Professor Mak Yuen Teen**  
*Chairman*

15 April 2009



**Associate Professor Ho Yew Kee**  
*Honorary Treasurer*

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE ANTI-TUBERCULOSIS ASSOCIATION

We have audited the accompanying financial statements of Singapore Anti-Tuberculosis Association (the "Association"), which comprise the balance sheet as at 31 December 2008, and the statement of financial activities, statement of changes in accumulated fund and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards.

This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and balance sheet and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

## INDEPENDENT AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

## OPINION

In our opinion,

- (a) the accompanying financial statements are properly drawn up in accordance with the provision of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 31 December 2008 and the results, changes in accumulated fund and cash flows of the Association for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provision of the Act.



**RSM Chio Lim LLP**

*Public Accountants and Certified Public Accountants*

Singapore

15 April 2009

Partner in charge of audit: Goh Swee Hong  
Effective from year ended 31 December 2007

# STATEMENT OF FINANCIAL ACTIVITIES

Year Ended 31 December 2008

	NOTES	2008 \$	2007 \$
<b>INCOME RESOURCES</b>			
<b>Incoming Resources from Generated Funds</b>			
Clinical, Diagnostic Imaging and Laboratory Service Fees	4	11,371,431	9,716,883
Voluntary Income			
- Donations		87,999	75,419
Investment Income	5	2,483,291	8,096,061
Rental Income		544,869	603,270
<b>Incoming Resources from Charitable Activities</b>			
Operating Income	6	485,410	171,370
<b>Other Incoming Resources</b>			
Other Income	7	4,110	70,803
Other Credits	11	2,629,816	–
<b>TOTAL INCOMING RESOURCES</b>		<b>17,606,926</b>	<b>18,733,806</b>
<b>RESOURCE EXPENDED:</b>			
<b>Cost of Generating Funds</b>			
Clinical, Diagnostic and Laboratory Expenses	8	7,134,466	6,999,673
Investment Management Fees		68,845	1,772,281
<b>Resources Expended for Charitable Activities</b>			
Operating Expenses	9	1,705,960	901,177
<b>Other Operating and Administrative Expenses</b>			
Administrative Expenses	10	4,870,108	5,228,413
<b>Other Resources Expended</b>			
Other Charges	11	87,590	103,786
Fair Value Losses on Financial Assets	5	7,604,516	1,141,267
<b>TOTAL RESOURCES EXPENDED</b>		<b>21,471,485</b>	<b>16,146,597</b>
<b>NET (DEFICIT) / SURPLUS FOR THE YEAR</b>		<b>(3,864,559)</b>	<b>2,587,209</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2008

	NOTES	2008 \$	2007 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment, Total	13	16,768,285	21,822,701
<b>Total Non-Current Assets</b>		16,768,285	21,822,701
<b>Current Assets</b>			
Other Financial Assets, Current	14	35,465,715	53,731,591
Inventories		56,579	26,114
Trade and Other Receivables, Current	15	846,128	622,099
Other Assets, Current	16	95,013	84,242
Cash and Cash Equivalents	17	21,936,463	5,124,796
<b>Total Current Assets</b>		58,399,898	59,588,842
<b>Total Assets</b>		75,168,183	81,411,543
<b>EQUITY AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated Fund		73,658,877	77,523,436
<b>Total Fund</b>		73,658,877	77,523,436
<b>Current Liabilities</b>			
Deferred Revenue		102,582	99,383
Trade and Other Payables, Current	18	1,406,724	3,788,724
<b>Total Current Liabilities</b>		1,509,306	3,888,107
<b>Total Fund and Liabilities</b>		75,168,183	81,411,543

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN ACCUMULATED FUND

Year Ended 31 December 2008

## Current Year:

Opening Balance at 1 January 2008  
 Deficit for the Financial Year  
 Closing Balance at 31 December 2008

## ACCUMULATED FUND \$

77,523,436

(3,864,559)

73,658,877

## Previous Year:

Opening Balance at 1 January 2007  
 Surplus for the Financial Year  
 Closing Balance at 31 December 2007

74,936,227

2,587,209

77,523,436

*The accompanying notes form an integral part of these financial statements.*

# STATEMENT OF CASH FLOW

Year Ended 31 December 2008

	2008 \$	2007 \$
<b>Cash Flows From Operating Activities</b>		
(Deficit) / Surplus for the Financial Year	(3,864,559)	2,587,209
Depreciation of Property, Plant and Equipment	1,492,490	2,378,757
Profit on Disposal of Investment Securities	(595,870)	(6,201,074)
Profit on Disposal of Property	(2,620,644)	–
Loss on Disposal of Plant and Equipment	77,875	1,102
Fair Value Losses on Financial Assets	7,604,516	1,141,267
Dividend Income	(476,124)	(538,483)
Interest Income	(1,411,297)	(1,356,504)
Operating Cash Flows Before Changes in Working Capital	206,387	(1,987,726)
Inventories	(30,465)	(26,114)
Trade and Other Receivables, Current	(224,029)	394,923
Other Assets, Current	(10,771)	10,688
Trade and Other Payables, Current	(2,382,000)	1,825,628
Deferred Revenue	3,199	(513,937)
Net Cash Flows Used in Operating Activities	(2,437,679)	(296,538)
<b>Cash Flows From Investing Activities</b>		
Purchase of Plant And Equipment	(6,767,999)	(1,691,674)
Proceeds from Disposal of Plant And Equipment	15,792	5,222
Proceeds from Disposal of Property	12,856,902	–
Disposals of Investment Securities	37,271,956	48,400,687
Purchase of Investment Securities	(26,014,726)	(48,997,179)
Dividends Received	476,124	538,483
Interest Received	1,411,297	1,356,504
Net Cash From / (Used in) Financing Activities	19,249,346	(387,957)
Net Increase / (Decrease) in Cash and Cash Equivalents	16,811,667	(684,495)
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	5,124,796	5,809,291
<b>Cash and Cash Equivalents, Cash Flow Statement, Ending Balance (Note 17)</b>	<b>21,936,463</b>	<b>5,124,796</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 1. GENERAL

Singapore Anti-Tuberculosis Association (the "Association") is a voluntary, not-for-profit public company limited by guarantee, incorporated under the Singapore Companies Act, Cap. 50. The Association was registered as a charity under the Charities Act, Cap. 37 on 27 September 1984. The financial statements were approved and authorised by the Council on the date of the Statement by Council.

The principal activities of the Association are the provision of clinical, diagnostic imaging and laboratory services for the prevention, diagnosis and treatment of tuberculosis, chest and heart diseases.

The memorandum and articles of the Association restricts the use of fund monies to the furtherance of the objects of the Association. They prohibit the payment of dividends to members.

The Association is incorporated and domiciled in Singapore. The registered office address is 351, Chai Chee Street, Singapore 468982.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as well as all related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Cap. 50. and the Recommended Accounting Practice 6 "Accounting and Reporting by Charities" issued by the Institute of Certified Public Accountants of Singapore. The Association is also subject to the provisions of the Charities Act Cap. 37. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

### Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

### Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the entity and it is shown net of any related sales taxes, and rebates. Revenue from rendering of services that are of short duration is recognised when the services are completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Dividend from equity instruments is recognised as income when the entity's right to receive payment is established.

### Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

### Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the balance sheet and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities except when deferred in equity as qualifying cash flow hedges. The presentation is in the functional currency.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## Property, Plant and Equipment

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Freehold land - Not depreciated	
Buildings	- 50 years
Leasehold improvement	- 3 years
Furniture, fittings, office computer and clinic equipment	- 2 to 10 years
Motor vehicles	- 5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial activities when they are incurred.

## Leased Assets

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the statement of financial activities as an integral part of the total lease expense. Rental income from operating leases is recognised in the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down through the statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the statement of financial activities. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each reporting date non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## Financial Assets

Initial recognition and measurement and derecognition of financial assets:

A financial asset is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit and loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Financial Assets (cont'd)

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. **Financial assets at fair value through profit and loss:** Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. All changes in fair value relating to assets at fair value through profit and loss are recognised directly in the statement of financial activities. They are classified as non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting year. Typically short term investments in equity shares debt securities are classified in this category.
2. **Loans and receivables:** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the statement of financial activities. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. **Held-to-maturity financial assets:** As at year end date there were no financial assets classified in this category.
4. **Available for sale financial assets:** As at year end date there were no financial assets classified in this category.

### Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the cash flow statement the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Other financial assets and financial liabilities at fair value through profit and loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement.

### Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the balance sheet when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit and loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit and loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Financial Liabilities (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Financial liabilities at fair value through profit and loss: As at year end date there were no financial liabilities classified in this category.
2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowing are classified in this category. Items classified within trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

### Fair Value of Financial Instruments

The carrying values of current financial assets and financial liabilities approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant items at the end of the year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. The fair value of a financial instrument is derived from an active market. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price.

### Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in the statement of financial activities in the period they occur.

### Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowances for Doubtful Accounts:

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

**Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Useful lives of plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations in response to severe market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete assets that have been abandoned or sold. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific assets at the end of the reporting year affected by the assumption is \$3,369,460 (2007: \$3,359,673).

Properties:

The Association has buildings stated at carrying value of \$12,858,886 (2007: \$11,855,167). An assessment is made at each reporting date whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. If the revised estimated gross margin is less favourable than that used in the calculations there would be a need to provide for impairment. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

## 3. RELATED PARTY TRANSACTIONS

A related party includes the trustees/office bearers (that is, Council members) and key management of the Association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the chief executive officer and the direct reporting senior officers.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Association for which they are responsible, or from institutions connected with the Association.

There were no related party transactions for the financial period ended 31 December 2008.

### 3.1. Key management compensation:

	2008 \$	2007 \$
Salaries and other short-term employee benefits	669,414	586,091

The above amounts are included in employee benefits expense (Note 12).

Number of key management in remuneration bands:

	2008 \$	2007 \$
\$200,001 - \$250,000	1	1
\$150,001 - \$200,000	1	1
\$100,001 - \$150,000	1	2
\$50,001 - \$100,000	1	1
Below or equal to \$50,000	1	-
	5	5

Key management personnel comprise the chief executive officer and the direct reporting senior officers.

### 3.2. Council member compensation:

The council members do not receive any compensation from the Association.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 4. CLINICAL, DIAGNOSTIC, IMAGING AND LABORATORY SERVICES FEES

	2008 \$	2007 \$
Treatment and X-ray fees	10,667,459	8,471,004
Income from worklife scheme	647,324	1,204,273
Income from SATA mobile clinic	56,648	41,606
	<u>11,371,431</u>	<u>9,716,883</u>

## 5. INVESTMENT INCOME

	2008 \$	2007 \$
Profit on disposal of investment securities	595,870	6,201,074
Fair value losses on financial assets	(7,604,516)	(1,141,267)
Interest income from investment securities	1,411,297	1,356,504
Dividend income	476,124	538,483
	<u>(5,121,225)</u>	<u>6,954,794</u>
Presented in the income statement as:		
Investment Income	2,483,291	8,096,061
Fair Value Losses On Financial Assets	(7,604,516)	(1,141,267)
Net	<u>(5,121,225)</u>	<u>6,954,794</u>

## 6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES – OPERATING INCOME

	2008 \$	2007 \$
Income from community outreach activities	485,410	171,370
	<u>485,410</u>	<u>171,370</u>

## 7. OTHER INCOMING RESOURCES – OTHER INCOME

	2008 \$	2007 \$
Provision for property tax written back	–	69,432
Sundry income	4,110	1,371
	<u>4,110</u>	<u>70,803</u>

## 8. CLINICAL, DIAGNOSTIC AND LABORATORY EXPENSES

	2008 \$	2007 \$
Clinical, diagnostic and laboratory supplies	2,206,187	1,550,076
Employee benefits expenses (Included in Note 12)	3,950,770	4,092,295
Depreciation expenses	792,561	1,141,192
Other expenses	184,948	216,110
	<u>7,134,466</u>	<u>6,999,673</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 9. RESOURCES EXPENDED FOR CHARITABLE ACTIVITIES – OPERATING EXPENSES

	2008 \$	2007 \$
Employee benefits expenses (Included in Note 12)	733,296	372,851
Depreciation expenses	102,528	81,546
Rental expenses	30,716	29,736
Other expenses	839,420	417,044
	<u>1,705,960</u>	<u>901,177</u>

## 10. ADMINISTRATIVE EXPENSES

	2008 \$	2007 \$
Employee benefits expenses (Included in Note 12)	2,429,041	2,507,413
Depreciation expenses	597,401	1,156,019
Rental expenses	510,683	510,750
Other expenses	1,332,983	1,054,231
	<u>4,870,108</u>	<u>5,228,413</u>

## 11. OTHER CREDITS / (CHARGES)

	2008 \$	2007 \$
Bad debts recovered	9,172	–
Foreign exchange adjustment loss	(9,715)	(102,684)
Loss on disposal of plant and equipment	(77,875)	(1,102)
Gain on disposal of property	2,620,644	–
Net	<u>2,542,226</u>	<u>(103,786)</u>
Presented in the income statement as:		
Other Credits	2,629,816	–
Other Charges	(87,590)	(103,786)
Net	<u>2,542,226</u>	<u>(103,786)</u>

## 12. EMPLOYEE BENEFITS EXPENSES

	2008 \$	2007 \$
Wages and salaries	6,321,595	6,255,706
Employer's contributions to defined contribution plan including Central Provident Fund	616,002	586,921
Other benefits	175,510	129,932
Total employee compensation	<u>7,113,107</u>	<u>6,972,559</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 13. PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND	PROPERTIES	FURNITURE, FITTINGS, OFFICE COMPUTER AND CLINIC EQUIPMENT	MOTOR VEHICLES	TOTAL
	\$	\$	\$	\$	\$
<b>COST:</b>					
At 1 January 2007	6,300,000	17,335,751	9,765,078	424,807	33,825,636
Additions	–	96,105	1,286,043	309,526	1,691,674
Disposals	–	–	(17,056)	(4,880)	(21,936)
At 31 December 2007	6,300,000	17,431,856	11,034,065	729,453	35,495,374
Additions	–	5,215,152	1,227,150	325,697	6,767,999
Disposals	(6,300,000)	(5,322,993)	(599,354)	(6,142)	(12,228,489)
At 31 December 2008	–	17,324,015	11,661,861	1,049,008	30,034,884
<b>ACCUMULATED DEPRECIATION:</b>					
At 1 January 2007	–	5,257,986	5,705,291	346,251	11,309,528
Charge for the year	–	314,532	1,979,833	84,392	2,378,757
Disposals	–	–	(10,732)	(4,880)	(15,612)
At 31 December 2007	–	5,572,518	7,674,392	425,763	13,672,673
Charge for the year	–	277,562	1,123,696	91,232	1,492,490
Disposals	–	(1,386,735)	(505,687)	(6,142)	(1,898,564)
At 31 December 2008	–	4,463,345	8,292,401	510,853	13,266,599
<b>Net carrying amount:</b>					
At 1 January 2007	6,300,000	12,077,765	4,059,787	78,556	22,516,108
At 31 December 2007	6,300,000	11,859,338	3,359,673	303,690	21,822,701
At 31 December 2008	–	12,860,670	3,369,460	538,155	16,768,285

- (a) In addition to freehold land above, the Association holds a freehold land situated on 351 Chai Chee Street of approximately 5,604 square metres received as a donation in 1954. The fair value of the freehold land as at 31 December 2007 is estimated to be \$11,000,000. The fair value of the freehold land is determined based on a valuation made by PREMAS International Ltd, a firm of independent professional valuer using the income approach and the cost method of valuation. There is no valuation performed subsequent to this date. The Association has not included the cost of this freehold land (To be determined based on the freehold land's valuation as at 1954 as permitted by RAP 6) in the Association's property, plant and equipment and its accumulated funds as it is not practicable to reasonably determine the freehold land's valuation as at 1954 and the fair value of the land in 1954 is unlikely to be material to the Association's total assets.
- (b) During the year, the Association acquired a property which is still under renovation at year end. No depreciation is provided on this property.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 14. OTHER FINANCIAL ASSETS, CURRENT

	2008 %	2007 %	2008 \$	2007 \$
<b>Movements during the year:</b>				
Fair value at the beginning of the year			53,731,591	48,075,292
Additions			26,014,726	48,997,179
Disposals			(36,676,086)	(42,199,613)
Fair value adjustment			(7,604,516)	(1,141,267)
Fair value at the end of the year			35,465,715	53,731,591
<b>Balance is made up of:</b>				
Quoted equity shares in corporations as at fair value through profit or loss:				
– China	1.83	–	647,946	–
– Hong Kong	3.50	8.22	1,242,655	4,416,153
– Philippines	–	0.29	–	153,811
– Singapore	17.75	15.44	6,295,990	8,294,512
	23.08	23.95	8,186,591	12,864,476
Quoted securities – Bonds				
– Singapore	70.32	30.04	24,938,806	16,141,573
– Malaysia	2.41	–	853,200	–
– United States	–	3.26	–	1,752,813
	72.73	33.30	25,792,006	17,894,386
Unquoted securities – Bonds:				
	4.19	42.75	1,487,118	22,972,729
Total – Held for trading	100.00	100.00	35,465,715	53,731,591

The rate of interest for the interest earning balances is between 2.0 % and 6.0 % (2007: 1.5 % and 6.0 %).

## 15. TRADE AND OTHER RECEIVABLES, CURRENT

	2008 \$	2007 \$
Trade Receivables	970,860	703,864
Less: Allowance for impairment	(124,732)	(124,732)
	846,128	579,132
Other Receivables	–	42,967
	846,128	622,099
Movement in above allowance:		
Balance at beginning of year	124,732	338,134
Charge for trade receivables to Statement of Financial Position	–	20,384
Bad debts written off	–	(233,786)
Balance at end of year	124,732	124,732

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 16. OTHER ASSETS, CURRENT

	2008 \$	2007 \$
Deposits of secured services	46,100	16,071
Prepayments	48,913	68,171
	<u>95,013</u>	<u>84,242</u>

## 17. CASH AND CASH EQUIVALENTS

	2008 \$	2007 \$
Not restricted in use	21,936,463	5,124,796

The rates of interest for the cash on interest earning balances of \$14,688,804 (2007: \$3,738,680) is between 0.50% and 1.38% (2007: 1.10% and 2.20%) per annum.

## 18. TRADE AND OTHER PAYABLES, CURRENT

	2008 \$	2007 \$
Payables for clinical, diagnostic imaging and laboratory supplies	404,322	727,734
Accrued expenditure	893,029	2,944,617
Deposits received	109,373	116,373
	<u>1,406,724</u>	<u>3,788,724</u>

The average credit period taken to settle non-related party trade receivables is about 30 days (2007: 30 days). The other payables are with short term durations.

## 19. TAXATION

The Association's income is exempt from tax under section 13U of the Singapore Income Tax Act, Cap. 134 subject to the conditions set out in that section.

## 20. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

### 20A. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	2008 \$	2007 \$
<b>Financial assets:</b>		
Cash and cash equivalents	21,936,463	5,124,796
Financial assets at fair value through the statement of financial activities	35,465,715	53,731,591
Loan and receivables	846,128	622,099
At end of year	<u>58,248,306</u>	<u>59,478,486</u>
<b>Financial liabilities:</b>		
Trade and other payables at amortised cost	<u>1,406,724</u>	<u>3,788,724</u>

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 20. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 20B. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a variety of financial risks: credit risk, price risk (including currency risk, fair value interest rate risk and market risk), and liquidity risk. The Association's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association's financial position.

Risk management is carried out under policies approved by the Council. The Council provides guidance for overall financial risk management covering specific areas, such as credit risk, currency risk, fair value interest rate risk, use of derivative and non-derivative instruments and investing excess liquid funds. The Association has appointed UOB Asset Management Ltd, ("UOBAM") to manage its investments. UOBAM's mandate is to manage the investments in accordance with the provisions set out in the Association's Memorandum and Articles of Association and the guidelines set out by the Finance and Investment Committee of the Council.

### 20C. CREDIT RISK ON FINANCIAL ASSETS

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, investments, and other financial assets. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. Credit risk on cash balances with banks and derivative financial instruments is limited because the counter-parties are banks with acceptable credit ratings. All unencumbered bank deposits with the banks licensed by the Monetary Authority of Singapore are guaranteed by the Singapore Government until 31 December 2010. For credit risk on receivables an ongoing credit evaluation is performed of the debtors' financial condition and a loss from impairment is recognised in the statement of financial activities. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers. The Association has policies in place to ensure that credit risk is mitigated.

As is disclosed in Note 17 cash and cash equivalents balances represent short term deposits with a less than 90-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2007: 30 days). But some customers take a longer period to settle the amounts. The table below illustrates the ageing analysis:

	2008 \$	2007 \$
<b>Trade receivables:</b>		
Less than 30 days	248,163	209,956
31 – 60 days	190,660	158,469
61 – 90 days	193,924	91,044
91 – 180 days	167,723	127,762
Over 180 days	170,390	116,633
At end of year	<u>970,860</u>	<u>703,864</u>
The total of overdue accounts was	<u>722,697</u>	<u>493,908</u>

As at the date of the report, \$44,289 of the outstanding debts have been settled.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 20. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 20C. CREDIT RISK ON FINANCIAL ASSETS (CONT'D)

Other receivables are normally with no fixed terms and therefore there is no maturity.

There is no concentration of credit risk with respect to trade receivables, as the company has a large number of customers.

The allowance is based on individual accounts totalling \$124,732 (2007: \$124,732) that are determined to be impaired at the year end date. These are not secured.

### 20D. LIQUIDITY RISK

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	<b>TRADE AND OTHER PAYABLES \$</b>
<b>2008:</b>	
Less than 1 year	<u>\$1,406,724</u>
	<b>TRADE AND OTHER PAYABLES \$</b>
<b>2007:</b>	
Less than 1 year	<u>\$3,788,724</u>

The average credit period taken to settle trade payables is about 30 days (2007: 30 days). The other payables are with short-term durations.

It is expected that all the liabilities will be paid at their contractual maturity. In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows. In addition, the financial assets are held for which there is a liquid market and that are readily available to meet liquidity needs.

### 20E. INTEREST RATE RISKS

The Association's income and expenditure are substantially independent of changes in market interest rates. The Association's cash and cash equivalents and financial assets, at fair value through Statement of Financial Position are exposed to market interest rates as follows:

	<b>LESS THAN 6 MONTHS</b>	<b>6 TO 12 MONTHS</b>	<b>1 TO 5 YEARS</b>	<b>OVER 5 YEARS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2008</b>					
Cash and Cash Equivalents	21,936,463	–	–	–	21,936,463
Financial Assets at Fair Value	2,056,875	9,001,800	10,604,731	5,325,778	26,989,184
<b>2007</b>					
Cash and Cash Equivalents	5,124,796	–	–	–	5,124,796
Financial Assets at Fair Value	8,039,573	9,983,894	21,259,781	1,583,867	40,867,115

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 20. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 20E. INTEREST RATE RISKS (CONT'D)

The interest rate risk exposure is mainly from changes in interest rates.

#### Sensitivity analysis:

A hypothetical increase in interest rates by 50 basis points would have a positive effect on profit before tax of

A hypothetical increase in interest rates by 100 basis points would have a positive effect on profit before tax of

	2008 \$	2007 \$
	244,628	229,960
	<u>489,256</u>	<u>459,919</u>

### 20F. FOREIGN CURRENCY RISKS

The Association is not exposed to currency risk from the provision of clinical, diagnostic imaging and laboratory services in Singapore. The Association's investments in financial assets are exposed to currency risk primarily with respect to the Hong Kong and United States Dollar. UOBAM is mandated to use currency contracts to limit the actual currency exposures.

Analysis of amounts denominated in non-functional currencies:

FINANCIAL ASSETS:	FINANCIAL ASSETS \$	CASH AND CASH EQUIVALENTS \$	TOTAL \$
<b>At 31 December 2008:</b>			
Hong Kong dollar	1,819,351	11,331	1,830,682
<b>FINANCIAL ASSETS:</b>			
<b>At 31 December 2007:</b>			
United States dollar	1,052,642	330,033	1,382,675
Hong Kong dollar	3,363,510	14,292	3,377,802
Philippine Peso	153,811	–	153,811
Indonesian Rupiah	–	327	327
Others	–	1	1
As end of year	<u>4,569,963</u>	<u>344,653</u>	<u>4,914,616</u>

Sensitivity analysis: The effect on net (deficit)/surplus is not significant.

### 21. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	2008 \$	2007 \$
Commitments to purchase of property, plant and equipment	<u>149,681</u>	<u>–</u>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 22. OPERATING LEASE PAYMENT COMMITMENTS

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2008 \$	2007 \$
Not later than one financial year	427,902	516,845
Later than one financial year but not later than five financial years	67,120	495,026
	<u>526,649</u>	<u>523,628</u>
Rental expenses for the year	<u>526,649</u>	<u>523,628</u>

Operating lease payments represent rentals payable by the Association for its clinics. The leases from Housing and Development Board are negotiated for an average terms of three years and are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. Such increases are not included in the above amounts.

## 23. OPERATING LEASE INCOME COMMITMENTS

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	2008 \$	2007 \$
Not later than one financial year	525,671	560,886
Later than one financial year but not later than five financial years	2,011,206	1,995,284
Later than five financial years	366,296	807,198
	<u>544,869</u>	<u>603,270</u>
Rental income for the year	<u>544,869</u>	<u>603,270</u>

Operating lease income commitments are for certain healthcare centre. The lease rental income terms are negotiated for an average term of eight years and rentals are subject to an escalation clause. Such increases are not included in the above figures.

## 24. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the year ended 31 December 2008 the following new or revised Singapore Financial Reporting Standards were adopted for the first time. The new or revised standards did not require any modification of the measurement method or the presentation in the financial statements.

FRS No.	Title
FRS 107	Financial Instruments: Disclosures
FRS 107	Financial Instruments: Disclosures - Implementation Guidance
INT FRS 111	FRS 102 - Group and Treasury Share Transactions (*)
INT FRS 112	Service Concessions Arrangements (*)
INT FRS 114	FRS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (*)

(\*) Not relevant to the Association.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2008

## 25. FUTURE CHANGES IN ACCOUNTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates are not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	(Revised) Presentation of Financial Statements	1.1.2009
FRS 23	Borrowing Costs	1.1.2009
FRS 103	(Revised) Business Combinations and consecutive amendments in other Standards (*)	1.1.2009
FRS 108	Operating Segments (*)	1.1.2009
INT FRS 113	Customer Loyalty Programs (*)	1.7.2008
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (*)	1.10.2008

(\*) Not relevant to the Association.



## SATA CommHealth Medical Centres

### Uttamram

351 Chai Chee Street Singapore 468982

### Woodlands

900 South Woodlands Drive #04-01  
Woodlands Civic Centre Singapore 730900

### Ang Mo Kio

715 Ang Mo Kio Ave 6 #01-4008/4010  
Singapore 088989

### Jurong

Blk 135 Jurong East Street 13 #04-345  
Singapore 600135

### Registered Office

351 Chai Chee Street Singapore 468982  
(Registration No. 194700119G)

### Mobile Medical Services

Corporate Service Department  
tel: 6244 6667 email: [corporate@sata.com.sg](mailto:corporate@sata.com.sg)