

Financial statements

**Asian Centre For Liver Diseases &
Transplantation Pte. Ltd.**

For the year ended 31 August 2009

Company information

Company registration number	199405221E
Registered office	150 Cecil Street #16-00 Singapore 069543
Directors	Dr Caesarian Tan Kai Chah Ms Pamela Anne Jenkins
Secretary	Liew May Lei Sara and Gerard Anthony Cordeiro
Banker	DBS Bank Ltd
Independent auditor	Foo Kon Tan Grant Thornton Public Accountants and Certified Public Accountants 47 Hill Street #05-01 Singapore Chinese Chamber of Commerce & Industry Building Singapore 179365

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Directors' report

The directors submit this annual report to the members together with the audited financial statements of the Company for the financial year ended 31 August 2009.

Names of directors

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

Dr Caesarian Tan Kai Chah
Ms Pamela Anne Jenkins

Arrangements to acquire shares or debentures

During and at the end of the financial year, the Company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses or infant children) in shares and share options of the Company and its related corporations are as follows:

	<u>Direct interest</u>	
	<u>As at</u> <u>1.9.2008</u>	<u>As at</u> <u>31.8.2009</u>
<u>The Company</u>		
Ordinary shares fully paid		
Dr Caesarian Tan Kai Chah	8	-
Pamela Anne Jenkins	2	-
<u>The ultimate holding company</u>	<u>1.9.2008</u>	<u>31.8.2009</u>
Ordinary shares fully paid		
Dr Caesarian Tan Kai Chah	-	102,298,250
Pamela Anne Jenkins	-	21,324,600

Directors' benefits

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit by reason under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Chapter 50 except the remuneration received by the directors in their capacity as executives of the Company as disclosed in the notes to the financial statements.

Share options

No options were granted during the financial year to take up unissued shares of the Company.

No shares were issued by virtue of the exercise of options.

There were no unissued shares under option at the end of the financial year.

Independent auditor

At an Extraordinary General Meeting during the year, Foo Kon Tan Grant Thornton, Certified Public Accountants, were appointed as auditors of the Company. The auditors, Foo Kon Tan Grant Thornton, have indicated their willingness to accept re-appointment.



.....
Dr CAESARIAN TAN KAI CHAH



.....
PAMELA ANNE JENKINS

Dated: 6 November 2009

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Statement by directors

In the opinion of the directors,

- (a) the accompanying financial statements of the Company, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 August 2009 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



.....
Dr CAESARIAN TAN KAI CHAH



.....
PAMELA ANNE JENKINS

Dated: 6 November 2009

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Independent Auditors' Report to the members of Asian Centre For Liver Diseases & Transplantation Pte. Ltd.

We have audited the accompanying financial statements of Asian Centre For Liver Diseases & Transplantation Pte. Ltd., which comprise the balance sheet as at 31 August 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements for the year ended 31 August 2008 were audited by another firm of auditors whose report dated 16 February 2009 expressed an unqualified opinion on those financial statements.

Management's responsibility for the Financial Statements

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

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditors' Report to the members of Asian Centre For Liver Diseases & Transplantation Pte. Ltd.

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

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 August 2009 and of the results, changes in equity and cash flow statement of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.



Foo Kon Tan Grant Thornton
Public Accountants and Certified Public Accountants

Singapore, 6 November 2009

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Balance sheet

	Note	2009 \$	2008 \$
Assets			
Non-current			
Plant and equipment	3	90,055	24,354
Current			
Inventories at cost - medical supplies		363,194	299,314
Trade and other receivables	4	3,244,974	1,989,467
Balances with related parties	5	203,313	3,723,363
Cash and cash equivalents	6	3,864,494	2,511,645
		7,675,975	8,523,789
Total assets		7,766,030	8,548,143
Equity and reserves			
Capital and Reserves			
Share capital	7	10	10
Retained profits		1,794,012	3,064,723
Total equity		1,794,022	3,064,733
Liabilities			
Non-current			
Deferred tax liabilities	8	3,950	3,950
Current			
Trade and other payables	9	5,602,911	4,048,296
Balances with related parties	5	-	943,118
Income tax payable		365,147	488,046
		5,968,058	5,479,460
Total liabilities		5,972,008	5,483,410
Total equity and liabilities		7,766,030	8,548,143

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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Income statement

	Note	2009 \$	2008 \$
Revenue	10	17,703,526	21,038,380
Other operating income	11	90,403	501,845
Changes in inventories		63,880	(357,553)
Inventories		(1,520,673)	(1,811,117)
Purchased services		(9,185,606)	(11,776,334)
Staff costs		(3,895,681)	(3,389,812)
Operating lease expense		(499,801)	(137,240)
Depreciation of plant and equipment		(25,320)	(9,119)
Professional fees		(74,188)	(50,450)
Credit card charges		(91,110)	(80,587)
Telephone charges		(38,010)	(36,635)
Allowance made for impairment loss, non-trade		-	(650,786)
Bad debts written off		(39,954)	-
Other operating expenses		(187,046)	(232,834)
Finance costs	12	-	(72)
Profit before taxation		2,300,420	3,007,686
Income tax expense	13	(365,131)	(579,864)
Profit for the year	14	1,935,289	2,427,822

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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Statement of changes in equity

	Share capital \$	Retained Profits \$	Total \$
Balance at 1 September 2007	2	636,901	636,903
Issue of shares	8	-	8
Profit for the year	-	2,427,822	2,427,822
Total recognised income and expense for the year	-	2,427,822	2,427,822
Balance at 31 August 2008	10	3,064,723	3,064,733
Profit for the year	-	1,935,289	1,935,289
Total recognised income and expense for the year	-	1,935,289	1,935,289
Dividend paid	-	(3,206,000)	(3,206,000)
Balance at 31 August 2009	10	1,794,012	1,794,022

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Cash flow statement

	Year ended 31 August 2009 \$	Year ended 31 August 2008 \$
Cash flows from ordinary activities		
Profit before taxation	2,300,420	3,007,686
Adjustments for:		
Depreciation of plant and equipment	25,320	9,119
Interest income	(1,336)	(11)
Interest expenses	-	72
Operating profit before working capital changes	2,324,404	3,016,866
(Increase)/decrease in inventories	(63,880)	357,553
(Increase) in trade and other receivables	(1,255,507)	(532,211)
Increase in trade and other payables	1,554,615	1,715,106
Cash generated from operations	2,559,632	4,557,314
Interest paid	-	(72)
Income tax paid	(488,030)	(197,930)
Net cash generated from operating activities	2,071,602	4,359,312
Cash flows from investing activity		
Interest received	1,336	11
Purchase of property, plant and equipment	(91,021)	(17,599)
Net cash used in investing activity	(89,685)	(17,588)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	8
Amounts due from/to directors	2,780,245	(1,588,484)
Amounts due from holding company	(203,313)	-
Deposit pledged	(1,336)	-
Dividend paid	(3,206,000)	-
Net cash used in financing activities	(630,404)	(1,588,476)
Net increase in cash and cash equivalents	1,351,513	2,753,248
Cash and cash equivalents at beginning of year	2,476,365	(276,883)
Cash and cash equivalents at end of year (Note 6)	3,827,878	2,476,365

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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Notes to the financial statements

1 General information

The financial statements were authorised for issue by the directors on 6 November 2009.

The company is incorporated in the Republic of Singapore.

The registered office is located at 150 Cecil Street #16-00, Singapore 069543. The address of its principal place of business is at 6A Napier Road #02-37 Gleneagles Hospital Annexe Block, Singapore 258500.

The principal activities of the Company consist of the business of provision of specialist medical consultation and services in hepatology practice and related fields.

The immediate holding company is Asian Centre for Liver Diseases and Transplantation Inc., a company incorporated in the British Virgin Islands. The ultimate holding company is Asian Centre for Liver Diseases and Transplantation Ltd (formerly known as Costarella Design Ltd), a company incorporated in Australia.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC").

The financial statements have been prepared on the historical basis except for certain financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Allowance for doubtful receivables

Allowance for doubtful receivables is based on an evaluation of the recoverability of trade and other receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including their current creditworthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

2.2 Adoption of new or revised FRS

During the current financial year, the Company has adopted all the revised FRS and new Interpretations (“INT FRS”) issued that are relevant to its operations and effective for annual periods beginning on 1 September 2008. The adoption of these new / revised Standards and Interpretations has had no material impact on the financial statements of the Company

2.3 FRS not effective

The Company has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of the balance sheet date but are not yet effective:

- FRS 1 (revised 2008) Presentation of Financial Statements
- FRS 23 (revised 2007) Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- FRS 103 (revised) Business Combinations and FRS 27 (revised) Separate and Consolidated Financial Statements
- Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Improvements to FRSs 2008
- Improvements to FRSs 2009
- INT FRS 117 Distributions of Non-cash Assets to Owners

FRS 1 (revised 2008) will become effective for the Company’s financial statements for the year ending 31 August 2010. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The Company is currently evaluating the format to adopt.

Improvements to FRSs 2008 will become effective for the Company’s financial statements for the year ending 31 August 2010, except for the amendment to FRS 105 Non-current Assets Held for Sale and Discontinued Operations which will become effective for the year ending 31 August 2011. Improvements to FRSs 2008 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The Company is in the process of assessing the impact of these amendments.

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2.3 FRS not effective (cont'd)

Improvements to FRSs 2009 will generally become effective for the Company's financial statements for the year ending 31 August 2010 and 31 August 2011. Improvements to FRSs 2009 contain amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement and disclosure purposes. The Company is in the process of assessing the impact of these amendments

The initial application of these standards (and its consequential amendments) and interpretation is not expected to have any material impact on the Company's financial statements. The Company has not considered the impact of accounting standards issued after the balance sheet date.

2.4 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the company at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in the income statement.

2.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company and the cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, using the straight-line method, as follows:

Office equipment	5 years
Surgical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Renovations	5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.5 Plant and equipment (cont'd)

Disposal

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the income statement.

2.6 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise, trade and other receivables, cash and cash equivalents trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and bank deposits.

Others

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the income statement.

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2.6 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in the income statement. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

2.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

2.9 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are charged to the income statement in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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2.10 Employee benefits

Short-term benefits

Short-term employee benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the income statement as incurred.

2.11 Key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for the planning, directing and controlling the activities of the Company. The directors and chief operating officer of the Company are considered as key management personnel of the Company.

2.12 Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse, based on the law that has been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.13 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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2.13 Impairment of non-financial assets (cont'd)

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Revenue recognition

Revenue from the performance of services is recognised on the completion of services rendered.

2.15 Interest income and finance costs

Interest income from fixed deposits is recognised as it accrues, using the effective interest rate method.

2.16 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common significant influence. Related parties may be individuals or other entities.

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3 Plant and equipment

	Office equipment \$	Surgical equipment \$	Computers \$	Furniture and fittings \$	Renovations \$	Total \$
Cost						
At 1 September 2007	21,594	50,929	56,411	3,370	-	132,304
Additions	400	-	14,839	2,360	-	17,599
At 31 August 2008	21,994	50,929	71,250	5,730	-	149,903
Additions	6,917	-	10,000	13,294	60,810	91,021
At 31 August 2009	28,911	50,929	81,250	19,024	60,810	240,924
Accumulated depreciation						
At 1 September 2007	16,405	50,729	48,790	506	-	116,430
Depreciation for the year	2,920	200	4,853	1,146	-	9,119
At 31 August 2008	19,325	50,929	53,643	1,652	-	125,549
Depreciation for the year	3,240	-	7,364	3,567	11,149	25,320
At 31 August 2009	22,565	50,929	61,007	5,219	11,149	150,869
Net book value						
At 31 August 2009	6,346	-	20,243	13,805	49,661	90,055
At 31 August 2008	2,669	-	17,607	4,078	-	24,354

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4 Trade and other receivables

	2009 \$	2008 \$
Trade receivables	3,226,118	1,969,154
Other receivables	11,399	940
Staff loan	-	300
Deposits	7,457	15,216
Prepayments	-	3,857
	3,244,974	1,989,467
Bad debts (trade) written off directly to income statement	39,954	-

Trade receivables are denominated in Singapore dollars.

There was no allowance for impairment loss in respect of trade receivables at 31 August 2009 (2008: \$nil).

Based on historical default rates, the Company believes that no impairment is necessary in respect of trade receivables both not past due and past due.

The ageing of trade receivables at reporting date is as follows:

	2009 \$	2008 \$
Not past due	1,246,690	492,082
Past due 0 - 30 days	756,290	300,662
Past due 31 - 60 days	272,087	10,903
Past due over 60 days	148,303	554,997
More than one year	802,748	610,510
	3,226,118	1,969,154

5 Balances with related parties

	2009 \$	2008 \$
Non-trade amounts due from:		
- holding company	203,313	-
- related corporations	-	3,221,156
- a director	-	3,723,363
	203,313	6,944,519
Less: Allowance for impairment loss on amounts due from related corporations	-	(3,221,156)
	203,313	3,723,363
 Non-trade amount due to a director	-	943,118

The non-trade amounts due from/to the holding company, related corporations and directors are unsecured, interest-free and repayable on demand.

Balances with related parties are denominated in Singapore dollars.

During the year, in accordance with a mutual agreement between the Company and two directors, the non-trade amount due to a director was offset against the non-trade amount due from a director. Subsequently, the non-trade amount due from a director was repaid.

The movements in impairment loss in respect of amounts due from related parties during the year are as follows:

	2009 \$	2008 \$
Balance at beginning of year	3,221,156	2,570,370
Impairment loss recognised	-	650,786
Written off	(3,221,156)	-
Balance at end of year	-	3,221,156

6 Cash and cash equivalents

	2009	2008
	\$	\$
Cash balances and fixed deposits	3,827,878	2,476,365
Fixed deposit pledged	36,616	35,280
	<u>3,864,494</u>	<u>2,511,645</u>
Less: Fixed deposit pledged	(36,616)	(35,280)
Cash and cash equivalents in the cash flow statement	<u>3,827,878</u>	<u>2,476,365</u>

The fixed deposit placed with a bank matures within 12 months (2008 – 12 months) from the balance sheet date and yields interest at 0.825% (2008 - 0.825%) per annum.

The fixed deposit is pledged to a bank as collateral for performance guarantee relating to the operating lease.

Cash balances and fixed deposits are denominated in Singapore dollars.

7 Share capital

	2009	2008
	\$	\$
Issued and fully paid, with no par value		
Balance at beginning of year	10	2
Issue of ordinary shares	-	8
Balance at end of year	<u>10</u>	<u>10</u>

In 2008, the company issued 8 ordinary shares at an issue price of \$1 per share.

All issued shares are fully paid and have no par value. The Company has one class of ordinary shares which carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

8 Deferred tax liabilities

	2009	2008
	\$	\$
Balance at beginning of year	3,950	2,453
Charged to income statement (Note 13)	-	1,497
Balance at end of year	<u>3,950</u>	<u>3,950</u>
	\$	\$
Balance comprises:		
Plant and equipment	<u>3,950</u>	<u>3,950</u>

9 Trade and other payables

	2009	2008
	\$	\$
Trade payables	4,190,635	3,967,132
Accruals	592,892	70,356
Patients' deposits	813,228	4,461
Other payables	6,156	6,347
	<u>5,602,911</u>	<u>4,048,296</u>

Trade and other payables are denominated in Singapore dollars.

10 Revenue

Revenue represents invoiced value services rendered excluding applicable goods and services tax and net of allowance for trade discounts.

11 Other operating income

	2009	2008
	\$	\$
Reversal of over-accrual for variable rent in prior years (Note 14)	-	450,555
Interest income	1,336	11
Sponsorship fee received	57,000	50,000
Reversal of over-accrual for patient referral fee in prior years	27,135	-
Others	4,932	1,279
	<u>90,403</u>	<u>501,845</u>

12 Finance costs

	2009	2008
	\$	\$
Interest expense on bank overdraft	-	72

13 Income tax expense

	2009	2008
	\$	\$
Current taxation	365,147	630,679
Over provided in prior years	(16)	(52,312)
	<u>365,131</u>	<u>578,367</u>
Deferred taxation (Note 8)	-	1,393
Over provided in prior years	-	104
	<u>-</u>	<u>1,497</u>
	<u>365,131</u>	<u>579,864</u>

Reconciliation of effective tax rate

	2009	2008
	\$	\$
Profit before taxation	<u>2,300,420</u>	<u>3,007,686</u>
Tax calculated using Singapore tax rate of 17% (2008: 18%)	391,072	541,384
Tax effect on non-deductible expenses	-	118,138
Partial income tax exemption	(25,925)	(27,450)
Over provided in prior years	(16)	(52,208)
	<u>365,131</u>	<u>579,864</u>

14 Profit for the year

The following items have been included in arriving at profit for the year:

	Note	2009	2008
		\$	\$
Operating lease expense*		499,801	137,240
Depreciation of plant and equipment	3	25,320	9,119
Contributions to defined contribution plan included in staff costs		78,833	88,838
Bad debts written off	4	39,954	-
Allowance for impairment loss, non-trade	5	-	650,786

* Included in operating lease expense for the current financial year are amounts of \$217,655 related to variable rent in respect of prior years. During the last financial year, the landlord waived variable rent amounting to \$450,555 in respect of prior years (Note 11).

15 Dividends

	2009	2008
	\$	\$
Declared and paid during the financial year:		
Exempt one-tier interim dividend paid of \$320,600 per share	<u>3,206,000</u>	-

16 Significant related party transactions

Key management personnel compensation

Key management personnel compensation are as follows:

	2009 \$	2008 \$
Short-term employee benefits	2,885,523	2,589,142

Other related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the company with related companies at agreed rates:

	2009 \$	2008 \$
Related corporation (Reversal of) patient referral fees	(27,135)	36,500

17 Operating lease commitments

Future minimum lease payments under non-cancellable leases are as follows:

	2009 \$	2008 \$
Not later than one year	449,307	151,194
Later than one year and not later than five years	336,980	264,441
	<u>786,287</u>	<u>415,635</u>

The lease on the Company's office premises expires in June 2011 with an option to renew at market rates thereafter.

18 Financial risk management

18.1 Overview

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

18 Financial risk management (cont'd)

18.2 Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from such defaults. Cash balances and fixed deposits are placed with reputable financial institutions of high credit rating. The Company manages these risks by monitoring credit-worthiness and limiting the aggregate risk to any individual counterparty. The Company does not require collateral in respect of trade and other receivables.

At the balance sheet date, one corporate customer accounted for approximately 91% (2008: 81%) of total gross trade receivables. There is no other significant concentration of credit risk to the Company.

18.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will have on the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The transactions of the Company are denominated in Singapore dollars. The Company has no significant exposure to foreign currency risk.

Interest rate risk

The Company has no borrowings. It has no significant exposure to interest rate risk.

18.4 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$	Between 2 and 5 years \$	Over 5 years \$
<u>At 31 August 2009</u>					
Trade and other payables	5,602,911	5,602,911	5,602,911	-	-
	5,602,911	5,602,911	5,602,911	-	-
<u>At 31 August 2008</u>					
Trade and other payables	4,048,296	4,048,296	4,048,296	-	-
	4,048,296	4,048,296	4,048,296	-	-

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18.5 Estimating the fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

19 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Company's approach to capital management during the year.

The Company monitors capital using a gearing ratio, which is total borrowings divided by total equity.

Total borrowings comprise short-term and long-term loans. Total equity comprises share capital and reserve.

	2009	2008
	\$	\$
Total borrowings (A)	-	-
Total equity (B)	1,794,022	3,064,733
(A)/(B) (times)	-	-

20 Comparative Information

The financial statements for the year ended 31 August 2008 were audited by another firm of Certified Public Accountants.

Certain comparative figures have been reclassified to conform with current year's presentation.

Income statement	As reported	As restated
	\$	\$
Other operating income	51,290	501,845
Operating lease expense	-	(137,240)
Professional fees	-	(50,450)
Credit card charges	-	(80,587)
Telephone charges	-	(36,635)
Other operating expenses	(87,191)	(232,834)

Balance sheet	As reported	As restated
	\$	\$
Trade and other receivables	5,712,830	1,989,467
Non-trade amounts due from a director	-	3,723,363
Trade and other payables	(4,991,414)	(4,048,296)
Non-trade amounts due to a director	-	(943,118)