With seven inspection centres across Singapore, we are the undisputed industry leader with a 75% market share. In 2005, our commanding lead was further cemented when former associate, JIC Inspection Services, was made a subsidiary. As a result, we now hold a 78% stake in JIC, which has been able to capture the heavy goods vehicles market because of its strategic location in the Jurong industrial area. JIC has a strong customer base of more than 200 companies.

In July 2005, VICOM was awarded a two-year contract to conduct audits on the Land Transport Authority’s (LTA) authorised vehicle scrap yards and the Export Processing Zones (EPZ). The contract was valued at $224,180 with an option to extend up to four years. The Singapore Civil Defence Force (SCDF) also amended its regulations on the transportation of petroleum and flammable materials and authorised VICOM to conduct inspections on vehicles transporting such materials. Similarly, the LTA renewed the Vehicle Inspection and Type Approval System (VITAS) contract with VICOM for another three years.

Other developments in 2005 helped to improve operational efficiency. For example, the LTA launched a paperless Vehicle Registration and Licensing (VRL) System which enables vehicle owners to perform transactions such as vehicle registrations and transfers of vehicle ownerships online. This has
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Other Testing and Inspection Services
Setsco, our non-vehicle testing and inspection subsidiary, continued to grow its customer base and make inroads into the industry. In 2005, its food-testing laboratory was accredited by the Singapore Accreditation Council (SAC-SINGLAS) on 92 parameters such as colouring, artificial sweeteners and preservatives in food products analysed using state-of-the-art instrumentation. This new addition reflects the high technical competency of Setsco’s testing laboratory.

During the year, Moog Aerospace, a global niche aircraft parts supplier to Boeing and Airbus, approached Setsco to provide Non-destructive Testing services to its machining contractors. To meet stringent quality requirements, Setsco underwent and completed the National Aerospace and Defence...
Contractors Accreditation Program (NADCAP), becoming the first laboratory in Singapore to receive this prestigious accreditation.

Setsco also received approval from the Food Products Association (FPA) of the United States of America to conduct FPA-SAFE audits. The FPA, previously known as National Food Processors Association (NFPA), is the largest trade association for the food and beverage industry worldwide. The FPA-SAFE programme was introduced by leading food companies to meet the global food industry's audit needs.

Other major contracts clinched during the year included the testing of materials used in the reclamation of Tuas and Jurong Island, and the evaluation of water quality at the Marina Barrage. Our client base is extensive and includes Jurong Shipyard, SP Power Assets, Hyflux, Singapore Aerospace Manufacturing, ExxonMobil and Seraya Chemicals Singapore.

The company also organised numerous training courses, seminars and workshops for the industry. This not only helps to market and showcase our services but also creates opportunities for us to build rapport with industry partners. One of the seminars titled "Sustainable Building Envelope" was jointly organized with the Housing Development Board in October. The event attracted 130 participants and featured several prominent speakers from the construction industry. Another seminar, "Setsco Technology Forum", attracted 120 participants from various industries when it was held in November 2005.

FACILITIES MANAGEMENT
In 2005, we secured additional leases with periods of one to three years for our various premises. This boosted the occupancy rate of lettable space from 53% at the beginning of the year, to 78% by year-end.

Our team of technicians continued to carry out the maintenance of all our vehicle inspection facilities. In order to keep costs low, we have outsourced
Other major contracts clinched during the year included the testing of materials used in the reclamation of Tuas and Jurong Island, and the evaluation of water quality at the Marina Barrage.
specialised building works and large-scale maintenance projects to contractors, whilst subjecting them to the strict level of standards that we have set.

We also achieved cost efficiencies through changes in the way we use information technology (IT). For example, the LTA’s VITAS links at both JIC inspection centres were re-directed to VICOM’s main network. The leased lines at both centres were subsequently removed and computer applications migrated to a PC-server platform, eliminating the need for hardware maintenance of our aging mini-computers. These initiatives resulted in annual savings of about $60,000.

All necessary upgrades have also been made to VICOM’s Vehicle Monitoring System (VMS) to align it with LTA’s new VRL system. The revamped VMS has also been extended to the two JIC inspection centres to facilitate efficient management. Works are being carried out to transform the VMS into a centralised web-based Intranet system.

Our IT department also undertook and completed two major projects to enhance operational efficiency as well as to provide convenience and flexibility to our customers. Inspection test results are now replicated at all inspection centres, which means that motorists can now have their vehicles inspected at one centre and then go onto another centre for re-inspection if they so desire. In addition, we will soon have a new centralised web-based Point-of-Sales system (POS) which not only improves efficiency, but also ensures accuracy in data handling. With this, transaction information will then be readily available at all centres through the Intranet.

CORPORATE SOCIAL RESPONSIBILITY
Since 2000, VICOM has been continually involved in community service and extending help to the needy and less fortunate through our Care & Share programme. The programme is supported by monthly staff contributions and is matched dollar for dollar by the Company. We have organised events for underprivileged children at TOUCH Children’s Services and elderly residents at Indus Moral Home, as well as a Christmas barbeque at Pasir Ris Park. The Group also actively supports public education such as the Road Safety public education programme organised by the Traffic Police.

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