sata CommHealth

INNOVATIVE CARE ENRICHING LIVES

ANNUAL REPORT 2016

VISION

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

MISSION

Promoting lifelong health, serving the community.

CORE VALUES

Compassion

Respect

Excellence

Accountability

Teamwork

Empowerment

Cover rationale: The design concept shows two hands cradling a heart. The two hands depict the strong care and support SATA CommHealth gives to the community. The heart as a whole represents or embodies the people or lives which are being cared for by SATA CommHealth, with various services and programmes. The pictures on the heart show how we provide innovative and tender loving care in everything we do to enrich the lives of the people whom we serve. Hence, the cover page design enshrines the aspiration of SATA CommHealth to enrich the lives of people we serve with innovative care.

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HIGHLIGHTS OF 2016

Jan 30
Open House at Jurong East Community Health Centre

Mar 24
World TB Day exhibition booth at the atrium of Tan Tock Seng Hospital

Mar 13
CHAS Carnival at Choa Chu Kang Community Club

Jun 23
New member elected to SATA CommHealth Board of Directors
Assoc Professor Jason CH Yap

Jun 16
Tuberculosis screening at Block 203 Ang Mo Kio

JAN

FEB

MAR

APR

MAY

JUN

Feb 5
Vasantham interview on 'Increase of Legal Smoking Age'

Apr 6
SATA CommHealth Nestle Bus at Tanglin Club

JUL

AUG

SEP

OCT

NOV

DEC

Oct 23
Community Health Day at
Tanjong Pagar Clinic

Dec 8
Boys' Brigade (BB) Smoke-Free
Ambassador Training at BB headquarters

Nov 19
SATA CommHealth Dinner and Dance

Aug 2
Radio 938Live interviews Dr Tan Tiong Har on
'Risk of Tuberculosis Infection in Singapore'

Nov 25
Continuing Medical Education Talk

Aug 21
Community Health Day at
Uttamram Medical Centre

CHAIRMAN'S MESSAGE

"At SATA CommHealth we take pride in being a community healthcare organisation dedicated to the primary healthcare needs of the community."

In our initial years, we were focused on the public health threat of tuberculosis but when this disease was brought under control, we moved on to become a primary healthcare provider focused on a broad array of health conditions that affects Singaporeans. Our ability to reinvent ourselves and remain relevant to the healthcare needs of this nation is a hallmark of our organisation.

In 2016, we managed to grow our operations revenue by 8.6% amidst the unfavourable economic climate. Our performance in 2016 reaffirms our brand strength and the trust and confidence that our customers have in us.

SOCIAL VALUE

Our multidisciplinary teams are working with community partners, public and private organisations to improve the health and wellness of the community. Our teams are partnering like-minded organisations to be a catalytic force for making social impact and touching the lives of more disadvantaged people. We are continuously looking for new opportunities to serve the community which is at the core of our mission. As a social enterprise and charity, we are well placed to make social impact as we serve diverse groups of people, especially the disadvantaged and elderly in the community. While expanding our organisation and establishing more medical centres in different parts of Singapore, we are also mindful of the social value and impact of our services to the people around us. As such our medical centres will serve as hubs to reach out to people in the vicinity. Adhering to this holistic view of operating a social enterprise with a social objective, we are continuously gearing up to care for the less fortunate in our society. One of our recent initiatives is to work with corporate and community organisations to augment volunteerism and social responsibility by creating avenues for organisations to provide community service.

CORPORATE GOVERNANCE

Our Board is determined to maintain high standards of accountability and transparency which will give us a robust governance framework. On 28th September 2016, we were among 35 charities which were recognised with the inaugural Charity Transparency Awards.

Our governance framework embodies legal compliance, public disclosure, risk management and strong financial

oversight. My fellow Board members have been diligent in ensuring that SATA CommHealth meets the highest standards of corporate governance.

We have a total of twelve Board members who bring with them a diversity of views, backgrounds, gender and expertise to the Board. One of our Board members, Mr Michael Palmer who has been on our Board since 2005, retired from the Board in June 2016. I wish to express our heartfelt gratitude to Mr Palmer for his many years of dedicated service to SATA CommHealth. I am happy to welcome a new Board member, Dr Jason Yap who had joined the Board in June 2016. Dr Yap is an Associate Professor with the Saw Swee Hock School of Public Health, National University of Singapore.

INNOVATION

We are innovating our systems and processes to provide better care for our customers. We embarked on revamping our enterprise system in 2015 and plan to "go-live" in the second half of 2017. There are many features and process innovations in this system which will help us provide better care for our customers. Besides the enterprise system, we also embarked on upgrading our Picture Archiving and Communication System (PACS) which was successfully implemented in 2016. We also started revamping our Radiology Information System (RIS) in 2016 and the new RIS will "go-live" in early 2017. Apart from our computer systems, we are also looking at innovative ways of reaching out to the community in the area of Intermediate and Long-term Care (ILTC) or Senior Care in the community. In 2016 we started a six month pilot study on Telehealth solutions for providing tele-monitoring, tele-consultations and tele-rehabilitation in the community. This study which was jointly carried out with our IT partner Napier Healthcare Solutions, will be completed in early 2017.

GROWTH AND SUSTAINABILITY

The management team has worked hard in the past year to achieve good growth and they have also made plans to increase our market footprint in the coming years. The burgeoning healthcare industry is evolving itself to better serve the nation and calls for more astute and creative ways to deliver care to the community.

In the past year, many new partnerships with corporate and community organisations were formed to forge stronger bonds for the future. We believe that through our collaborations and partnerships, we can help build an integrated healthcare network in Singapore, which ultimately will strengthen our healthcare system as a whole.

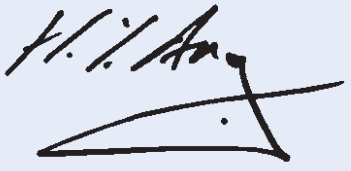
Towards the end of 2016, we secured a new medical centre space in Tampines Central and this centre is expected to be operational by first quarter 2017. We will continue to find new ways to reach out to the community and also establish more medical centres.

LOOKING AHEAD

Our past successes will motivate us to look for more opportunities to serve the community in the coming years. As we expand our services and facilities, we shall harness the power of technology and empower our staff with the competencies to become a more efficient and agile organisation.

I wish to thank the management team for their commitment and diligence in the past years to grow and strengthen the organisation. I would also like to extend my appreciation to all the Board and Board Committee members for their valuable contributions and support in 2016. I also wish to thank all stakeholders and partners for their support.

We have laid strong foundations for SATA CommHealth's growth and development in the coming years, to enrich more lives and extend our care to more people in the community. I am confident that SATA CommHealth will continue to be successful in the years ahead.



Mr Ang Hao Yao
Chairman

CHIEF EXECUTIVE OFFICER'S MESSAGE

The year 2016 encompassed many successes and achievements for SATA CommHealth. Some of the notable achievements are listed below:

- Overall Income grew by 6.2% from $16.2 million in 2015 to $17.2 million in 2016.
- Operating Revenue increased by 8.6% from $12.7 million in 2015 to $13.8 million in 2016.
- Net Operating result exceeded the targeted budget by 42% in 2016 and was 43% better than 2015.
- Increased Jurong East Community Health Centre volumes by 66% in 2016 over 2015.
- We have grown our Community Services interactions with our beneficiaries by 91% in 2016 over 2015.
- We spent a total of $2.7 million for Community Services in 2016 versus $2.65 million in 2015.

The theme for this annual report is 'Innovative Care Enriching Lives'. This theme highlights the aspiration of SATA CommHealth to find innovative ways of caring and enriching the lives of the people in the community, with an integrated approach to care. Ultimately, we want our patients and beneficiaries to benefit from better health outcomes and enjoy an improved quality of life.

As we plan to expand our services and serve the community better in the future, we are guided by our vision and mission, needs of the changing healthcare landscape, and opportunities before us that will make a difference to the community.

In the fourth quarter of 2016, we finalised plans to establish a medical centre in Tampines Central. This new medical centre will help us serve the people in Tampines, Simei, Changi and also parts of Bedok in the coming years. This new centre will be operational in early 2017.

ECOSYSTEM OF CARE

We have been collaborating with other healthcare providers and community based organisations to forge partnerships and build an ecosystem of care in the community. We have found that a coordinated effort across multiple stakeholders to deliver innovative care, increased access and affordability of healthcare, will bring about better outcomes and improve the quality of life of our beneficiaries. We believe that by collaborating with like-minded organisations, capitalising on our strengths and integrating care, we will be able to strengthen the healthcare system.

SATA CommHealth has been actively working with community organisations, regional health systems, corporate and grassroot organisations to promote holistic care and to bring about better health outcomes.

In the future, we envision even more opportunities for a holistic approach; one that will enrich the lives of the people under our care.

QUALITY

Our focus on healthcare quality has two dimensions. One is enhancing the service experience of our clientele. The other is the clinical quality, with an emphasis on clinical outcomes.

From a clinical standpoint, we are standardising our clinical processes across our facilities and also the delivery of high quality care by our healthcare professionals. We believe in a proactive approach and also using continuous improvement of our systems and processes, to make a difference in the lives of our patients.

Our aim is to make consistent delivery of quality care a part of the DNA of our organisation. We also want a patient-centric culture whereby the patient becomes the "epicentre" of all our quality initiatives.

Our quality management system will be further strengthened in the coming years with constant monitoring, assessments, training, process improvements, application of evidence-based medicine, customer-centric behaviours and value creation.

TECHNOLOGY

Technology has been a driving force behind many healthcare improvements. We will leverage on technology to bring out more innovative ways of caring for our patients. In 2015 we began the process of upgrading our Enterprise System, Radiology Information System (RIS) and our Picture Archiving and Communication System (PACS). In 2016 we completed upgrading our PACS. In 2017 we intend to complete the upgrading of our RIS and Enterprise System. These new systems will play important roles in streamlining and enhancing our services and our overall performance in the future. The implementation of the Enterprise System had been challenging, due to customisations and incorporation of new and innovative features. This new system will enable us to provide seamless services to our customers.

Digital innovations make it possible for patients to be monitored remotely with the assistance of portable devices. We began looking for new opportunities in disruptive technologies with a study on Telehealth services in the second half of 2016, with a group of patients who have chronic ailments (diabetes and hypertension). We will complete the study in early 2017.

We will continue to explore new opportunities in Health IT to give better care for our patients and the community at large.

COMMUNITY CARE

With a rapidly ageing population, our healthcare system continues to evolve to meet the changing needs of the greying population. As we expand our services, we are mindful of the different needs of the community, especially the needs of the frail and elderly. Our home care and rehabilitation services have certainly played a useful role in enhancing our intermediate and long term care options for the community.

We are also looking at more ways of caring for the community, by building volunteerism and corporate social responsibility in the community. For this, we will be working directly with the community and also our corporate clients to support this effort.

While we have Doctors-on-Wheels, Home Care Rehabilitation, Chronic Disease Management, Preventive Health, Health Education and Subsidised Care, we are also looking into mental health and telehealth services to meet the community's needs.

As a community healthcare provider, we will move beyond healthcare to health, as we serve more people in the coming years. We will also invest in health and education activities in the community, to empower individuals to take good care of their personal health and wellbeing.

CONCLUSION

We are determined to continue our efforts to expand our social enterprise in the coming years and simultaneously augment our care for the less fortunate in the community. We will also work closely with other healthcare providers to co-create an ecosystem of care, which will add greater value to our partners and the community.

I am grateful to our Chairman and the Board of Directors for their invaluable guidance and support in the past year. I am also grateful to the Board Committee members for their unrelenting support. My appreciation and gratitude are also due to all our stakeholders and partners for their patronage and support in 2016. Last but not least, I sincerely appreciate the support, commitment and contributions of the management team and staff.

Dr K Thomas Abraham
Chief Executive Officer

BOARD OF DIRECTORS

Mr Ang Hao Yao
Chairman

Dr Tan Chi Chiu
Vice Chairman

Ms Theresa Goh
Vice Chairman

Mr Stanley Sia Swie Kean
Director

Ms Poh Mui Hoon
Director

Dr Edward Yang
Director

Ms Fang Eu-Lin
Director

Mr Alvin Lim Choon Tee
Director

Mr Dumas Chin
Director

Mr Matthew Saw
Director

Mr Michael Buchholz
Director

Assoc Professor Jason CH Yap
Director

CORPORATE GOVERNANCE

COMMITMENT TO GOOD GOVERNANCE

The Board is committed to 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.

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 ("Code"). The intent of the Board is not only to follow the letter, but also the spirit of good governance.

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 outlines 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 and 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 members' independent judgement to safeguard the best interests of SATA CommHealth. No director shall be related to another director by blood or marriage and no director is currently employed by SATA CommHealth. Also, no staff are on the SATA CommHealth Board. 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 sufficient range and diversity of expertise and viewpoints. In terms of gender diversity, our 12-member Board consists of three female and nine male directors. Our board size ensures a good balance between continuity, renewal, and compliance with charity regulations. The Board has a formalised process for the appointment/re-appointment of Board members; including the Chairman and members of Board Committees. The term of office for a director shall be eight years of continuous service on the Board. However, an additional two years extension is allowed for key appointment holders for continuity reasons. No member of the Board has been a director for more than 10 consecutive years.

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

COMPOSITION OF THE BOARD OF DIRECTORS

QUALIFICATIONS	DATE FIRST APPOINTED	DATE OF LAST ELECTION OF DIRECTORS	ATTENDANCE AT BOARD MEETINGS 2016	KEY DIRECTORSHIPS & APPOINTMENTS
MR ANG HAO YAO (AGE 44) **Chairman** • BSc Mathematics • BSc Economics • MBA, Finance and Investment • Chartered Financial Analyst (CFA)	06.07.2007	18.06.2015	6/6	• Member, Charity Council • Director, Credit Counselling Singapore • Management Committee, Securities Investors Association (Singapore) • Executive Committee Member, Singapore Jian Chuan Tai Chi Chuan Physical Culture Association
DR TAN CHI CHIU (AGE 57) **Vice Chairman** • MBBS (Singapore) • MMed (Internal Medicine) • MRCP (UK) • MRCP (Ireland) • FRCP (Edinburgh) • FRCP (London) • FAMS (Gastroenterology) • Advanced Management Program (Harvard Business School) • Professional Certified Executive & Organisational Coach (Columbia)	25.06.2009	18.06.2015	4/6	• Managing Director, Gastroenterology & Medicine International Pte Ltd • Council Member, Singapore Medical Council • Chairman, Lien Centre for Social Innovation at SMU • Director, National Youth Achievement Awards • Associate Mentor, Terrific Mentors International
MS THERESA GOH (AGE 54) **Vice Chairman** • Executive Masters in Science (Organisational Psychology) • Bachelor of Business Administration, NUS	28.06.2012	23.06.2016	3/6	• Managing Director, 360 Dynamics Pte Ltd • Director, Agency for Integrated Care (AIC) • Director, National Volunteer and Philanthropy Centre (NVPC) • Associate Coach, Centre for Creative Leadership • Member, Singapore Institute of Directors
MR MICHAEL ANTHONY PALMER (AGE 48) • LLB (Hons)	17.11.2005	26.06.2014	1/2	• Director, Quahe Woo & Palmer LLC • Board Member, Singapore Olympic Foundation

COMPOSITION OF THE BOARD OF DIRECTORS

QUALIFICATIONS	DATE FIRST APPOINTED	DATE OF LAST ELECTION OF DIRECTORS	ATTENDANCE AT BOARD MEETINGS 2016	KEY DIRECTORSHIPS & APPOINTMENTS
MR STANLEY SIA (AGE 45) • Masters of Business Administration (UK) • Bachelor of Business (Accounting) • Fellow of CPA (Australia)	28.06.2012	23.06.2016	3/6	• Managing Director, Head Global Private Equity Group Wealth Management Standard Chartered Bank • Member of the Singapore Divisional Council of CPA Australia • Member of Banking & Finance Committee for CPA Australia (Singapore Divisional Council) • Member of the Finance & Investment sub-committee for the Association for Persons with Special Needs
MS POH MUI HOON (AGE 54) • BBA – National University of Singapore • MBA – Syracuse University • Postgraduate Diploma in Systems Analysis	28.06.2012	23.06.2016	3/6	• CEO, SP Telecom Pte Ltd (A Member of the Singapore Power Group) • Board Director, SISTIC Pte Ltd • Council Member, Singapore Institute of Directors (SID) • Chairperson, Professional Development Committee, Singapore Institute of Directors (SID) • Management Committee Member, Singapore Jian Chuan Tai Chi Physical Cultural Association • Member of SE Asia Regional Board, YPO Gold • IT Steering Committee, Singapore Pools
DR EDWARD YANG (AGE 59) • MBBS – National University of Singapore • DMRT London • FRCR United Kingdom (Clinical Oncology) • FAMS Academy of Medicine, Singapore	27.06.2013	18.06.2015	5/6	• Consultant Radiation Oncologist, Gleneagles Hospital
MR ALVIN LIM (AGE 55) • Degree in Business Administration (RMIT)	24.06.2010	23.06.2016	5/6	• CEO, Bizlink Centre Singapore Ltd • District Councillor, North East Community Development Council

COMPOSITION OF THE BOARD OF DIRECTORS

QUALIFICATIONS	DATE FIRST APPOINTED	DATE OF LAST ELECTION OF DIRECTORS	ATTENDANCE AT BOARD MEETINGS 2016	KEY DIRECTORSHIPS & APPOINTMENTS
MR DUMAS CHIN (AGE 52) • Bachelor of Engineering (Electrical), First Class Honours	28.06.2012	23.06.2016	5/6	• COO, Activ Technology Pte Ltd • Managing Director, Enterprise Business and Product Management, SP Telecommunications Pte Ltd • Board of Directors, FFT NMS Pte Ltd
MS FANG EU-LIN (AGE 38) • Harvard Business School - Executive MBA Alternate (Program for Leadership Development) • Bachelor of Commerce - Accounting and Finance • Practising member of the Institute of Singapore Chartered Accountants	26.06.2014	23.06.2016	4/6	• Partner, PricewaterhouseCoopers LLP • Council Member, National Youth Council • Eldershield Review Committee Member, Ministry of Health • Governor, Tanglin Trust School • Board Member, Alpha Singapore
MR MATTHEW SAW (AGE 45) • MA, University of Cambridge	26.06.2014	23.06.2016	5/6	• Partner, Lee & Lee • Adjudicator, Financial Industry Disputes Resolution Centre Ltd • Member, Income Tax Board of Review • Director, Healthserve Ltd
MR MICHAEL BUCHHOLZ (AGE 55) • Master of Arts in Communication Management, University of South Australia • International Business Management (Post Diploma) Certificate, Seneca College • Certificate of Studies, University of Oslo • Bachelor of Arts in International Relations, University of Western Ontario	18.06.2015	18.06.2015	5/6	• Vice President, Marketing CellOS Software • Associate Lecturer, University of Wollongong • Managing Director, Caldwell Richards Pte Ltd
A/PROF JASON CH YAP (AGE 54) • MBBS, MMed (Public Health), FAMS • MBA (Information Systems) • GDipCS	23.06.2016	23.06.2016	3/4	• Associate Professor, Saw Swee Hock School of Public Health, NUHS • Program Director for the NUHS National Preventive Medicine Residency Program • Vice-President, College of Public Health & Occupational Physicians

ROLE OF THE BOARD

The Board sees its primary role as providing strategic directions 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 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, demonstrate commitment in serving SATA CommHealth, and discharge their responsibilities with the highest 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 and management outside of Board meetings. The Governance and Nominating Committee (GNC) reviews the contributions of directors holistically whilst recommending them for re-appointment.

Directors are expected to declare their interests to avoid any actual or perceived conflict of interest. Where directors have personal interests in transactions or contracts that SATA CommHealth may enter into, or have vested interests 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 discussions and decision making on the matter. When such conflicts arise, 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 six times during the financial year ended 31 December 2016, on the following dates:

10 March 2016
12 May 2016
23 June 2016
11 August 2016
8 October 2016
24 November 2016

As and when needed, the Board may also hold additional meetings. In addition, the Board and the CEO participate in an annual strategy retreat to review the vision, mission and strategies of SATA CommHealth and also to review performance.

APPOINTMENT, INDUCTION AND TRAINING

All new directors receive a formal letter of appointment. The GNC finalised a Handbook for Directors in 2009 with assistance from the Social Service Institute. This handbook was approved and adopted by the Board. A hardcopy of the handbook is given to all existing directors, and to new directors upon appointment. New directors will undergo an orientation to familiarise themselves with the organisation.

To ensure that directors have sufficient knowledge relating to their responsibilities as directors, they are expected to attend relevant training as needed. 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, reports, budgets and summarised monthly management accounts. Material variances between actual results and budgets/past results are highlighted during this process.

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.

BOARD EVALUATION

The Board implemented Board Evaluation about six years ago to actively examine Board performance and 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 (GNC). The Board Evaluation requires the directors to give their personal feedback in a survey questionnaire. The Board evaluation was conducted in 2016.

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. All Board committees must be chaired by a director and appointed by the Board. Members of all committees are recommended by the chairs of committees and approved by the Board.

All members of the 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 the Board of Directors.

Minutes of committee meetings are provided to the Board. The table on page 16 and 17 shows the Board Committees, their membership and attendance at committee meetings in 2016.

WHISTLEBLOWING POLICY

SATA CommHealth has a whistleblowing policy to allow staff, suppliers, contractors, partners and other stakeholders to raise concerns or to report malpractices and misconducts in the company. The policy aims to encourage the reporting of such matters in good faith, with the confidence that persons making such report will be treated fairly and with due follow-up action. All whistleblower reports, including the identity of the whistleblower will be treated with confidentiality. In 2016, there were no whistleblower reports. A whistleblower can report an occurrence in writing to the Board Chairman, GNC Chairman and Audit Committee Chairman.

COMPOSITION OF THE BOARD COMMITTEES

COMMITTEE	NAME	DESIGNATION	NUMBER OF MEETINGS ATTENDED
Investment and Finance	Mr Stanley Sia	Chairman	4/4
	Mr Ang Hao Yao	Member	4/4
	Mr Alvin Lim	Member	2/4
	Ms Poh Mui Hoon	Member	2/4
	Mr Dumas Chin	Member	3/4
	Mr Steven Seow	Member	2/4
Audit	Ms Poh Mui Hoon	Chairman (till June 2016)	2/2
	Mr Ang Hao Yao	Member	3/3
	Ms Fang Eu-Lin	Member / Chairman (since June 2016)	3/3
	Ms Tan Peck Joo	Member	3/3
	A/Prof Jason CH Yap	Member (since June 2016)	0/1

COMMITTEE	NAME	DESIGNATION	NUMBER OF MEETINGS ATTENDED
Governance and Nominating	Ms Theresa Goh	Chairman (till June 2016)	0/1
	Mr Ang Hao Yao	Member	1/1
	Mr Michael Palmer	Member (retired in June 2016)	0/1
	Dr Edward Yang	Member	1/1
	Mr Matthew Saw	Member / Chairman (since June 2016)	1/1
Human Resource	Mr Michael Palmer	Chairman (retired in June 2016)	1/1
	Mr Ang Hao Yao	Member	2/2
	Dr Edward Yang	Member	1/2
	Ms Theresa Goh	Member / Chairman (since June 2016)	1/2
	Mr Dumas Chin	Member	0/2
	Mr Michael Buchholz	Member	1/1
Medical	Dr Tan Chi Chiu	Chairman (till June 2016)	1/1
	Dr Edward Yang	Member / Chairman (since June 2016)	1/1
	A/P Chee Swee Guan	Member	0/1
	Dr Lee Yeong Shyan	Member	1/1
	Dr Ian Leong	Member	1/1
Community Services	Mr Ang Hao Yao	Chairman	4/4
	A/P Mak Yuen Teen	Member	1/4
	Dr Chee Bin Eng, Cynthia	Member	1/4
	Mr Michael Buchholz	Member (till June 2016)	2/2
	Dr Shashi Jayakumar	Member	3/4
	A/Prof Jason CH Yap	Member (since June 2016)	1/2
Tender	Dr Edward Yang	Chairman (till June 2016)	Tender matters were circulated for the Committee's approval
	Ms Poh Mui Hoon	Chairman (since June 2016)	
	Mr Ang Hao Yao	Member	
	Mr Michael Palmer	Member (retired in June 2016)	
	Mr Matthew Saw	Member	
	Mr Michael Buchholz	Member	
	Ms Tan Peck Joo	Member (since June 2016)	

Note:

Board of Directors:
Mr Michael Palmer retired as a Board member in June 2016

Human Resource Committee:
Mr Michael Palmer retired as Chairman in June 2016
Mr Michael Buchholz resigned as a member in June 2016

Community Services Committee:
A/Prof Jason CH Yap joined as a member in June 2016
Mr Michael Buchholz resigned as a member in June 2016

Governance and Nominating Committee:
Mr Michael Palmer retired as a member in June 2016

Audit Committee:
Ms Poh Mui Hoon resigned as Chairman in June 2016
A/Prof Jason CH Yap joined as a member in June 2016

Tender Committee:
Mr Michael Palmer retired as a member in June 2016
Dr Edward Yang resigned as Chairman in June 2016
Ms Tan Peck Joo joined as a member in June 2016

RISK MANAGEMENT

Under the Board's oversight of risk management, it determines the levels of risk tolerance and policies, including the nature and extent of significant risks to achieve the organisation's strategic objectives. The Board reviews the overall adequacy and effectiveness of risk management and internal control systems, including financial, operational, compliance and information technology risks through the Board Committees.

Management is responsible for the effective implementation of risk management strategies, policies and processes to facilitate the achievement of the organisation's business and strategic objectives. Key risks are identified, addressed and reviewed on an ongoing basis. Major incidents, if any, are reported to the Board to facilitate their review of the effectiveness of risk management and the adequacy of mitigating measures taken by management to address the underlying risks.

SUSTAINABILITY

We subscribe to the philosophy of "green healthcare" with environmentally friendly practices and behaviours. This is a journey we began recently and focuses on conservation of energy and minimising the carbon footprint of our facilities. In the past year, we took some measures to reduce energy consumption. Two of the more salient measures were to replace the HQ carpark lights to energy saving lights and reduce lighting to a minimal level after office hours. We also take pride in maintaining a green environment at our HQ complex. In addition, we have an environment action plan that includes an integrated waste management programme for handling biohazard wastes and reducing general wastes. We will increase our efforts on energy efficiency, waste management, green healthcare and environmental sustainability.

Along with our "green healthcare" efforts, we are also looking into long term strategies for growth and financial sustainability. This includes building the 'SATA CommHealth' brand, innovation, productivity, establishing more centres for revenue growth and community services.

REPORTS OF BOARD COMMITTEES

Governance and Nominating Committee

The Governance and Nominating Committee (GNC) assists the Board in fulfilling the Board's responsibilities for corporate governance (including compliance with relevant corporate governance requirements prescribed by regulators and with SATA CommHealth's Corporate Governance Guidelines).

In assisting the Board, the committee's tasks include:

(i) To review, evaluate and recommend any needed changes to existing policies and procedures for compliance with the Code of Governance for Charities and IPCs;
(ii) To have oversight of SATA CommHealth's Whistleblowing and Conflict of Interest policies;
(iii) To determine annually the independence of the Directors, bearing in mind the circumstances set forth in SATA CommHealth's Corporate Governance Guidelines;
(iv) To make recommendations to the Board on all Board appointments having regard to the Directors' contributions and performance;
(v) To identify potential new Directors to fill any gaps in skills and knowledge;
(vi) To have oversight and make recommendations on Chairman's succession process.

During 2016, the committee met once. The GNC continued to oversee Board performance evaluation in 2016. This evaluation requires each Board member to complete a survey to provide an independent perspective on Board performance. The GNC also evaluated new candidates for Board nomination in 2016. We have used Board match services of The Centre for Non-Profit Leadership (CNPL) successfully in the past and will continue to use CNPL or other independent Board match services, for recruiting new directors. The GNC also reviews the Governance Evaluation Checklist for the Board's approval prior to submission to the Charities Council. This online checklist gives the Board the opportunity to conduct an annual review of the governance practices of the organisation and to ensure adequacy and continued compliance with the code.

SATA CommHealth has a whistleblowing policy to allow staff, suppliers, contractors, partners and other stakeholders to raise concerns or to report malpractices and misconducts in the company. A whistleblower can report an occurrence in writing to the Board Chairman, GNC Chairman and Audit Committee Chairman.

Audit Committee

The Audit Committee (AC) is responsible for reviewing the scope and work of the internal auditors and the statutory auditors as well as assessing the adequacy of internal controls. The committee was also tasked with the evaluation of recommendations made by the internal auditors and management responses.

Deloitte & Touche Enterprise Risk Services Pte. Ltd. was appointed during the financial year by the Board to carry out the internal audit work. The previous internal auditors were Ernst & Young LLP. The driving objectives of the

internal audit programme are to strengthen internal controls, financial management and to improve overall operational efficiency and productivity. To achieve these objectives, the Committee worked closely with the internal auditors and management to implement the recommendations of the internal auditors. The internal auditors applied a risk-focused and process based approach for the audits.

The internal audit work done during 2016 covered the following areas:

- Governance Review
- Operating Income and Collections
- Procurement and Payments
- Inventory Management
- IT General Controls
- Pre-Implementation Review – New Enterprise System

RSM Chio Lim LLP continued to be the external auditor for SATA CommHealth. The general approach and overall scope of the external audit was laid down in an audit planning document which was approved by the audit committee before conducting the audit in accordance with Singapore Standards on Auditing. We have adopted the policy of changing either the internal/external auditor or the audit partner in-charge every five years. Recommendations by the external auditor on improvement of system processes and controls were discussed and reviewed by the committee.

The committee met three times in the year 2016 to review the reports of the internal auditors, external auditors and the adoption and implementation of enhancements to the systems and processes that were recommended by the internal and external auditors.

The Audit Committee also reviewed the annual financial report to ensure the integrity of financial statements of the company and formal announcements relating to the company's financial performance, in view of the latest developments in the areas of business ethics, corporate responsibilities and business continuity planning.

Community Services Committee

The Community Services Committee (CSC) assists the Board of SATA CommHealth to fulfil its responsibilities for all community-related and charitable initiatives.

CSC reviews and recommends to the Board activities and programmes that are beneficial to the community. The focus of the CSC is to guide SATA CommHealth in its mission to support the needy, elderly and disabled in the community. A total of $2.7 million was spent on Community Services in 2016 compared to $2.65 million in 2015.

The Committee held a total of four meetings during the year 2016. The CSC oversaw the undermentioned activities for the year:

- Reviewed the impact of our programmes in 2016
- Assessed the strategic action plan for 2016
- Two Community Health Day events at SATA CommHealth Uttamram Medical Centre on 21 August 2016 and SATA CommHealth Tanjong Pagar Clinic on 23 October 2016, where free and heavily subsidised health checks were provided to the community
- Our inaugural Open House at Jurong East Community Health Centre was held on 31 January 2016 to create awareness of the services available to the needy elderly
- Reviewed the processes for the sponsorship of the DOT & SHOP programme with TBCU
- Increased awareness of the harmful effects of smoking through our structured smoking prevention and cessation programmes

The CSC will sustain its focus on increasing SATA CommHealth's impact through collaboration and partnerships with the Regional Health Systems and various community partners. The oversight of the Committee enabled the organisation to expand its outreach and enhance our social impact to make a difference in the lives of the needy, elderly and disabled.

Human Resource Committee

The Human Resource Committee (HRC) supports the management on human resource matters such as training and development, recruitment, compensation and benefits, HR policies and procedures, staff welfare and other related issues. It has contributed much in guiding management on good HR practices.

There were some changes in the committee with the retirement of Mr Michael Palmer from the Board and HRC, and Mr Michael Buchholz from HRC. Ms Theresa Goh who was a HRC member assumed the chairmanship in 2016. Her invaluable experience in Leadership and HR Development will be beneficial for the growth of the organisation.

In 2016, the Board with the support of HRC agreed with management to give similar quantum of variable bonus and annual increment to the staff as in the past three years. This was implemented as SATA CommHealth had improved her revenue in 2015 against 2014. SATA CommHealth adopted this strategy in order to retain and attract new staff.

HRC and management have been maintaining good labour relationship with the Union, and it had implemented the NWC's Guidelines in 2016. Management with the advice of Chairman HRC, is enhancing the leadership skills of supervisors, customer service skills and reviewing the salary of all staff against the market by engaging consultants to facilitate the exercise. As part of our efforts to improve the service experience at our medical centres, we carried out companywide training on service excellence in 2016. In addition, staff were also sent for relevant technical training to improve their skills.

Investment and Finance Committee

The Investment and Finance Committee (IFC) is responsible for overseeing the performance of the fund manager, and reviewing SATA CommHealth's financial performance and annual budget. The committee met four times during 2016 and reviewed the investment performance of the fund manager, financial performance and annual budget of the organisation.

Credit Suisse has managed SATA CommHealth's investment portfolio since April 2011 and their current agreement ends on 31 March 2017 under an Investment Management Agreement ("IMA"), which incorporates the Investment Policy Statement ("IPS"). The IPS 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 an accountable and prudent manner. The key investment objectives of the fund are capital preservation, long-term stable growth, good returns at a prudent level of risk. In addition, our key investment strategy is to have a reasonable exposure to a wide range of investment opportunities in various asset classes, to achieve adequate diversification for the desired returns. SATA CommHealth's portfolio return for 2016 was 2.15% net of management fee and trading fees. The investment returns for the year was $1.1 million. SATA CommHealth withdrew $2.0 million for operational needs during the year. The portfolio value decreased from $53.5 million at the end of 2015 to $52.6 million at the end of 2016.

The IFC gave advice and guidance to the Board and management on finance and investment activities which include: Reserves, Financial Performance, New Projects Finance, Authorisation Limits, Standard Operating Procedures, Financial Reporting, Annual Budget, and Renewal of Investment Management Agreement (IMA) amongst others.

Medical Committee

The Medical Committee (MC) provides advice to the SATA CommHealth Management and Board on medical practices, standards, ethical, medico-legal and medicosocial issues relevant to the organisation. The committee also advises management and the Board on all medical aspects of operations, business development and strategy for growth of SATA CommHealth. The committee consists of specialist doctors in fields such as radiology, respiratory medicine, community medicine, surgery, gastroenterology, general medicine, epidemiology and public health. The MC met once in 2016.

During the year, the Medical Committee continued to monitor clinical quality and governance closely to ensure that proper policies and procedures are in place to provide the highest standard of patient care. The committee also monitored clinical quality standards based on feedback received from patients. The committee also provided clinical advice on new services and enhancements of current services to Management and the Board. Management also benefitted from the opportunity to discuss and obtain inputs from committee members outside of formal meetings.

The Medical Committee provided professional inputs and advice to Management on clinical and operational aspects of Home Care, Family Medicine Service and other clinical services.

Tender Committee

The Tender Committee (TC) has oversight responsibilities over the tendering process in SATA CommHealth as well as provides advice to the Board on tender policies and procedures to ensure the transparency, fairness and timelines of the tender process. The Committee also assists to identify key tender risks and suggests ways to mitigate these risks. The tender committee conducted its affairs virtually through emails and therefore there was no need to meet physically for this year.

ANNUAL REMUNERATION DISCLOSURE

Under the revised Code of Charities and IPCs 2011, it is recommended that charities disclose the remuneration of the three highest paid staff who each received remuneration exceeding $100,000, in bands of $100,000. We have gone further by disclosing the five highest paid staff with remunerations above $100,000 in bands of $50,000.

The remuneration in bands of the five highest paid staff are:

	2016	2015
$300,001 - $350,000	1	1
$250,001 - $300,000	1	2
$200,001 - $250,000	2	-
$150,001 - $200,000	1	2

The Board of directors do not receive any fees for Board services nor any other services rendered during the year.

LOOKING AHEAD

SATA CommHealth is committed to achieving high standards of corporate governance and setting the right values from the very top, improving its long-term performance, managing its risks and maintaining internal controls. The Board and management will work together to adopt best practices relevant to the organisation and adhere to the principles and guidelines of the code.

Our business transparency and accountability practices will help us further build the trust and confidence of our stakeholders.

MANAGEMENT TEAM

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

2. **Anne Nguyen**
Financial Controller

3. **Seet Kuen Noi**
Senior Operations Manager

4. **Chong Ah Lek**
Senior Information Systems Manager

5. **Eric Cheong**
Senior Project & Community Services Manager

6. **Andrew Yap**
Corporate Communications Manager

7. **Dr Fazlullah Shaik Mohideen**
Quality Management Manager

8. **Edmund Khoo**
Community Services Manager

9. **Joseph Denson**
Acting Business Development Manager

10. **Dr Cheryl Latha Glenn**
Medical Director

11. **Anoop Kannan**
Property & Facilities Manager

12. **Zulkifly Bin Mohd Musa**
Human Resources Manager

EMERGENCY
CONTROL
Singapore
31.1°C
H: 32.7°C
L: 26.6°C
N/A
2016
SUNDAY
sata
NAPIER
TERUMO
DISAFE

OPERATIONS

In 2016, SATA CommHealth provided a wide range of services through our network of medical centres and clinic to address the needs of our clients in the community. Nutritional talks, dietary counselling sessions and the provision of occupational therapy services were added in 2016 to complement the suite of services that we offer; boosting SATA CommHealth's strength and capacity to serve in the primary healthcare arena.

Tuberculosis screening at Block 203 Ang Mo Kio

SATA CommHealth collaborated with the Ministry of Health (MOH) on some notable projects. We were involved in the MOH Tuberculosis Project in the Ang Mo Kio area that spanned three months. Having been appointed as survey partners in the previous population survey, we were reappointed again in 2016 as healthcare survey partners in the Population Health Study by MOH.

Minister for Health Mr Gan Kim Yong visiting tuberculosis screening onsite at Block 203 Ang Mo Kio

In other developments, a Memorandum of Understanding (MOU) was signed with the Parkway College in late 2016 for SATA CommHealth to accept clinical placement of radiography students for their degree programme.

Towards the end of the year, in recognition of World Diabetes Day 2016, SATA CommHealth offered free healthcare services to the general public for diabetes awareness. A series of nutrition talks and several free and highly subsidised services were delivered to more than 200 participants, focusing on detection of diabetes among the general public. These included visual acuity screening and follow up tests that included a digital retinal photography test for those with vision problems.

Staff registering a customer

We expanded our range of vaccinations offered to the public, including meningococcal vaccination for Muslims pilgrims travelling to Mecca for the Haj. The increasing demand from our corporate clientele for wellness services and health screening was also met at two locations; namely at Uttamram Medical Centre (Bedok) and at Woodlands Medical centre.

To facilitate better accessibility and convenience for our customers through a wider network of medical centres, SATA CommHealth had identified a site for the seventh facility in Tampines central which will be operational in early 2017. This centre will provide services ranging from doctor's consultation, treadmill (stress-ECG), X-Ray, ultrasound services, clinical laboratory tests and wound dressing.

As one of the panel clinics processing medical check-ups for e-Visa applications to Australia and New Zealand, our Uttamram Medical Centre and Ang Mo Kio Medical Centre both processed more than 6,000 e-Visa check-ups in 2016, a 20% increase in volume from 2015.

Our three Day Rehabilitation Centres (DRC) experienced a 200% growth in terms of number of physiotherapy and occupational therapy sessions conducted in 2016 as compared to 2015.

A staff nurse assisting a customer with her blood pressure measurement

Members of the public waiting to be registered during a Community Health Day event at Uttamram Medical Centre

JURONG EAST COMMUNITY HEALTH CENTRE (JECHC)

During 2016, total services provided at our Jurong East Community Health Centre grew by 68%, contributed mainly by physiotherapy services. Due to our accreditation as a Day Rehabilitation Centre by MOH, we also receive referred cases from the Agency for Integrated Care (AIC) to provide physiotherapy and occupational therapy sessions. Through our relentless efforts to reach out to general practitioners, the clinics referring patients to us from this sector grew from 65 clinics in 2015 to 98 clinics in 2016, an increase of 33%. We will continue to receive referrals from the regional hospitals and polyclinics in 2017.

TECHNOLOGY AND INNOVATION

The Information Systems Department embarked on a major system upgrade of the current Integrated Medical Centre System beginning on 1 August 2015. The new enterprise medical information system is targeted to be operational by the third quarter of 2017. Currently, the project has progressed well with the addition of enhanced functional specifications for events, clinical, financial and operational needs. The functionalities of the new system have the ability to interface with various government agencies to automate the claim submission processes for Medisave, Community Health Assist Scheme (CHAS), Chronic Disease Management Programme (CDMP) and the Seniors Mobility Fund (SMF). The new automated claim processes will enhance our centres' efficiency and productivity by replacing the previously laborious manual processes. This in turn, will certainly enhance staff effectiveness and productivity for SATA CommHealth.

Along with the implementation of the new Enterprise Medical Information system, we have also upgraded the Picture Archiving and Communication System (PACS) and Radiology Information System (RIS) applications with the latest versions coupled with new and technologically advanced hardware. The new application system encompasses more functional aspects while facilitating a seamless link with our new Enterprise Medical Information System. With the new RIS application providing cutting edge online dashboard and reporting features, our management users can harness big data for real time business analysis as well as live reporting of business statistics. Most importantly, it also provides blind reporting features in keeping with existing industry standards.

SATA CommHealth Nestle Work Place Pledge at Singapore Swimming Club

Open House at Jurong East Community Health Centre

Minister for Social and Family Development Mr Tan Chuan-Jin trying out the Telehealth devices at Uttamram Medical Centre during a Community Health Day event

INFORMATION SYSTEMS UPGRADE

We have upgraded and replaced many unsupported and end-of-life operating systems with the latest Windows server operating system running on the latest hardware platforms.

This project named as 'The Infrastructure Improvement Project', also migrated the now defunct Outlook e-mail application, to the latest Microsoft mail exchange application with superior functionality and many new features to allow a streamlined user experience. The new e-mail application facility provides more storage capacity for each e-mail client. It also serves as a unified secured messaging system for users inside or outside the office environment.

Bluetooth enabled Telehealth devices

TELEHEALTH STUDY

A pilot Telehealth project in collaboration with Napier Healthcare Solutions was started in August 2016 for six months. The study, being a first in Kembangan-Chai Chee area for monitoring the key vital parameters of those diagnosed with diabetes and hypertension was lauded by the Member of Parliament for Kembangan-Chai Chee, Minister Tan Chuan-Jin when he was given a live demonstration. He emphasised that this will help the residents better understand their own health status and empower them to take greater ownership of their own health. This project was undertaken by the Quality Management department.

FACILITIES MANAGEMENT

During the year, we began a continuous upgrading of our Medical Centres' facilities to cater to our patients' comfort and safety needs, coupled with a more productive environment for our staff. Some of the projects completed in 2016 included a new Wellness Centre at our Woodlands Medical Centre catering to our health screening patients. We also completed the renovations of the clinical area at Bedok Medical Centre. Our newest renovation works at Tampines Medical Centre was awarded by mid-November in 2016 as we planned to commence operations by mid-January 2017.

SATA CommHealth at the Marina Promenade 'Pledge Your Health' health screening event

A physiotherapy session in progress

In our efforts to give our SATA CommHealth Building at Bedok a fresh 'green look', we have set up a new gardening club and the club members undertook the inaugural project of creating a vegetable garden and designing of our landscape with an ornamental garden.

QUALITY ENHANCEMENT

We continued on our journey to achieve quality excellence by training and empowering our staff to deliver quality service consistently. This endeavour had helped in our productivity growth with improved customer satisfaction.

Our Quality Infrastructure was further strengthened with the successful completion of the ISO 9001:2008 Surveillance Audit in September 2016. Our companywide training on the topic 'Encourage Relationships with Customer Confidence' helped to enhance customer experience.

In 2016, as part of our push for quality improvements, we focused on a Quality Improvement Programme. Several meetings were held subsequently to manage expectations and gather feedback from customers to continuously improve waiting times, timely delivery of medical reports and customer friendly services. Through this fruitful exercise, we were able to receive more individual and

team compliments (over 12% increase), when compared to year 2015. As an extension of the Service Excellence Programme, we have created a Service Ambassador role for selected staff who will wear a special lanyard while serving the customers. Overall, we have achieved an average Customer Satisfaction Score of 85% across all medical centres in 2016.

As part of recognising staff for their service excellence, we identified several deserving candidates to receive the Achiever and Service Star Awards. The 'Best Medical Centre of the Year 2016' award went to SATA CommHealth Ang Mo Kio Medical Centre based on a preset criteria which included customer satisfaction scores.

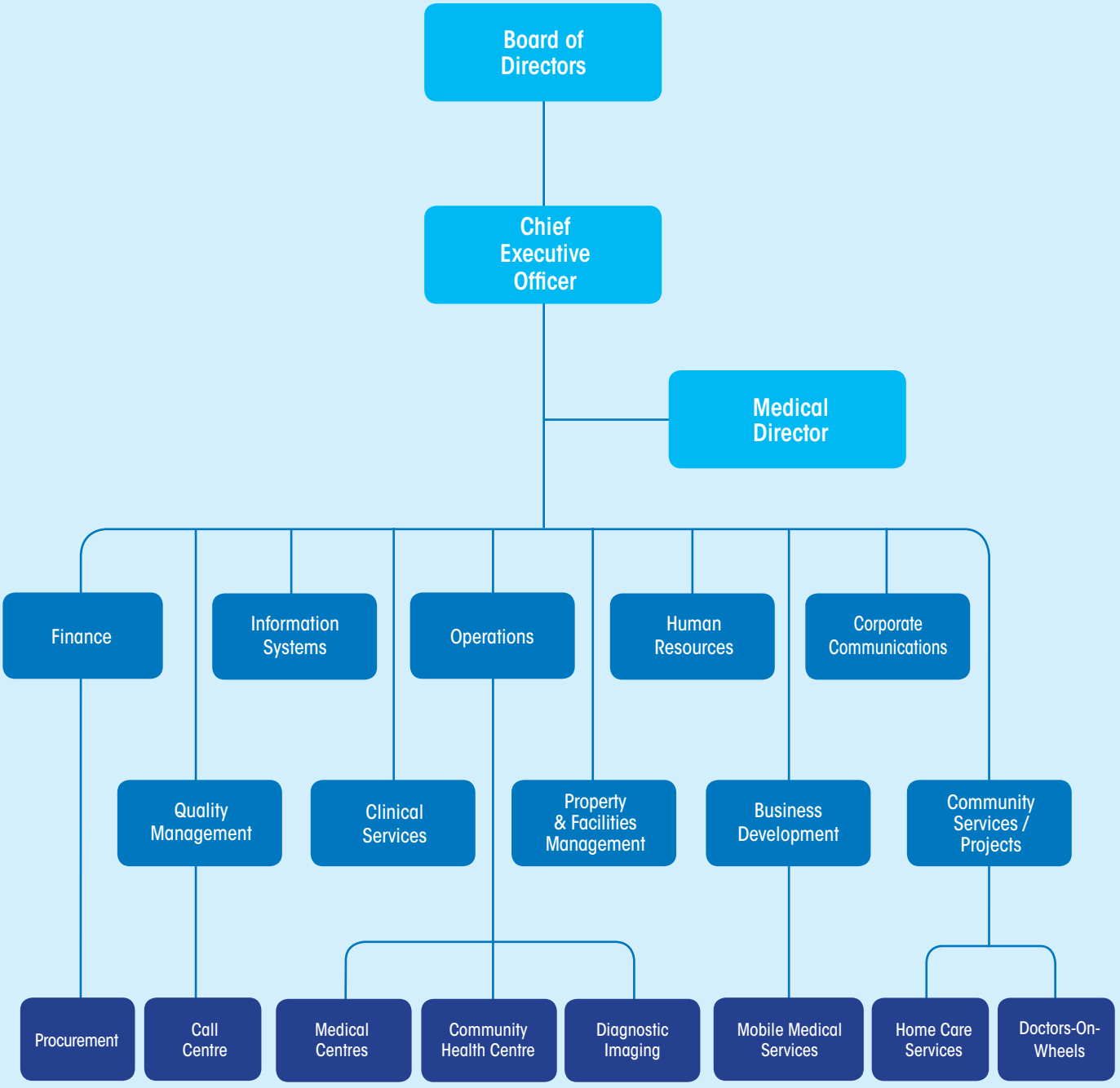
As part of our quality improvement efforts, we conducted three Continuing Medical Education talks together with 21 in-house clinical training sessions in the year.

Continuing Medical Education Talk on 'Role of Oral Agents in Type 2 Diabetes'

Going forward, we expect the dynamic healthcare landscape to bring new challenges and opportunities. However, with our resilience and enthusiasm, we are confident that we will be able to continue our growth and development with success in 2017 and beyond.

One of our Mobile Medical Services buses with SATA CommHealth livery

ORGANISATION CHART



COMMUNITY SERVICES

We have been scaling up our Community Services to meet the needs of the needy and elderly. The ageing population and the concomitant increase in chronic ailments have posed a major concern among healthcare providers in recent times. We are therefore looking at different ways of innovating care to enrich the lives of the population we serve.

In 2016, we spent a total of $2.7 million on community services. This amount was spent on a broad range of services including preventive health screenings, health education and promotion, medical care, financial assistance schemes and the Doctors-On-Wheels programme. Our resources were utilised for about 56,000 community interactions, which increased by 91 per cent over 2015.

PREVENTIVE HEALTH

In keeping with our vision of promoting lifelong health in the community, we have been collaborating with community clubs, grassroots organisations, religious and community based organisations, as well as other voluntary welfare organisations (VWOs) to offer preventive health screenings for their beneficiaries and staff at regular intervals.

We also reached out to the public through two community health days (CHDs) at our medical centres and an Open House at Jurong East Community Health Centre in 2016:

Location	Date
Jurong East Community Health Centre (Open House)	30 January 2016
SATA CommHealth Uttamram Medical Centre	21 August 2016
SATA CommHealth Tanjong Pagar Clinic	23 October 2016

Free and heavily subsidised health screening and education were provided to participants with the help of our doctors, nurses and other staff during the CHDs. More than 400 people benefitted from these events.

Our Mobile Medical Services, with a fleet of three X-Ray buses and a Mammo-on-Wheels bus, continued to uphold SATA CommHealth's tradition of reaching out to the community at large. Our vehicles are fitted with wheelchair lifts to enable even the wheelchair bound and elderly convenient access to these vehicles.

Beneficiaries waiting for their health screenings during Community Health Day at Uttamram Medical Centre

Ms Grace Fu (second from right), Minister for Culture, Community and Youth and Member of Parliament for Yuhua together with SATA CommHealth Chairman, Mr Ang Hao Yao (right most) and CEO Dr K Thomas Abraham (third from right) at the Jurong East Community Health Centre's Open House

Residents applying for the Healthy Life Card during the Open House at Jurong East Community Health Centre

In order to accord hassle free services through our mobile medical services and medical centres, we have issued our community beneficiaries with the SATA CommHealth Blue Healthy Life Card. This group also includes needy students and their immediate family members. A total of more than 3,600 complimentary visits for medical consultation and medication were provided to these card holders in 2016.

DOCTORS-ON-WHEELS (DOW)

The Doctors-On-Wheels programme is a community initiative that provides free and subsidised treatment to needy elderly beneficiaries living in 1, 2 and 3–room HDB flats. The DOW programme is operated from a specially equipped van, which brings the necessary equipment and medication to different parts of Singapore, where these beneficiaries reside. The DOW programme operates from Tuesdays to Fridays every week, to treat acute and chronic ailments, as well as provide some health education to the needy elderly in the community. This service is currently utilised by 23 Senior Activity Centres and Homes for the Aged, where more than 2,000 DOW patient engagements were carried out in 2016.

Doctors-On-Wheels at Kreta Ayer Senior Activity Centre

In 2016
HEALTHY LIFE CARD
more than
2,000
free visits by those holding the community cards

As an extension of our DOW programme, we help the frail and elderly with musculoskeletal and neurological problems, with free physiotherapy by our qualified therapists at our Bedok and Woodlands Medical Centres as well as Jurong East Community Health Centre.

One of the age-related ailments afflicting the elderly is osteoporosis. The Community Services Department also offers Bone Mineral Densitometry screening using our DEXA Scan system. After an assessment for suitability, beneficiaries are transported to our Woodlands location for their DEXA Scan. After the scanning, these elderly are given appropriate follow-up advice on their results or referred to an orthopaedic specialist for treatment.

HEALTH EDUCATION

Health Education is an important facet of our community services. We have been providing health education programmes to schools to reach out to the students. We believe that health education programme in schools is an effective strategy to prevent major health and social problems, as schools can play a major role in students' health related behaviours.

Boys' Brigade Smoke-Free Ambassador Training at BB headquarters.

In 2016
40,000
students attended one or more Community Services-initiated activities

Structured smoking prevention programmes, consisting of talks at school assemblies and smoking intervention workshops (under the 'I-Dare' programme) as well as smoke-free exhibitions, were carried out to educate both primary and secondary students to adopt healthy smoke-free lifestyles. The schools health education programme, which reached out to more than 40,000 students in 2016, is a major Community Services initiative of SATA CommHealth.

In the last few years, we have also initiated the Smoke-Free Ambassadors programme for uniformed groups. A total of 100 students from Boys' Brigade and Girls' Brigade have attended five separate one-day training sessions during the school holidays. After the training, these students take a pledge not to smoke and receive a Smoke-Free Ambassador badge. The feedback from these training sessions were positive, as participants enjoyed the interactive style of learning, which was reinforced through fun and games facilitated by our team. We plan to extend this programme to both Boy Scouts and Girl Guides in the future.

Health Talk during Open House at Jurong East Community Health Centre

SATA CommHealth tuberculosis health fair booth at Bukit Batok

DOT & SHOP PROGRAMME

Tuberculosis (TB) was a major health problem that threatened and afflicted the population in post-war Singapore. With the falling incidence of TB over the past few decades, we have adopted an advocacy role to raise public awareness of the disease.

We have also strengthened our existing partnership with the TB Control Unit (TBCU) of Tan Tock Seng Hospital in the fight against TB, with the introduction of the DOT & SHOP programme in 2009. This programme is aimed at encouraging the lower income TB patients who are under the Directly Observed Therapy (DOT) programme to complete their therapy. The duration of the therapy is usually between six to nine months and longer if they contract drug-resistant TB. SATA CommHealth provides a total of $100,000 worth of supermarket shopping vouchers to those on the DOT programme managed by TBCU, upon successful completion of their drug therapy. The vouchers which serve as incentives to these patients are given out monthly, when they complete each month's therapy without missing their doses.

We partnered Tan Tock Seng Hospital (TTSH) to commemorate World TB Day in 2016, by organising an exhibition at the hospital atrium. The objective of this exhibition was to create awareness of the disease and to encourage early detection and treatment. We also advertised in the newspapers on World TB Day to remind the public of the dangers of TB if the symptoms are ignored, and to encourage early treatment.

HOMECARE SERVICE

The Homecare Service was launched in 2012 to meet the needs of the home and bed-bound patients. Our Homecare programme enabled us to provide a new dimension to care for the needs of our patients at home. This service includes both home medical and nursing care, as well as caregiver training to family members and domestic helpers. Our caregiver training included activities of daily living (ADLs) which consists of bathing, dressing, getting in and out of bed, which are often performed by the caregivers. We provide holistic and integrated care to these home nursing patients, who have been discharged from hospitals, to be cared for at home. In 2016, we conducted a total of 2,438 home nursing care and 53 home medical visits.

SATA CommHealth Homecare staff nurse attending to a patient

We also helped our patients and their family members to procure their much needed homecare supplies at reasonable prices from our online e-Shop. These supplies are often delivered to their homes for added convenience.

MEDICAL TRANSPORTATION SERVICES

We began Medical Transportation Services in 2013 to give our beneficiaries convenient and seamless access to our medical centres/clinic, or to the Jurong East Community Health Centre for screening, treatment and therapy services. Patients seeking medical care at other clinics are also supported by our medical transportation service. Our medical transportation service also enables the wheelchair bound and elderly, who find it difficult to travel on public transport services without assistance.

In 2016

2,438
home nursing care visits

53
home medical care visits

We saw an increase in demand for this service, but due to our limited transport resources, had to limit this service mainly to our patients and their family members. Escort services, for those using our medical transport, are available upon request. This service benefits those who are unable to attend medical appointments/treatments on their own and when their caregiver is not available to take them for their medical appointment/treatments. This service also benefits those who cannot use public transportation owing to their physical disabilities.

LOOKING FORWARD

SATA CommHealth plans to expand its services to different parts of Singapore, where there are unmet needs in community services. As we expand our number of medical centres, we will also use these new centres as hubs for our services to the community, especially to the disadvantaged. We are also keen to collaborate with like-minded organisations to form partnerships to provide integrated care to the community.

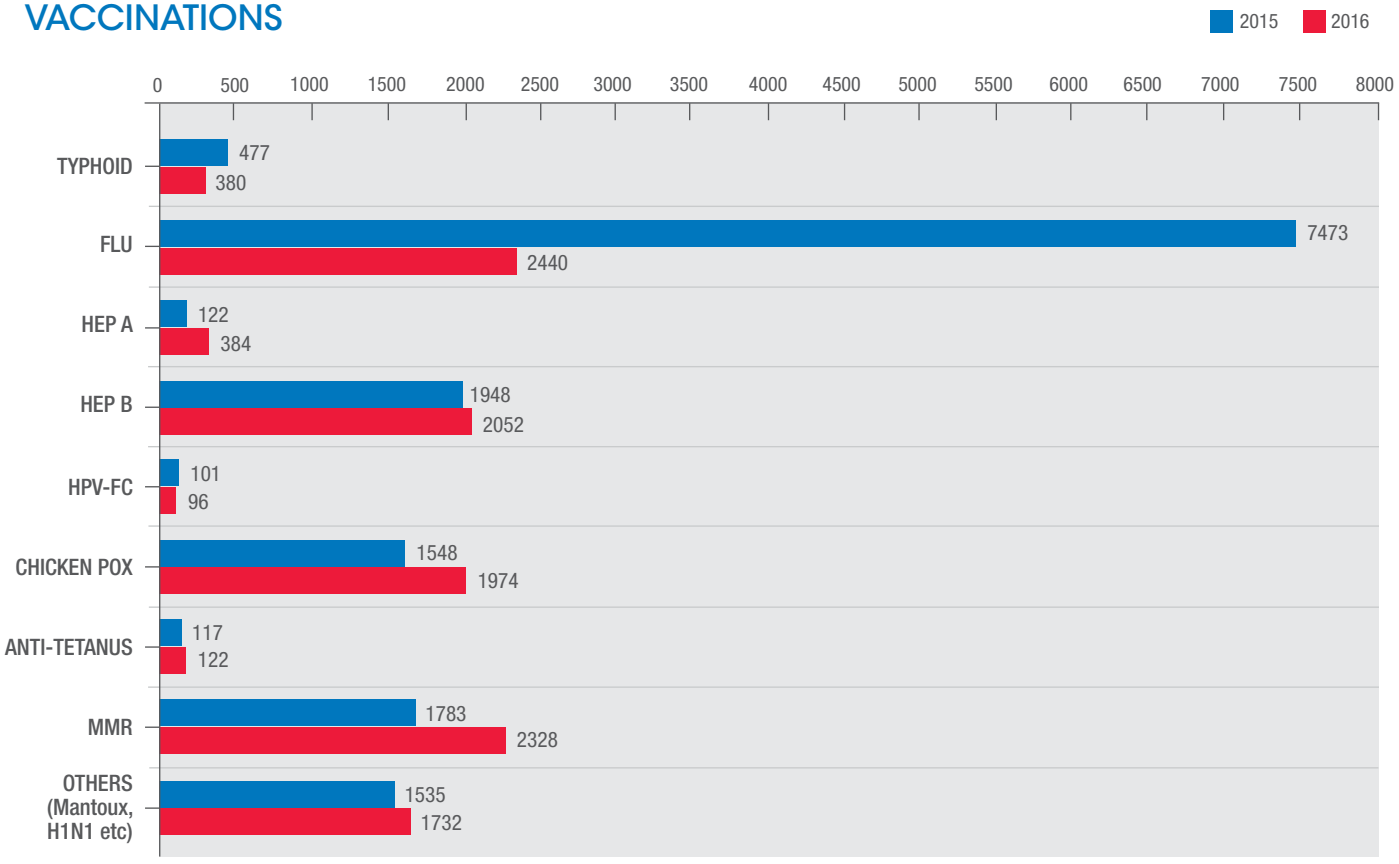
We will continue to build on our reputation to be a household name for community care. In order to achieve this aim, we will not rest on our laurels, but continue to seek opportunities to grow our services through capacity and capability building.

Our unique social enterprise-cum-charity model and our focus on community health have enabled us to build a sustainable Community Services programme, in keeping with our mission of "Promoting lifelong health, serving the community". We will continue to build on our successes, to serve the community even more in the years ahead.

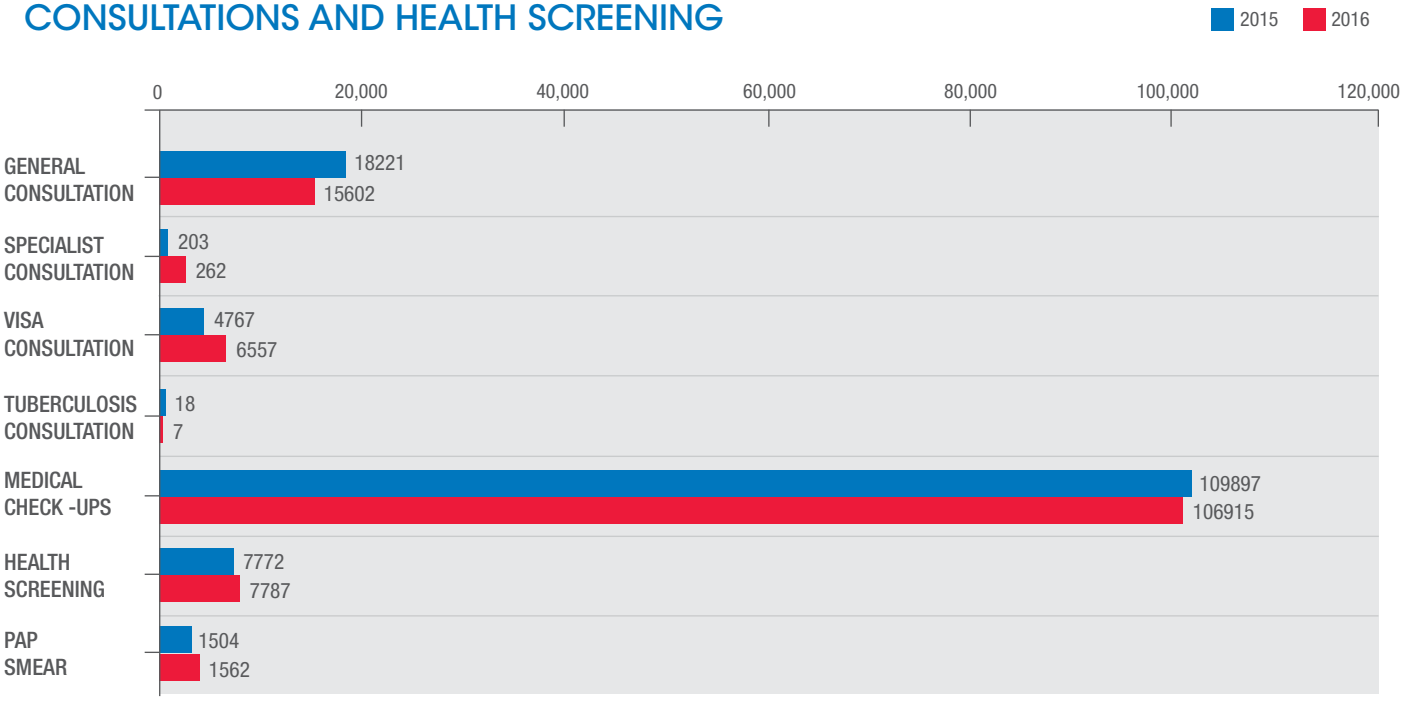
SATA CommHealth Doctors-On-Wheels serving residents at HDB areas

STATISTICS

VACCINATIONS



CONSULTATIONS AND HEALTH SCREENING



DIAGNOSTIC IMAGING

2015 2016

CHEST X-RAY

2015	2016
% Distribution 87.78%	% Distribution 87.17%
Volume 152,881	Volume 165,196

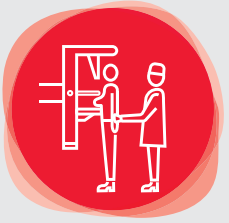
GENERAL X-RAY

2015	2016
% Distribution 6.35%	% Distribution 7.12%
Volume 11,067	Volume 13,493

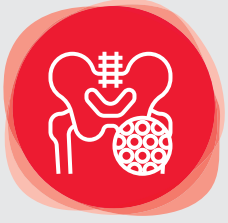
ULTRASOUND

2015	2016
% Distribution 3.84%	% Distribution 3.88%
Volume 6,685	Volume 7,351

MAMMOGRAM

2015	2016
% Distribution 1.89%	% Distribution 1.69%
	
Volume 3,290	Volume 3,196

BONE MINERAL DENSITOMETRY

2015	2016
% Distribution 0.09%	% Distribution 0.10%
	
Volume 156	Volume 188

ECHOCARDIOGRAM

2015	2016
% Distribution 0.05%	% Distribution 0.05%
Volume 95	Volume 92

sata

STATEMENT BY DIRECTORS AND FINANCIAL STATEMENTS

Year Ended 31 December 2016

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STATEMENT BY DIRECTORS

The directors of SATA CommHealth (the "Company") are pleased to present the financial statements of the Company for the reporting year ended 31 December 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and financial activities of the Company for the reporting year covered by the financial statements; and

(b) at the date of the 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 approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Mr Ang Hao Yao	(Chairman)
Dr Tan Chi Chiu	(Vice-Chairman)
Ms Theresa Goh Cheng Keow	(Vice-Chairman)
Mr Stanley Sia Swie Kean	
Ms Poh Mui Hoon	
Mr Dumas Chin Yi–Jiunn	
Mr Alvin Lim Choon Tee	
Dr Edward Yang Tuck Loong	
Mr Matthew Saw Seang Kuan	
Ms Fang Eu-Lin	
Mr Michael Richard Buchholz	
Dr Jason Yap Chin Huat	(Appointed on 23 June 2016)

3. Directors' interests in shares and debentures, and arrangements 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.

4. Options

The Company is limited by guarantee. As such, there are no share options or unissued shares under option.

5. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

STATEMENT BY DIRECTORS

On behalf of the directors

Mr Ang Hao Yao
Chairman

Mr Stanley Sia Swie Kean
Director

4 May 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SATA COMMHEALTH

Report on the audit of financial statements

Opinion

We have audited the accompanying financial statements of SATA CommHealth (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of financial activities, statement of changes in accumulated fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial activities, changes in accumulated fund and cash flows of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SATA COMMHEALTH

Responsibilities of management and directors 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 Companies Act, Charities Act and FRSs, 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 financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SATA COMMHEALTH

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

4 May 2017

Partner in charge of audit: Chan Sek Wai
Effective from reporting year ended 31 December 2013

STATEMENT OF FINANCIAL ACTIVITIES

Year Ended 31 December 2016

	Notes	2016 $	2015 $
INCOMING RESOURCES			
Incoming resources from generated funds			
Clinical, diagnostic imaging and laboratory services fees	4	13,093,823	12,000,122
Rental income	28	673,766	673,766
Interest and dividend income	5	1,690,690	1,614,150
Incoming resources from charitable activities – Operating income			
Income from community outreach activities	6	694,432	681,864
Voluntary income – donations		2,301	18,466
Other incoming resources			
Other income	7	50	100
Other gains	8	1,045,857	1,229,206
Total incoming resources		17,200,919	16,217,674
RESOURCES EXPENDED			
Cost of generating funds			
Clinical, diagnostic imaging and laboratory services expenses	9	9,627,123	9,220,789
Investment management fees		92,902	101,417
Resources expended for charitable activities			
Operating expenses	10	2,695,538	2,648,493
Administrative expenses			
Administrative expenses	11	5,457,145	5,321,350
Total resources expended		17,872,708	17,292,049
NET DEFICIT BEFORE OTHER RECOGNISED LOSSES		(671,789)	(1,074,375)
OTHER RECOGNISED (LOSSES) GAINS			
(Losses) Gains on disposals of financial instruments		(897,998)	474,039
Fair value losses on financial instruments		(339,807)	(2,006,216)
Foreign exchange translation gains (losses)		750,089	(194,472)
Total other recognised losses		(487,716)	(1,726,649)
NET DEFICIT FOR THE YEAR		(1,159,505)	(2,801,024)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 $	2015 $
ASSETS			
Cash and cash equivalents	14	9,890,176	9,934,044
Trade and other receivables	15	733,747	1,762,705
Inventories	16	41,631	39,357
Deposits and prepayments	17	176,318	95,604
Investments in financial instruments	18	47,720,156	48,244,611
Property, plant and equipment	19	13,691,172	12,834,906
Total assets		72,253,200	72,911,227
FUND AND LIABILITIES			
Fund			
Accumulated fund	20	68,486,245	69,645,750
Total fund		68,486,245	69,645,750
Liabilities			
Deferred revenue		51,356	43,633
Other liabilities	21	187,190	314,124
Trade and other payables	22	3,528,409	2,907,720
Total liabilities		3,766,955	3,265,477
Total fund and liabilities		72,253,200	72,911,227

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

STATEMENT OF CHANGES IN ACCUMULATED FUND

Year Ended 31 December 2016

	2016 $	2015 $
Current year:		
Balance at beginning of the year	69,645,750	72,446,774
Movements in fund:		
Net deficit for the year	(1,159,505)	(2,801,024)
Balance at end of the year	68,486,245	69,645,750

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

STATEMENT OF CASH FLOWS

Year Ended 31 December 2016

	2016 $	2015 $
Cash flows from operating activities		
Net deficit for the year	(1,159,505)	(2,801,024)
Adjustment for :		
Depreciation of property, plant and equipment (Note 19)	890,552	1,090,983
Amortisation of deferred capital grant (Note 21)	(126,934)	(290,107)
Losses (Gains) on disposals of financial instruments	897,998	(474,039)
Fair value losses on financial instruments	339,807	2,006,216
Gains on disposal of plant and equipment	(10)	–
Interest income (Note 5)	(1,132,301)	(1,215,825)
Dividend income (Note 5)	(558,389)	(398,325)
Operating cash outflows before changes in working capital	(848,782)	(2,082,121)
Inventories	(2,274)	8,474
Trade and other receivables	1,028,958	(455,641)
Deposit and prepayment	(80,714)	(9,230)
Trade and other payables	620,689	110,323
Deferred revenue	7,723	18,176
Net cash flows from (used in) operating activities	725,600	(2,410,019)
Cash flows from investing activities		
Purchase of plant and equipment	(1,746,818)	(731,982)
Proceeds from disposal of plant and equipment	10	–
Proceeds from disposal of financial instruments	34,606,389	40,636,505
Purchase of financial instruments	(35,338,880)	(34,456,439)
Government capital grants received (Note 21)	–	469,153
Interest received	1,151,442	1,232,874
Dividends received	558,389	398,325
Net cash flows (used in) from investing activities	(769,468)	7,548,436
Net (decrease) increase in cash and cash equivalents	(43,868)	5,138,417
Cash and cash equivalents, statement of cash flows, beginning balance	9,934,044	4,795,627
Cash and cash equivalents, statement of cash flows, ending balance (Note 14)	9,890,176	9,934,044

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

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

1. General

SATA CommHealth (the "Company") is a voluntary, not–for–profit organisation limited by guarantee, incorporated under the Singapore Companies Act, Chapter 50. The Company was registered as a charity under the Charities Act. Chapter 37 on 27 September 1984.

The board of directors approved and authorised these financial statements for issue on the date of statement by directors.

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 as well as other medical and health–related services.

The functional currency of the Company is Singapore dollars and the financial statements are presented in Singapore dollars.

Each member of the Company has undertaken to contribute such amounts not exceeding $50 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company had 76 (2015: 75) members at the end of the reporting year.

The memorandum and articles of association restrict the use of fund monies to the furtherance of the objects of the Company. They prohibit the payment of dividends to members.

The registered office address is: 351 Chai Chee Street, Singapore 468982. The Company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council, the Singapore Charities Act, Chapter 37 (the "Charities Act") and the Companies Act, Chapter 50 (the "Companies Act"). 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. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to statement of financial activities in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

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 note to the financial statements, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

Revenues including donations, gifts and grants that provide core funding or are of general in 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 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.

(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.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non–monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Gains / losses on financial assets and liabilities

Unrealised gains/losses on financial assets at fair value through statement of financial activities include all unrealised fair value changes, but exclude interest and dividend income. Net unrealised gains/losses are recognised in the statement of financial activities. The weighted average method is used when determining the cost basis for equities being disposed of. The interest and dividend income are disclosed by way of a note.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

As a charity, the Company is exempted 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 is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed retirement benefit plan). For employee leave entitlement, the expected cost of short–term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non–accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non–functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities 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 method 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:

Freehold land	– Not depreciated
Buildings	– 50 years
Furniture, fittings, office computer and clinic equipment	– 2 to 10 years
Motor vehicles	– 10 years

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

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured 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 end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

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

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in the statement of financial activities as an integral part of the total lease expense. Rental income from operating leases is recognised in the statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non–financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about 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 end of the reporting year 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 unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

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 where the cost is not recoverable or if the selling price has declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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.

Financial assets

Initial recognition, measurement and derecognition:

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 the 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 the statement of financial activities are expensed immediately. The transactions are recorded at the trade date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

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

(i) Financial assets at fair value through the 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". All changes in fair value relating to assets at fair value through the statement of financial activities are recognised directly in the statement of financial activities.

(ii) 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.

(iii) Held–to–maturity financial assets: As at the reporting year date, there were no financial assets classified in this category.

(iv) Available–for–sale financial assets: As at the reporting year date, there were no financial assets classified in this category.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Hedging

The entity is exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. They are carried at fair value. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in the statement of financial activities. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

All derivatives are initially recognised and subsequently carried at fair value. Certain derivatives are entered into in order to hedge some transactions and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in the statement of financial activities and the hedged item follows normal accounting policies.

Financial liabilities

Initial recognition, measurement and derecognition:

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 expired. 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 statement of financial activities 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 statement of financial activities are expensed immediately. The transactions are recorded at the trade date.

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

(i) Liabilities at fair value through statement of financial activities: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) 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". All changes in fair value relating to liabilities at fair value through statement of financial activities are charged to statement of financial activities as incurred.

(ii) 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.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non–financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand–alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid–ask spread or mid–market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short–term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the 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 to the financial statements.

2B. Other explanatory information

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. A provision is made using best estimates of the amount required in settlement. 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 reporting year they occur.

2. Significant accounting policies and other explanatory information (cont'd)

2C. 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 reporting 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 trade 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. 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 reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in Note 15 on trade and other receivables.

Useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are 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. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the property, plant and equipment at the end of the reporting year affected by the assumption is disclosed in Note 19 on property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Related party transactions

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 reporting year.

3B. Key management compensation

	2016 $	2015 $
Salaries and other short–term employee benefits	868,626	920,935

Key management personnel include the chief executive officer and 4 (2015: 5) other senior officers.

3C. Board member compensation

The board members do not receive any compensation from the Company during the reporting year.

4. Clinical, diagnostic imaging and laboratory services fees

	2016 $	2015 $
Treatment and diagnostic imaging fees	12,531,609	11,356,781
Income from worklife scheme	562,214	643,341
	13,093,823	12,000,122

5. Interest and dividend income

	2016 $	2015 $
Interest income from assets at fair value	1,132,301	1,215,825
Dividend income	558,389	398,325
	1,690,690	1,614,150

6. Incoming resources from charitable activities – operating income

	2016 $	2015 $
Income from community outreach activities	694,432	681,864

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2016

7. Other incoming resources – other income

	2016 $	2015 $
Other income – membership income	50	100

8. Other gains

	2016 $	2015 $
Allowance for impairment on trade receivable – reversal	14,157	5,623
Gains on disposal of plant and equipment	10	–
Government grants and credits	420,693	294,368
Government funding	577,745	856,612
Reimbursement on government paid leaves	33,252	72,603
	1,045,857	1,229,206

9. Clinical, diagnostic imaging and laboratory services expenses

	2016 $	2015 $
Clinical, diagnostic imaging and laboratory supplies	1,695,388	1,668,295
Employee benefits expenses (included in Note 12)	7,502,494	7,008,255
Depreciation expense	196,584	327,767
Other expenses	232,657	216,472
	9,627,123	9,220,789

10. Resources expended for charitable activities – operating expenses

	2016 $	2015 $
Employee benefits expenses (included in Note 12)	1,207,042	1,234,213
Depreciation expense	120,498	136,312
Rental expenses	62,008	61,758
Sponsorship	27,594	(23,412)
Subsidised costs	343,855	399,923
General and admin expenses allocated to charitable activities	598,118	561,400
Other expenses	336,423	278,299
	2,695,538	2,648,493

11. Administrative expenses

	2016 $	2015 $
Employee benefits expenses (included in Note 12)	2,691,222	2,537,437
Depreciation expense	573,470	626,904
Rental expenses	719,160	672,670
IT support and maintenance expense	906,828	828,944
Other expenses	566,465	655,395
	5,457,145	5,321,350

12. Employee benefits expenses

	2016 $	2015 $
Short term employee benefits expenses	9,975,733	9,439,438
Contributions to defined contribution plan	1,044,549	980,092
Other benefits	380,476	360,375
	11,400,758	10,779,905

13. Items in the statement of financial activities

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the statement of financial activities includes the following charges:

	2016 $	2015 $
Audit fees to the independent auditor	36,500	35,000

14. Cash and cash equivalents

	2016 $	2015 $
Not restricted in use	9,890,176	9,934,044

Included in the above cash and cash equivalents is an amount of $4,923,451 (2015: $5,284,597) held by the independent fund manager.

The rates of interest for the cash on interest earning balances of $2,589,311 (2015: $2,644,114) is between 0.01% and 0.05% (2015: 0.02%) per annum.

15. Trade and other receivables

	2016 $	2015 $
Outside parties	741,008	1,784,902
Less: Allowance for impairment	(7,261)	(22,197)
	733,747	1,762,705
Movements in allowance for impairment:		
Balance at beginning of the year	22,197	33,302
Reversal for trade receivables to statement of financial activities included in other gains (Note 8)	(14,157)	(5,623)
Bad debts written off	(779)	(5,482)
Balance at end of the year	7,261	22,197

16. Inventories

	2016 $	2015 $
Drugs and medical supplies	41,631	39,357
Cost of inventories included in the Statement of Financial Activities as clinical, diagnostic and laboratory supplies	216,841	187,151

17. Deposits and prepayments

	2016 $	2015 $
Deposits for secured services	147,213	89,108
Prepayments	29,105	6,496
	176,318	95,604

18. Investments in financial instruments

	2016 $	2015 $
Balance is made up of:		
Quoted equities	18,311,840	17,776,939
Quoted bonds	29,755,705	30,393,382
Fair value changes on forward currency contracts	(347,390)	74,289
Unquoted equity	1	1
Total	47,720,156	48,244,611

18A. Movements in investments in financial instruments

	2016 $	2015 $
Investments at fair value through statement of financial activities		
Movements during the year:		
Fair value at the beginning of the year	48,244,611	55,973,903
Additions	35,338,880	34,456,439
Disposals	(35,504,387)	(40,162,466)
Fair value changes	7,583	(2,080,505)
Fair value changes on forward currency contracts (Note 23)	(347,390)	74,289
Interest receivables	(19,141)	(17,049)
Fair value at the end of the year	47,720,156	48,244,611

18. Investments in financial instruments (cont'd)

18B. Disclosures relating to investments

The information gives a summary of the significant sector concentrations within the investment portfolio including Level 1, 2 and 3 securities:

Balance is made up of:	Level	2016 %	2015 %	2016 $	2015 $
Quoted equity shares in corporations at fair value through statement of financial activities:					
– Bermuda*		3.17	2.46	1,513,482	1,184,707
– China*		0.99	2.08	470,534	1,002,982
– France*		2.30	–	1,097,216	–
– Germany*		–	4.70	–	2,265,252
– Hong Kong*		1.69	3.10	806,779	1,497,589
– Ireland*		1.05	–	503,095	–
– Japan*		1.86	–	889,691	–
– Singapore*		12.11	20.57	5,781,120	9,922,978
– Switzerland*		2.60	–	1,239,008	–
– Taiwan*		–	1.75	–	842,315
– Thailand*		0.66	–	314,338	–
– United States of America*		11.94	2.20	5,696,577	1,061,116
Sub-total	1	38.37	36.86	18,311,840	17,776,939
Unquoted equity shares in a corporation at fair value through statement of financial activities:					
– Malaysia*		–	–	1	1
Sub-total	3	–	–	1	1
Quoted securities – Bonds in corporations at fair value through statement of financial activities:					
– China*		5.10	7.74	2,435,831	3,733,046
– Hong Kong*		1.47	4.43	702,062	2,136,385
– India*		2.38	–	1,134,852	–
– Malaysia*		2.83	5.39	1,350,119	2,598,331
– Philippines*		4.44	–	2,120,389	–
– Singapore*		28.24	31.28	13,475,154	15,096,971
– South Korea*		2.84	1.04	1,357,455	501,701
– Taiwan*		1.31	1.26	627,113	607,106
– United Kingdom*		5.38	5.25	2,566,987	2,535,099
– United States of America*		4.91	–	2,341,063	–
– Virgin Islands GB *		3.45	6.60	1,644,680	3,184,743
Sub-total	1	62.35	62.99	29,755,705	30,393,382

18. Investments in financial instruments (cont'd)

18B. Disclosures relating to investments (cont'd)

	Level	2016 %	2015 %	2016 $	2015 $
Forward currency contracts	2	(0.72)	0.15	(347,390)	74,289
Total financial instruments		100.00	100.00	47,720,156	48,244,611

*countries of incorporation of the corporations.

The rates of interest for the interest earning bond balances are between 2.13% to 4.35% (2015: 2.30% to 4.50%) per annum.

Value of quoted bonds to maturity as at the end of reporting year is as follows:

	2016 $	2015 $
Within 1 year	2,424,766	1,680,474
Within 1 to 2 years	2,585,835	2,425,636
Within 2 to 3 years	3,160,738	2,592,810
After 3 years	21,584,366	23,694,462
	29,755,705	30,393,382

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis:

	2016 $	2015 $
A hypothetical 10% increase in the market index of those quoted equity shares would have an effect on surplus of	1,831,184	1,777,694
A hypothetical 10% increase in the market index of those quoted bonds would have an effect on surplus of	2,975,571	3,039,338

For similar price decreases in the fair value of the above financial instruments, there would be comparable impacts in the opposite direction on the statement of financial activities.

This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

19. Property, plant and equipment

	Freehold land (Note A) $	Buildings $	Furniture, fittings, office computer and clinic equipment $	Motor vehicles $	Asset in progress $	Total $
Cost:						
At 1 January 2015	650,000	18,273,896	5,984,616	1,440,151	–	26,348,663
Additions	–	50,382	242,507	–	439,093	731,982
Disposals	–	–	(189,144)	–	–	(189,144)
At 31 December 2015	650,000	18,324,278	6,037,979	1,440,151	439,093	26,891,501
Additions	–	155,102	913,148	89,897	588,671	1,746,818
Disposals	–	–	(420,744)	–	–	(420,744)
At 31 December 2016	650,000	18,479,380	6,530,383	1,530,048	1,027,764	28,217,575
Represented by :						
Cost	–	18,479,380	6,530,383	1,530,048	1,027,764	27,567,575
Valuation	650,000	–	–	–	–	650,000
Total	650,000	18,479,380	6,530,383	1,530,048	1,027,764	28,217,575
Accumulated depreciation:						
At 1 January 2015	–	7,136,221	4,877,439	1,141,096	–	13,154,756
Charge for the year	–	513,092	463,904	113,987	–	1,090,983
Disposals	–	–	(189,144)	–	–	(189,144)
At 31 December 2015	–	7,649,313	5,152,199	1,255,083	–	14,056,595
Charge for the year	–	500,318	356,059	34,175	–	890,552
Disposals	–	–	(420,744)	–	–	(420,744)
At 31 December 2016	–	8,149,631	5,087,514	1,289,258	–	14,526,403
Carrying value:						
At 1 January 2015	650,000	11,137,675	1,107,177	299,055	–	13,193,907
At 31 December 2015	650,000	10,674,965	885,780	185,068	439,093	12,834,906
At 31 December 2016	650,000	10,329,749	1,442,869	240,790	1,027,764	13,691,172

Note A:
Based on an independent estimate, management has estimated that the value of the freehold land in 1954 to be approximately $650,000. Accordingly, the company has made an adjustment in 2010 to recognise the cost of the freehold land in the company's financial statements and increase the company's accumulated fund by the same amount.

The fair value of the freehold land was estimated to be $11,000,000 as at 31 December 2007. The fair value of the land as at 31 December 2007 was measured based on a valuation made by PREMAS International Ltd, a firm of independent professional valuers using the income approach and the cost method of valuation. Subsequently, no fair value assessment has been carried out.

Fully depreciated plant and equipment still in use have an initial cost of $7,722,713 (2015: $6,964,364).

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Year Ended 31 December 2016

20. Accumulated fund

	2016 $	2015 $
Unrestricted accumulated fund	68,486,245	69,645,750

The Company has a reserves policy. 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.

21. Other liabilities

	2016 $	2015 $
Balance at beginning of the year	314,124	135,078
Add: Capital grant received	–	469,153
Less: Deferred capital grant amortised	(126,934)	(290,107)
Balance at end of the year	187,190	314,124

Other liabilities refer to deferred capital grants received from various organisations.

22. Trade and other payables

	2016 $	2015 $
Payables for clinical, diagnostic imaging and laboratory supplies	993,416	757,206
Accrued expenditure	2,105,673	1,895,350
Deposits received	245,006	255,164
Government grants received in advance	184,314	–
	3,528,409	2,907,720

23. Derivative financial instruments

	2016 $	2015 $
(Liabilities) Assets – Contracts with (negative) positive fair values:		
Derivatives not designated as hedging instruments:		
Forward foreign exchange contracts gains (losses) – hedging instruments	(347,390)	74,289

23A. Forward currency contracts

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled at the end of the reporting year. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

23. Derivative financial instruments (cont'd)

23A. Forward currency contracts (cont'd)

As at 31 December 2016, the terms of the outstanding forward currency contracts are as follows:

	Principal	Reference currency	Maturity	Favourable (Unfavourable) fair value (Note 18)
Forward currency contract	260,000	EUR	03 Feb 2017	4,366
Forward currency contract	280,000	GBP	03 Feb 2017	(21,156)
Forward currency contract	68,000,000	JPY	10 Feb 2017	58,375
Forward currency contract	10,460,000	USD	17 Feb 2017	(78,400)
Forward currency contract	3,080,000	USD	17 Feb 2017	(310,575)
				(347,390)

As at 31 December 2015, the terms of the outstanding forward currency contracts are as follows:

	Principal	Reference currency	Maturity	Favourable (Unfavourable) fair value (Note 18)
Forward currency contract	12,400,000	USD	19 Feb 2016	86,863
Forward currency contract	800,000	EUR	05 Feb 2016	(12,574)
				74,289

The purpose of these contracts is to mitigate the fluctuations of expected investments denominated in foreign currencies. The entity is party to a variety of foreign currency forward contracts in the management of its exchange rate exposures. The instruments purchased are primarily denominated in the currencies of the entity's investments. As a matter of principle, the entity does not enter into derivative contracts for speculative purposes.

The forward currency contracts are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

24. Income tax

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

25. Financial instruments: information on financial risks

25A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2016 $	2015 $
Financial assets:		
Cash and cash equivalents	9,890,176	9,934,044
Financial assets at fair value through statement of financial activities	48,067,546	48,170,322
Loans and receivables	733,747	1,762,705
Derivatives financial instruments at fair value through statement of financial activities	–	74,289
Total financial assets at end of the year	58,691,469	59,941,360
Financial liabilities:		
Trade and other payables measured at amortised cost	3,099,089	2,652,556
Derivatives financial instruments at fair value through statement of financial activities	347,390	–
Total financial liabilities at end of the year	3,446,479	2,652,556

Further quantitative disclosures are included throughout these financial statements.

25B. Financial risk management

The Company's activities are exposed 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 provide 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 reputation to manage its investments. The 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 Policy Statement as approved by the Board.

There have been no changes to the exposures to risk: the objectives, policies and processes for managing the risk and the methods used to measure the risk.

25C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

25. Financial instruments: information on financial risks (cont'd)

25D. Credit risk on financial assets

Financial assets that are potentially subjected to concentrations of credit risk and failures by counter-parties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and investments in financial instruments. 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 investment in 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 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 (2015: 30 days) but some customers take a longer period to settle the amounts.

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

	2016 $	2015 $
Trade receivables:		
31 – 60 days	14,134	6,544
61 – 90 days	2,648	3,104
91 – 180 days	1,106	3,536
Over 180 days	5,772	3,197
	23,660	16,381

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

The allowance is based on individual accounts totalling $7,261 (2015: $22,197) that are determined to be impaired at the end of the reporting year (Note 15). These are not secured.

25E. Liquidity risk – financial liabilities maturity analysis

All 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 (2015: 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.

25. Financial instruments: information on financial risks (cont'd)

25F. Interest rate risks

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by type of interest rate:

	2016 $	2015 $
Financial assets:		
Floating rates	3,364,899	2,644,114
Fixed rates	29,755,705	30,393,382
	33,120,604	33,037,496

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

Sensitivity analysis: The effect on surplus is not significant.

25G. Foreign currency risks

The company's investments in financial instruments are exposed to the currency risks with respect to various currencies.

Analysis of amounts denominated in non–functional currencies:

	Financial instruments $	Cash and cash equivalents $	Total $
At 31 December 2016			
Euro	1,239,008	3,920	1,242,928
Hong Kong Dollar	1,097,216	–	1,097,216
Japanese Yen	503,095	–	503,095
Pound Sterling	806,779	–	806,779
Swiss Franc	889,691	–	889,691
Thai Baht	314,338	–	314,338
Taiwan Dollar	–	771,668	771,668
United States Dollar	20,887,151	2,589,311	23,476,462
	25,737,278	3,364,899	29,102,177

	Financial instruments $	Cash and cash equivalents $	Total $
At 31 December 2015			
Euro	2,265,252	–	2,265,252
Hong Kong Dollar	2,500,571	–	2,500,571
Taiwan Dollar	842,315	–	842,315
United States Dollar	14,741,128	2,644,114	17,385,242
	20,349,266	2,644,114	22,993,380

25. Financial instruments: information on financial risks (cont'd)

25G. Foreign currency risks (cont'd)

Sensitivity analysis:

	2016 $	2015 $
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Euro with all other variables held constant would have an adverse effect on surplus of	(124,293)	(226,525)
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Hong Kong Dollar with all other variables held constant would have an adverse effect on surplus of	(109,722)	(250,057)
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Japanese Yen with all other variables held constant would have an adverse effect on surplus of	(50,310)	–
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Pound Sterling with all other variables held constant would have an adverse effect on surplus of	(80,678)	–
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Swiss Franc with all other variables held constant would have an adverse effect on surplus of	(88,969)	–
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Thai Baht with all other variables held constant would have an adverse effect on surplus of	(31,434)	–
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Taiwan Dollar with all other variables held constant would have an adverse effect on surplus of	(77,167)	(84,232)
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the United States Dollar with all other variables held constant would have an adverse effect on surplus of	(2,347,646)	(1,738,524)

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 impact in the opposite direction on the statement of financial activities.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non–functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there is no hedged transaction.

25. Financial instruments: information on financial risks (cont'd)

25H. Equity price risk

There are investments in quoted equity shares or quoted bonds. As a result, such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The fair values of these assets and sensitivity analysis are disclosed in Note 18.

26. Commitments

26A. Capital commitments

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

	2016 $	2015 $
Commitments to purchase of plant and equipment	1,836,576	1,286,788

26B. Expenditure commitments

At the end of the reporting year, the total of future expenditure commitments under contractual service agreement is as follows:

	2016 $	2015 $
Not later than one year	–	906,833
Later than one year but not later than five years	746,234	746,234
Support and maintenance expenses for the year (Note 11)	906,828	828,944

The Company has signed an agreement to change the clinic's IT operating system. In accordance with this agreement, the support and maintenance expenses are waived for the first year.

27. Operating lease payment commitments – as lessee

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

	2016 $	2015 $
Not later than one year	762,657	515,712
Later than one year but not later than five years	1,167,185	839,060
Rental expenses for the year	781,168	734,428

Operating lease payments represent rentals payable by the Company for its clinics and office equipment. The leases are negotiated for an average terms of three years and five years, subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage. The leases for office equipment are for an average terms of five years.

28. Operating lease income commitments – as lessor

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

	2016 $	2015 $
Not later than one year	673,766	673,766
Later than one year but not later than five years	2,763,972	2,702,720
Later than five years	1,937,078	2,641,470
Rental income for the year	673,766	673,766

Operating lease income commitment is for a healthcare facility in the Company's building. The lease rental income term is negotiated for ten years and rental is subject to an escalation clause.

29. Changes and adoption of financial reporting standards

For the current reporting year, new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable 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	Amendments to FRS 1: Disclosure Initiative

30. New or amended standards in issue but not yet effective

The new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable 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 7	Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

FRS 116 Leases effective for annual periods beginning on or after 1 January 2019 replaces FRS 17 and its interpretations. Almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low value assets). Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The management anticipates that FRS 116 will be adopted in the financial statements when it becomes mandatory and that the application of the new standard will have a significant effect on amounts reported in respect of the leases.

However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

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