

# ANNUAL REPORT

*For the financial year ended 31 March 2009*

## SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

*(Incorporated in Singapore. Registration Number: 200600593Z)*

## DEPOSIT INSURANCE FUND

*(Established under Deposit Insurance Act Cap 77A)*

# ANNUAL REPORT

*For the financial year ended 31 March 2009*

## SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

*(Incorporated in Singapore. Registration Number: 200600593Z)*

**SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**  
*(Incorporated in Singapore)*

**ANNUAL REPORT**  
*For the financial year ended 31 March 2009*

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# **SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**

## **DIRECTORS' REPORT**

*For the financial year ended 31 March 2009*

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The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2009.

### **Directors**

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

Mr James Koh Cher Siang (Chairman)  
Mr Ron Foo Siang Guan  
Mr Han Eng Juan  
Professor Hong Hai  
Mr Law Song Keng  
Mr Thean Lip Ping

### **Arrangements to enable directors to acquire benefits**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

### **Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

The Company is a public company limited by guarantee and has no share capital. There were also no debentures in issue in the Company at the end of the financial year.

### **Dividends**

In accordance with the Memorandum of Association of the Company, no dividends shall be paid to its members.

### **Directors' contractual benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

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# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## DIRECTORS' REPORT

*For the financial year ended 31 March 2009*

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### Share options

The Company is a company limited by guarantee. As such, there are no share options or unissued ordinary shares.

### Independent auditor

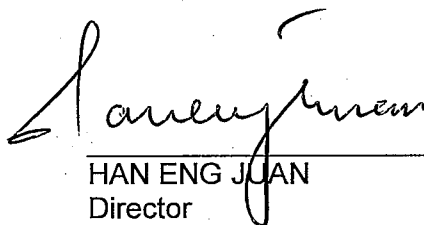
The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



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JAMES KOH CHER SIANG  
Director



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HAN ENG JUAN  
Director

30 May 2009

**SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**

**STATEMENT BY DIRECTORS**

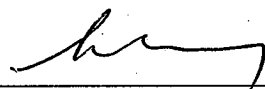
*For the financial year ended 31 March 2009*

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In the opinion of the directors,

- (a) the financial statements as set out on pages 5 to 19 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2009 and of the results and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



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JAMES KOH CHER SIANG  
Director



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HAN ENG JUAN  
Director

30 May 2009

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

We have audited the financial statements of Singapore Deposit Insurance Corporation Limited (the "Company") set out on pages 5 to 19, which comprise the balance sheet as at 31 March 2009, the income and expenditure statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act"), the Deposit Insurance Act (Cap.77A) (the "DI 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 as to whether the financial statements are free from material misstatement.

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


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

### *Opinion*

In our opinion,

- (a) the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the DI 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 March 2009, and the results and cash flows of the Company for the financial 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.

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of moneys and the acquisition and disposal of asset by the Company during the financial year have not been made in accordance with the provisions of the DI Act.



PricewaterhouseCoopers LLP  
Public Accountants and Certified Public Accountants

Singapore, 30 May 2009

**SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED****INCOME AND EXPENDITURE STATEMENT***For the financial year ended 31 March 2009*

	Note	2009 \$	2008 \$
Income from the Fund		<b>1,650,927</b>	1,790,028
Refund of goods and services tax	10	-	11,660
			<u>1,801,688</u>
Expenses			
- Employee compensation	3	<b>635,439</b>	629,179
- Depreciation	8	<b>326,737</b>	87,213
- Other expenses	4	<b>688,751</b>	1,085,296
Total expenses		<b>1,650,927</b>	1,801,688
Profit before income tax		-	-
Income tax expense	5	-	-
Net profit		<u>-</u>	<u>-</u>

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



**SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED****BALANCE SHEET***For the financial year ended 31 March 2009*

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	6	299,209	183,929
Trade and other receivables	7	250,099	280,810
Prepayments		47,994	35,594
		<u>597,302</u>	<u>500,333</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	<u>1,663,478</u>	<u>1,562,513</u>
<b>Total assets</b>		<u>2,260,780</u>	<u>2,062,846</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<u>2,260,780</u>	<u>2,062,846</u>
<b>Total liabilities</b>		<u>2,260,780</u>	<u>2,062,846</u>
<b>NET ASSETS</b>		<u>-</u>	<u>-</u>

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

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## CASH FLOW STATEMENT

For the financial year ended 31 March 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Net profit		-	-
Adjustments for:			
- Depreciation		326,737	87,213
Change in working capital			
- Trade and other receivables		30,711	(249,940)
- Trade and other payables		197,934	1,861,473
- Other current assets		(12,400)	12,946
<b>Net cash provided by operating activities</b>		<b>542,982</b>	<b>1,711,692</b>
<b>Cash flows from investing activity</b>			
Purchase of property, plant and equipment		(427,702)	(1,587,481)
Refund of goods and services tax on property, plant and equipment		-	2,351
<b>Net cash used in investing activity</b>		<b>(427,702)</b>	<b>(1,585,130)</b>
<b>Net increase in cash and cash equivalents</b>		<b>115,280</b>	<b>126,562</b>
Cash and cash equivalents at beginning of financial year	6	183,929	57,367
<b>Cash and cash equivalents at end of financial year</b>	<b>6</b>	<b>299,209</b>	<b>183,929</b>

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

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

### 1. General information

Singapore Deposit Insurance Corporation Limited (hereinafter called "the Company") is the company designated by the Minister under section 12 of the Deposit Insurance Act Cap 77A (the "DI Act") as the deposit insurance agency. The Company is incorporated under the Companies Act Cap. 50 on 13 January 2006 as a public company limited by guarantee and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-06, MAS Building, Singapore 079117.

The principal activities of the Company are the administration of the Deposit Insurance Scheme (the "Scheme") and the administration and management of the Deposit Insurance Fund (the "Fund") established under the DI Act.

The Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with Scheme members as specified in the DI Act.

The Fund, established under section 9 of the DI Act and subject to the directions of the Minister, is controlled and administered by the Company which is designated by the Minister under section 12 of the DI Act. All premium contributions and moneys receivable under the DI Act are payable into the Fund and all expenditure and other moneys as authorised under the DI Act are payable out of the Fund.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Although these estimates are based on the Agency's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2009*

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**2. Significant accounting policies (continued)**

**2.1 Basis of preparation (continued)**

*Interpretations and amendments to published standards effective in 2008*

On 1 April 2008, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Company:

FRS 107	Financial Instruments: Disclosures
Amendments to FRS 1	Presentation of Financial Statements – Capital Disclosures

The adoption of the above new or amended FRS did not result in any substantial changes to the Company's accounting policies.

**2.2 Revenue recognition**

Income from the Fund represents moneys recoverable from the Fund for all expenditure properly incurred and authorised under the DI Act.

Income from the Fund is recognised in the period in which the relevant expenditure is charged to the income and expenditure statement.

Grant received in respect of expenses incurred and authorised under the DI Act are recognised as a deduction against the expense.

**2.3 Property, plant and equipment**

**(a) *Measurement***

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses (Note 2.5).

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2009*

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**2. Significant accounting policies (continued)**

**2.3 Property, plant and equipment**

*(b) Depreciation*

Software under development is not depreciated.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Furniture, fittings and other office equipment	3 to 5 years
Computer equipment and software	3 to 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income and expenditure statement when the changes arise.

*(c) Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repair and maintenance expense is recognised in the income and expenditure statement when incurred.

*(d) Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income and expenditure statement.

**2.4 Trade and other payables**

Trade and other payables are initially carried at fair value, and subsequently measured at amortised cost, using the effective interest method.

**2.5 Impairment of assets**

Property, plant and equipment are reviewed for impairment whenever there is any objective evidence or indication that these assets may be impaired.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2009*

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**2. Significant accounting policies (continued)**

**2.5 Impairment of assets**

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income and expenditure statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income and expenditure statement.

**2.6 Financial assets**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables include "cash and cash equivalents" and "trade and other receivables" in the balance sheet. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account, which is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the income and expenditure statement.

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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### 2.7 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

### 2.8 Operating lease payments

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the income and expenditure statement on a straight-line basis over the period of the lease.

When a lease is terminated before the lease period expires, any payment made (or received) by the Company as penalty is recognised as an expense (or income) when termination takes place.

### 2.9 Employee compensation

#### (a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to the defined contribution plans are recognised in the financial period to which they relate.

#### (b) *Employee leave entitlement*

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

#### (c) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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### 2. Significant accounting policies (continued)

#### 2.10 Currency translation

##### (a) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Singapore Dollars, which is the Company's functional and presentation currency.

##### (b) *Transactions and balances*

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation at the closing rates at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure statement.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### 2.11 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with the attached conditions. Government grants relating to costs are deferred and taken to the income and expenditure statement over the period necessary to match them with the costs they are intended to compensate. Government grants relating to assets are included in non-current liabilities as other liabilities and are recognised in the income and expenditure statement on a straight-line basis over the expected useful lives of the related assets.

### 3. Employee compensation

	2009 \$	2008 \$
Wages and salaries	585,965	570,225
Employer's contribution to Central Provident Fund	24,941	35,296
Directors' fees	22,500	22,021
Other	2,033	1,637
	<u>635,439</u>	<u>629,179</u>

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**SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2009*

**4. Other expenses**

	2009 \$	2008 \$
Rental	160,919	66,098
Office maintenance	3,000	3,000
Telecommunication charges	2,387	2,475
Trade association membership	14,088	15,465
Travel	17,433	10,428
Audit fees	21,000	17,000
Legal, accounting and other fees	11,692	43,449
Company secretary fees	4,228	2,315
Consultancy fees	154,030	816,400
IT expenses	251,390	54,408
Publicity	39,408	44,500
Other	9,176	9,758
	<u>688,751</u>	<u>1,085,296</u>

**5. Income tax expense**

The expenses recovered from the Fund is not taxable as long as the income of the Fund is exempted from income tax.

**6. Cash and cash equivalents**

	2009 \$	2008 \$
Cash at bank and on hand	<u>299,209</u>	<u>183,929</u>

Cash at bank and on hand are all denominated in Singapore Dollar.

**7. Trade and other receivables**

	2009 \$	2008 \$
Receivable from the Fund	-	44,045
Grant receivable	4,200	-
Refundable deposits	38,069	38,169
Receivable from Comptroller of Goods and Services Tax	207,830	198,596
	<u>250,099</u>	<u>280,810</u>

Trade and other receivables are all denominated in Singapore Dollar.

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

### 8. Property, plant and equipment

	<u>Furniture, fittings and other office equipment</u> \$	<u>Computer equipment &amp; software</u> \$	<u>Software under development</u> \$	<u>Total</u> \$
<b>2009</b>				
<u>Cost</u>				
Beginning of financial year	67,880	436,647	1,170,700	1,675,227
Additions	-	59,302	368,400	427,702
Reclassification	-	1,539,100	(1,539,100)	-
End of financial year	67,880	2,035,049	-	2,102,929
<u>Accumulated depreciation</u>				
Beginning of financial year	33,844	78,870	-	112,714
Depreciation	14,126	312,611	-	326,737
End of financial year	47,970	391,481	-	439,451
<b>Net book value</b>				
<b>End of financial year</b>	<b>19,910</b>	<b>1,643,568</b>	<b>-</b>	<b>1,663,478</b>
<b>2008</b>				
<u>Cost</u>				
Beginning of financial year	69,238	20,859	-	90,097
Additions	-	416,781	1,170,700	1,587,481
Disposals (Note 10)	(1,358)	(993)	-	(2,351)
End of financial year	67,880	436,647	1,170,700	1,675,227
<u>Accumulated depreciation</u>				
Beginning of financial year	19,233	6,268	-	25,501
Depreciation	14,611	72,602	-	87,213
End of financial year	33,844	78,870	-	112,714
<b>Net book value</b>				
<b>End of financial year</b>	<b>34,036</b>	<b>357,777</b>	<b>1,170,700</b>	<b>1,562,513</b>

### 9. Trade and other payables

	<b>2009</b> \$	<b>2008</b> \$
Advance from Fund	<b>1,995,457</b>	-
Accrual for operating expenses	<b>265,323</b>	2,062,846
	<b>2,260,780</b>	<b>2,062,846</b>

Trade and other payables are all denominated in Singapore Dollar.

# SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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### 10. Goods and Services Tax ("GST")

During the previous financial year, remission of GST input tax was granted on all business purchases made by the Company on behalf of the Fund, in the period from the incorporation of the Company till the date when the Fund reaches the size of 0.3% of the insured deposit base or 12 years from the date of the inception of the Fund, whichever is the earlier.

### 11. Company limited by guarantee

The Company is a public company limited by guarantee and has no share capital. In the event of a winding-up of the Company, the liability of each of the 3 members of the Company is limited to such amount as may be required not exceeding the sum of \$1.

### 12. Commitments

#### (a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, are as follows:

	2009 \$	2008 \$
Software under development	<u>269,100</u>	<u>627,900</u>

#### (b) Operating lease commitments

The Company leases office premises under non-cancellable operating lease agreement. The lease has ranging terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2009 \$	2008 \$
Not later than one year	151,317	151,317
Later than one year but not later than five years	138,707	290,024
	<u>290,024</u>	<u>441,341</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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**13. Financial risk management**

*Financial risk factors*

The Company's activities expose it to credit risk and liquidity risk.

a) Credit risk

The Company's financial assets comprise:

- i) current account balances with a bank with a AA- rating; and
- ii) trade and other receivables totalling \$250,099 of which 99% are due from
  - Singapore Government
  - Monetary Authority of Singapore

The Company has no past-due or impaired assets.

b) Liquidity risk

i) *Liabilities related risk*

The Company's budget is determined before the start of each financial year in accordance with the provisions of the DI Act. The Company would ensure that the Fund maintains sufficient cash and liquid assets to meet the Company's budget spending.

All financial liabilities of the Company are current and due within the next financial year or are repayable on demand.

ii) *Contingent liabilities related risk*

The making of compensation payments pursuant to the Scheme established under the DI Act arises from the occurrence of future events that are not within the control of the Fund nor the Company. The Company will pay compensation out of the Fund to the insured depositors of a Scheme member when required to do so by the Monetary Authority of Singapore under section 30(2) of the DI Act. The Company may raise cash from the assets held by the Fund which comprises Singapore Government securities. Where this is insufficient, the Company will obtain loans on behalf of the Fund while awaiting payments from the assets of the failed Scheme member and also payments from the guarantee by the Singapore Government if the failure of the Scheme member occurs before expiry of the guarantee on 31 December 2010.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

**13. Financial risk management (continued)**c) Market riski) *Currency risk*

The Company's business operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

ii) *Price risk*

The Company has no exposure to equity price risk as it does not hold equity financial assets.

iii) *Interest rate risk*

The Company has insignificant financial assets or liabilities that are exposed to interest rate risks as the advance from the Fund is interest-free.

d) Capital risk management

The Company does not have capital and does not borrow to finance day-to-day expenditures. Since expenditures are made on behalf of the Fund, the Company draws an advance from the Fund to pay capital and operating expenditures and recovers the operating expenditures and depreciation amounts from the Fund at the end of each financial year.

To safeguard the Company's ability to continue as a going concern, the Company ensures that the Fund maintains sufficient cash and liquid assets to meet the Company's budgets for capital and operating expenditures.

**14. Related party transactions**

Key management personnel compensation is as follows:

	2009 \$	2008 \$
Salaries and other short-term employee benefits	289,542	279,109
Post-employment benefits - contribution to Central Provident Fund	6,703	6,502
	<u>296,245</u>	<u>285,611</u>

Included in the above was total compensation to directors of the Company amounting to \$22,500 (2008: \$22,021).

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2009*

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**15. New or revised accounting standards and interpretations**

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2009 or later periods and which the Company has not early adopted. The Company's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Company is set out below:

FRS 1(R) *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- Items of income and expenses and components of other comprehensive income can be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Company will apply the revised standard from 1 April 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, the statement of comprehensive income.

**16. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Singapore Deposit Insurance Corporation Limited on 30 May 2009.

# ANNUAL REPORT

*For the financial year ended 31 March 2009*

## DEPOSIT INSURANCE FUND

*(Established under Deposit Insurance Act Cap 77A)*

**DEPOSIT INSURANCE FUND**

*(Established under Deposit Insurance Act Cap 77A)*

**ANNUAL REPORT**

*For the financial year ended 31 March 2009*

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## DEPOSIT INSURANCE FUND

### STATEMENT BY SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

*For the financial year ended 31 March 2009*

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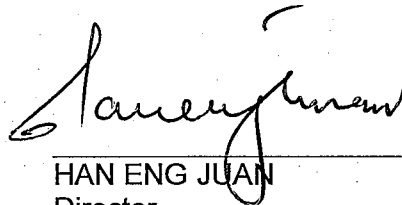
In the opinion of the directors of Singapore Deposit Insurance Corporation Limited (the "Agency"),

- (a) the financial statements as set out on pages 3 to 16 are drawn up so as to present fairly, in all material respects, the state of affairs of the Deposit Insurance Fund (the "Fund") as at 31 March 2009, and the financial transactions, results, cash flows and changes in accumulated surplus for the financial year ended 31 March 2009 and have been prepared in accordance with the provisions of the Deposit Insurance Act Cap 77A; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

On behalf of Singapore Deposit Insurance Corporation Limited



JAMES KOH CHER SIANG  
Director



HAN ENG JUAN  
Director

30 May 2009

**INDEPENDENT AUDITOR'S REPORT TO  
SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED**

We have audited the financial statements of Deposit Insurance Fund (the "Fund") set out on pages 3 to 16, which comprise the balance sheet as at 31 March 2009, the income and expenditure statement, statement of changes in accumulated surplus and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management of Singapore Deposit Insurance Corporation Limited (the "Agency") is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Deposit Insurance Act (Cap. 77) (the "DI 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 as to whether the financial statements are free from material misstatement.

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


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

*Opinion*

In our opinion,

- (a) the financial statements of the Fund are properly drawn up in accordance with the provisions of the DI Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2009, and the results, changes in accumulated surplus and cash flows of the Fund for the financial year ended on that date; and
- (b) the accounting and other records have been properly kept, including records of all assets of the Fund whether purchased, donated or otherwise, in accordance with the provisions of the DI Act.

During the course of our audit, nothing came to our notice that caused us to believe that the receipt, expenditure and investment of moneys during the financial year have not been made in accordance with the provisions of the DI Act.

  
PricewaterhouseCoopers LLP  
Public Accountants and Certified Public Accountants

Singapore, 30 May 2009

## DEPOSIT INSURANCE FUND

### INCOME AND EXPENDITURE STATEMENT

*For the financial year ended 31 March 2009*

	Note	2009 \$	2008 \$
Income:			
Premium contributions		16,229,602	15,440,730
Interest income from investment securities		1,288,322	844,951
		<u>17,517,924</u>	<u>16,285,681</u>
Expenses:			
Expenditure incurred by Singapore Deposit Insurance Corporation Limited in carrying out the objects of the Deposit Insurance Act		(1,650,927)	(1,790,028)
Other expenses		(80)	(160)
Total expenses		<u>(1,651,007)</u>	<u>(1,790,188)</u>
Net surplus	3	<u>15,866,917</u>	<u>14,495,493</u>

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

## DEPOSIT INSURANCE FUND

### BALANCE SHEET

As at 31 March 2009

	Note	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	10,870	2,146,464
Trade and other receivables	5	2,108,981	67,894
Financial assets, held-to-maturity	6	2,363,878	4,380,054
		<u>4,483,729</u>	<u>6,594,412</u>
<b>Non-current assets</b>			
Financial assets, held-to-maturity	6	39,710,851	21,777,959
		<u>44,194,580</u>	<u>28,372,371</u>
<b>TOTAL ASSETS</b>			
		<u>44,194,580</u>	<u>28,372,371</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	-	44,708
<b>Total liabilities</b>		<u>-</u>	<u>44,708</u>
<b>NET ASSETS</b>		<u>44,194,580</u>	<u>28,327,663</u>
<b>ACCUMULATED SURPLUS</b>		<u>44,194,580</u>	<u>28,327,663</u>

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

## DEPOSIT INSURANCE FUND

### STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

*For the financial year ended 31 March 2009*

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Beginning of financial year	<b>28,327,663</b>	13,832,170
Total recognised net surplus for the financial year	<b>15,866,917</b>	14,495,493
End of financial year	<b>44,194,580</b>	28,327,663

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

## DEPOSIT INSURANCE FUND

### CASH FLOW STATEMENT

*For the financial year ended 31 March 2009*

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Net surplus		<u>15,866,917</u>	<u>14,495,493</u>
Changes in working capital			
- Trade and other receivables		(2,041,087)	130,889
- Trade and other payables		(44,708)	25,967
<b>Net cash provided by operating activities</b>		<u>13,781,122</u>	<u>14,652,349</u>
<b>Cash flows from investing activities</b>			
Purchases of financial assets, held-to-maturity		(15,916,716)	(12,506,156)
<b>Net cash used in investing activities</b>		<u>(15,916,716)</u>	<u>(12,506,156)</u>
<b>Net increase in cash and cash equivalents</b>		(2,135,594)	2,146,193
Cash and cash equivalents at beginning of financial year	4	<u>2,146,464</u>	<u>271</u>
<b>Cash and cash equivalents at end of financial year</b>	4	<u>10,870</u>	<u>2,146,464</u>

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

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

#### 1. General information

The Deposit Insurance Fund, established under section 9 of the Deposit Insurance Act Cap 77A (the "DI Act") and subject to the directions of the Minister, is controlled and administered by Singapore Deposit Insurance Corporation Limited (the "Agency") designated by the Minister under section 12 of the DI Act as the deposit insurance agency.

The Agency is incorporated under the Companies Act Cap. 50 on 13 January 2006 as a public company limited by guarantee and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-06, MAS Building, Singapore 079117.

The principal activities of the Agency are the administration of the Deposit Insurance Scheme (the "Scheme") and the administration and management of the Fund established under the DI Act.

The Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with Scheme members as specified in the DI Act.

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are the responsibility of the Agency.

The preparation of these financial statements in conformity with FRS requires the Agency to exercise its judgement in the process of applying the Fund's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Although these estimates are based on the Agency's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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#### 2. Significant accounting policies (continued)

##### 2.1 Basis of preparation (continued)

###### *Interpretations and amendments to published standards effective in 2008*

On 1 April 2008, the Agency applied the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Fund's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Fund:

FRS 107	Financial Instruments: Disclosures
Amendments to FRS 1	Presentation of Financial Statements – Capital Disclosures

The adoption of the above new or amended FRS did not result in any substantial changes to the Fund's accounting policies.

##### 2.2 Revenue recognition

###### *Premium contributions*

Premium contributions, including moneys receivable under the DI Act, are recognised in the period in which the premium contributions are due, by reference to the written notices given by Singapore Deposit Insurance Corporation Limited to the Scheme members. Refunds of premium contributions are recognised in the period in which the notice to refund is received from the Monetary Authority of Singapore.

###### *Interest income from investment securities*

In accordance with FRS 39 Financial Instruments: Recognition and Measurement, interest income from investment securities is recognised in the income and expenditure statement for securities measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the securities. When calculating the effective interest rate, cash flows are estimated by considering the contractual terms of the securities, including transaction costs, premiums and discounts. For securities written down due to impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

##### 2.3 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.



## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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#### 2. Significant accounting policies (continued)

##### 2.4 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Fund has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. In particular, provision for liability to make:

- (a) compensation payment is recognised when the Agency receives notification from the Monetary Authority of Singapore under section 30 of the DI Act; and
- (b) refund of premium contributions received is recognised when the Agency receives notification from the Monetary Authority of Singapore under section 27 of the DI Act or receives approval under section 26 of the DI Act to refund or remit premium contributions.

##### 2.5 Financial assets

###### (a) Classification

Financial assets are classified in the following categories: loans and receivables and held-to-maturity. The classification depends on the purpose for which the assets were acquired. The Agency determines the classification of the financial assets at initial recognition.

###### (i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

###### (ii) *Financial assets, held-to-maturity*

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund has the positive intention and ability to hold to maturity. If the Fund were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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#### 2. Significant accounting policies (continued)

##### 2.5 Financial assets (continued)

###### (b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on value date - the date on which the sold assets are delivered and the purchased assets are paid for. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised to the income and expenditure statement. Any amount in the fair value reserve relating to that asset is transferred to the income and expenditure statement.

Trade receivables that are factored out to banks and other financial institutions with recourse are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

###### (c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

###### (d) Subsequent measurement

Loans and receivables and financial assets, held-to-maturity are subsequently carried at amortised cost using the effective interest method.

###### (e) Impairment

The Agency assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

###### (i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account, which is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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#### 2. Significant accounting policies (continued)

##### 2.5 Financial assets (continued)

###### (e) Impairment (continued)

###### (i) Loans and receivables (continued)

The amount of the allowance for impairment is recognised in the income and expenditure statement.

###### (ii) Financial assets, held-to-maturity

If there is objective evidence that an impairment loss on held-to-maturity financial assets has incurred, the carrying amount of the asset is reduced by an allowance for impairment. This allowance, calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate, is recognised in the income and expenditure statement.

Impairment loss is reversed through the income and expenditure statement. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

##### 2.6 Fair value estimation of financial assets and liabilities

The fair values of financial assets traded in active markets are based on quoted market bid-prices at the balance sheet date.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

##### 2.7 Currency translation

###### (a) *Functional and presentation currency*

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore Dollars, which is the Fund's functional and presentation currency.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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#### 2. Significant accounting policies (continued)

##### 2.7 Currency translation (continued)

###### (b) *Transactions and balances*

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation at the closing rates at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income and expenditure statement.

#### 3. Income tax

The Fund does not have taxable income for this financial year. The premium contributions paid by Scheme members are exempted from income tax. In addition, its investment income is exempted from income tax for 12 years or until the Fund reaches 0.3% of total insured deposits, whichever is earlier.

#### 4. Cash and cash equivalents

	2009 \$	2008 \$
Cash at bank and on hand	10,870	2,146,464

Cash and cash equivalents are denominated in Singapore Dollar.

#### 5. Trade and other receivables

	2009 \$	2008 \$
Advance to Agency	1,995,457	-
Interest receivable	113,524	66,905
Other receivables	-	989
	2,108,981	67,894

Trade and other receivables are all denominated in Singapore Dollar.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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#### 6. Financial assets, held-to-maturity

Financial assets, held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Agency has the positive intention and the Fund has the ability to hold to maturity. These assets are initially recognised at fair value plus transaction costs, and are subsequently re-measured at amortised cost using the effective interest rate method. The Fund's held-to-maturity investments comprise:

	2009 \$	2008 \$
<i>Current</i>		
Singapore Government treasury bills	2,363,878	4,380,054
<i>Non-current</i>		
Singapore Government bonds	39,710,851	21,777,959
	<u>42,074,729</u>	<u>26,158,013</u>

The fair value of the held-to-maturity investments, measured by market bid prices, is \$45,266,025 (2008: \$27,735,000) as at 31 March 2009. The non-current held-to-maturity investments have maturity dates between 2016 and 2022.

#### 7. Trade and other payables

	2009 \$	2008 \$
Trade payable to the Agency	-	44,045
Other payable	-	663
		<u>44,708</u>

Trade and other payables are all denominated in Singapore Dollar.

#### 8. Financial risk management

##### (a) Market risk

##### *i) Currency risk*

The Fund's operations are not exposed to significant foreign currency risks as its investments and operating transactions are denominated in Singapore Dollar.

##### *ii) Price risk*

The Fund has no exposure to equity price risk as it does not hold equity financial assets.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2009

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#### 8. Financial risk management (continued)

##### (a) Market risk (continued)

###### *iii) Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's investments in Singapore Government bonds are not subjected to cash flow interest rate risk as the interest payments are fixed. The Fund's investments in Singapore Government treasury bills are not exposed to significant interest rate risk due to the short-term nature of these securities.

The Fund's investments are subject to fair value interest rate risk. The changes in fair value due to interest rate movements are not reflected in the financial statements, as these securities are accounted for as held-to-maturity financial assets. See Note 6 for details on the investments' fair values as at year end.

##### (b) Credit risk

The Fund's financial assets comprise:

- i) Investments in Singapore Government Securities and accrued interest receivable on such securities; the issuer, the Singapore Government, has very high credit rating of AAA
- ii) Current account balances with a bank with strong credit rating AA- and the Monetary Authority of Singapore
- iii) Advance to Agency to fund the Agency's budget spending

The Fund has no past-due or impaired assets.

##### (c) Liquidity risk

###### *i) Liabilities related risk*

The Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI Act. The cash outflow required is the Agency's budget which is determined before the start of each financial year in accordance with the provisions of the DI Act. The Fund's annual cash inflows are predictable, comprising premium contributions which are collected on the first day of the financial year and coupon from holdings of Singapore Government bonds. Therefore, the Fund is able to provide adequate funding to meet the Agency's budget spending.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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#### 8. Financial risk management (continued)

##### (c) Liquidity risk (continued)

###### *ii) Contingent liabilities related risk*

The making of compensation payments pursuant to the Scheme established under the DI Act arises from the occurrence of future events that are not within the control of the Fund. The assets of the Fund, comprising cash and Singapore Government securities will be used for payment of compensation by the Agency to the insured depositors of a Scheme member when required to do so by the Monetary Authority of Singapore under section 30(2) of the DI Act. Where this is insufficient, the Agency will obtain loans on behalf of the Fund while awaiting payments from the assets of the failed Scheme member and also payments from the guarantee by the Singapore Government if the failure of the Scheme member occurs before expiry of the guarantee on 31 December 2010.

##### (d) Accumulated surplus

The management of the Fund's accumulated surplus is circumscribed by the DI Act. Premium contributions income is determined by the MAS which is charged under the DI Act to set the premium rates at which premium contributions are levied on Scheme members. When the Fund's accumulated surplus reaches 0.3% of the aggregate of the insured deposit base of every Scheme member, the MAS and the Agency may conduct a joint review of the premium rates. As for investment income, the Agency is required to invest the Fund's moneys with the objects of capital preservation and maintenance of liquidity.

The Agency ensures that the Fund maintains sufficient cash and liquid assets to meet the Agency's budgets for capital and operating expenditures.

## DEPOSIT INSURANCE FUND

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2009*

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#### 9. New or revised accounting standards and FRS interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 April 2009 or later periods and which has not been early adopted. The Agency's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Fund is set out below:

FRS 1(R) *Presentation of Financial Statements* (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income can be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Agency will apply the revised standard from 1 April 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, the statement of comprehensive income.

#### 10. Authorisation of financial statements

These financial statements were authorised for issue by the directors of the Agency on 30 May 2009.