

sata  
CommHealth†

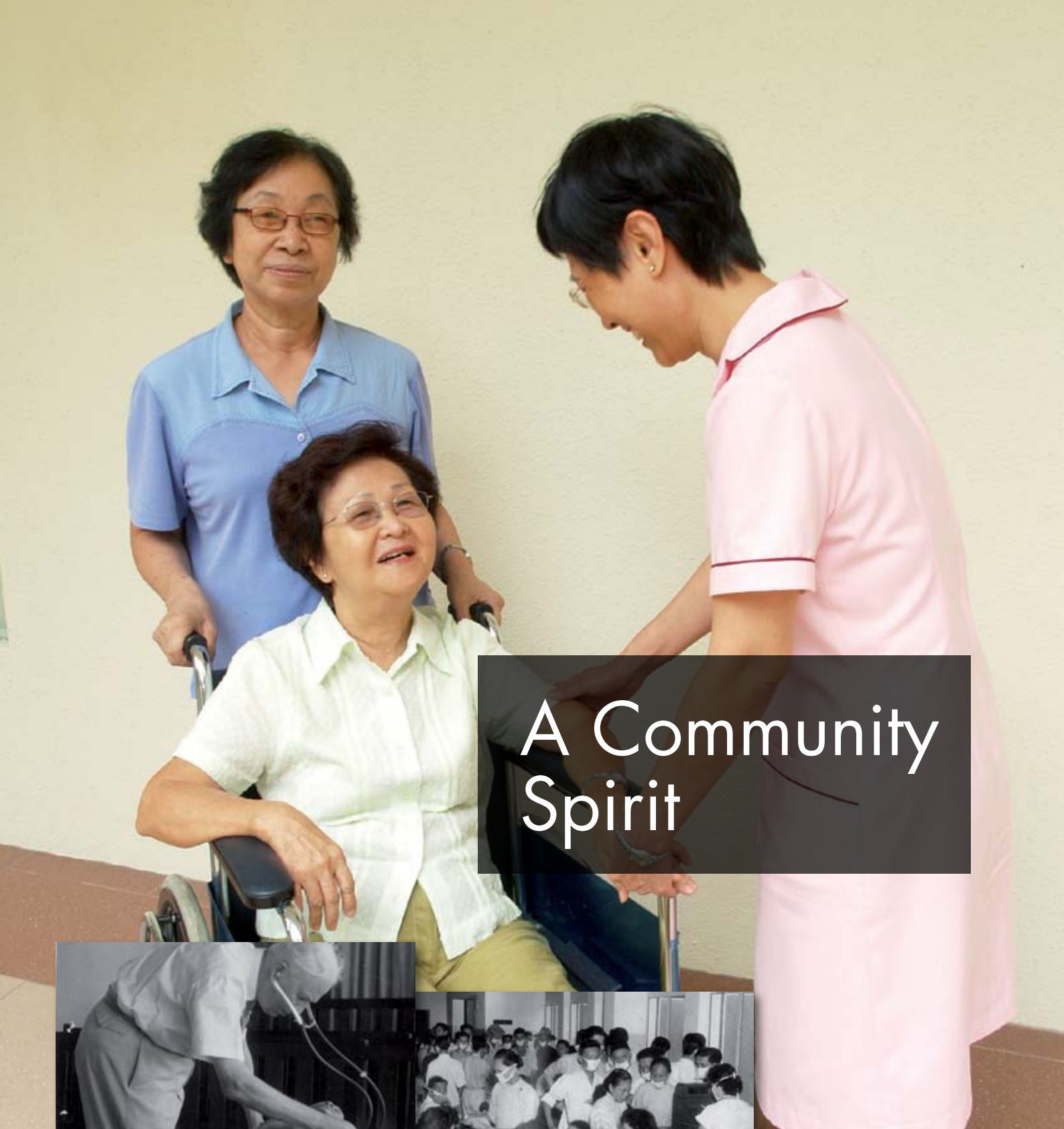
A TRADITION OF  
*Caring*  
ANNUAL REPORT 2009



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# A Community Spirit



We have worked hard to raise the level and quality of our community services, to maintain focus on our priorities and accelerate improvements to patient services. Society becomes more vibrant and healthier when we are conscious that the disadvantaged amongst us have access to the best that medical science can provide.

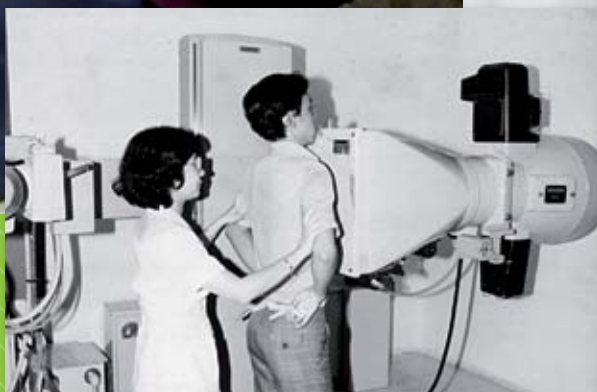
# A Culture of Partnership



Breaking down barriers between health and social care and focusing on integration opportunities has been a key way forward for SATA CommHealth. We believe in sharing our expertise and resources with our partners so that we can collectively support the community better with appropriate care and services.

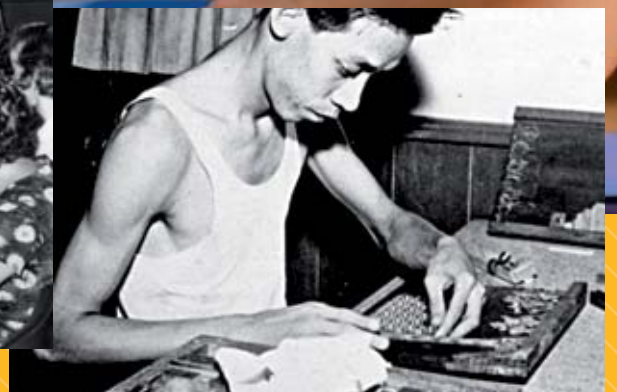


# A Belief in Technology



To deliver quality health services means becoming truly responsive to what our patients, staff and various stakeholders need and putting them at the heart of what we do. Part of the answer lies in our continuous investment in technology and systems to provide innovative solutions and improved standards of care to our patients and beneficiaries.

# A Commitment to Productivity



SATA CommHealth continually strives to improve its services to meet the needs of the community. Towards this end, we are committed to a motivating work environment that gives each employee a dynamic and stimulating environment, which gives them the opportunity to develop themselves professionally and work efficiently and effectively.

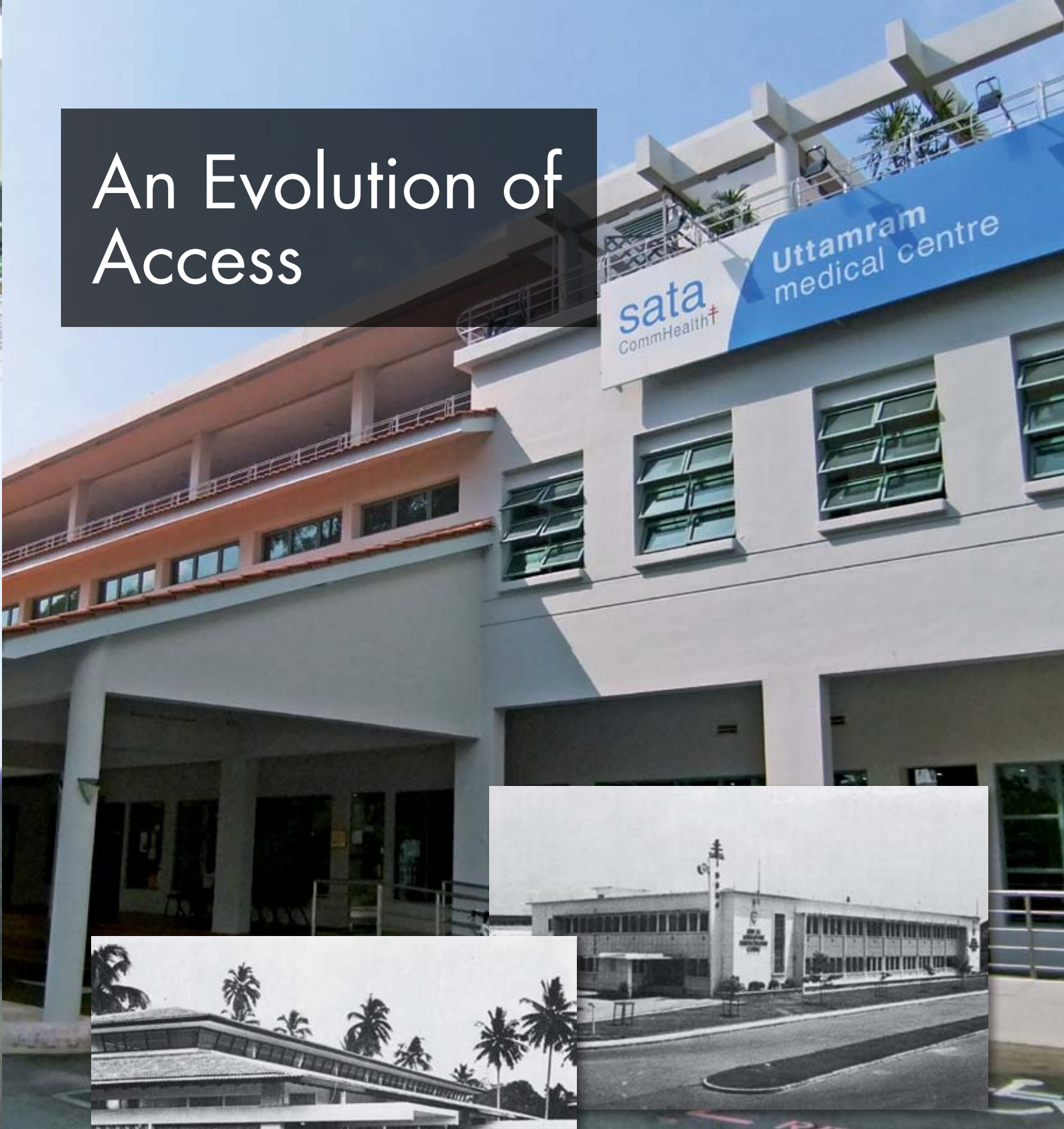


## A Focus on Service



SATA CommHealth has evolved and taken on new challenges to remain relevant to the new economy while continuing to focus on a holistic service approach that encompasses prevention through health promotion and education, early detection and screening and the provision of primary health care services to the community.

# An Evolution of Access



We have four Medical Centres serving a cross section of our society, as well as our Doctors-on-Wheels programme which has successfully reached out to the frail and immobile across the nation. Our proven strategy of coupling social enterprise with charity to benefit the community ensures that SATA CommHealth delivers high quality care to all, irrespective of physical, social or economic status.

# Chairman's Message



In 2009, we changed our name from Singapore Anti-Tuberculosis Association (SATA) to SATA CommHealth and embarked on a rebranding campaign with a new logo. We have evolved and accepted new community healthcare challenges as we progress together with the growth of Singapore's new economy. Besides our well received and successful Tuberculosis screening and treatment programme, we now provide a wide range of healthcare services that encompass health screening, diagnostic imaging, general practitioner and specialist services, while remaining fully committed to the healthcare needs of the needy, elderly and disadvantaged in our society.

Early in 2010, the board of directors participated actively in the development of a new vision and mission, setting a revised set of core values for the organisation, and charting the strategies for the next few years. These significant changes reflect our expanded scope of services since our inception in 1947 and also the need to continue to respond to community needs with changes in the landscape such as an ageing population. The board made the decision to put an even greater focus on the community services side of our activities, with the social enterprise side supporting our community services. With the new focus, we are now working to mobilise our management and staff towards this greater focus on community services.

As our new name suggests, SATA CommHealth exists to serve the community's health requirements at large. Over the years, we have concentrated and streamlined our efforts into serving the people who needed our assistance most. We diligently looked out for gaps in the healthcare sector that can be plugged and from our accumulated experiences, observed that there is a huge potential for the provision of general practitioner services, where we can maximise our contributions and make them more effective. Our unique social enterprise breaks down barriers between health and social care, allowing us to build a shared pool of expertise that offers personalised care, speeds up diagnosis and establishes appropriate support so that more beneficiaries in our community can be looked after.

Following the approval of the new vision, mission and strategies by the board of directors, the board has approved a substantial increase in expenditure towards community health over the

coming years. As Chairman of SATA CommHealth's Community Services Committee, I will help ensure that these funds are judiciously used to bring about a significant improvement in community healthcare. On a per patient basis, we would like to see closer and repeat interactions, with increased individual healthcare rendered on a sustainable basis. More emphasis will be targeted at the treatment of chronic diseases and adequate care for the aged. We believe that the future of healthcare, especially amongst the disadvantaged and elderly, lies in improved accessibility via regular outreach programmes, as demonstrated by the popular demand for our Doctors-on-Wheels initiative. Community based health services vis-a-vis compact medical centres operating across the nation will also be a definite boost to the healthcare landscape.

The proceeds generated from the social enterprise aspect of our operations has made our community healthcare endeavours viable. Through regular education and awareness efforts, our paying public and corporate clients can better understand our moral obligation to the community and that their patronage results in funds being channeled into subsidies for our community work. While the financial crisis that occurred in 2008 and stretched into 2009 had impacted the revenues of our medical centres, the losses incurred in our operations were neutralised by our strategic investment of our reserves during the year.

There have been some arrivals and departures in 2009. Ms Joelle Lee, Acting Chief Executive Officer left us in May and we thank her for her contributions. We welcomed our new Chief Executive Officer Dr K Thomas Abraham on board and have entrusted him with various initiatives in line with our renewed focus.

A/P Philip Eng Cher Tiew has stepped down as a Director of the Board in January 2010 due to work commitments and we thank him for his counsel and support. We welcomed Dr Tan Chi Chiu (July 2009) and Dr Tan Tiong Har (January 2010) as Directors of the Board. They not only bring with them valuable expertise and experience, but they also help the board in its renewal process.

Going forward, we will continue to deliver sustainable and quality healthcare services, especially for those in dire need of our assistance. Part of the solution for an integrated and holistic service healthcare provider lies in collaborating with like-minded partners. We also want to foster the spirit of volunteerism and inculcate a sense of selflessness in our younger generation. We will also work hard to improve the efficiency and quality of our services within SATA CommHealth.

I feel that SATA CommHealth is at a turning point where it is ready to once again fulfil its promise of helping the community in areas that are most needed. It has been incredibly rewarding for me to be able to work with the highly dedicated individuals within the Board of Directors, who have all contributed much of their valuable time to help the organisation realize its full potential. I wish to thank each of them for their invaluable contributions during the year. As for our management and staff, kudos to your perseverance in delivering what our stakeholders have come to expect from us. And to our partners and customers, please continue to ride with us on this meaningful journey of community healthcare.

**Associate Professor Mak Yuen Teen**

# Chief Executive Officer's Message

The past year was coloured with many experiences like the economic downturn, the H1N1 flu pandemic, the rebranding exercise and management changes within SATA CommHealth. Nonetheless, the commitment of management and staff to SATA CommHealth's vision and mission is remarkable. As the new Chief Executive Officer who took office in August 2009, I was impressed by the passion and enthusiasm of SATA CommHealth to serve the community. My role as the Chief Executive Officer is to focus the energies of the organisation and create the right conditions for staff to deliver high quality services to our stakeholders and prepare them for the challenges of the future.

Along with our name change and rebranding exercise, since the beginning of 2010, we also have a new vision and mission that will steer us forward in the coming years. These are manifested in our new strategic pillars: people, quality, operations and partnerships.

Our people are a vital asset. We strive to engage them through a vigorous and inspiring approach to carry out their duties with diligence and distinction. During the year, we conducted an Employee Engagement Survey to obtain valuable feedback from staff on our human resource practices. The topics covered included performance management, compensation and benefits, training and development, and communications. An external consultant was engaged to address some of the concerns raised. We value our people and they are an important ingredient for our long term success and growth.

We are committed to recruit and retain employees who have the passion for community service and meeting the healthcare needs of the community. To meet our long term needs for trained healthcare staff we will be awarding two scholarships each for deserving students pursuing the diploma in nursing and diagnostic radiography at the polytechnics. We also provide training and development opportunities to equip our staff with the knowledge and skills to provide customer oriented services both in our social enterprise and charity arms of the organisation. Our Doctors-on-Wheels programme is one such service, where we need a multi-skilled team to bring clinical services to the doorstep of our beneficiaries.

Our quality initiatives encapsulate our desire to become truly responsive to the needs of the people we serve. As an affirmation to our continuous quality improvements, we have put into place a clinical governance framework to guide our clinical quality standards. Our newly implemented Integrated Medical Centre System (IT system) will give a further boost to our quality initiatives with streamlined processes and monitoring systems. We have embarked on a service excellence programme by adopting the "Going the Extra Mile for Service" (GEMS) training framework. Our quest for ISO 9001:2008 certification is aimed at consistently delivering high quality services to our clients and beneficiaries.

The closure of our Chinatown Medical Centre and the opening of our Ang Mo Kio Medical Centre in February is a major milestone in SATA CommHealth's history. The new medical centre at Ang Mo Kio was officially opened on 1st July 2009 and has since been growing steadily. The relocation of our medical centre to Ang Mo Kio signifies our thrust to reach out to the community from strategic locations.



We have identified partnerships as an important force to propel our aspirations. We believe in strong community and corporate partnerships to augment our efforts and serve the community better. To this end, we work closely with corporate and community partners, as well as regulators who understand what the healthcare landscape needs. We support relevant government agencies, as in the case of providing shopping vouchers as incentives to patients who complete the Directly Observed Therapy (DOT) programme at Tan Tock Seng Hospital's Tuberculosis Control Unit. In delivering our Doctors-on-Wheels service, we partner Senior Activity Centres and Family Service Centres to reach out to the needy and homebound people in the heartlands. Such partnerships have enabled our medical teams to provide medical care at void decks and community facilities. We work with the Health Promotion Board in the Stop TB Partnership, which is an initiative of the World Health Organisation to eliminate tuberculosis. We also provided free Tuberculosis treatment to Singaporeans and Permanent Residents for confirmed TB cases. In our Smoking Intervention Programme, we work in partnership with schools to help build a nation with healthy lungs. Through this programme which includes talks, workshops and camps, we help school children resist and reject smoking.

Looking back at 2009, while our social enterprise was affected by the economic climate, we were able to achieve much in the past year. During the year, we have set new directions and made our services more responsive to the needs of our patients and beneficiaries. We have also made a conscientious effort to improve our quality standards and employee well-being. In 2010, we will strive hard to improve our performance and pursue our goals and objectives with renewed vigour and strength.

We are very privileged to have a distinguished Board of Directors and I wish to record my heartfelt gratitude to them for their continuing support and guidance in the past year. To our customers and partners, I thank you for your trust and support of SATA CommHealth. We look forward to serving you and working with you in the coming years. To our dedicated staff, I thank you for your commitment and diligence. To our beneficiaries, we assure you of our commitment to serve the community and meet your healthcare needs.

**Dr K Thomas Abraham**

# Corporate Governance Report



## Composition of the Board of Directors

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

The Board 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. The Board comprises the following directors:

- |   |  |  |   |
|---|--|--|---|
| 1 A/P Mak Yuen Teen<br><i>Chairman</i>  | 4 Mr George Abraham<br><i>Director</i> | 7 Mr Michael Anthony Palmer<br><i>Director</i> | 9 Dr Tan Chi Chiu<br><i>Director</i>  |
| 2 Mrs Grace Lim<br><i>Vice Chairman</i> | 5 Mr Robert Chew<br><i>Director</i>    | 8 Mr Wong Chak Weng<br><i>Director</i>         | 10 Dr Tan Tiong Har<br><i>(appointed on 28 January 2010)</i><br><i>Director</i> |
| 3 A/P Ho Yew Kee<br><i>Director</i>     | 6 Mr Ang Hao Yao<br><i>Director</i>    |  |   |

## The Board's Commitment to Governance

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

In discharging its duties and responsibilities, the Board 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 Board aspires to, were reviewed and updated in 2009. The intent of the Board is to follow the spirit, and not just the letter, of these guidelines.

During 2009, the Governance and Nominating Committee (GNC) continued to assist the Board in implementing SATA CommHealth'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 CommHealth.

## Role of the Board

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

The day-to-day management of SATA CommHealth is delegated by the Board 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 Board. The Board also reviews and approves the annual budget prepared by management.

## Directors' Duties and Responsibilities

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

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

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

There were situations where directors 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 Board or management outside the Board meetings. The Governance and Nominating Committee (GNC) reviews the contributions of directors holistically in recommending directors for re-appointment.

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

# Corporate Governance Report

Director	Qualifications	Date First Appointed	Date of Last Election of Directors	Attendance at Board Meetings 2009	Key Directorships & Appointments
A/P Mak Yuen Teen (Aged 50) Chairman	Ph.D, MCom, B.Com (Hons), FCCA	26.07.2002	25.06.2009	6/7	<ul style="list-style-type: none"> <li>• Associate Professor, National University of Singapore</li> <li>• Director, FIDReC Ltd</li> <li>• Director, National Kidney Foundation Ltd</li> <li>• Member, Charity Council</li> </ul>
Mrs Grace Lim (Age 54) Vice Chairman	FCCA	27.07.2000	25.06.2009	7/7	<ul style="list-style-type: none"> <li>• Vice President, Customer Experience, American International Assurance Co Ltd</li> </ul>
Mr Robert Chew (Aged 52)	MSc (Hons) Computer Science, University of Auckland, New Zealand; B.Acc (Hons) Accountancy National University of Singapore	26.03.2004	26.06.2008	5/7	<ul style="list-style-type: none"> <li>• Retired</li> <li>• Chairman, National IT Standards Committee</li> <li>• Director, Khoo Teck Puat Hospital</li> <li>• Director, TOUCH Community Services Limited and TOUCH Youth Limited</li> <li>• Director, Lien Centre for Social Innovation (SMU)</li> <li>• Director, OpenNet Pte Ltd</li> <li>• Director, Dover Park Hospice</li> <li>• Director, Singapore Hospice Council</li> </ul>
Mr George Abraham (Aged 61)	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	25.06.2009	6/7	<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>• Chairman, International Association of Traffic &amp; Safety Sciences (IATSS) Forum, Singapore Committee</li> </ul>
A/P Ho Yew Kee (Aged 46)	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>• Vice President (Education), The Boys' Brigade in Singapore</li> <li>• Chairman, Audit Committee, The Boys' Brigade in Singapore</li> <li>• Vice Chairman, Kuo Chuan Presbyterian Schools</li> <li>• Member, Medifund Committee, Lions Home for the Elderly</li> <li>• Member, Investment Advisory Committee, Peoples' Association</li> <li>• Member of the Examination Committee and Corporate Governance Committee of the Institute of CPAs of Singapore</li> <li>• Member, CPA Australia Joint Universities Committee</li> </ul>

Director	Qualifications	Date First Appointed	Date of Last Election of Directors	Attendance at Board Meetings 2009	Key Directorships & Appointments
Mr Michael Anthony Palmer (Aged 41)	LLB (Hons)	17.11.2005	26.06.2008	2/7	<ul style="list-style-type: none"> <li>• Partner, Harry Elias Partnership</li> <li>• Member of Parliament, Pasir Ris-Punggol GRC 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 37)	Bsc Mathematics, Bsc Economics. MBA. Finance and Investment Chartered Financial Analyst (CFA)	06.07.2007	25.06.2009	7/7	<ul style="list-style-type: none"> <li>• Director, Trader Investment Pte Ltd</li> <li>• Member, Corporate Governance Committee, Securities Investors Association (Singapore)</li> <li>• Member, Accounting Standards Committee, 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 56)	LLB (Hons)	26.06.2008	N.A	7/7	<ul style="list-style-type: none"> <li>• Consultant, Toh Tan LLP, Advocates &amp; Solicitors</li> <li>• Director, CDW Holdings Ltd</li> <li>• Director, Old Chang Kee Ltd</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>
Dr Tan Chi Chiu (Aged 50)	MBBS (Singapore) MMed (Internal Medicine) MRCP (UK) MRCP (Ireland) FRCP (Edinburgh) FRCP (London) FAMS (Gastroenterology) Advanced Management Program (Harvard Business School)	25.06.2009	N.A.	1/3	<ul style="list-style-type: none"> <li>• Managing Director Gastroenterology &amp; Medicine International Pte Ltd</li> <li>• Council Member, Singapore Medical Council</li> <li>• Director, Lien Centre for Social Innovation at SMU</li> <li>• Director, National Youth Achievement Awards</li> <li>• Director, Make-A Wish Foundation Singapore</li> </ul>
Mr Martin Tsang Kwong Tin (Aged 61)	B.Sc (Hon) Physics, Advanced Management Programme in INSEAD	26.07.2002	Stepped down - 25.06.2009	0/4	<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 82)	MBBS (S)	29.07.1969	Stepped down - 25.06.2009	0/4	<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 49)	MBBS (Singapore) MMed (Singapore) FAMS (Singapore) FCCP (USA) FACP (USA) FRCP (London)	27.07.2006	Stepped down - 08.01.2010	4/7	<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> <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>

# Corporate Governance Report

## Composition of the Board

At the 2009 AGM, the Board had tabled a list of retiring directors; two directors had stepped down as directors. They were Mr Martin Tsang Kwong Tin and Dr W R Rasanayagam.

Dr Tan Chi Chiu was appointed to the Board in July 2009 and attended one out of the three Board meetings in 2009 after his appointment.

In January 2010, A/P Philip Eng Cher Tiew stepped down as director and Dr Tan Tiong Har was appointed as director.

After the 2009 AGM, the Board 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 Board committees.

The Board met seven times during the financial year ended 31 December 2009 on the following dates:

- 15 January 2009
- 19 March 2009
- 17 April 2009
- 7 May 2009
- 23 July 2009
- 17 September 2009
- 25 November 2009

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

## Appointment, Induction and Training

All new directors receive a formal letter of appointment. The GNC finalised the completion of a handbook with the Social Service Training Institute during 2009; the Board approved and adopted the handbook. A softcopy of the handbook was given to all existing directors, and to new directors on appointment.

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

## Information for the Board

Management provides the Board with information considered necessary by the Board in discharging its responsibilities. This information includes background and other explanatory information relating to matters brought before the Board, annual reports, budgets and summarised monthly management accounts highlighting material variances between actual results and budgets/past results.

The Board 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 Board Committees

To assist the Board in making better decisions, and improve its oversight over management and its accountability to stakeholders, the Board has established several committees. These committees, their membership and attendance at committee meetings are listed below:

### Audit

#### Chairman

A/P Ho Yew Kee

#### Members

A/P Mak Yuen Teen  
Mrs Grace Lim  
Mr Ang Hao Yao  
Mr Wong Chak Weng

### Investment and Finance

#### Chairman

Mr Ang Hao Yao

#### Members

A/P Ho Yew Kee  
Mr Robert Chew  
Mr Foong Hock Meng  
Mr Stanley Sia

### Technology and Operations (dissolved on 23 July 2009)

#### Chairman

Mr Robert Chew

#### Members

Mr Martin Tsang  
A/P Ho Yew Kee  
Mrs Grace Lim  
Dr James Khoo

### Medical

#### Chairman

A/P Philip Eng Cher Tiew (stepped down in January 2010)  
Dr Tan Chi Chiu (appointed as Chairman in January 2010)

#### Members

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 Board. All chairs of Board committees were appointed by the Board. Members of all committees are recommended by the chairs of committees and approved by the Board. All Board committees must be chaired by a director. All members of the Audit Committee and GNC must be directors.

### Governance and Nominating

#### Chairman

Mr Wong Chak Weng

#### Members

Mr Robert Chew  
Mr Ang Hao Yao  
Mr Michael Anthony Palmer

### Human Resource

#### Chairman

Mr George Abraham

#### Members

A/P Mak Yuen Teen  
Mrs Grace Lim  
Dr Tan Tiong Har  
Dr Tan Chi Chiu

### Community Services

#### Chairman

A/P Mak Yuen Teen

#### Members

A/P Ho Yew Kee  
Mr Ang Hao Yao  
Mr Koh Bee Chye  
Dr Chee Bin Eng, Cynthia

In the case of other committees, non-directors may be appointed subject to approval by the Board. Committees may also appoint non-directors as advisors. Where any authority is delegated by the Board 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 meet as and when necessary. Minutes of committee meetings are provided to the Board. The table below shows the membership and attendance of directors at meetings of the committees in 2009.

Committee	Name	Designation	Number of Meetings Attended
Investment and Finance	Mr Ang Hao Yao	Chairman	5/5
	A/P Ho Yew Kee	Member	4/5
	Mr Robert Chew	Member	5/5
	Mr Foong Hock Meng	Member	3/5
	Mr Stanley Sia	Member	2/5
	Mr Wong Hoo Tung	Member	1/4
Audit	A/P Ho Yew Kee	Chairman (since 23.07.2009)	2/2
	Mrs Grace Lim	Member	3/5
	A/P Mak Yuen Teen	Member	5/5
	Mr Ang Hao Yao	Member	5/5
	Mr Wong Chak Weng	Member	3/5
Governance and Nominating	Mr Wong Chak Weng	Chairman	2/2
	Mr Robert Chew	Member	2/2
	Mr Ang Hao Yao	Member	2/2
	Mr Michael Anthony Palmer	Member	1/2
Human Resource	Mr George Abraham	Chairman	3/3
	A/P Mak Yuen Teen	Member	3/3
	Dr W R Rasanayagam	Member	0/2
	Mr Martin Tsang Kwong Tin	Member	1/2
	Mrs Grace Lim	Member	3/3
	Dr Tan Tiong Har	Member	3/3
	Dr Tan Chi Chiu	Member (since 23.07.2009)	1/1
Medical	Dr Philip Eng Cher Tiew	Chairman	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	1/2
	Dr Chee Bin Eng, Cynthia	Member	1/2
	Dr Thirugnanam Agasthian	Member	2/2
	Dr Tan Chi Chiu	Member (since 23.07.2009)	1/2
Technology & Operations	Mr Robert Chew	Chairman	2/2
	Mr Martin Tsang Kwong Tin	Member	2/2
	A/P Ho Yew Kee	Member	2/2
	Mrs Grace Lim	Member	2/2
	Dr James Khoo	Member	2/2
Community Services	A/P Mak Yuen Teen	Chairman (since 23.07.2009)	3/3
	A/P Ho Yew Kee	Member	5/6
	Mr Wong Hoo Tung	Member	2/6
	Mr Koh Bee Chye	Member	5/6
	Mr Ang Hao Yao	Member	6/6
	Dr Chee Bin Eng, Cynthia	Member	5/6

*Note:*

*Investment & Finance Committee:* Mr Wong Hoo Tung retired as member in July 2009.

*Audit Committee:* Mrs Grace Lim stepped down as Chairman in July 2009 and A/P Ho Yew Kee was appointed as Chairman.

*Human Resource Committee:* Mr Martin Tsang Kwong Tin and Dr W R Rasanayagam retired as members in July 2009.

*Medical Committee:* Dr Tan Chi Chiu joined as member in July 2009.

*Medical Committee:* A/P Philip Eng Cher Tiew stepped down as Chairman in January 2010 and Dr Tan Chi Chiu was appointed as Chairman. Dr Cheah Foong Koon retired as member in March 2010.

*Technology & Operations Committee:* The Board dissolved the Committee on 23 July 2009.

*Community Services Committee:* A/P Ho Yew Kee stepped down as Chairman in July 2009 and A/P Mak Yuen Teen was appointed as Chairman. Mr Wong Hoo Tung retired as member in December 2009.

# Corporate Governance Report

## Reports of Board Committees

### Governance and Nominating Committee

The Governance and Nominating Committee (GNC) assists the Board of Directors in fulfilling the Board's responsibilities for corporate governance (including compliance with relevant corporate governance requirements prescribed by regulators and with SATA CommHealth's corporate governance guidelines), and the nomination of Board members for appointment or re-appointment. During 2009, the GNC met twice and conducted several discussions via electronic mail.

The GNC continues to review the currency and implementation of SATA CommHealth'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 CommHealth, including actions that:

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

The GNC introduced an amendment to the Policy in 2009 which was accepted by the Board.

The GNC is 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. A new audit firm was appointed by the Board and management to carry out the internal audits.

The internal auditors carried out the following internal audits which cover:

- Procurement and Payments
- IT General Controls
- Integrated Medical Centre System Pre-Implementation Review
- Revenue, Accounts Receivable and Collection
- Treasury and Cash Management
- Follow up of External Audit

The driving objectives of the audit programme are to strengthen internal controls and financial management and to improve the overall operational efficiency and productivity. To that end, the Committee is working closely with the internal auditors and the management to implement the recommendations of the internal auditors.

The committee met five times in the year 2009, during which it reviewed the reports of the internal auditors. Several enhancements to the systems and processes were recommended by the internal auditors, which were accepted by the committee for adoption and implementation.

The committee also reviewed the audited financial statements. Recommendations by the external auditor on improvement of system processes and controls were discussed and reviewed by the committee.

### Community Services Committee

The Community Services Committee (CSC) assists the Board of SATA CommHealth in fulfilling the Board's responsibilities for all community related and charitable activities. It reviews and recommends to the Board the initiatives and programmes beneficial to the community. The focus of the committee is to provide guidance to SATA CommHealth in support of the needy, elderly and the disadvantaged within the community.

The Committee met six times in the year 2009. The following were the major activities in 2009 conducted under the supervision of the CSC:

- Reviewed the viability and effectiveness of programmes carried out in 2009 and the plans for 2010.
- Held a dialogue session with SATA CommHealth community partners to understand their needs and assess how SATA CommHealth can better serve the needy in the community.
- Provided health screening programmes for the community, in support of the Ministry of Health's Integrated Health Screening Programme.
- Reviewed the subsidy scheme for Tuberculosis (TB) treatment to encourage timely diagnosis and treatment for people stricken with tuberculosis.
- Collaborated with Tan Tock Seng Hospital's Tuberculosis Control Unit (TBCU) to encourage TB patients in low income groups to complete the full course of their "Directly Observed Treatment" (DOT) programme. Under this initiative, patients would receive between \$300-\$450 worth of grocery vouchers over the course of their treatment to encourage them to stay on course and complete the treatment regimen.
- Served over 1,500 beneficiaries in the community who are frail and immobile, by treating them for acute and chronic conditions through our Doctors-On-Wheels programme.

- Developed a smoking prevention programme that reaches out to the youth in the upper primary and secondary schools. Talks, workshops and camps were organized for students to empower and equip them with the knowledge and confidence to resist taking the first puff.
- Collaborated with Republic Polytechnic for third year students' attachment to diagnostic imaging departments in the medical centres.

The committee will continue to guide management and advise the Board on the initiation of activities and programmes that are beneficial for the community.

### Human Resource Committee

The Human Resource Committee (HRC) met three times in 2009. The committee initiated an Employee Engagement Survey and subsequently appointed a consultant for follow-up actions on the results of the survey. During the year, the HRC also reviewed and approved the payment of the Variable Performance Bonus, recruitment and compensation for senior management and attended to general staff matters.

The Employee Engagement Survey was carried out in February 2009 to better understand the employees' perceptions of HR practices in SATA CommHealth. As a follow up to this survey, an external consultant was engaged to address the concerns raised by staff.

The scope of the consultancy work covered 4 major areas:

- Performance Management
- Compensation and Benefits
- Training and Development Framework
- Employee Communication

#### Performance Management

A revamp of the performance appraisal process was completed and approved by the HRC. The new format for performance appraisals was used for the annual staff appraisals in 2009.

This resulted in a more systematic approach to staff performance management.

#### Staff Benefits

A review of staff benefits was carried out and the HRC reviewed and approved the recommended staff benefits.

#### Organisation Chart

The organisation chart was amended to facilitate smoother workflow and accountability by the departments. The organisation chart was also designed to facilitate a more effective and efficient management of the organisation.

#### Scholarships

During the year, the committee approved the award of two scholarships for students pursuing the nursing diploma and another two for students pursuing the radiography diploma at the Polytechnics.

#### Senior Management

Dr K Thomas Abraham was appointed on 17 August 2009 as Chief Executive Officer, replacing the Acting Chief Executive Officer Ms. Joelle Lee who left on 5 May 2009.

### Investment and Finance Committee

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

The committee met five times during 2009, spending considerable time reviewing the financial performance as well as the investment performance of the organisation.

Along with improved business environment in 2009, the investment performance was profitable. The total unrealised gain in the fair valuation of the investment amounted to \$3.18 million. Dividends and interest earned was \$1.65 million and rental income was \$0.5 million from the rental of the SATA CommHealth HQ premises. At the close of financial year 2009, the investment portfolio grew to \$54.9 million.

The Committee had followed the mandate of the Board in focusing a large proportion of the investment portfolios in fixed income instruments (approximately 60%), which reduced the risk exposure of the organisation.

The performance of the SATA CommHealth Medical Centres was badly hit by the H1N1 pandemic as well as the economic downturn. The overall revenue of the Medical Centres declined from \$11.4 million in 2008 to \$9.9 million in 2009. As a result, the medical centres incurred a loss of \$1.7 million in 2009 versus a profit of \$161,747 in 2008.

# Corporate Governance Report



## Medical Committee

The Medical Committee provides advice to the SATA CommHealth Management and Board on medical standards and practices within the organisation. The committee comprised specialist doctors in fields such radiology, respiratory medicine, general surgery, gastroenterology and cardiology.

The committee met twice in 2009. During these meetings, all clinical incidents were reviewed and learning points for improving systems and patient care identified. A new procedure for handling clinical incidents was put in place for greater clarity of the process. Under the guidance of the committee the second invitation for research grants was initiated and was met with a very favourable response.

The newly restructured Service Quality and Audit Department (renamed as Quality Management Department) has a dedicated manager overseeing clinical quality to complement the work of the medical committee. The Quality Management Department embarked on enhancing the clinical governance system of the organisation in late 2009. This initiative aims to augment the clinical quality improvement efforts of the organisation.

## Technology and Operations Committee

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

The committee met twice in 2009. A major initiative of this committee was to oversee the closure of the Chinatown Medical Centre on 5 February 2009 and the subsequent opening of our new Ang Mo Kio Medical Centre on 9 February 2009. This process went smoothly and the Ang Mo Kio Medical Centre was officially opened on 1 July 2009.

The committee also reviewed the call centre operations at SATA CommHealth HQ and made a decision to outsource the call centre. This brought about some cost savings and increased efficiencies to the organisation.

The implementation of the new Integrated Medical Centre System (iMCS) continued to be a priority of this committee. During the year, the committee monitored the progress of the project and also provided the needed advice and direction to the project. This project was implemented in phases commencing from late October and ending in December 2009.

After a major review of the committees by the Board, this committee was dissolved on 23 July 2009 with a decision to allow the CEO of SATA CommHealth to take full responsibility of the operations. The remaining responsibilities of this committee was absorbed by the Investment and Finance Committee.

## Looking Ahead

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

From time to time, SATA CommHealth has been asked to share ideas about its corporate governance practices for the benefit of other charities and IPCs. SATA CommHealth welcomes such sharing as we believe that this will not only help to strengthen the charity sector for the common good of all, but also help SATA CommHealth progress.

# Operational Review

SATA CommHealth continued to provide general diagnostic services and health employment related services in addition to detection and treatment of tuberculosis within the community. Our visiting consultants provided support for TB consultation, echocardiogram services and cardiac consultation.

SATA CommHealth Ang Mo Kio medical centre started operations on 9 February 2009 and the official opening was held on 1 July 2009. The number of clients visiting the clinic has been growing steadily since its opening.

We embarked on a major re-branding campaign during the year and launched it with the change of our name from SATA to SATA CommHealth on 22 April 2009. This timely brand development is accompanied by a new vision and mission and the unveiling of a new corporate logo. SATA CommHealth is well positioned to branch into many healthcare services which would benefit the community at large.

## Medical Consultation

Our medical services continued to provide the community with primary care services as well as a wide range of diagnostic imaging and laboratory services.

Types of Consultation	Volume
General Consultation	12,654
Specialist Consultation	356
Medical Check-Ups	101,310
Visa Consultation	2,925
Tuberculosis Consultation	211

## Preventive Healthcare

SATA CommHealth encourages and promotes health screening as an important part of preventive healthcare. We work closely with the health authorities in the promotion and provision of affordable services to the public, including chronic disease management.

Type of Service	Volume
Comprehensive Health Screening	4,311
Pap Smear	1,469

## Vaccination

We continue to advocate the importance of immunizations for the prevention of diseases such as Influenza, H1N1, Hepatitis A&B and Typhoid.

Types of Vaccination	Volume
Typhoid	8,521
Influenza	3,434
Hepatitis A	188
Hepatitis B	641
Others (Mantoux & H1N1)	1,833

Apart from health screening and vaccinations, the focus of our preventive health care services includes:

- Health promotion and education (smoking & tuberculosis awareness)
- Health talks
- Mammography
- Pap smears
- Workplace health programmes
- Diagnostic imaging (X-rays & ultrasonography)

## Diagnostic Imaging

SATA CommHealth radiological service provides a comprehensive range of radiological services to the community and general practitioners. Our services include General X-ray, ultrasound, mammography and fluoroscopy. In addition, three mobile buses installed with digital chest X-ray equipment are available for mass screening. These mobile buses bring our medical team to various companies in most parts of the island, allowing X-ray services to be provided. These buses also go to places such as senior citizens' homes and health screening events for the community. The radiology service is committed to build up the capacity to render new Diagnostic Imaging services and deliver affordable services to customers and beneficiaries.

Our team of radiographers and radiologists are committed to building up high standards of medical imaging services. We also serve a large network of general practitioners for their medical imaging needs.

Type of Service	Volume
Chest X-ray	181,846
X-rays of the Extremities	6,893
X-ray (Others)	6,369
Mammogram & Ultrasound	10,992
Special Examination	530

## Clinic Management System

A new clinic management system, called the Integrated Medical Centre System (iMCS) was implemented in late 2009. This project started in October 2008 and was implemented in phases over a two-month period; commencing in October and completing by end December.

This system is expected to provide SATA CommHealth with a modern clinic management system with electronic medical records. When the system is fully operational in the second half of 2010, the organisation is expected to realise productivity gains with improved processes and workflows.

Overall the year under review was an interesting and challenging one, with the economic downturn, the flu pandemic, the new medical centre at Ang Mo Kio, the new clinic management system and the changes in top management. Although patient volumes took a dip during the downturn, it was fortuitous that the economy recovered towards the end of the year.



# Community Services



As Singapore's aged population increases, so does the demand for social and healthcare services. With our long history of caring for the community, SATA CommHealth is poised to take on this challenge both in primary as well as secondary healthcare services.

SATA CommHealth recognises that the elderly must remain functionally independent within the community. This is especially important as many of them who are less advantaged do not have any social support.

For the last three years SATA CommHealth has provided easily accessible medical care to the needy, frail and disabled in the community through our Doctors-on-Wheels (DOW) programme. It is an initiative that ensures those who are suffering from chronic ailments are able to receive much needed regular medical care at a highly subsidised rate or for free. DOW also functions as an intermediary amongst various aid agencies so that their patients are adequately supported.

This programme, along with the offering of treatment services at our four medical centres, complements the other primary healthcare initiatives. These are activities organised with grassroots organisations as well as community organisations like religious and other voluntary welfare organisations.

Through the years, SATA CommHealth grew in terms of our engagements with the community. For 2009, we wanted to do more for each interaction and as a result, more treatment and care services were offered to the community. Our aim was to help beneficiaries in a more holistic manner.

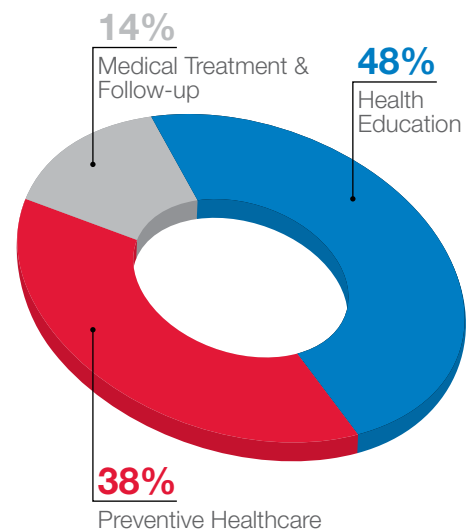
## Community Services Activities for 2009

We serve the community by providing health care services under the broad categories of Preventive Healthcare, Medical Treatment, Health Education and Research.

Health screenings, vaccinations and mammo-grams are covered under Preventive Health care. Most of the activities are done on-site. Our team of nurses and radiographers go to community centres and organisations to perform health screening for individuals who are 40 years old and above, are obese or have never been for health screenings before.

Treatment of acute ailments and follow-up on chronic diseases are categorised under Medical Treatment whereas health talks, workshops and exhibitions are activities organised under the category of Health Education.

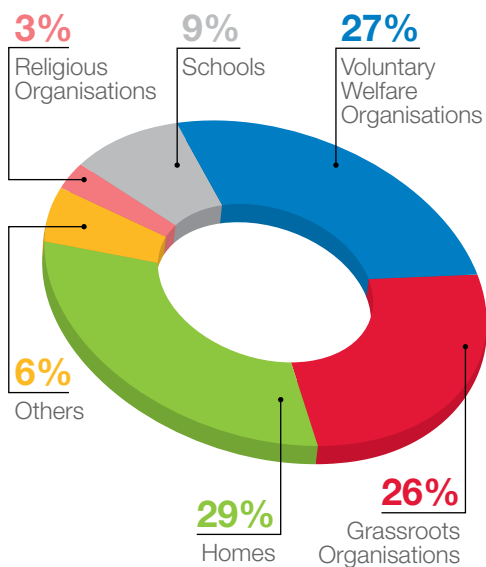
In terms of Research, SATA CommHealth has, for the last two years, offered research grants to individuals proposing study on Tuberculosis or lung health. Research proposals go through a selection process and those selected can get up to a maximum of \$300,000 grant.



## Preventive Healthcare

Community Service exists so that those who are not afforded the same benefits available to the working class are provided for. We understand the need for health screening, especially among the elderly, and we offer them to the community so that those who are screened know their risks of suffering from chronic diseases.

Health screenings and flu vaccinations were organised with over 100 organisations. Most were organised with grassroots organisations, homes for the aged and other voluntary welfare organisations. Other events are organised with religious organisations and some are school-initiated programmes.



### Contribution by Volunteers

Volunteers continue to help us in our lung health and community service programmes. Their selfless help and dedication to the community have energized our programmes. We intend to grow our pool of volunteers in the coming years in tandem with the growth of our community services. We are very grateful to all our volunteers who have supported us in the past and look forward to working with them in the future.

“Your compassion and care for the needs of the community as volunteers have been instrumental in enabling us to serve the community better and continuously improve our services. We trust that you will continue to be beacons of light to the disadvantaged in the community.”



### Medical Treatment

Over 1,500 individuals now benefit from the Doctors-on-Wheels Programme. Most of these individuals are frail and elderly. Some are even immobile. They are treated for chronic diseases and other ailments.

The sessions are organised with Senior Activity Centres and our doctors and nurses are able to see up to 60 patients per day. Since most of the patients need to take medication regularly, compliance is the priority. Bi-monthly visits are scheduled and those who are at risk of non-compliance are visited at their homes more frequently.

### Health Education

These chronic ailments can be prevented through public education. Although we offer talks on Nutrition and Healthy Lifestyle, lung health is the focus of many of our awareness campaigns. Health talks are organised at schools so that children in the upper primary and lower secondary schools are equipped with the knowledge and confidence to resist taking the first puff.

We believe in innovative ways of getting the message across and we co-organise IT competitions so that young enthusiasts can come up with campaigns or messages that would be more palatable to the youths. Camps are also organised together with junior college students or university students who help in facilitation of activities.

# Notes of Appreciation



## Okamoto (Singapore) Pte Ltd

Our Company has so far been pleased with the support given by the staff who arrange for our mobile X-ray services each year. Many of our staff had also taken up the health screening packages sold onsite since they find it comprehensive and affordable. As such, we hope to maintain this good relationship with SATA CommHealth and at the same time promote a healthier lifestyle to our fellow members.



## Seiko Instruments Singapore Pte Ltd

SATA CommHealth has been providing us with mobile X-ray services for more than 20 years. All these time, services provided by the organisation had run according to schedule. The staff are friendly and they ask for feedback to improve on service quality. We are a satisfied customer. Keep up the good job!



## Great Eastern Life Assurance Co Ltd

We have been working with SATA CommHealth for many years and had witnessed the transformation of SATA CommHealth from an organisation that provides TB-related care to one that offers a wider range of healthcare services. It has indeed come a long way. Congratulations!



## Daiwa Securities SMBC Investment Services Pte Ltd

Our experience with SATA CommHealth was great from the beginning. Prices of customised health check programmes were reasonable and the service level exceeded expectations. The account manager, logistic team and staff have good understanding of the procedures and gave good advice when we conducted our annual on-site mobile chest X-ray exercise. Staff at SATA CommHealth were very patient and professional with our requests. Communication was excellent and timely. We will definitely continue working with the organisation on any employee health-related programmes.

## BASF South East Asia Pte Ltd

We were very lucky and more than happy to be able to work with such a great team. Everyone in the team was cheerful, helpful and most importantly, approachable. There were some minor glitches but all were resolved quickly, thus making everything a breeze. Haydee should be specially commended for all the hard work and commitment behind the scenes to make this health screening a successful one. Thumbs up and keep it up, SATA CommHealth!

## Chin Swee Senior Activity Centre

Several senior citizens from our Kreta-Ayer Seniors Activity Centre have benefited from the SATA CommHealth's Doctors-On-Wheels programme since it started from 3 September 2007. The organisation has a team of dedicated and professional doctors who provide medical services to our senior citizens residing in the Kreta-Ayer area on a quarterly basis. Since its inception, it has helped to defray part of their costs and living expenses, especially among the frail and needy elderly. Our senior citizens are very happy to have benefited from this programme organised by SATA CommHealth. We are very thankful to the charity for this special programme and we hope it will continue so that more seniors will benefit from it.

## From a DOW patient's daughter seen at Joy Centre Neighbourhood Link:

My deep appreciation to SATA CommHealth's Doctors-On-Wheels for the kind help rendered to my bedridden mother, who otherwise has to make excruciating regular trips to the clinic next door for the treatment of her joint pains and medication. The medical advice from the doctor has also helped my mum's skin condition which has improved so much.

## TOUCH Home Care

We wish to thank the doctors and nurses from SATA CommHealth for partnering with TOUCH Home Care (THC) in providing quality medical care to our elderly clients. Through the setting up of the half-day clinic at THC, our elderly clients, many of whom are frail and suffering from various chronic medical conditions, are able to receive prompt medical attention. This would not have been possible without the strong dedication and professionalism of SATA CommHealth's medical team. On behalf of all our clients from THC, thank you, SATA CommHealth, for making a difference in the lives of the frail elderly!

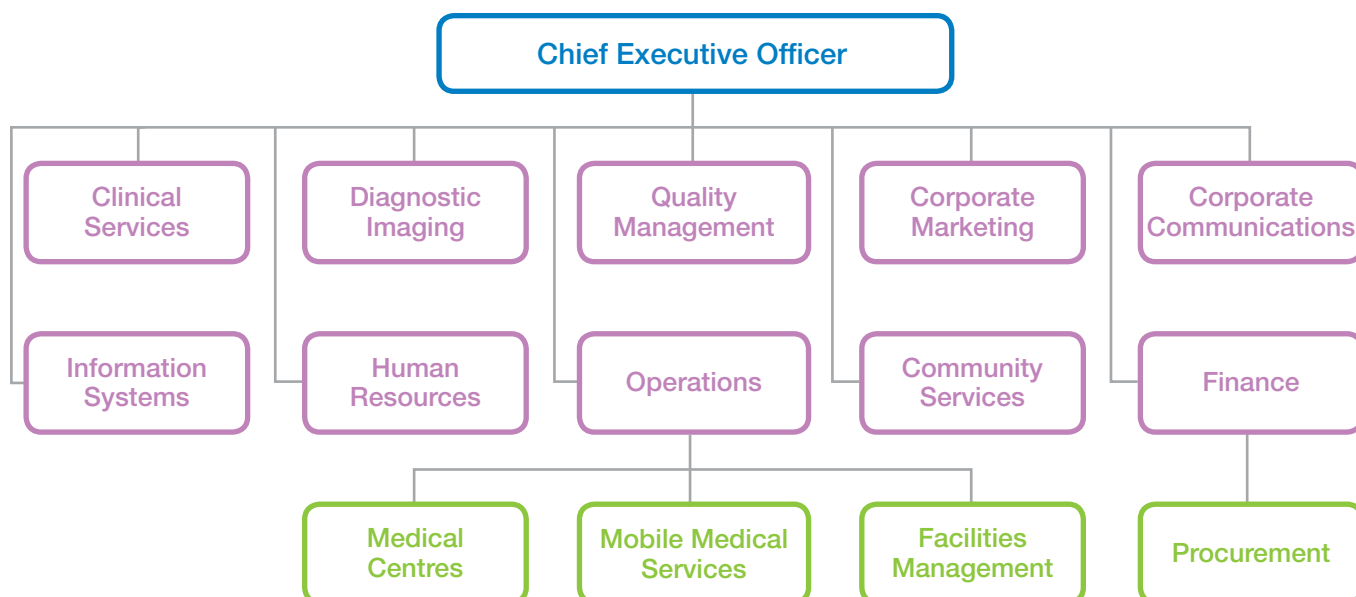
# SATA CommHealth Management Team



From Left to Right:

**Mr Joseph Chan** (Information Systems Manager), **Ms Evelyn Chua** (Human Resource Manager), **Mr Collin Tan** (Diagnostic Imaging Manager), **Ms Graziella Menezes** (Corporate Marketing Manager), **Dr K. Thomas Abraham** (Chief Executive Officer), **Ms Patricia Mondonedo** (Community Services Manager), **Ms Seet Kuen Noi** (Operations Manager), **Mr Eddie Tan** (Senior Finance Manager), **Mr Derrick Kuek** (Corporate Communications Manager)

## SATA CommHealth Organisation Chart



# Financial Statements

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# Directors' Report



The directors of the company are pleased to present their report together with the audited financial statements of SATA COMMHEALTH (the "Company") for the financial year ended 31 December 2009. Before 22 April 2009 the company was known as Singapore Anti-Tuberculosis Association, which was changed to its present name.

## 1. Directors at Date of Report

The directors in office at the date of this report are:

Associate Professor Mak Yuen Teen (Chairman)  
Mrs Grace Lim (Vice-Chairman)  
Associate Professor Ho Yew Kee  
Mr Ang Hao Yao  
Mr George Abraham  
Mr Michael Anthony Palmer  
Mr Robert Chew  
Dr Tan Chi Chiu  
Dr Tan Tiong Har  
Mr Wong Chak Weng

## 2. Arrangement to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

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

## 3. Directors' Interest in Shares or Debentures

The company is limited by guarantee.

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

## 4. Contractual Benefits of Directors

Since the beginning of the financial year, no director 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 company or a related corporation with the director 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 company is limited by guarantee. As such, there are no share 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 Directors

A handwritten signature in blue ink, appearing to be 'Mak Yuen Teen'.

**Associate Professor Mak Yuen Teen**  
Chairman

A handwritten signature in blue ink, appearing to be 'H. Y. Ang'.

**Mr Ang Hao Yao**  
Director

13 May 2010



# Statement by Directors

In the opinion of the directors,

- (a) the accompanying statement of financial activities, statement of financial position, statement of changes in accumulated fund, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2009 and of the results, changes in accumulated fund and cash flows of the company for the financial year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors have approved and authorised these financial statements for issue on 13 May 2010.

On Behalf of the Directors

**Associate Professor Mak Yuen Teen**  
Chairman

13 May 2010

**Mr Ang Hao Yao**  
Director

# Independent Auditors' Report

## To the Members of SATA COMMHEALTH



We have audited the accompanying financial statements of SATA COMMHEALTH (the "Company"), which comprise the statement of financial position as at 31 December 2009, and the statement of financial activities, statement of changes in accumulated fund and statement of cashflows 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 statement of financial position 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.

### Report on other legal and regulatory requirements

During the course of our audit, nothing came to our attention that caused us to believe that the company did not comply with the requirements of Regulation 15(1) of the Charities Act, Cap 37 (Institutions of a Public Character) Regulations 2007 which states that the total fund-raising and sponsorship expenses for the financial period should not exceed 30% of the total gross receipts from fund-raising and sponsorships for that period.

### 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 company as at 31 December 2009 and the results, changes in accumulated fund and cash flows of the company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provision of the Act.

A handwritten signature in blue ink that reads 'RSM Chio Lim'.

### RSM Chio Lim LLP

Public Accountants and Certified Public Accountants  
Singapore  
13 May 2010

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



# Statement of Financial Activities

## Year Ended 31 December 2009

	Notes	2009 \$	2008 \$
<b>INCOMING RESOURCES</b>			
<b>Incoming Resources from Generated Funds</b>			
Clinical, Diagnostic Imaging and Laboratory Services Fees	4	9,912,343	11,371,431
Voluntary Income			
- Donations		55,122	87,999
Rental Income		535,514	544,869
Interest and Dividend income from investment securities	5	1,655,568	1,887,421
<b>Incoming Resources from Charitable Activities -Operating Income</b>			
Income from community outreach activities	6	113,065	485,410
<b>Other Incoming Resources</b>			
Other Income	7	18,045	4,110
Other Credits	11	440,373	2,629,816
<b>TOTAL INCOMING RESOURCES</b>		<b>12,730,030</b>	<b>17,011,056</b>
<b>RESOURCES EXPENDED</b>			
<b>Cost of Generating Funds</b>			
Clinical, Diagnostic and Laboratory Expenses	8	7,066,567	7,134,466
Investment Management Fees		86,445	68,845
<b>Resources Expended for Charitable Activities</b>			
Operating Expenses	9	984,527	1,705,960
<b>Other Operating and Administrative Expenses</b>			
Administrative Expenses	10	5,101,943	4,870,108
<b>Other Resources Expended</b>			
Other Charges	11	59,539	87,590
<b>TOTAL RESOURCES EXPENDED</b>		<b>13,299,021</b>	<b>13,866,969</b>
<b>Other Recognised Gains/Losses</b>			
(Loss) / Profit on Disposal of Investment Securities	5	(2,663,950)	595,870
Fair Value Gain / (Loss) on Financial Assets	5	5,930,936	(7,604,516)
		3,266,986	(7,008,646)
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>2,697,995</b>	<b>(3,864,559)</b>

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

# Statement of Financial Position

As at 31 December 2009



	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	16,125,096	16,768,285
<b>Total Non-Current Assets</b>		<u>16,125,096</u>	<u>16,768,285</u>
<b>Current Assets</b>			
Other Financial Assets, Current	14	40,581,051	35,465,715
Inventories	15	41,447	56,579
Trade Receivables, Current	16	622,310	846,128
Other Assets, Current	17	120,384	95,013
Cash and Cash Equivalents	18	20,733,050	21,936,463
<b>Total Current Assets</b>		<u>62,098,242</u>	<u>58,399,898</u>
<b>Total Assets</b>		<u><u>78,223,338</u></u>	<u><u>75,168,183</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated Fund	19	76,356,872	73,658,877
<b>Total Fund</b>		<u>76,356,872</u>	<u>73,658,877</u>
<b>Current Liabilities</b>			
Deferred Revenue		88,535	102,582
Trade and Other Payables, Current	20	1,777,931	1,406,724
<b>Total Current Liabilities</b>		<u>1,866,466</u>	<u>1,509,306</u>
<b>Total Fund and Liabilities</b>		<u><u>78,223,338</u></u>	<u><u>75,168,183</u></u>

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



# Statement of Changes in Accumulated Fund

## Year Ended 31 December 2009

	Accumulated Fund	
	2009	2008
	\$	\$
<b>Current Year:</b>		
Opening Balance at beginning of year	73,658,877	77,523,436
Surplus/ (Deficit) for the Financial Year	2,697,995	(3,864,559)
Closing Balance at end of year	<u>76,356,872</u>	<u>73,658,877</u>

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

# Statement of Cash Flows

Year Ended 31 December 2009



	2009 \$	2008 \$
<b>Cash Flows From Operating Activities</b>		
Surplus / (Deficit) for the Financial Year	2,697,995	(3,864,559)
Depreciation of Property, Plant and Equipment	1,581,692	1,492,490
Loss / (Profit) on Disposal of Investment Securities	2,663,950	(595,870)
Gain on Disposal of Property	–	(2,620,644)
Loss on Disposal of Plant and Equipment	19,443	77,875
Fair Value (Gain) / Losses on Financial Assets	(5,930,936)	7,604,516
Interest Income	(1,375,718)	(1,411,297)
Dividend Income	(279,850)	(476,124)
Operating Cash Flows Before Changes in Working Capital	(623,424)	206,387
Inventories	15,132	(30,465)
Trade and Other Receivables, Current	223,818	(224,029)
Other Assets, Current	(25,371)	(10,771)
Trade and Other Payables, Current	371,207	(2,382,000)
Deferred Revenue	(14,047)	3,199
Net Cash Flows Used in Operating Activities	(52,685)	(2,437,679)
<b>Cash Flows From Investing Activities</b>		
Purchase of Plant And Equipment	(958,164)	(6,767,999)
Proceeds from Disposal of Plant And Equipment	218	15,792
Proceeds from Disposal of Property	–	12,856,902
Disposals of Investment Securities	14,286,887	37,271,956
Purchase of Investment Securities	(16,053,952)	(26,014,726)
Interest Received	1,294,433	1,411,297
Dividends Received	279,850	476,124
Net Cash From / (Used in) Financing Activities	(1,150,728)	19,249,346
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,203,413)	16,811,667
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	21,936,463	5,124,796
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 18)</b>	<b>20,733,050</b>	<b>21,936,463</b>

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



## 1. General

SATA COMMHEALTH (the “Company”) is a voluntary, not-for-profit public company limited by guarantee, incorporated under the Singapore Companies Act, Cap. 50. The company was registered as a charity under the Charities Act, Cap. 37 on 27 September 1984. Before 22 April 2009 the company was known as Singapore Anti-Tuberculosis Association, which was changed to its present name.

The board of directors approved and authorised these financial statements for issue on 13 May 2010.

The principal activities of the company 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 Association restricts the use of fund monies to the furtherance of the objects of the company. They prohibit the payment of dividends to members.

The company 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 the Companies Act, Cap. 50, and the Statement of Recommended Accounting Practice 6 “Accounting and Reporting by Charities” issued by the Institute of Certified Public Accountants of Singapore. The company is also subject to the provisions of the Charities Act, Cap. 37. Where presentation guidance set out in the Statement of Recommended Accounting Practice 6 is consistent with the requirements of FRS, the company has sought to prepare the financial statements on a basis compliant with the recommendations of RAP 6 if the presentation differs from FRS. 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, 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

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement.

- (i) Donations and corporate cash sponsorships  
Revenue from donations and corporate cash sponsorships are accounted for when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the company has unconditional entitlement.
- (ii) Rendering of services  
Revenue from rendering of services, which include fees, clinical, diagnostic imaging and laboratory service fees that are of short duration is recognised when the services are completed. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the company and it is shown net of related sales tax, estimated returns, discounts and volume rebates.
- (iii) Investment and related revenue  
Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset. Dividend revenue from investments is recognised when the shareholder’s right to receive the dividend is legally established.

# Notes to the Financial Statements

31 December 2009



## 2. Summary of Significant Accounting Policies (Cont'd)

### Gifts In Kind

A gift in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

### Income Tax

As a charity, the company is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen in the company.

### 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 end of the reporting year 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.

### Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets 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:

Buildings	-	50 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.

### Leases

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.



## 2. Summary of Significant Accounting Policies (Cont'd)

### 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 end of the reporting year 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 statement of financial position 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 or 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 or loss are expensed immediately. The transactions are recorded at the trade date.

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 statement of financial activities: 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 or loss are recognised directly in the statement of financial activities. They are classified as non-current assets unless management intends to dispose of the asset 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.

# Notes to the Financial Statements

31 December 2009



## 2. Summary of Significant Accounting Policies (Cont'd)

### 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 or 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 statement of financial position 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 or 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 or 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.

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 or 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 current 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 instruments approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount of 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 differences at the end of the reporting 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 or by using an acceptable valuation technique. 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. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique. The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

### 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.



## 2. Summary of Significant Accounting Policies (Cont'd)

### 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 trade 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 trade accounts receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade 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 trade 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.

#### 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 \$3,009,952 (2008: \$3,369,460).

#### Buildings

The company has buildings stated at carrying value of \$12,707,032 (2008: \$12,860,670). 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

FRS 24 defines a related party as the trustees/office bearers (that is, Board members) and key management of the company. 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 other senior officers.

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

There were no related party transactions for the financial period ended 31 December 2009.



# Notes to the Financial Statements

31 December 2009

## 3. Related Party Transactions (Cont'd)

### 3.1. Key management compensation:

	2009 \$	2008 \$
Salaries and other short-term employee benefits	586,389	669,414

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

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

Number of key management in remuneration bands:

	2009 \$	2008 \$
\$200,001 - \$250,000	-	1
\$150,001 - \$200,000	2	1
\$100,001 - \$150,000	-	1
\$50,001 - \$100,000	3	1
Below or equal to \$50,000	-	1
	5	5

### 3.2. Board member compensation:

The board members do not receive any compensation from the company.

## 4. Clinical, Diagnostic Imaging and Laboratory Services Fees

	2009 \$	2008 \$
Treatment and X-ray fees	9,059,920	10,724,107
Income from worklife scheme	852,423	647,324
	9,912,343	11,371,431

## 5. Investment Income

	2009 \$	2008 \$
(Loss) / Profit on Disposal of Investment Securities	(2,663,950)	595,870
Fair Value Gain / (Loss) on Financial Assets	5,930,936	(7,604,516)
Interest income from Investment Securities	1,375,718	1,411,297
Dividend income	279,850	476,124
	4,922,554	(5,121,225)
Presented in statement of financial activities as:		
(Loss) / Profit on Disposal of Investment Securities	(2,663,950)	595,870
Fair Value Gain / (Loss) on Financial Assets	5,930,936	(7,604,516)
Interest and Dividend income from Investment Securities	1,655,568	1,887,421
Net	4,922,554	(5,121,225)



# Notes to the Financial Statements

31 December 2009

## 6. Incoming Resources from Charitable Activities – Operating Income

	2009 \$	2008 \$
Income from community outreach activities	113,065	485,410

## 7. Other Incoming Resources – Other Income

	2009 \$	2008 \$
Sundry income	18,045	4,110

## 8. Clinical, Diagnostic and Laboratory Expenses

	2009 \$	2008 \$
Clinical, diagnostic and laboratory supplies	2,080,151	2,206,187
Employee benefits expenses (Included in Note 12)	4,022,785	3,950,770
Depreciation expenses	840,083	792,561
Other expenses	123,548	184,948
	<u>7,066,567</u>	<u>7,134,466</u>

## 9. Resources Expended for Charitable Activities – Operating Expenses

	2009 \$	2008 \$
Employee benefits expenses (Included in Note 12)	582,962	733,296
Depreciation expenses	30,043	102,528
Rental expenses	30,291	30,716
Other expenses	341,231	839,420
	<u>984,527</u>	<u>1,705,960</u>

# Notes to the Financial Statements

31 December 2009



## 10. Administrative Expenses

	2009 \$	2008 \$
Employee benefits expenses (Included in Note 12)	2,260,874	2,429,041
Depreciation expenses	711,566	597,401
Rental expenses	452,167	510,683
Other expenses	1,677,336	1,332,983
	<u>5,101,943</u>	<u>4,870,108</u>

## 11. Other Credits / (Charges)

	2009 \$	2008 \$
Government grant income from jobs credit scheme	366,958	–
Allowance for impairment on trade receivables	(40,096)	–
Bad debts recovered	73,415	9,172
Foreign exchange adjustment loss	–	(9,715)
Loss on disposal of plant and equipment	(19,443)	(77,875)
Gain on disposal of property	–	2,620,644
Net	<u>380,834</u>	<u>2,542,226</u>
Presented in profit or loss as:		
Other Credits	440,373	2,629,816
Other Charges	(59,539)	(87,590)
Net	<u>380,834</u>	<u>2,542,226</u>

## 12. Employee Benefits Expenses

	2009 \$	2008 \$
Wages and salaries	6,119,154	6,321,595
Employer's contributions to defined contribution plan including Central Provident Fund	593,582	616,002
Other benefits	153,885	175,510
Total employee compensation	<u>6,866,621</u>	<u>7,113,107</u>

# Notes to the Financial Statements

31 December 2009

## 13. Property, Plant and Equipment

	Freehold land	Buildings	Furniture, fittings, office computer and clinic equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Cost:</b>					
At 1 January 2008	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
Additions	–	226,018	732,146	–	958,164
Disposals	–	–	(1,575,548)	–	(1,575,548)
Transfers	–	(74,100)	74,100	–	–
At 31 December 2009	–	17,475,933	10,892,559	1,049,008	29,417,500
<b>Accumulated depreciation:</b>					
At 1 January 2008	–	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
Charge for the year	–	305,556	1,146,093	130,043	1,581,692
Disposals	–	–	(1,555,887)	–	(1,555,887)
At 31 December 2009	–	4,768,901	7,882,607	640,896	13,292,404
<b>Net carrying amount:</b>					
At 1 January 2008	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
At 31 December 2009	–	12,707,032	3,009,952	408,112	16,125,096

- (a) In addition to freehold land above, the company also 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 company 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 RAP6) in the company'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.

# Notes to the Financial Statements

31 December 2009

## 14. Other Financial Assets, Current

			2009 \$	2008 \$
<b>Movements during the year:</b>				
Fair value at the beginning of the year			35,465,715	53,731,591
Additions			16,053,952	26,014,726
Disposals			(16,950,837)	(36,676,086)
Fair value adjustment			5,930,936	(7,604,516)
Interest receivables movement			81,285	–
Fair value at the end of the year			<u>40,581,051</u>	<u>35,465,715</u>
Balance is made up of:				
	2009 %	2008 %	2009 \$	2008 \$
Quoted equity shares in corporations at fair value through statement of financial activities:				
– China	1.28	1.83	517,962	647,946
– Hong Kong	2.58	3.50	1,046,032	1,242,655
– Singapore	15.18	17.75	6,158,820	6,295,990
	<u>19.04</u>	<u>23.08</u>	<u>7,722,814</u>	<u>8,186,591</u>
Quoted securities- Bonds in corporations at fair value through statement of financial activities:				
– Singapore	68.46	74.51	27,783,567	26,425,924
– Malaysia	2.50	2.41	1,015,639	853,200
– South Korea	10.00	–	4,059,031	–
	<u>80.96</u>	<u>76.92</u>	<u>32,858,237</u>	<u>27,279,124</u>
Total – Held for Trading	<u>100</u>	<u>100</u>	<u>40,581,051</u>	<u>35,465,715</u>

The rate of interest for the interest earning bond balances is between 2.0% and 6.0% (2008: 2.0% and 6.0%) per annum.

The quoted securities are based on market prices (level 1).

## 15. Inventories

	2009 \$	2008 \$
Drugs and medicines	<u>41,447</u>	<u>56,579</u>
Cost of inventories included in the Statement of Financial Activities as clinical, diagnostic and laboratory supplies (Note 8)	<u>102,722</u>	<u>108,030</u>



# Notes to the Financial Statements

31 December 2009

## 16. Trade Receivables, Current

	2009 \$	2008 \$
Trade Receivables	713,723	970,860
Less: Allowance for impairment	(91,413)	(124,732)
Total trade receivables	<u>622,310</u>	<u>846,128</u>

Movements in above allowances for impairment are as follows:

	2009 \$	2008 \$
<b>Allowance for impairment on trade receivables:</b>		
Balance at beginning of year	124,732	124,732
Reversed for trade receivables to Statement of Financial Activities in other credits/ (charges)	(33,319)	–
Balance at end of year	<u>91,413</u>	<u>124,732</u>

## 17. Other Assets, Current

	2009 \$	2008 \$
Deposits of secured services	78,338	46,100
Prepayments	42,046	48,913
	<u>120,384</u>	<u>95,013</u>

## 18. Cash and Cash Equivalents

	2009 \$	2008 \$
Not restricted in use	<u>20,733,050</u>	<u>21,936,463</u>

Included in the above cash and cash equivalents are the amounts of \$14,362,463 (2008: \$14,688,804) held by the investment manager.

The rates of interest for the cash on interest earning balances of \$14,362,463 (2008: \$14,688,804) is between 0.43% and 1.38% (2008: 0.50% and 1.38%) per annum.

## 19. Accumulated Fund

	2009 \$	2008 \$
Unrestricted accumulated fund	<u>76,356,872</u>	<u>73,658,877</u>
Ratio of Reserves to Annual Operating Expenditure (times)	<u>5.74</u>	<u>5.31</u>

The reserves of the company provide financial stability and the means for the development of the company's activities. The company intends to maintain the reserves at a level sufficient for its operating needs. The directors review the level of reserves regularly for the company's continuing obligations.

# Notes to the Financial Statements

31 December 2009



## 20. Trade and Other Payables, Current

	2009 \$	2008 \$
Payables for clinical, diagnostic imaging and laboratory supplies	565,087	404,322
Accrued expenditure	1,103,471	893,029
Deposits received	109,373	109,373
	<u>1,777,931</u>	<u>1,406,724</u>

## 21. Income Tax

The company's income is exempt from tax under section 13U(1) of the Singapore Income Tax Act, Cap. 134 subject to the conditions set out in that section.

## 22. Financial Instruments: Information on Financial Risks

### 22A. 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:

	2009 \$	2008 \$
<b>Financial assets:</b>		
Cash and cash equivalents	20,733,050	21,936,463
Financial assets at fair value through the statement of financial activities	40,581,051	35,465,715
Loan and receivables	622,310	846,128
At end of year	<u>61,936,411</u>	<u>58,248,306</u>
<b>Financial liabilities:</b>		
Trade and other payables at amortised cost	<u>1,777,931</u>	<u>1,406,724</u>

Further quantitative disclosures are included throughout these financial statements.

### 22B. Financial Risk Management

The company'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 company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial position.

Risk management is carried out under policies approved by the directors. The directors 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 company 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 company's Memorandum and Articles of Association and the guidelines set out by the Finance and Investment Committee of the Board.

### 22C. Fair value measurements recognised in the statement of financial position

22C.1. Fair value of financial instruments stated at amortised cost in the statement of financial position

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

The fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The levels are: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 22. Financial Instruments: Information on Financial Risks (Cont'd)

#### 22C. Fair value measurements recognised in the statement of financial position (Cont'd)

22C.1. Fair value of financial instruments stated at amortised cost in the statement of financial position (Cont'd)

The quantitative disclosures for the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements are disclosed below:

	Level 1 \$	Total \$
<b>At 31 December 2009:</b>		
<b>Financial assets at fair value through financial activities:</b>		
Quoted equity shares in corporations	7,722,814	7,722,814
Quoted bonds in corporations	32,858,237	32,858,237
Total	<u>40,581,051</u>	<u>40,581,051</u>
<b>At 31 December 2008:</b>		
<b>Financial assets at fair value through financial activities:</b>		
Quoted equity shares in corporations	8,186,591	8,186,591
Quoted bonds in corporations	27,279,124	27,279,124
Total	<u>35,465,715</u>	<u>35,465,715</u>

There were no significant transfers between Level 1 of the fair value hierarchy.

#### 22D. 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. 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 company has policies in place to ensure that credit risk is mitigated.

As is disclosed in Note 18 cash and cash equivalents balances represent short term deposits.

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 (2008: 30 days). But some customers take a longer period to settle the amounts.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	2009 \$	2008 \$
Trade receivables:		
31 – 60 days	93,924	190,660
61 – 90 days	30,254	193,924
91 – 180 days	33,343	167,723
Over 180 days	66,998	170,390
The total of overdue accounts was	<u>224,519</u>	<u>722,697</u>

# Notes to the Financial Statements

31 December 2009



## 22. Financial Instruments: Information on Financial Risks (Cont'd)

### 22D. Credit Risk on Financial Assets (Cont'd)

As at the date of the report, \$46,774 of the outstanding debts have been settled.

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

The allowance is based on individual accounts totalling \$91,413 (2008: \$124,732) that are determined to be impaired at the end of the reporting year. These are not secured.

### 22E. Liquidity Risk

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

	Trade and other payables \$
<b>2009:</b>	
Less than 1 year	1,777,931
	<b>Trade and other payables \$</b>
<b>2008:</b>	
Less than 1 year	1,406,724

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other payables are with short-term durations. Apart from the classification of the liabilities in the statement of financial position, no further analysis is deemed necessary.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. 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.

### 22F. Interest Rate Risks

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

	Less than 6 months \$	6 to 12 months \$	1 to 5 years \$	Over 5 years \$	Total \$
<b>2009</b>					
Cash and Cash Equivalents	20,733,050	–	–	–	20,733,050
Financial Assets at Fair Value	6,404,248	6,016,775	11,938,675	8,498,539	32,858,237
<b>2008</b>					
Cash and Cash Equivalents	21,936,463	–	–	–	21,936,463
Financial Assets at Fair Value	2,346,815	9,001,800	10,604,731	5,325,778	27,279,124



# Notes to the Financial Statements

31 December 2009

## 22. Financial Instruments: Information on Financial Risks (Cont'd)

### 22F. Interest Rate Risks (Cont'd)

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

	2009 \$	2008 \$
Sensitivity analysis:		
A hypothetical increase in interest rates by 50 basis points would have a positive effect on profit before tax of	266,100	244,628
A hypothetical increase in interest rates by 100 basis points would have a positive effect on profit before tax of	532,200	489,256

### 22G. Foreign Currency Risks

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

Analysis of amounts denominated in non-functional currencies:

	Financial Assets \$	Cash and cash equivalents \$	Total \$
<b>Financial assets:</b>			
<b>At 31 December 2009:</b>			
Hong Kong dollar	1,563,995	3,778	1,567,773
<b>At 31 December 2008:</b>			
Hong Kong dollar	1,819,351	11,331	1,830,682

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

### 22H. Financial Assets Price Risk

There are investments in quoted equity shares, bonds or similar instruments. As at end of the reporting year some equity shares and bonds were held in companies listed on stock exchanges including the Singapore Stock Exchange (see Note 14). As a result, such investments are exposed to both currency risk and changes in fair value risk. The fair values of those assets as at the end of the reporting year are disclosed in Notes 14.

Sensitivity analysis:

	2009 \$	2008 \$
A hypothetical 10% increase or decrease in the fair value of those equity shares would have an effect on profit before tax of	772,281	818,659
A hypothetical 10% increase or decrease in the fair value of those bonds would have an effect on profit before tax of	3,285,823	2,727,912

# Notes to the Financial Statements

31 December 2009



## 23. 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:

	2009 \$	2008 \$
Commitments to purchase of plant and equipment	–	149,681

## 24. 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:

	2009 \$	2008 \$
Not later than one financial year	435,442	427,902
Later than one financial year but not later than five financial years	691,821	67,120
Rental expenses for the year	468,118	526,649

Operating lease payments represent rentals payable by the company 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.

## 25. 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:

	2009 \$	2008 \$
Not later than one financial year	546,024	525,671
Later than one financial year but not later than five financial years	1,627,982	2,011,206
Later than five financial years	–	366,296
Rental income for the year	535,514	544,869

Operating lease income commitments are for certain healthcare centre. The lease rental income terms are negotiated for an average term of eight years and rental are subject to an escalation clause.

### 26. Changes and Adoption of Financial Reporting Standards

For the year ended 31 December 2009 the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Presentation of Financial Statements (Revised)
FRS 18	Revenue (Amendments)
FRS 23	Borrowing Costs (Amendments) (*)
FRS 32	Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments to FRS 32) (*)
FRS 27	Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (Amendments) (*)
FRS 102	Share-based Payment – Vesting Conditions and Cancellations (Amendments) (*)
FRS 103	Business Combinations and consecutive amendments in other FRSs (Revised) (*)
FRS 107	Financial Instruments: Disclosures (Amendments)
FRS 108	Operating Segments (*)
INT FRS 109	Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives (Amendments) (*)
INT FRS 113	Customer Loyalty Programs (*)
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (*)
INT FRS 117	Distributions of Non-cash Assets to Owners (*)
INT FRS 118	Transfers of Assets from Customers (*)

(\*) Not relevant to the entity.

### 27. Future Changes in Financial Reporting 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 is 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 27	Consolidated and Separate Financial Statements (Amendments) (*)	01.07.2009
FRS 38	Intangible Assets (Amendments) (*)	01.07.2009
FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Item (Amendments) (*)	01.07.2009
FRS 102	Share-based Payment (Amendments) (*)	01.07.2009
FRS 103	Business Combinations (Revised) (*)	01.07.2009
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendments) (*)	01.07.2009
INT FRS 109	Reassessment of Embedded Derivatives (Amendments) (*)	01.07.2009
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (Amendments) (*)	01.07.2009
INT FRS 117	Distributions of Non-cash Assets to Owners (*)	01.07.2009
INT FRS 118	Transfers of Assets from Customers (*)	01.07.2009

(\*) Not relevant to the entity.



## SATA CommHealth Medical Centres

### Bedok

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### Woodlands

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Woodlands Civic Centre Singapore 730900

### Ang Mo Kio

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### Jurong

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### Registered Office

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(Registration No. 194700119G)

### Mobile Medical Services

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