

## Lifelong Health for the Community

ANNUAL REPORT 2010



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## Vision

To be the leading charity for the advancement of lifelong health in the community.

## Mission

Promoting lifelong health, serving the community.

## Core Values

**C** ompassion  
**R** espect  
**E** xcellence  
**A** ccountability  
**T** eamwork  
**E** mpowerment

## Core Values

# C.R.E.A.T.E

### Compassion

We show care and concern for the health of the community, especially the sick and needy.



### Respect

We treat everyone with dignity, fairness and professionalism.



### Excellence

We pursue the highest standards of clinical and service quality.



## Accountability

We act with integrity and responsibility in delivering our commitments.



## Teamwork

We foster camaraderie and solidarity amongst our staff and our partners.



## Empowerment

We enable our patients to take ownership of their health and well-being.



## Chairman's Message



Our healthcare landscape has been evolving rapidly over the years, driven by changing disease patterns, population demographics and needs of the community. In keeping with the changes and dynamics of the healthcare environment, SATA CommHealth has evolved over the years to become a responsible community healthcare provider.

### Emerging Trends

One of the challenges facing SATA CommHealth is meeting the needs of the greying population. The healthcare needs of the elderly are complex and chronic. The elderly are often beset with multiple

the health and wellbeing of this nation. We are now looking at innovative ways of providing chronic disease management services within the integrated healthcare framework and in collaboration with restructured hospitals and general practitioners. This work will be expanded further in 2011.

Another area where we believe we can fill the gaps and make a positive contribution to our healthcare system is in home care services. This service is planned for the near future. It will be targeted to meet the needs of the disadvantaged, as it can be expensive and unaffordable to people in the low income strata. Our homecare services will also help these patients to

I believe the future is promising for SATA CommHealth. The challenges ahead of us will not deter us from the pursuit of higher goals to serve the community better in the coming years.

ailments, requiring a host of treatment modalities and drugs. They need long term care and also face socio-economic problems that affect their wellbeing.

Our response to the "silver tsunami" was to explore how best SATA CommHealth could offer solutions to meet their primary healthcare needs. As the elderly are in need of physiotherapy services, which are in short supply, we established Physiotherapy services at our Woodlands Medical Centre in May 2010. This service complements the services at our medical centres. Our physiotherapy services aim to enhance the quality of life of the elderly with improvements in their activities of daily living.

We have also identified chronic disease management as a potential area where we can make a positive contribution to

be discharged early from hospitals and be cared for in the community setting.

### Community Outreach

In keeping with our mission of promoting lifelong health and serving the community, we have stepped up efforts to raise awareness on healthy living. Since the beginning of 2010 we have started organising Community Health Days at our medical centres and these serve as useful vehicles for raising awareness on healthy living. Through the community health days, we also engage the community in preventive health by conducting basic health screening, chest X-rays, mammographies, eye tests, physiotherapy assessments and vaccinations. We have also stepped up our health education efforts through talks and other educational activities.

Our Doctors-On-Wheels programme which started about three years ago has been very successful in meeting the healthcare needs of the underprivileged elderly. As at the end of 2010, about 1,500 individuals from 23 centres islandwide have benefitted from this programme. We have made plans to expand this service in the coming years to serve more such elderly in the community and expand the number of centres.

We also target the young, in our community outreach efforts. One of our key efforts for the young is to inculcate healthy lifestyles and habits. We have focused on smoking prevention amongst the youth due to the increase in the number of young adult smokers. Our target programme with school children includes talks, workshops and camps to educate them on the dangers of smoking and helping them kick the habit.

While the threat of Tuberculosis (TB) has progressively diminished over the years, there has been a slight increase in the incidence of TB over the past few years, with globalisation and the influx of foreigners to our shores. This is an area of concern and we will continue to play an active role to eradicate TB in Singapore. SATA CommHealth recognises the contributions of foreigners to our economy and hence our moral obligation to provide medical assistance to them when diagnosed with TB. Apart from the moral imperative, there is also a greater need to ensure that these people who contract TB are identified and treated to prevent the spread of this disease in Singapore. In keeping with this philosophy, we have introduced free treatment for anyone (including resident foreigners) suspected of having TB since 2010. Our role as both an advocate as well as a medical service provider for tuberculosis has been very fruitful over the years. We consider this as our 'legacy programme', even though we have broadened our mission to address other healthcare issues in Singapore.

## Sound Governance

At SATA CommHealth, we give paramount importance to corporate governance and support the government's efforts to improve governance in the charity sector. We are committed to go beyond the minimum guidelines and have set higher internal benchmarks for the board and the organisation. For example, we have in recent years started an annual board retreat to ensure that our mission, vision, core values and strategies remain relevant. Another example is the annual board self-evaluation which provides an opportunity for board members to confidentially give their honest views about the effectiveness of the board. In our corporate governance report this year, we have also taken the unprecedented step of presenting the summary results of the board self-evaluation. This underscores our view that transparency and accountability should start from the very top.

As an extension of our focus on corporate governance, we have introduced clinical governance as a new framework within which to build our clinical quality systems. In our ongoing quest to achieve higher quality standards, we have strengthened our Quality Management team and have set higher goals internally on clinical outcomes and service standards.

As part of our board renewal process, we are continuously looking at renewing the talent pool within the Board and for receiving fresh inputs that will be valuable for SATA CommHealth's growth and development. We are happy to welcome Mr Alvin Lim who has joined us as a Director of the Board in June 2010. His considerable experience as a social entrepreneur and in community work will be valuable to SATA CommHealth.

## Meeting Challenges Ahead

The recent establishment of the S\$1 billion Community Silver Trust and the S\$10 million Senior's Mobility Fund by

the government is very encouraging for the VWO sector. These efforts by the government are very much welcomed, but the VWO sector particularly the healthcare organisations, face many challenges. While we are able to play a greater role in the healthcare arena, our efforts are often thwarted by the lack of manpower like doctors, nurses and allied health professionals. Although this problem is not unique to the VWO sector, it is particularly acute for VWOs as we find it hard to recruit and retain healthcare professionals critical to our operations. While different options have been explored by SATA CommHealth to solve this problem in the past, it is inevitable that we engage foreign talent at least as a short-term solution. We therefore need the government's support to resolve this shortage of healthcare professionals in the VWO sector.

In conclusion, 2010 was a rewarding and successful year for SATA CommHealth. I am particularly encouraged by the progress of the transformation process, which was set in motion in 2009 with our rebranding exercise. I am grateful to the Board members for their selfless and valuable contributions in the past year and for the strong support they have given to me. It is a privilege to work with a board and a management team which is constantly looking to do more for the needy in our society. On behalf of the Board, I would also like to thank the management and staff who have worked very hard in meeting the challenges of the past year, which resulted in better overall performance than the previous year. I believe the future is promising for SATA CommHealth. The challenges ahead of us will not deter us from the pursuit of higher goals to serve the community better in the coming years.



**A/Prof Mak Yuen Teen**  
*Chairman*

## Chief Executive Officer's Message



The past year was an interesting and fulfilling one for SATA CommHealth. In some ways, 2010 could be referred to as a 'watershed year' with a new vision, mission and core values to guide us for the coming years. Moreover, there were several initiatives put in place to reinvent SATA CommHealth and position us for the future.

With our ongoing transformation journey, we are now ready to work with our healthcare partners to explore new opportunities for collaboration and care integration. Through this transformation process and the winds of change blowing on us, we have become even stronger than before.

**Our new vision and mission give us a fresh mandate to do even more for the community and also the impetus to be innovative and creative in the delivery of our services.**

### Transformation

Our transformation journey began in April 2009 when we changed our name to 'SATA CommHealth' to better reflect our commitment to serve the community with a broader range of healthcare services. Encapsulated in this name change is the aspiration to be a leading charity which cares for the community. At the close of 2010, we were indeed happy to be on track with our journey of transformation.

We will be guided by our mission of "Promoting Lifelong Health, Serving the Community" to seek out new opportunities of meeting the healthcare needs of the community, particularly to serve the needy and underprivileged. While we have embarked on new avenues of serving their needs with the introduction of

Physiotherapy in 2010, we also made plans for expansion of our chronic disease management programme and the introduction of Home Care services in 2011. These services will be a boon to the ageing population.

### New Vision, Mission and Core Values

The change of vision and mission in 2010 was timely and propelled us to seek higher goals in meeting our commitment to promote lifelong health and serving the community. The initial challenge was to align the organisation with the new vision and mission and galvanise the energies of the organisation towards this new direction.

Our new core values of Compassion, Respect, Excellence, Accountability, Teamwork and Empowerment will give us the fortitude to create a robust organisation, focused on community health.

### Partnerships

As many hands are better than one, we will continue to partner like-minded organisations and leverage on their collective strengths and expertise to extend our outreach activities. This strategy will enable us to work more effectively and grow our services at a faster pace to benefit the community at large.

In the past year, we made a concerted effort to establish more partnerships with organisations that shared our interest in improving the health and wellbeing

of the community. The response was heartening as many organisations including government agencies, ethnic, religious and social organisations, schools, institutions of higher learning and the private sector warmly welcomed our calls for collaboration. Our collaborations were aimed at ultimately helping the economically and socially disadvantaged.

Our partnerships also extend beyond the ambit of community work. The SATA CommHealth Research Grant which was started in 2009 is an example of this. The research grants were set up to support advances in medical science and evidence-based medicine, particularly in the area of tuberculosis. In line with our new mission, we have extended the scope of the research grants to also cover lifelong health. Two research grants totaling \$157,000 were approved in the year. Furthermore, we collaborated with Ngee Ann Polytechnic on a research project to develop an algorithm for detecting tuberculosis from X-Ray images.

### Quality and Processes

Our quality systems and processes are customer centric and we always have our patients at heart in our continuous improvement efforts. During the year, we made several improvements to our systems and processes, in an effort to enhance effectiveness while achieving cost efficiencies. One of our major initiatives in the year was the setting up of a Quality Management Department. This department was tasked to systematically review our quality systems and implement the clinical governance framework to further enhance our quality infrastructure. Our customer surveys and monitoring of feedbacks have become an integral part of our customer satisfaction programme. We have also begun monitoring our key processes and waiting times. These efforts have enabled us to make continuous improvements to our processes and operating systems.

We have embarked on ISO 9001:2008 to further strengthen our quality framework. The ISO certification would provide us with a strong foundation to improve our quality standards.

### Operational Excellence

Our new clinic management system (iMCS) was launched in 2010 and made our operations more nimble and almost paperless. A new electronic medical record system was also incorporated into our new clinic management system. The implementation of this new system was challenging, with our staff having to face many teething problems. However, their perseverance and diligence helped us overcome these short-term difficulties.

Our new homegrown clinic management system soon became the nexus of our operations and provided us the ability to link up with other organisations for effective partnerships. At the national level, SATA CommHealth has been invited to be part of the Ministry of Health's pilot Electronic Medical Records network, which aims to link up healthcare providers nationwide. As a further enhancement of our operations, we began improving the physical facilities and ambience of our medical centres in 2010. In October 2010, we completed a major facelift of our Jurong medical centre. Apart from upgrading the interior and exterior of this medical centre, this project also incorporated many design features to improve workflows and processes.

### Moving Forward

We see increasing opportunities for VWOs like ourselves to make bigger contributions to the healthcare arena of the future. The recent initiatives by the government for care integration and enhancing healthcare standards create new opportunities for SATA CommHealth to contribute even more for the community's health.

Our achievements in 2010 are in no small measure due to the tireless and

passionate work of our staff and the management team. I therefore wish to thank each and everyone of them for their contributions in the past year. I would also like to thank our Board of Directors for their inspiration, guidance and support.

Our new vision and mission give us a fresh mandate to do even more for the community and also the impetus to be innovative and creative in the delivery of our services.

We are excited about the opportunities that lie ahead of us and look forward to serving the community with more vigour in the coming years.



**Dr K Thomas Abraham**  
CEO

## Board of Directors



Mrs Grace Lim  
*Vice Chairman*



A/P Mak Yuen Teen  
*Chairman*



A/P Ho Yew Kee  
*Director*



Mr George Abraham  
*Director*



Mr Robert Chew  
*Director*



Mr Michael Anthony Palmer  
*Director*



Dr Tan Chi Chiu  
*Director*



Mr Ang Hao Yao  
*Director*



Mr Wong Chak Weng  
*Director*



Dr Tan Tiong Har  
*Director*



Mr Alvin Lim Choon Tee  
*Director*

# Corporate Governance

## Commitment to Good 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 has 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, including those recommended by the Code of Governance for Charities and Institutions of a Public Character (IPCs). These corporate governance guidelines, which provide the standards that the Board aspires to, were reviewed and updated in 2009, and will be reviewed again in light of the release of the refined Code of Governance for Charities and IPCs in January 2011. The intent of the Board is to follow the spirit,

and not just the letter of these guidelines. 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.

## 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, technology, social enterprise and community-related experience and that they bring on board a degree of diversity of viewpoints, 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. After the 2010 AGM, the Board met to formalise the process for the re-appointment and appointment of the office bearers as well as the Chairmen and members of the Board committees.

The current composition of the Board, the profile of the directors and the number of board meetings attended by each, are shown in the table below:

## Composition of the Board

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 51) Chairman	Ph.D, MCom, B.Com (Hons), FCPA	26.07.2002	25.06.2009	7/7	<ul style="list-style-type: none"> <li>Associate Professor, National University of Singapore</li> <li>Director, National Kidney Foundation Ltd</li> <li>Member, Charity Council</li> </ul>
Mrs Grace Lim (Aged 55) Vice Chairman	FCCA	27.07.2000	25.06.2009	6/7	<ul style="list-style-type: none"> <li>Vice President, Customer Experience, American International Assurance Co Ltd</li> </ul>

Director	Qualifications	Date First Appointed	Date of Last Election of Directors	Attendance at Board Meetings 2009	Key Directorships & Appointments
Mr George Abraham (Aged 62)	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	5/7	<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 47)	Dip BS (Ngee Ann); B.EC (Hons), M.Ec (Monash); MSIA, PhD (Carnegie Mellon); FCPA (Australia); CFA (US), CPA Singapore	26.03.2004	24.06.2010	7/7	<ul style="list-style-type: none"> <li>Vice Dean, NUS Business School</li> <li>Chairman, Audit Committee, St Luke's Hospital and St Luke's Eldercare</li> <li>Vice President (Education), and 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> <li>Member, Ngee Ann Polytechnic Council</li> <li>Director, Social Innovation Park</li> </ul>
Mr Robert Chew (Aged 53)	MSc (Hons) Computer Science, University of Auckland, New Zealand; B.Acc (Hons) Accountancy National University of Singapore	26.03.2004	24.06.2010	2/7	<ul style="list-style-type: none"> <li>Retired</li> <li>Chairman, National IT Standards Committee</li> <li>Board Member, Alexandra Health Pte Ltd</li> <li>Board Member, Integrated Health Information Systems Pte Ltd</li> <li>Council Member, Kwong Wai Shiu Hospital</li> <li>Board Member, National Council of Social Service</li> <li>Managing Partner, Stream Global Pte Ltd</li> <li>Board Member, TOUCH Community Services Limited,</li> <li>Board Member, Lien Centre for Social Innovation (SMU)</li> <li>Board Member, OpenNet Pte Ltd</li> <li>Vice Chairman, Dover Park Hospice</li> <li>Council Member, Singapore Hospice Council</li> </ul>

## Corporate Governance

Director	Qualifications	Date First Appointed	Date of Last Election of Directors	Attendance at Board Meetings 2009	Key Directorships & Appointments
Mr Michael Anthony Palmer (Aged 42)	LLB (Hons)	17.11.2005	24.06.2010	4/7	<ul style="list-style-type: none"> <li>Partner, Harry Elias Partnership LLC</li> <li>Member of Parliament, Pasir Ris-Punggol GRC</li> <li>Advisor, North East Community Development Council</li> <li>Member, One People.sg</li> <li>Committee member, Sports Sub-Committee, Singapore Totalisator Board</li> <li>Member, Board of Directors, Halogen Foundation (Singapore)</li> </ul>
Mr Ang Hao Yao (Aged 38)	Bsc Mathematics, Bsc Economics. MBA. Finance and Investment Chartered Financial Analyst (CFA)	06.07.2007	25.06.2009	6/7	<ul style="list-style-type: none"> <li>Director, Trader Investment Pte Ltd</li> <li>Member, Corporate Governance Committee, Securities Investors Association (Singapore)</li> <li>Executive Committee member, Singapore Jian Chuan Tai Chi Chuan Physical Culture Association</li> </ul>
Mr Wong Chak Weng (Aged 57)	LLB (Hons)	26.06.2008	24.06.2010	4/7	<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>Joint Company Secretary of Lutheran Community Care Services Ltd</li> </ul>
Dr Tan Chi Chiu (Aged 51)	MBBS (Singapore) MMed (Internal Medicine) MRCP (UK) MRCP (Ireland) FRCP (Edinburgh) FRCP (London) FAMS (Gastroenterology) Advanced Management Program (Harvard Business School)	25.06.2009	25.06.2009	6/7	<ul style="list-style-type: none"> <li>Managing Director Gastroenterology &amp; Medicine International Pte Ltd</li> <li>Council Member, Singapore Medical Council</li> <li>Chairman, Lien Centre for Social Innovation at SMU</li> <li>Director, National Youth Achievement Awards</li> </ul>
Dr Tan Tiong Har (Aged 66)	MBBS(Monash ) MRCP(UK) FRCP(Edinburgh) FAMS	28.01.2010	24.06.2010	5/6	<ul style="list-style-type: none"> <li>Director, T H Tan Medical and Chest Clinic</li> </ul>
Mr Alvin Lim Choon Tee (Aged 49)	Degree in Business Administration (RMIT)	24.06.2010	24.06.2010	2/3	<ul style="list-style-type: none"> <li>District Councillor, North East Community Development Council</li> <li>Chairman, NE CDC CARE Committee</li> <li>Chairman, NE ComCare Local Network</li> <li>Board Member, Singapore Corporation of Rehabilitative Enterprises (SCORE)</li> </ul>

## 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 (CEO). Initiation of new activities, review or cessation of existing activities, major collaborations and significant transactions, require the approval of the Board. The Board also reviews and approves the annual budget prepared by management.

The Board also approves key performance indicators for the CEO and participates in the evaluation and determination of salary adjustments and performance bonus for the CEO. This process is led by the Board Chairman and the Chairman of the Human Resource Committee.

## 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 have 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 in person 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 them for re-appointment.

Directors are expected to avoid actual and perceived conflicts of interest. Where directors have personal interests in 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.

## Board Meetings

The Board met seven times during the financial year ended 31 December 2010 on the following dates:

- 28 January 2010
- 18 March 2010
- 13 May 2010
- 24 June 2010
- 15 July 2010
- 16 September 2010
- 11 November 2010

To ensure maximum participation, a schedule of Board meetings was provided to the directors at the end of the previous year. As and when needed, the Board may also hold additional meetings. In addition, each year, the Board and the CEO participate in a strategy retreat to review the vision, mission and strategies of SATA CommHealth and progress in achieving them. In 2010, the retreat was held on 15 January 2011.

## 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 in 2009. This handbook was approved and adopted by the Board. 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 in discharging its responsibilities. Additional information may be requested from the management as and when the need arises.

# Corporate Governance

## Board Evaluation

The Board implemented Board Evaluation about two years ago to actively examine board performance, in order to find ways to improve its effectiveness. This evaluation process provided Board members the opportunity to engage in self-reflection and provide the necessary feedback for improvements. This exercise is conducted annually and has been delegated to the

Governance and Nominating Committee. The Board Evaluation requires the directors to give their personal feedback on a survey comprising 25 questions. In 2010 the overall score (which is the mean of all the 25 individual scores) was 4.32 on a scale of 5 (with 5 being very satisfied), which was a 7.5% improvement over the previous year. The Board has noted the areas for potential improvement and will take the necessary steps to further improve its effectiveness.

## 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.

All committees have written terms of reference which were approved by the

## Board Committees

Committee	Name	Designation	Number of Meetings Attended
Investment and Finance	Mr Ang Hao Yao	Chairman	4/4
	A/P Ho Yew Kee	Member	4/4
	Mr Robert Chew	Member	1/4
	Mr Foong Hock Meng	Member	4/4
	Mr Stanley Sia	Member	1/4
	Mrs Grace Lim	Member (since July 2010)	1/2
Audit	A/P Ho Yew Kee	Chairman	4/4
	A/P Mak Yuen Teen	Member	3/4
	Mr Ang Hao Yao	Member	4/4
	Mr Wong Chak Weng	Member	3/4
Governance and Nominating	Mr Wong Chak Weng	Chairman	1/1
	Mr Robert Chew	Member	0/1
	Mr Ang Hao Yao	Member	1/1
	Mr Michael Anthony Palmer	Member	1/1
	Mr George Abraham	Member (since July 2010)	-
Human Resource	Mrs Grace Lim	Chairman (since June 2010)	2/3
	A/P Mak Yuen Teen	Member	2/3
	Mr Ang Hao Yao	Member (since July 2010)	1/1
	Mr George Abraham	Member	2/3
	Dr Tan Chi Chiu	Member	3/3
Medical	Dr Tan Chi Chiu	Chairman	2/2
	A/P Chee Swee Guan, Thomas	Member	2/2
	Dr Tan Tiong Har	Member	1/2
	Dr Chee Bin Eng, Cynthia	Member	2/2
	Dr Thirugnanam Agasthian	Member	2/2
	Dr Lee Yeong Shyan	Member (since July 2010)	-
	Dr Ian Leong	Member (since July 2010)	-
Community Services	A/P Mak Yuen Teen	Chairman	4/4
	A/P Ho Yew Kee	Member	3/4
	Mr Koh Bee Chye	Member	1/4
	Mr Ang Hao Yao	Member	4/4
	Dr Chee Bin Eng, Cynthia	Member	3/4
	Mr Alvin Lim	Member (since July 2010)	1/2

### Note:

#### Investment & Finance Committee:

Mrs Grace Lim joined as member in July 2010.

#### Governance & Nominating Committee:

Mr George Abraham joined as member in July 2010.

#### Human Resource Committee:

Mr George Abraham stepped down as Chairman in July 2010 and Mrs Grace Lim was appointed as Chairman. Dr Tan Tiong Har stepped down in July 2010. Mr Ang Hao Yao joined as member in July 2010.

#### Medical Committee:

Dr Cheah Foong Koon retired as member in March 2010. Dr Ian Leong and Dr Lee Yeong Shyan joined as members in July 2010.

#### Community Services Committee:

Mr Alvin Lim joined as member in July 2010.

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. 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 committees.

These committees meet as and when necessary. Minutes of committee meetings are provided to the Board. The table on page 14 shows the Board Committees, their membership and attendance at committee meetings in 2010.

In addition to the above standing committees, an ad-hoc Tender Committee was formed when necessary to oversee the award of tenders. The Chairman and members of this committee were selected separately for each ad-hoc committee. During 2010, there were a total of 3 Tender Committee meetings.

## 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 and guidelines in the charity sector and with SATA CommHealth's corporate governance guidelines. In this respect, the GNC also has oversight over SATA CommHealth's Whistle-blowing and Conflict of Interest policies. During 2010, the GNC had one formal meeting and conducted several discussions via electronic mail.

The committee oversees the appointment and re-appointment of Board members. The GNC made recommendations to the Board on board renewal as part of its nominating role. It made a recommendation to the Board to recruit a new board member who has a social enterprise and community service background. The recommendation of the GNC was accepted by the Board and subsequently Mr Alvin Lim was invited to join the Board.

The GNC continued to review the Governance Evaluation Checklist for charities and IPCs in 2010, which was then approved by the board before submission. It also reported on the findings of the Board Evaluation exercise, which is meant to provide an assessment of the board's effectiveness.

### Audit Committee

The Audit Committee (AC) is responsible for reviewing the scope and work of the internal and the statutory auditors as well as assessing the adequacy of internal controls. The committee was also tasked with the evaluation and recommendation for appointment of the internal and statutory auditors. Ernst & Young continued to carry out the internal audits for the year, while RSM Chio Lim was the statutory auditor.

The following areas were covered by the internal audits during 2010:

- Integrated Medical Centre System (iMCS) Post-Implementation Review
- Fixed Assets Management
- IT General Controls
- Revenue, Accounts Receivable and Collection
- Cash Management
- Follow up on External Audit

The key objectives of the audit programme are to strengthen internal controls and financial management so as 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 four times in 2010, during which it reviewed the reports of the internal auditors. Several enhancements to the systems and processes recommended by the internal auditors were accepted by the committee for adoption and implementation.

The committee also reviewed the audit plan of the statutory auditor and the audited financial statements before recommending them to the Board for approval. Recommendations by the external auditor on improvement of systems, processes and controls were discussed and reviewed by the committee.

The committee also had separate sessions with the internal and external auditors in the absence of the management.

### Community Services Committee

The Community Services Committee (CSC) assists the Board of SATA CommHealth to fulfill 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 to support the needy, elderly and disadvantaged in the community.

The Committee met four times in the year 2010. The following were the major activities undertaken under the guidance of the CSC in 2010:

- Reviewed the viability and effectiveness of programmes carried out in 2009 and the plans for 2010.
- Conducted dialogue with ethnic, religious and community-based partners to better understand the healthcare needs of their members. This was followed by plans to implement more impactful and sustainable health screening services under a partnership framework.

## Corporate Governance

- Staged three Community Health Day events at SATA CommHealth's Ang Mo Kio, Woodlands and Bedok Medical Centres to promote lifelong health in the heartlands. The Community Health Days comprised health screening and health education to the communities. The range of free health checks included chest X-rays, blood pressure, blood glucose, cholesterol tests, mammographies, eye tests and physiotherapy assessments.
- The new Physiotherapy service at Woodlands Medical Centre was officially opened by the Northwest District Mayor, Dr Teo Ho Pin on 1st August 2010 during the Community Health Day held at the centre.
- Supported SINDA in their 'Ready For School' and CDAC in their 'Back To School' carnivals by rendering free health checks for parents of needy students.
- The inaugural 'SATA-SINDA Health Day' was held to promote X-rays and mammographies especially for single mothers experiencing financial hardships.
- 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 received a total of \$300-\$450 worth of grocery vouchers each when they completed their treatment.
- Served about 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.
- Expanded the scope of activities for the SATA-HPB TB Awareness Programme to include TB Awareness talks for the aged and caregivers, broadcast TB messages in the leading English and

Chinese TV channels. This programme also included publicity in the major newspapers and radio stations to reach out to English, Chinese, Malay and Tamil audiences during the World TB Day week in March.

- Awarded a total of \$157,000 under the 2010 SATA Research Grants Programme to support researchers at the National University of Singapore and Tan Tock Seng Hospitals to undertake research studies on tuberculosis and lifelong health.
- Formalised the extension of free healthcare services to needy students in schools. The needy students were given SATA CommHealth's 'Healthy Life Card' to receive free medical care at our medical centres.
- Collaborated with Ngee Ann Polytechnic School of Engineering on a research project to develop an algorithm for computer aided detection of tuberculosis from chest X-rays. This project would benefit radiologists in helping them to detect and report on tuberculosis.

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

### Human Resource Committee

The Human Resource Committee (HRC) met three times in 2010 and continues to work closely with the management to review general staff matters, key appointments and the approval of the Annual Increment and Variable Performance Bonus for management and staff.

As a follow up from 2009's study to make improvements on the HR front, the management and the HRC focused on the following areas in 2010:

After more refinements based on feedback and reviews, the enhanced performance appraisal process

was fully implemented in 2010. The implementation of the new system was well accepted and welcomed by the staff.

The training roadmap for staff was designed and completed, providing our staff with opportunities for self-development and to prepare them for future career growth.

- Level 1 - Core programmes to equip staff to perform their duties
- Level 2 - Skills and competency enhancement programmes
- Level 3 - Development programmes

In an effort to align staff performance rewards with the annual performance appraisal and financial year, the timing of awarding the annual increments was moved from July to January. The timing of the variable performance bonus payments remained unchanged.

SATA CommHealth continues to look at innovative ways to recognise and reward our staff for their performance and contributions to the organisation. A new policy to recognise and reward long serving staff was put into place. The pecuniary benefits for long service were improved.

To improve employee communication, regular town hall meetings were held and circulars on corporate updates were sent to all staff. In addition, more staff engagement activities were organised to allow staff from various centres to mingle and build greater camaraderie whilst improving overall productivity.

The HRC continues to work with management towards increasing quality recruitment to support SATA CommHealth's mission to provide lifelong health to our community.

### 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 four times during 2010, spending considerable time reviewing the budget, financial performance as well as the investment performance of the organisation. The committee also conducted a selection exercise for a fund manager to manage SATA CommHealth's investment portfolio as the current 3-year mandate expires in 2011.

Along with the improved business environment in 2010, the investment performance was profitable. The total unrealised gain in the fair valuation of the investment amounted to \$2.4 million. Dividends and interest earned was \$1.77 million and rental income was \$0.5 million through the rental of the SATA CommHealth HQ premises at Bedok. At the close of financial year 2010, the investment portfolio grew to \$58.9 million from \$54.9 million in the previous year. 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 provides a stable income base.

During the year, the board approved an Investment Policy Statement ("IPS") which lays out our investment objectives, strategies, asset allocation plans, allowable and prohibited transactions, as well as reporting and oversight procedures. The IPS assists the board, IFC and management to make investment related decisions in a prudent manner. SATA also signed a separate Investment Management Agreement ("IMA") with our external fund manager which incorporates the IPS as well as any additional investment criteria imposed by the IFC.

### **Medical Committee**

The Medical Committee provides advice to the SATA CommHealth Management and Board on medical standards and practices within the organisation. The committee comprises specialist doctors in fields such as radiology, respiratory

medicine, geriatrics, gastroenterology and general medicine.

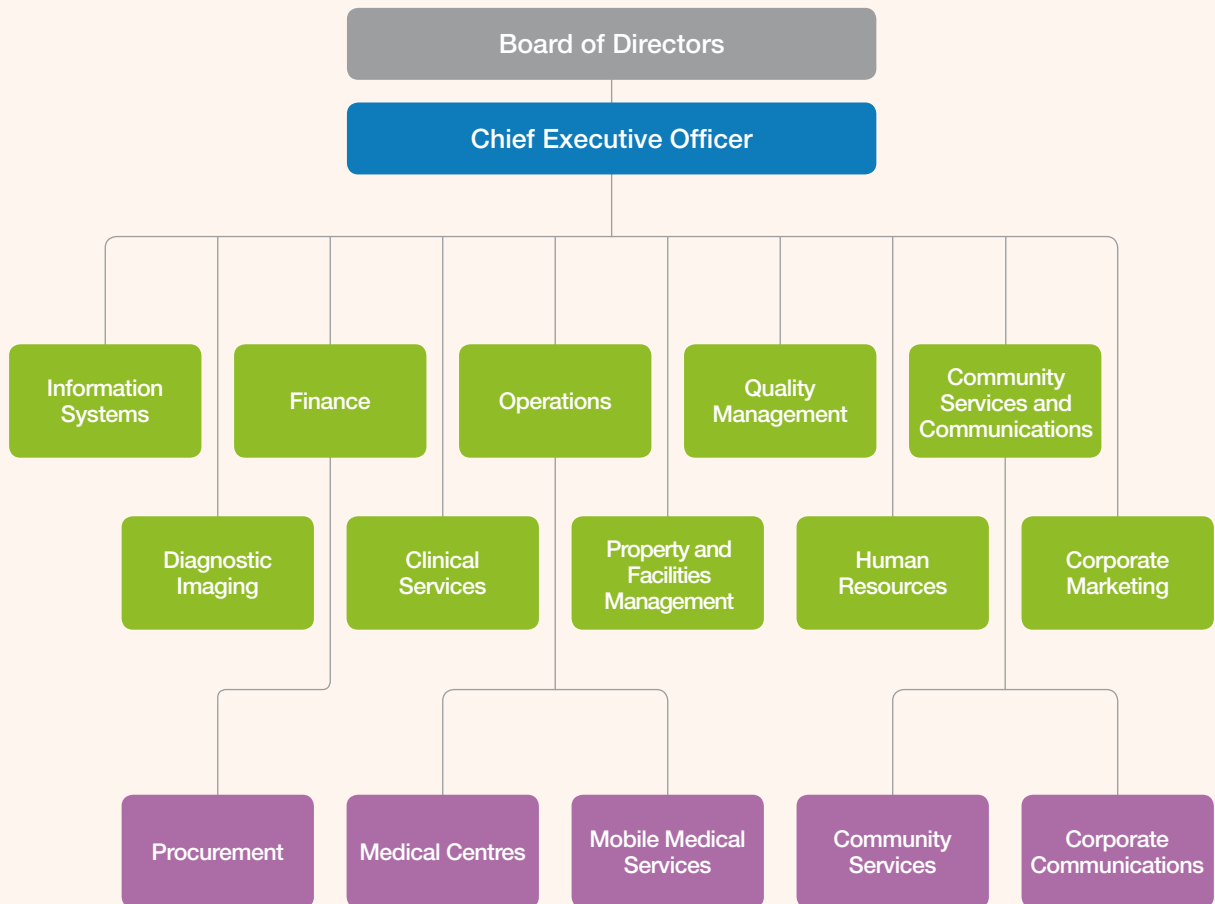
The committee met twice in 2010. During these meetings, all clinical incident reports and feedback were reviewed. The committee reviewed the findings and gaps identified from the incident reports and feedback received, and made recommendations on how to further improve clinical quality. Under the guidance of the committee the second invitation for research grants was initiated and two grants were recommended to be disbursed for 2010.

SATA CommHealth was able to significantly reduce its incident reports and negative feedbacks in the year. This was achieved through heightened surveillance and audits throughout the year for both clinical and service quality. A new clinical governance framework was also put in place to guide further improvements in clinical quality and to harmonise all the quality improvement efforts of SATA CommHealth. The organisation also embarked on ISO 9001:2008 certification to strengthen its quality infrastructure.

### **Looking Ahead**

SATA CommHealth is fully committed to the continuous improvement of its corporate governance to ensure the right values are set from the very top, improve its long-term performance, manage its risks effectively, and be accountable to stakeholders. The Board, together with SATA CommHealth's management and staff, will continue to review and improve SATA CommHealth's corporate governance practices, learning and adapting from the most appropriate best practices. This will enable SATA CommHealth to forge stronger bonds and trust with all stakeholders, while it continues to serve the community with its new vision and mission.

# Organisation Chart



# Management Team



**Dr K Thomas Abraham**  
*Chief Executive Officer*



**Ms Natalie Lim**  
*Manager*  
*Human Resources*



**Mr Myca Tan**  
*Director*  
*Community Services*  
*& Communications*



**Ms Graziella Menezes**  
*Manager*  
*Corporate Marketing*



**Mr Eddie Tan**  
*Senior Manager*  
*Finance*



**Mr Collin Tan**  
*Manager*  
*Diagnostic Imaging*



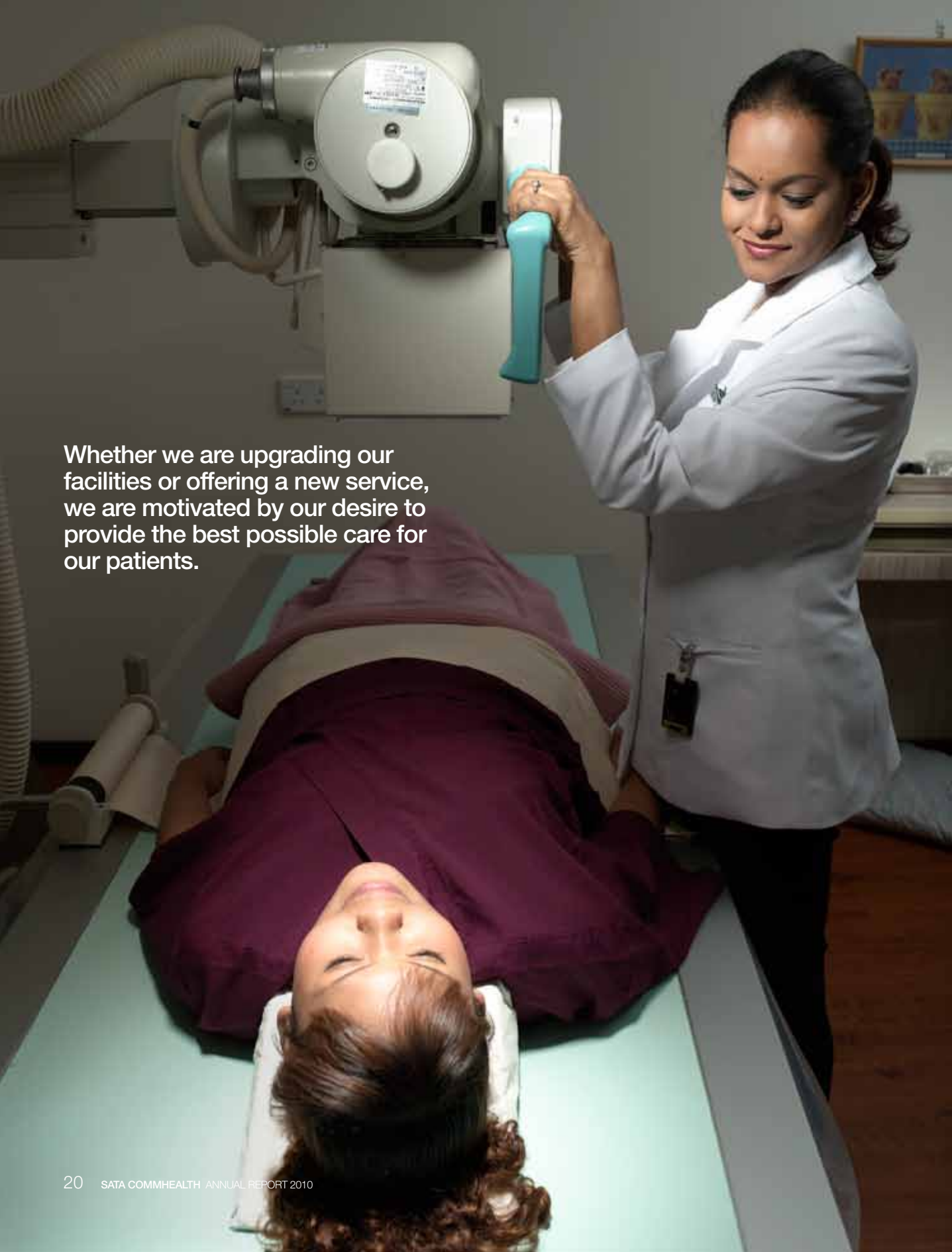
**Ms Seet Kuen Noi**  
*Manager*  
*Operations*



**Mr Chong Ah Lek**  
*Manager*  
*Information Systems*



**Mr Edmund Lee**  
*Manager*  
*Property & Facilities*  
*Management*



Whether we are upgrading our facilities or offering a new service, we are motivated by our desire to provide the best possible care for our patients.

# Operations

## Facilities and Services

At SATA CommHealth, we provide a wide range of affordable healthcare services, such as health screening, general outpatient, specialist consultation and diagnostic imaging services to the community.

Our medical centres are strategically located in the heartlands at Ang Mo Kio, Bedok, Jurong and Woodlands. We began a systematic effort to upgrade our medical centres in 2010. Our upgrading programme incorporates the addition of new facilities, improved workflows and new equipment to enhance our services and throughput in the future. This is in line with our rebranding and productivity enhancement strategy. We started our upgrading project at our Jurong Medical Centre in February 2010. As the operations at our Jurong Medical Centre could not be interrupted during the renovations, it was a slow process and the project was finally completed in about eight months. The renovations resulted in a more patient-friendly environment and the ambience was also enhanced with new décor and lighting. The improved facilities included a new counselling room and lounge for

patients who come for health screenings and consultations. We also created an additional consultation room and a new office space to cater for growth. Many other features were added to enhance the workflow and productivity of the centre.

In May 2010, we added a new service – Physiotherapy, to serve the community better at our Woodlands Medical Centre. This new service was officially launched on 1st August 2010 by Dr Teo Ho Pin, Mayor of the North West District and Member of Parliament for Bukit Panjang. While this new service is targeted at residents of northern Singapore (around the Woodlands and Sembawang region), we want to serve the needy and elderly in the area as an extension of our community services. Our physiotherapy services include mobility, pain management, post-surgical rehabilitation, caregiver training and a wellness programme for the elderly. We have extended operating hours for this service, to accord greater convenience to our clientele.

Since its inception in 1947 as Singapore Anti-Tuberculosis Association, we are committed to the cause of eradicating tuberculosis in Singapore with our

detection and treatment programmes. This commitment lives on, despite the low incidence of TB over the years, and is manifested in our provision of free or subsidised treatment for people who contracted tuberculosis. Since April 2010 we have extended the granting of free treatment to all resident foreigners from the point they are suspected of contracting tuberculosis. This is in keeping with our belief that we have a moral obligation to take care of our foreigners who are contributing to the Singapore economy. Moreover, this would also help prevent the spread of this disease in Singapore. Our patients on tuberculosis treatment are reviewed by a respiratory physician during their treatment. Since last year, we have engaged two respiratory physicians to conduct monthly sessions at our Ang Mo Kio Medical Centre. These visiting consultants provide a valuable service to our tuberculosis programme by ensuring that our patients receive a high standard of medical care.

Besides visiting consultants in the area of respiratory medicine, we also have visiting consultants in cardiology to support our health screening and chronic disease management programmes.



SATA Jurong Medical Centre



SATA Bedok Medical Centre



SATA Ang Mo Kio Medical Centre



SATA Woodlands Medical Centre

# Operations

Two cardiologists make weekly visits to our medical centres to review and conduct stress treadmill tests and echocardiography examinations.

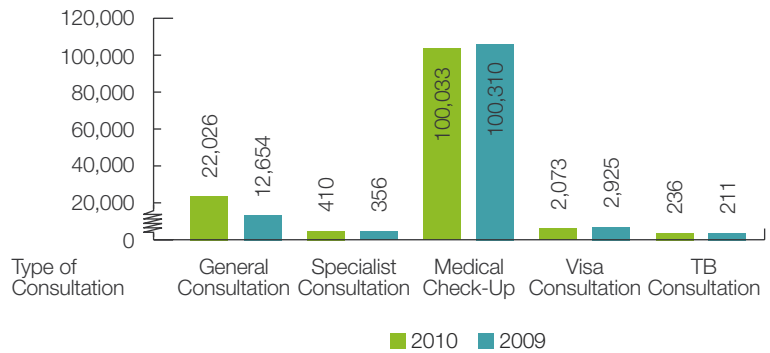
During the year, SATA CommHealth delivered a myriad of primary care services to the community, including diagnostic imaging, laboratory testing and physiotherapy services.

We worked closely with other healthcare organisations to provide health screening as part of our preventive healthcare services. Vaccinations and immunisations also formed an important part of our preventive health services. Vaccinations help to prevent infections such as Influenza, H1N1, Hepatitis A & B and Typhoid.

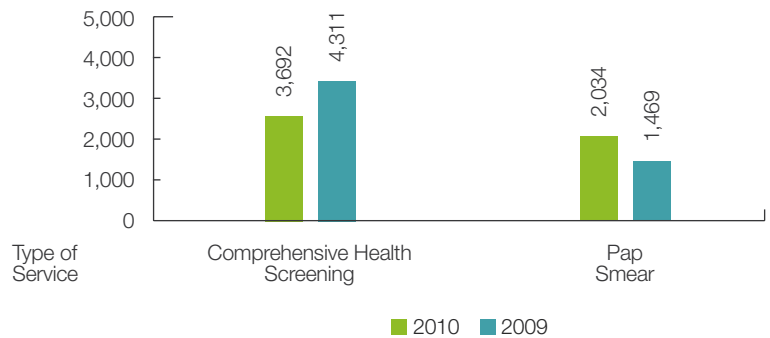


Consultation

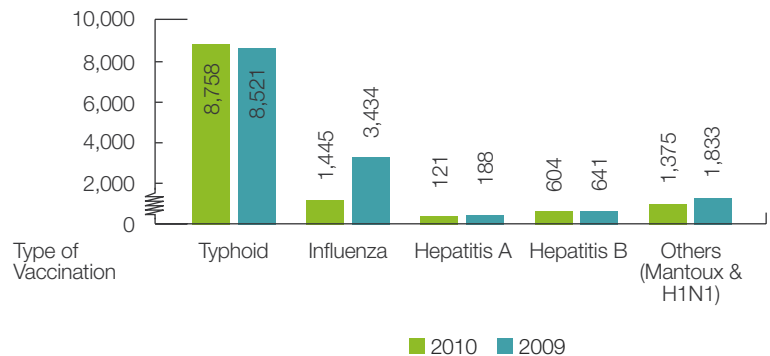
Type and Volume of Consultations: 2010 vs 2009



Volume for Health Screening and Pap Smear Services: 2010 vs 2009



Type and Volume of Vaccinations: 2010 vs 2009



## Diagnostic Imaging

Our Diagnostic Imaging services help doctors in their diagnosis and treatment of medical conditions. We offer a range of diagnostic imaging services including digital x-ray, ultrasound, mammography and fluoroscopy services. As our diagnostic imaging services are digitised and equipped with Picture Archiving and Communications System (PACS), we are able to achieve fast turnaround times and decentralise radiologist reporting services for our customers. Our radiographers observe strict radiation safety protocols and imaging standards to deliver a high quality service. We have two radiologists who supervise fluoroscopy and intravenous urography procedures, while reporting on the images taken at our centres and mobile services.

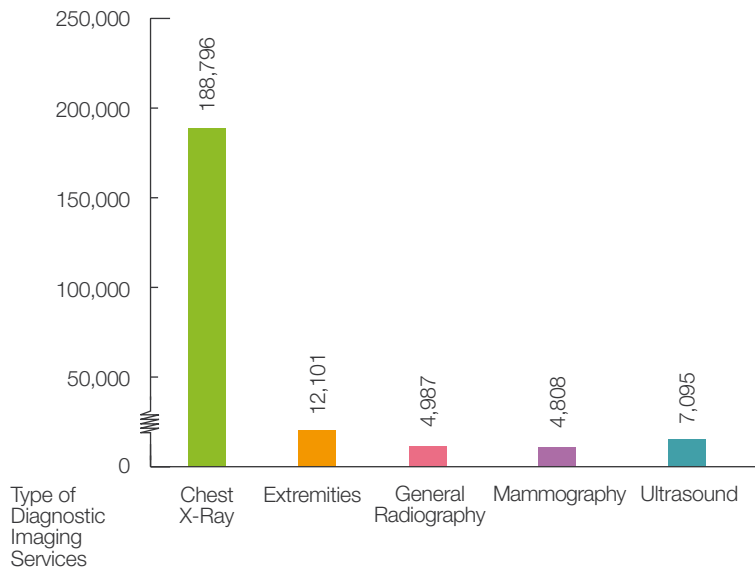


## Integrated Medical Centre System (iMCS)

As part of our productivity enhancement and quality improvement efforts, we upgraded our clinic management system with the new Integrated Medical Centre System (iMCS) in 2010. This new system made our operations almost paperless with electronic medical records and by integrating all our operations under one platform. This project had a gestation period of about 14 months before going live at the end of 2009. With the electronic medical records and integration of our laboratory, diagnostic imaging and financial systems, we were able to achieve a more seamless operation. This new platform also provides us the capacity to expand our services and collaborate with other healthcare partners in the future.

The implementation of the new system was not without difficulties. These were resolved smoothly with the timely action of our team and the vendor. The system provides us with the capability to monitor our processes and workflows better and thereby increase the efficiency of our operations. The iMCS was also implemented on our mobile services

### Type and Volume of Diagnostic Imaging Services in 2010



## Operations

vehicles. Our administrative processes and patient waiting times were improved after implementing this new system.

After the implementation was completed in early 2010, several enhancements were made to the iMCS to further enhance our operations. In the coming year, we will be looking into further enhancements and including a management dashboard to monitor our key performance indicators and our operations.

### Quality Infrastructure

We have established a new Quality Management Department to focus on continuous quality improvements and raise our quality standards. This effort was complemented with the adoption of a clinical governance framework and the pursuit of ISO 9001:2008 certification.

The clinical governance framework will provide a robust clinical quality infrastructure, with a six-component model adapted from Scally and Donaldson (1998). The six components are clinical audit, clinical effectiveness, research and development, education and training, openness and risk management. With this framework put into place in 2010, we began a journey with a holistic approach to clinical quality enhancements. This journey is expected to raise our clinical quality standards to that of a best in class community healthcare provider.

Our quality improvement efforts will be buttressed with our quest to achieve ISO 9001:2008 certification by late 2011. We set our sights on ISO 9001:2008 in late 2010. The ISO framework would strengthen our quality foundations and improve our quality standards. The ISO journey will encompass a systematic approach to documentation and redesigning our processes to achieve our quality goals.

### Financial Performance

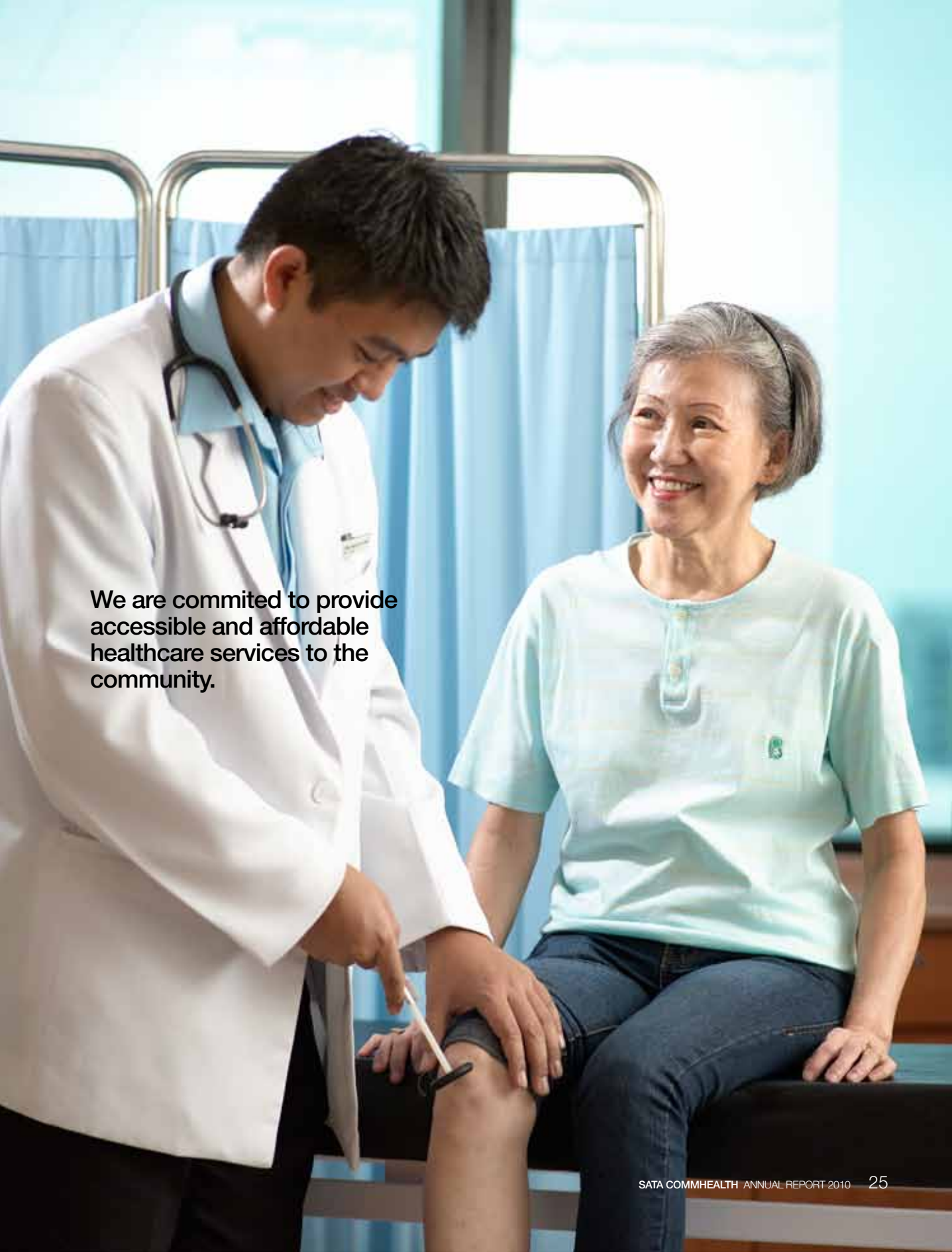


The overall financial performance of SATA CommHealth has two main components. One of which is the investment of our accumulated reserves and the other is the revenue generated from our medical centre operations.

The financial performance of our medical centres showed a recovery from the economic downturn of 2008/09. The overall revenue performance of the medical centres improved from \$9.9 million in 2009 to \$10.8 million in 2010. This increased revenue included a disgorgement amount of \$842,354 received from one of the individuals who was convicted in

court for unauthorised trading of SATA CommHealth's investment portfolio under a fund manager in previous years.

Due to rising labour costs, increased IT costs due to the implementation of the iMCS and the discontinuation of jobs credit, operations incurred a loss of \$2 million despite the growth in revenues of about \$1 million over the previous year. However, our investment portfolio grew from \$54.9 million to \$58.9 million in 2010. Overall, 2010 ended with a net surplus of \$1.5 million compared to a net surplus of \$2.7 million in 2009.



**We are committed to provide accessible and affordable healthcare services to the community.**

## Community Services

SATA CommHealth adopts a multi-pronged approach to meet the healthcare needs of the different segments of our society. To ensure that we reach the underprivileged and economically disadvantaged, we combine social enterprise with charity in our organisation. We believe that this model is sustainable and will position us well to serve the community.

During the year, we organised three Community Health Day events at our Ang Mo Kio, Woodlands and Bedok Medical Centres to raise awareness on the importance of healthy living. Close to 900 individuals received free health checks, covering chest X-rays, blood pressure checks, blood glucose and cholesterol tests, mammographies, eye tests and physiotherapy assessments.

As a community-based institution, we work hand in hand with religious, ethnic and other organisations to reach out to the community. One of the new partnerships forged during the year was with the Loyang Tua Pek Kong Temple. From August 2010, we began offering free health checks at the temple for devotees and visitors on weekends. By the end of 2010, more than 700 people had benefitted from these health screenings rendered by us at the temple site.

SATA CommHealth also collaborated with the Darma Muneeswaran Temple in the latter's Annual Health Fair in October 2010 to render free chest X-rays and subsidised mammographies to the needy as well as the general public.

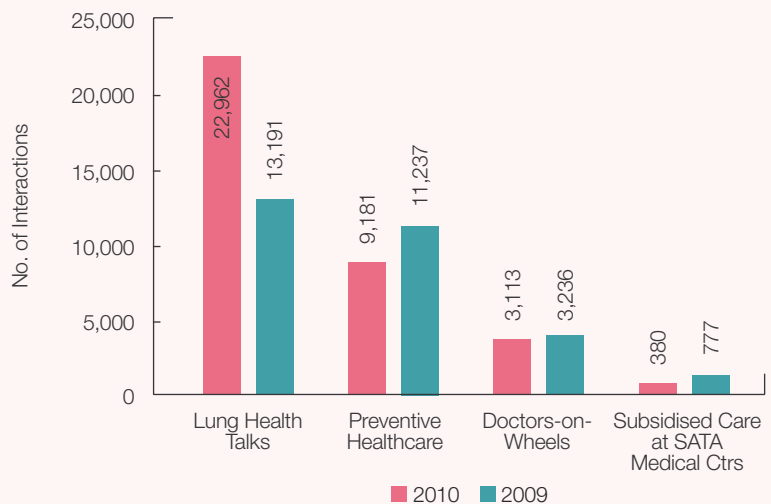
At the inaugural SATA-SINDA Health Day in October 2010, more than 50 single mothers attended health talks and received free health screening including mammography on our Mammo-on-Wheels bus.

SATA CommHealth also collaborated with the Singapore Indian Development Association (SINDA) and the Chinese Development Assistance Council (CDAC) to provide free or subsidised health



On-site Health Screening at Partner's Location

### Interactions with Beneficiaries of Community Services: 2010 vs 2009



screenings for the parents of needy students who received free textbooks, uniforms, shoes and bursaries from these organisations. Almost 500 people received free health checks at the annual SINDA's 'Ready For School' and CDAC's 'Back To School' carnivals in 2010.

### Public Education and Research

Prevention is better than cure, and SATA CommHealth recognises the importance of educating the community on healthcare issues. Our comprehensive Lung Health Programme imparts practical skills and knowledge to youths on staying smoke-free. During the year, we held anti-smoking talks, 'Take Charge' smoking-intervention workshops to help under-aged smokers kick their smoking habit, as well as the Chopstick Camp – an interactive camp that educates youths to avoid smoking. Almost 23,000 students attended at least one of the three programmes in 2010.

While the incidence of TB in Singapore is relatively low, we remain vigilant to prevent an outbreak of the disease and emergence of resistant strains due to the high human traffic into Singapore. The SATA CommHealth - Health Promotion Board TB Awareness Programme was targeted at selected at-risk groups on the detection, prevention and treatment of TB.

In addition to educating and rendering healthcare services to the community to promote lifelong health, SATA CommHealth also actively participated in healthcare research. The SATA CommHealth Research Grant which was started in 2009 continues to fund research on tuberculosis and lifelong health.

In 2010, researchers from Tan Tock Seng Hospital and National University Hospital separately received a total funding of S\$157,000 from SATA CommHealth to undertake TB-related research. Since the establishment of this Research Grant, about S\$200,000 has been channelled to fund research projects in healthcare.

### Outreach

At SATA CommHealth, we strive to reach out to as many people as possible. To serve the elderly needy who do not have access to basic healthcare services, our Doctors-on-Wheels (DOW) team is on hand to render this service. Our medical centres provide subsidised or free services to the disadvantaged and needy.

A geriatric doctor and a team of nurses provide on-site healthcare services to the elderly frail and immobile through the DOW service. Our beneficiaries include senior activity centres, family service centres,



neighbourhood links, voluntary welfare organisations (VWOs) and charitable homes for the aged and disabled. The DOW services, which include doctor consultation and treatment are provided

free of charge or at highly subsidised rates. The common conditions treated are geriatric problems and chronic diseases. In 2010 about 1,500 individuals at 23 centres have benefitted from this service. There are plans to expand the reach of the DOW services through new partnerships. We will also be recruiting more medical and healthcare personnel to expand the DOW's capacity to serve more individuals.

### Looking Ahead

Promoting lifelong health in the community and actualising our mission can be a daunting task but as it entails helping the needy and disadvantaged, our programmes and activities have become all the more satisfying and interesting.

At SATA CommHealth, we strive to promote lifelong health by adapting our range of services to address the healthcare needs at different stages of life. We will continue to engage different stakeholders, such as government agencies, VWOs, special interest groups, community, religious and ethnic-based organisations and corporations, to establish synergistic collaborations to improve lifelong health in the community.

The need for home care service is increasing quite rapidly, with an aging population and limited number of providers in the community. SATA CommHealth is therefore looking at starting this service to benefit the lower income group in the community.

Over the next few years, we intend to seek out opportunities to fill the gaps in our healthcare system and reach out to the underserved. This will greatly enhance our contributions to the national healthcare plan to establish a world-class healthcare system. In response to the ageing population, we will expand our chronic disease management services and also work with the government agencies to explore opportunities for establishing community health centres.

# 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 2010.

## 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)
Mr George Abraham	
Mr Ang Hao Yao	
Mr Robert Chew	
Associate Professor Ho Yew Kee	
Mr. Alvin Lim Choon Tee	
Mr Michael Anthony Palmer	
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



Associate Professor Mak Yuen Teen  
Chairman



Mr Ang Hao Yao  
Director

12 May 2011

## Statement by Directors

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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 2010 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 Behalf of the Directors



Associate Professor Mak Yuen Teen  
Chairman



Mr Ang Hao Yao  
Director

12 May 2011

# Independent Auditors' Report

to the Members of SATA COMMHEALTH

## Report on the Financial Statements

We have audited the accompanying financial statements of SATA COMMHEALTH (the "Company") which comprise the statement of financial position as at 31 December 2010, and the statement of financial activities, statement of changes in accumulated fund and statement of cash flows 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 of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for 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.

## Independent Auditor's 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions 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 2010 and the results, changes in accumulated fund and cash flows of the company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.



RSM Chio Lim LLP  
Public Accountants and  
Certified Public Accountants  
Singapore

12 May 2011

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

# Statement of Financial Activities

Year Ended 31 December 2010

	Notes	2010 \$	2009 \$
<b>INCOMING RESOURCES</b>			
<b>Incoming Resources from Generated Funds</b>			
Clinical, Diagnostic Imaging and Laboratory Services Fees	4	10,012,865	9,912,343
Voluntary Income - Donations		57,853	55,122
Rental Income	24	546,024	535,514
Interest and Dividend Income from Investment Securities	5	1,769,624	1,655,568
<b>Incoming Resources from Charitable Activities - Operating Income</b>			
Income from Community Outreach Activities	6	222,979	113,065
<b>Other Incoming Resources</b>			
Other Income	7	3,521	18,045
Other Credits	11	946,967	440,373
<b>TOTAL INCOMING RESOURCES</b>		<b>13,559,833</b>	<b>12,730,030</b>
<b>RESOURCES EXPENDED:</b>			
<b>Cost of Generating Funds</b>			
Clinical, Diagnostic and Laboratory Expenses	8	7,241,842	7,066,567
Investment Management Fees		104,497	86,445
<b>Resources Expended for Charitable Activities</b>			
Operating Expenses	9	645,397	984,527
<b>Other Operating and Administrative Expenses</b>			
Administrative Expenses	10	6,204,116	5,101,943
<b>Other Resources Expended</b>			
Other Charges	11	233,817	59,539
<b>TOTAL RESOURCES EXPENDED</b>		<b>14,429,669</b>	<b>13,299,021</b>
<b>Net Deficit before Other Recognised Gains/(Losses)</b>		<b>(869,836)</b>	<b>(568,991)</b>
<b>Other Recognised Gains/(Losses)</b>			
Profit / (Loss) on Disposal of Investment Securities	5	1,487,249	(2,663,950)
Fair Value Gain on Financial Assets	5	911,972	5,930,936
		<b>2,399,221</b>	<b>3,266,986</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>1,529,385</b>	<b>2,697,995</b>

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

# Statement of Financial Position

As at 31 December 2010

	Notes	2010 \$	(Restated) 2009 \$	(Restated) 2008 \$
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	13	15,811,729	16,775,096	17,418,285
<b>Total Non-Current Assets</b>		<b>15,811,729</b>	<b>16,775,096</b>	<b>17,418,285</b>
<b>Current Assets</b>				
Other Financial Assets	14	56,355,177	40,581,051	35,465,715
Inventories	15	30,966	41,447	56,579
Trade and Other Receivables	16	1,009,762	622,310	846,128
Other Assets	17	99,298	120,384	95,013
Cash and Cash Equivalents	18	7,594,082	20,733,050	21,936,463
<b>Total Current Assets</b>		<b>65,089,285</b>	<b>62,098,242</b>	<b>58,399,898</b>
<b>Total Assets</b>		<b>80,901,014</b>	<b>78,873,338</b>	<b>75,818,183</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Fund</b>				
Accumulated Fund	19	78,536,257	77,006,872	74,308,877
<b>Total Fund</b>		<b>78,536,257</b>	<b>77,006,872</b>	<b>74,308,877</b>
<b>Current Liabilities</b>				
Deferred Revenue		376,898	88,535	102,582
Trade and Other Payables	20	1,987,859	1,777,931	1,406,724
<b>Total Current Liabilities</b>		<b>2,364,757</b>	<b>1,866,466</b>	<b>1,509,306</b>
<b>Total Fund and Liabilities</b>		<b>80,901,014</b>	<b>78,873,338</b>	<b>75,818,183</b>

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

# Statement of Changes in Accumulated Fund

Year Ended 31 December 2010

	<b>Accumulated Fund \$</b>
<b>Current Year:</b>	
Opening Balance at 1 January 2010 - Restated	77,006,872
<b>Movements in Fund:</b>	
Surplus for the Year	1,529,385
<b>Closing Balance at 31 December 2010</b>	<u>78,536,257</u>
<b>Previous Year:</b>	
Opening Balance at 1 January 2009	73,658,877
Restatement to account for the cost of freehold land (Notes 13 and 27)	650,000
Opening Balance at 1 January 2009 - Restated	74,308,877
<b>Movements in Fund:</b>	
Surplus for the Year	2,697,995
<b>Closing Balance at 31 December 2009 - Restated</b>	<u>77,006,872</u>

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

# Statement of Cash Flows

Year Ended 31 December 2010

	2010 \$	2009 \$
<b>Cash Flows From Operating Activities</b>		
Surplus for the Year	1,529,385	2,697,995
Depreciation of Property, Plant and Equipment	1,512,509	1,581,692
(Profit) / Loss on Disposal of Investment Securities	(1,487,249)	2,663,950
Fair Value Gain on Investment Securities	(911,972)	(5,930,936)
Loss on Disposal of Plant and Equipment	15,313	19,443
Interest Income	(1,260,982)	(1,375,718)
Dividend Income	(508,642)	(279,850)
Operating Cash Flows Before Changes in Working Capital	<u>(1,111,638)</u>	<u>(623,424)</u>
Inventories	10,481	15,132
Trade and Other Receivables	(387,452)	223,818
Other Assets	21,086	(25,371)
Trade and Other Payables	209,928	371,207
Deferred Revenue	288,363	(14,047)
Net Cash Flows Used in Operating Activities	<u>(969,232)</u>	<u>(52,685)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of Plant And Equipment	(564,616)	(958,164)
Proceeds from Disposal of Plant And Equipment	161	218
Disposals of Investment Securities	28,214,347	14,286,887
Purchase of Investment Securities	(41,583,603)	(16,053,952)
Interest Received	1,255,333	1,294,433
Dividends Received	508,642	279,850
Net Cash Used in Financing Activities	<u>(12,169,736)</u>	<u>(1,150,728)</u>
Net Decrease in Cash and Cash Equivalents	(13,138,968)	(1,203,413)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	20,733,050	21,936,463
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 18)</b>	<u>7,594,082</u>	<u>20,733,050</u>

*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.

The board of directors approved and authorised these financial statements for issue on 12 May 2011.

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 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”) and all related Interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council and 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. 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 recommendation 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 year. 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) 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.

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

### (ii) 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.

### (iii) 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.

### 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.

### 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 statement of financial activities except when recognised in other comprehensive income and if applicable deferred in equity such as for 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
Freehold land	-	Not depreciated

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

### Property, Plant and Equipment (Cont'd)

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 except for the revalued items as described below. 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.

During the year the useful life of certain assets were revised. As a result of this review, the estimated useful lives of certain assets have been reduced from "10 years to 5 years". The change in estimates increased the depreciation charge for the year by \$46,350.

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.

### Operating 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.

### 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.

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

### 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 statement of financial activities 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 statement of financial activities 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 statement of financial activities 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.
- #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 end of the reporting year date there were no financial assets classified in this category.
- #4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

### Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the cash flow statement the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

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

### 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 and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. 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 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 statement of financial activities: As at end of the reporting year 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 borrowings are usually 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 plant and equipment at the end of the reporting year affected by the assumption is \$2,365,621 (2009: \$3,009,952).

#### Buildings

The company has buildings stated at carrying value of \$12,515,041 (2009:\$12,707,032). 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. 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 during the year.

#### 3.1. Key management compensation:

	2010 \$	2009 \$
Salaries and other short-term employee benefits	655,579	586,389

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:

	2010 \$	2009 \$
\$200,001 - \$250,000	–	–
\$150,001 - \$200,000	2	2
\$100,001 - \$150,000	1	–
\$50,001 - \$100,000	2	3
Below or equal to \$50,000	–	–
	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

	2010 \$	2009 \$
Treatment and X-ray fees	9,391,822	9,059,920
Income from worklife scheme	621,043	852,423
	10,012,865	9,912,343

**5. Investment Income**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Profit / (loss) on disposal of investment securities	1,487,249	(2,663,950)
Fair value gain on financial assets	911,972	5,930,936
Interest income from investment securities	1,260,982	1,375,718
Dividend income	508,642	279,850
	<hr/> 4,168,845	<hr/> 4,922,554
Presented in statement of financial activities as:		
Profit / (loss) on disposal of investment securities	1,487,249	(2,663,950)
Fair value gain on investment securities	911,972	5,930,936
Interest and dividend income from investment securities	1,769,624	1,655,568
	<hr/> 4,168,845	<hr/> 4,922,554
Net		

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Income from community outreach activities	222,979	113,065

**7. Other Incoming Resources – Other Income**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Sundry income	3,521	18,045

**8. Clinical, Diagnostic and Laboratory Expenses**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Clinical, diagnostic and laboratory supplies	2,142,542	2,080,151
Employee benefits expenses (included in Note 12)	4,279,247	4,022,785
Depreciation expenses	692,247	840,083
Other expenses	127,806	123,548
	<hr/> 7,241,842	<hr/> 7,066,567

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expenses (included in Note 12)	282,317	582,962
Depreciation expenses	19,180	30,043
Rental expenses	31,671	30,291
Other expenses	312,229	341,231
	<hr/>	<hr/>
	645,397	984,527

**10. Administrative Expenses**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Employee benefits expenses (included in Note 12)	2,764,172	2,260,874
Depreciation expenses	801,082	711,566
Rental expenses	538,967	452,167
Other expenses	2,099,895	1,677,336
	<hr/>	<hr/>
	6,204,116	5,101,943

**11. Other Credits / (Charges)**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Government grant income from jobs credit scheme	72,067	366,958
Allowance for impairment on trade receivables	(211,124)	(40,096)
Bad debts recovered	32,546	73,415
Recovery from previous fund manager	842,354	–
Loss on disposal of plant and equipment	(15,313)	(19,443)
Reimbursement on government paid leave	(7,380)	–
	<hr/>	<hr/>
Net	713,150	380,834
	<hr/>	<hr/>
Presented in statement of financial activities as:		
Other Credits	946,967	440,373
Other Charges	(233,817)	(59,539)
	<hr/>	<hr/>
Net	713,150	380,834

**12. Employee Benefits Expenses**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	6,476,046	6,119,154
Employer's contributions to defined contribution plan including Central Provident Fund	676,884	593,582
Other benefits	172,806	153,885
	<hr/>	<hr/>
Total employee compensation	7,325,736	6,866,621

## 13. Property, Plant and Equipment

	Freehold land (Note A) \$	Buildings \$	Furniture, fittings, office computer and clinic equipment \$	Motor Vehicles \$	Total \$
Cost or valuation:					
At 1 January 2009	–	17,324,015	11,661,861	1,049,008	30,034,884
Restatement (Note A)	650,000	–	–	–	650,000
At 1 January 2009 – As restated	650,000	17,324,015	11,661,861	1,049,008	30,684,884
Additions	–	226,018	732,146	–	958,164
Disposals	–	–	(1,575,548)	–	(1,575,548)
Transfers	–	(74,100)	74,100	–	–
At 31 December 2009 – As restated	650,000	17,475,933	10,892,559	1,049,008	30,067,500
Additions	–	232,605	332,011	–	564,616
Disposals	–	–	(3,282,251)	–	(3,282,251)
At 31 December 2010	650,000	17,708,538	7,942,319	1,049,008	27,349,865
Accumulated depreciation:					
At 1 January 2009	–	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
Charge for the year	–	424,596	960,868	127,045	1,512,509
Disposals	–	–	(3,266,777)	–	(3,266,777)
At 31 December 2010	–	5,193,497	5,576,698	767,941	11,538,136
Net carrying amount:					
At 1 January 2009 – As restated	650,000	12,860,670	3,369,460	538,155	17,418,285
At 31 December 2009 – As restated	650,000	12,707,032	3,009,952	408,112	16,775,096
At 31 December 2010	650,000	12,515,041	2,365,621	281,067	15,811,729

## Note A

The company holds freehold land situated on 351 Chai Chee Street Singapore 468982 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. During the year, the company has engaged an independent Senior Lecturer from National University of Singapore to estimate the freehold land's value in 1954. The valuation is estimated based on private residential property index provided by the Real Estate Developers' Association of Singapore (REDAS) covering the period from 1960 to 2007 and the freehold land valuation at 31 December 2007.

Based on the independent estimate, management has estimated that the value of the freehold land in 1954 to be approximately \$650,000. Accordingly, the company has as permitted by RAP6 made a prior year adjustment to include the cost of the freehold land in the company's financial statements and increase the company's accumulated fund by the same amount.

**14. Other Financial Assets, Current**

			2010 \$	2009 \$
Movements during the year:				
Fair value at the beginning of the year			40,581,051	35,465,715
Additions			41,583,603	16,053,952
Disposals			(26,727,098)	(16,950,837)
Fair value adjustment			911,972	5,930,936
Interest receivables movement			5,649	81,285
			<hr/>	<hr/>
Fair value at the end of the year			56,355,177	40,581,051
			<hr/>	<hr/>
Balance is made up of:				
	2010	2009		
	%	%		
Quoted equity shares in corporations at fair value through statement of financial activities:				
– China*	8.71	1.28	4,907,205	517,962
– Hong Kong*	2.50	2.58	1,404,803	1,046,032
– Philippines*	0.66	–	371,656	–
– Singapore*	24.12	15.18	13,588,700	6,158,820
	<hr/>	<hr/>	<hr/>	<hr/>
	35.99	19.04	20,272,364	7,722,814
	<hr/>	<hr/>	<hr/>	<hr/>
Quoted securities- Bonds in corporations at fair value through statement of financial activities:				
– Singapore*	55.84	68.46	31,471,141	27,783,567
– Malaysia*	1.91	2.50	1,076,607	1,015,639
– South Korea*	6.26	10.00	3,535,065	4,059,031
	<hr/>	<hr/>	<hr/>	<hr/>
	64.01	80.96	36,082,813	32,858,237
	<hr/>	<hr/>	<hr/>	<hr/>
Total – Held for Trading	100	100	56,355,177	40,581,051
	<hr/>	<hr/>	<hr/>	<hr/>

\* – countries of the corporations.

The rate of interest for the interest earning bond balances is between 1.18% to 6.0% (2009: 2.0% to 6.0%) per annum.

The fair value of quoted equity shares and quoted debt securities are determined based on market prices (level 1).

**15. Inventories**

	2010 \$	2009 \$
Drugs and medicines	30,966	41,447
	<hr/>	<hr/>
Cost of inventories included in the Statement of Financial Activities as clinical, diagnostic and laboratory supplies	160,294	102,722
	<hr/>	<hr/>

**16. Trade and Other Receivables, Current**

	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Trade receivables	1,278,522	713,723
Less: Allowance for impairment	(268,760)	(91,413)
Total trade receivables	<u>1,009,762</u>	<u>622,310</u>

Movements in above allowances for impairment are as follows:

	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Allowance for impairment on trade receivables:		
Balance at beginning of the year	91,413	124,732
Additions	211,124	40,096
Reversed for trade receivables recovered to statement of financial activities in other credits	(32,546)	(73,415)
Bad debts written off	(1,231)	-
Balance at end of the year	<u>268,760</u>	<u>91,413</u>

**17. Other Assets, Current**

	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Deposits of secured services	99,298	78,338
Prepayments	-	42,046
	<u>99,298</u>	<u>120,384</u>

**18. Cash and Cash Equivalents**

	<b>2010</b> <b>\$</b>	<b>2009</b> <b>\$</b>
Not restricted in use	<u>7,594,082</u>	<u>20,733,050</u>

Included in the above cash and cash equivalents are the amounts of \$2,624,695 (2009: \$14,362,463) held by the investment manager.

The rates of interest for the cash on interest earning balances of \$2,624,695 (2009: \$14,362,463) is between 0.25% and 0.42% (2009: 0.43% and 1.38%) per annum.

**19. Accumulated Fund**

	2010 \$	(Restated) 2009 \$	(Restated) 2008 \$
Unrestricted accumulated fund	78,536,257	77,006,872	74,308,877
Ratio of Reserves to Annual Operating Expenditure (times)	5.44	5.79	5.36

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.

**20. Trade and Other Payables**

	2010 \$	2009 \$
Payables for clinical, diagnostic imaging and laboratory supplies	684,899	565,087
Accrued expenditure	1,193,587	1,103,471
Deposits received	109,373	109,373
	1,987,859	1,777,931

**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:

	2010 \$	2009 \$
Financial assets:		
Cash and cash equivalents	7,594,082	20,733,050
Financial assets at fair value through the statement of financial activities	56,355,177	40,581,051
Trade and other receivables	1,009,762	622,310
At end of year	64,959,021	61,936,411
Financial liabilities:		
Trade and other payables at amortised cost	1,987,859	1,777,931

Further quantitative disclosures are included throughout these financial statements.

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

### 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 an independent fund manager ("IFM") of acceptable rating to manage its investments. IFM'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 Investment and Finance 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).

All the investments are at level 1.

### 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 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 counter-parties' 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 (2009: 30 days). But some customers take a longer period to settle the amounts.

**22. Financial Instruments: Information on Financial Risks (Cont'd)****22D. Credit Risk on Financial Assets (Cont'd)**

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

	2010 \$	2009 \$
Trade receivables:		
31 – 60 days	110,286	93,924
61 – 90 days	75,839	30,254
91 – 180 days	75,159	33,343
Over 180 days	246,684	66,998
	<hr/>	<hr/>
The total of overdue accounts was	507,968	224,519

As at the date of the report, \$48,548 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 \$ 268,760 (2009: \$91,413) that are determined to be impaired at the end of the year (Note 16). These are not secured.

**22E. Liquidity Risk**

All the liabilities are due within a year.

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. The average credit period taken to settle trade payables is about 30 days (2009: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

**22F. Interest Rate Risk**

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 \$
2010					
Cash and Cash Equivalents	7,594,082	–	–	–	7,594,082
Financial Assets at Fair Value	5,388,176	2,043,700	12,663,275	15,987,662	36,082,813
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2009					
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

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

**22. Financial Instruments: Information on Financial Risks (Cont'd)****22F. Interest Rate Risk (Cont'd)**

	2010 \$	2009 \$
Sensitivity analysis:		
A hypothetical increase in interest rates by 50 basis points would have a positive effect on surplus of	218,384	267,956
A hypothetical increase in interest rates by 100 basis points would have a positive effect on surplus of	436,768	535,912

**22G. Foreign Currency Risk**

The company is not exposed to currency risk. The company's investments in financial assets are exposed to currency risk primarily with respect to the Hong Kong Dollars and Philippine Peso. The IMF is empowered to take all necessary steps to safeguard the investment portfolios from any adverse foreign currency movements.

Analysis of amounts denominated in non-functional currencies:

Financial assets:	Financial Assets \$	Cash and cash equivalents \$	Total \$
At 31 December 2010:			
Hong Kong dollars	5,720,648	–	5,720,648
Philippine Peso	371,656	–	371,656
At end of the year	6,092,304	–	6,092,304
Hong Kong dollars	1,563,995	3,778	1,567,773

Sensitivity analysis:

	2010 \$	2009 \$
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Hong Kong dollars with all other variables held constant would have an adverse effect on surplus of	572,065	156,777
A hypothetical 10% strengthening in the exchange rate of the functional currency \$ against the Philippine Peso dollars with all other variables held constant would have an adverse effect on surplus of	37,166	–

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction on the profit or loss.

**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 Exchange Securities Trading Ltd (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 Note 14.

**22. Financial Instruments: Information on Financial Risks (Cont'd)****22H. Financial Assets Price Risk (Cont'd)**

Sensitivity analysis:

	<b>2010</b> \$	<b>2009</b> \$
A hypothetical 10% increase or decrease in the fair value of those quoted equity shares would have an effect on surplus of	2,027,236	772,281
A hypothetical 10% increase or decrease in the fair value of those quoted bonds would have an effect on surplus of	3,608,281	3,285,823

**23. 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:

	<b>2010</b> \$	<b>2009</b> \$
Not later than one financial year	455,069	435,442
Later than one financial year but not later than five financial years	424,556	691,821
Rental expenses for the year	551,748	468,118

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.

**24. 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:

	<b>2010</b> \$	<b>2009</b> \$
Not later than one financial year	493,197	546,024
Later than one financial year but not later than five financial years	1,139,588	1,627,982
Rental income for the year	546,024	535,514

Operating lease income commitments are for certain healthcare centres in the company's building. The lease rental income terms are negotiated for an average term of eight years and rentals are subject to an escalation clause.

## 25. Changes and Adoption of Financial Reporting Standards

For the year ended 31 December 2010 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 (Amendments)
FRS 7	Statement of Cash Flows (Amendments)
FRS 17	Leases (Amendments)
FRS 27	Consolidated and Separate Financial Statements (Revised) (*)
FRS 28	Investments in Associates (Revised) (*)
FRS 36	Impairment of Assets (Amendments)
FRS 38	Intangible Assets (Amendments to) (*)
FRS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Item (Amendments) (*)
FRS 39	Financial Instruments: Recognition and Measurement (Amendments)
FRS 102	Share-based Payment (Amendments) (*)
FRS 103	Business Combinations (Revised) (*)
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendments) (*)
FRS 108	Operating Segments (Amendments) (*)
INT FRS 109	Reassessment of Embedded Derivatives (Amendments) (*)
INT FRS 116	Hedges of a Net Investment in a Foreign Operation (Amendments) (*)
INT FRS 117	Distributions of Non-cash Assets to Owners (*)
INT FRS 118	Transfers of Assets from Customers (*)

(\*) Not relevant to the entity.

## 26. 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 24	Related Party Disclosures (revised)	1 Jan 2011
FRS 32	Classification Of Rights Issues (Amendments) (*)	1 Feb 2010
FRS 107	Financial Instruments: Disclosures (Amendments)	1 Jan 2011
INT FRS 114	Prepayments of a Minimum Funding Requirement (revised) (*)	1 Jan 2011
INT FRS 115	Agreements for the Construction of Real Estate (*)	1 Jan 2011
βINT FRS 119	Extinguishing Financial Liabilities with Equity Instruments(*)	1 Jul 2010

(\*) Not relevant to the entity.

## 27. Restatement of Comparative Figures

As disclosed in note 13, the company has restated prior year's financial statements to include the cost of freehold land. The restated balances were as follows:

2009 financial statements:	After Restatement	Before Restatement	Differences
Property, plant and equipment	16,775,096	16,125,096	650,000
Accumulated Fund	77,006,872	76,356,872	650,000

sata  
CommHealth†

Ang Mo Kio  
medical centre

#01-4008 AND 4010

SATA Diagnostic Services (Ang Mo Kio)

SATA Diagnostic Services



sata  
CommHealth†

Uttamram  
medical centre

**SATA CommHealth  
Medical Centres**

**Bedok**

351 Chai Chee Street  
Singapore 468982

**Woodlands**

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

**Ang Mo Kio**

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

**Jurong**

Blk 135 Jurong Gateway Road  
#04-345 Singapore 600135

**Registered Office**

351 Chai Chee Street  
Singapore 468982

(Registration No. 194700119G)

**Mobile Medical Services**

351 Chai Chee Street  
Singapore 468982