ANNUAL REPORT

For the financial year ended 31 March 2011

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 2011

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(Incorporated in Singapore. Registration Number: 200600593Z)

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
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ANNUAL REPORT
For the financial year ended 31 March 2011

Contents

DIRECTORS' REPORT
For the financial year ended 31 March 2011

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2011.

Directors

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

Mr James Koh Cher Siang (Chairman)
Mr Han Eng Juan
Mrs Hauw-Quek Soo Hoon
Mr Thean Lip Ping
Mr Wong Yew Meng

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. Three directors are members of the Company. 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 for directors' fees as disclosed in the accompanying financial statements.

Share options

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

On behalf of the directors

JAMES KOH CHER SIANG	HAN ENG JUAN
Director	Director

Date: 30 May 2011

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2011

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 23 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2011 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

JAMES KOH CHER SIANG Director	HAN ENG JUAN Director

Date: 30 May 2011

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

Report on the Financial Statements

The accompanying financial statements of Singapore Deposit Insurance Corporation Limited (the "Company"), set out on pages 6 to 23, have been audited under my direction. These financial statements comprise the balance sheet as at 31 March 2011, and the statement of comprehensive income and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Companies Act"), the Deposit Insurance Act, Cap. 77A (the "DI Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with Singapore Standards on Auditing. Those standards require that ethical requirements be complied with, and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies 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 2011 and the results and cash flows of the Company for the financial year ended on that date.

Other Matters

The financial statements of the Company for the financial year ended 31 March 2010 were audited by PricewaterhouseCoopers LLP who expressed an unmodified opinion on those statements on 18 June 2010.

Report on Other Legal and Regulatory Requirements

In my opinion,

(a) the accounting and other records required by the Companies Act and DI Act (including records of all assets of the Company, whether purchased, donated or otherwise) to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act and DI Act; and

(b) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Company during the financial year have been in accordance with the provisions of the DI Act.

LIM SOO PING
AUDITOR-GENERAL
SINGAPORE

30 May 2011

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2011

	Note	**2011**	2010 (restated)
		$	$
Income:			
- Recovery from the Deposit Insurance Fund	2.2	**1,771,221**	1,725,647
- Government grants	2.2	**1,125**	13,417
Total income		**1,772,346**	1,739,064
Expenses:			
- Employee compensation	3	**892,211**	695,826
- Depreciation and amortisation	8, 9	**412,493**	483,139
- Other expenses	4	**467,642**	560,099
Total expenses		**1,772,346**	1,739,064
Profit before income tax		**-**	-
Income tax expense	5	**-**	-
Net profit		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income		**-**	-

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

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

BALANCE SHEET
As at 31 March 2011

	Note	**2011**	2010 (restated)	2009 (restated)
		$	$	$
ASSETS				
Current assets				
Cash and cash equivalents	6	**456,401**	597,751	299,209
Trade and other receivables	7	**87,673**	96,182	250,099
Prepayments		**14,680**	31,958	47,994
		558,754	725,891	597,302
Non-current assets				
Property, plant and equipment	8	**5,074**	49,392	126,802
Intangible assets	9	**1,089,417**	1,245,577	1,536,676
		1,094,491	1,294,969	1,663,478
Total assets		**1,653,245**	2,020,860	2,260,780
LIABILITIES				
Current liabilities				
Advance from the Deposit Insurance Fund	10	**1,413,887**	1,658,110	1,995,457
Other payables	10	**239,358**	362,750	265,323
Total liabilities		**1,653,245**	2,020,860	2,260,780
NET ASSETS		**-**	-	-

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 2011

	Note	**2011**	2010 (restated)
		$	$
Cash flows from operating activities			
Net profit		**-**	-
Adjustments for:			
- Depreciation and amortisation		**412,493**	483,139
- Government grants		**(1,125)**	(13,417)
- Intangible assets written off		**-**	5,567
		411,368	475,289
Change in working capital			
- Trade and other receivables		**8,509**	153,917
- Advance from the Deposit Insurance Fund		**(244,223)**	(337,347)
- Other payables		**(123,392)**	97,427
- Prepayments		**17,278**	16,036
Government grants received		**1,125**	13,417
Net cash from operating activities		**70,665**	418,739
Cash flows from investing activities			
Additions to property, plant and equipment		**(4,640)**	(1,915)
Additions to intangible assets		**(207,375)**	(118,282)
Net cash used in investing activities		**(212,015)**	(120,197)
Net (decrease)/increase in cash and cash equivalents		**(141,350)**	298,542
Cash and cash equivalents at beginning of financial year	6	**597,751**	299,209
Cash and cash equivalents at end of financial year	6	**456,401**	597,751

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

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 "DI Scheme") and the administration and management of the Deposit Insurance Fund (the "DI Fund") established under the DI Act.

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

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

2. Significant accounting policies

2.1 <u>Basis of preparation</u>

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 Company's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The area involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements, is as follows:

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Amortisation of intangible assets

These assets are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future amortisation charges could be revised.

Interpretations and amendments to published standards effective in 2010

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2010 did not have any material impact on the Company's financial statements.

2.2 Revenue recognition

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

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

Previously, government grants received in respect of expenses incurred and authorised under the DI Act were recognised as a deduction against the expense. With effect from 1 April 2010, the Company recognises government grants received as income (Note 16).

2.3 Property, plant and equipment

(a) Measurement

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses (Note 2.6).

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.

(b) Depreciation

Depreciation on 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:

2. Significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

(b) Depreciation (continued)

	Useful lives
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 statement of comprehensive income 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 expenses are recognised in the statement of comprehensive income 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 statement of comprehensive income.

2.4 Intangible assets

Intangible assets consist of computer software and development costs for computer application systems.

(a) Measurement

Intangible assets are recognised at cost less accumulated amortisation and accumulated impairment losses (Note 2.6).

The cost of an item of intangible asset includes its purchase price and any costs that are directly attributable to bringing to use or to develop the specific asset.

(b) Amortisation

Amortisation of intangible assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives. The estimated useful lives are 3 to 5 years.

2. Significant accounting policies (continued)

2.4 Intangible assets (continued)

(b) Amortisation (continued)

The residual values, estimated useful lives and amortisation method of intangible assets are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

Intangible assets under development are not amortised.

(c) Subsequent expenditure

Subsequent expenditure relating to intangible assets 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 subsequent expenses are recognised in the statement of comprehensive income when incurred.

(d) Disposal

On disposal of an item of intangible assets, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

2.5 Advance from the DI Fund and other payables

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

2.6 Impairment of non-financial assets

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

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 inflows 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.

2. Significant accounting policies (continued)

2.6 Impairment of non-financial assets (continued)

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 statement of comprehensive income.

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 or amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

2.7 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" on 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.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company 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 in the statement of comprehensive income.

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 statement of comprehensive income. When the asset becomes uncollectible, it is written off against the

2. Significant accounting policies (continued)

2.7 Financial assets (continued)

allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Impairment loss is reversed through the statement of comprehensive income. 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.

2.8 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 statement of comprehensive income 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:

2. Significant accounting policies (continued)

2.9 Employee compensation (continued)

(c) Termination benefits

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.

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 statement of comprehensive income.

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 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 statement of comprehensive income 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 statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

3. Employee compensation

	2011	2010
	$	$
Wages and salaries	**812,826**	628,262
Employer's contribution to Central Provident Fund	**43,225**	35,572
Directors' fees	**33,645**	30,000
Others	**2,515**	1,992
	892,211	695,826

4. Other expenses

	2011	2010
	$	$
Rental	**147,821**	137,881
Office maintenance	**3,886**	3,850
Telecommunication charges	**2,717**	2,485
Travel	**10,793**	15,181
Trade association membership	**15,114**	15,191
Audit fees	**30,500**	21,000
Legal, accounting and other fees	**1,880**	4,310
Company secretary fees	**2,490**	2,290
Consultancy fees	**102,800**	110,770
IT expenses	**140,043**	236,781
Others	**9,598**	10,360
	467,642	560,099

5. Income tax expense

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

6. Cash and cash equivalents

	2011	2010
	$	$
Cash at bank and on hand	**456,401**	597,751

Cash at bank and on hand constitute moneys withdrawn by the Company from the DI Fund to carry out the objects and purposes of the DI Scheme pursuant to section 10 of the DI Act. Therefore, bank accounts in the name of SDIC are specified as trust accounts. Cash at bank and on hand are all denominated in Singapore Dollar.

7. Trade and other receivables

	2011	2010
	$	$
Refundable deposits	**23,033**	38,069
Receivable from Comptroller of Goods and Services Tax	**64,640**	58,113
	87,673	96,182

Trade and other receivables are all denominated in Singapore Dollar.

8. Property, plant and equipment

	Furniture, fittings and other office equipment	Computer equipment and software	Software under development	Total
	$	$	$	$
2011				
Cost				
Beginning of financial year	67,880	214,492	-	282,372
Additions	-	4,640	-	4,640
Disposals	(10,994)	(6,016)	-	(17,010)
End of financial year	56,886	213,116	-	270,002
Accumulated depreciation				
Beginning of financial year	59,347	173,633	-	232,980
Depreciation	8,533	40,425	-	48,958
Disposals	(10,994)	(6,016)	-	(17,010)
End of financial year	56,886	208,042	-	264,928
Net book value				
End of financial year	**-**	**5,074**	**-**	**5,074**
2010 (restated)				
Cost				
Beginning of financial year	67,880	212,577	-	280,457
Additions	-	1,915	-	1,915
End of financial year	67,880	214,492	-	282,372
Accumulated depreciation				
Beginning of financial year	47,970	105,685	-	153,655
Depreciation	11,377	67,948	-	79,325
End of financial year	59,347	173,633	-	232,980
Net book value				
End of financial year	8,533	40,859	-	49,392
2009 (restated)				
Cost				
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)	-
Reclassification to intangible assets	-	(1,822,472)	-	(1,822,472)
End of financial year	67,880	212,577	-	280,457
Accumulated depreciation				
Beginning of financial year	33,844	78,870	-	112,714
Depreciation	14,126	312,611	-	326,737
Reclassification to intangible assets	-	(285,796)	-	(285,796)
End of financial year	47,970	105,685	-	153,655
Net book value				
End of financial year	19,910	106,892	-	126,802

9. Intangible assets

	Computer software	Software under development	Total
	$	$	$
2011			
Cost			
Beginning of financial year	1,826,704	105,700	1,932,404
Additions	-	207,375	207,375
End of financial year	1,826,704	313,075	2,139,779
Accumulated amortisation			
Beginning of financial year	686,827	-	686,827
Amortisation	363,535	-	363,535
End of financial year	1,050,362	-	1,050,362
Net book value			
End of financial year	**776,342**	**313,075**	**1,089,417**
2010 (restated)			
Cost			
Beginning of financial year	1,822,472	-	1,822,472
Additions	12,582	105,700	118,282
Disposals	(8,350)	-	(8,350)
End of financial year	1,826,704	105,700	1,932,404
Accumulated amortisation			
Beginning of financial year	285,796	-	285,796
Amortisation	403,814	-	403,814
Disposals	(2,783)	-	(2,783)
End of financial year	686,827	-	686,827
Net book value			
End of financial year	1,139,877	105,700	1,245,577
2009 (restated)			
Cost			
Beginning of financial year	-	-	-
Reclassification from property, plant and equipment	1,822,472	-	1,822,472
End of financial year	1,822,472	-	1,822,472
Accumulated amortisation			
Beginning of financial year	-	-	-
Reclassification from property, plant and equipment	285,796	-	285,796
End of financial year	285,796	-	285,796
Net book value			
End of financial year	1,536,676	-	1,536,676

10. Advance from the DI Fund and other payables

Advance from the DI Fund to cover the Company's operating and capital expenditures and other payables are all denominated in Singapore Dollar.

11. Goods and Services Tax ("GST")

The Company has been granted remission of GST input tax on all business purchases made by the Company on behalf of the DI Fund, for the period from the incorporation of the Company till the date when the DI Fund reaches the size of 0.3% of the insured deposit base or 12 years from the date of the inception of the DI Fund, whichever is the earlier.

12. 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 but not exceeding the sum of $1.

13. Commitments

(a) Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, are as follows, after reclassification between property, plant and equipment and intangible assets:

	2011	2010
	$	$
Property, plant and equipment	**-**	-
Intangible asset - Software under development	**606,975**	399,600

(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:

13. Commitments (continued)

(b) Operating lease commitments (continued)

	2011	2010
	$	$
Not later than one year	**90,931**	138,707
Later than one year but not later than five years	**174,285**	-
	265,216	138,707

14. 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 major bank in Singapore; and
(ii) trade and other receivables totalling $87,673 (2010: $96,182) of which 99% (2010: 99%) are due from the Singapore Government and the 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 DI 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 12 months or are repayable on demand.

(ii) Contingent liabilities-related risk

The making of compensation payments pursuant to the DI Scheme established under the DI Act arises from the occurrence of future events that are not within the control of the DI Fund nor the Company. The Company will pay compensation out of the DI Fund to the insured depositors of a failed DI 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 DI Fund which comprises Singapore

14. Financial risk management (continued)

Financial risk factors (continued)

(b) Liquidity risk (continued)

(ii) Contingent liabilities-related risk (continued)

Government securities. Where this is insufficient, the Company will obtain loans on behalf of the DI Fund while awaiting payments from the assets of the failed DI 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. The Company may also raise additional premium contributions in accordance with section 24 of the DI Act.

(c) Market risk

(i) 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 DI Fund is interest-free.

(d) Capital risk management

The Company does not have a share capital and does not borrow to finance day-to-day expenditures. Since expenditures are made on behalf of the DI Fund, the Company draws an advance from the DI Fund to pay capital and operating expenditures and recovers the operating expenditures and depreciation amounts by offsetting against the advance from the DI 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 DI Fund maintains sufficient cash and liquid assets to meet the Company's budget for capital and operating expenditures.

14. Financial risk management (continued)

Financial risk factors (continued)

(e) Fair value measurement

At 31 March 2011, there were no assets or liabilities carried at fair value on the balance sheet (2010: Nil).

The carrying value of cash and cash equivalents, trade and other receivables, prepayments, advance from the DI Fund and other payables approximate their fair values at the balance sheet date due to their short-term nature.

15. Related party transactions

Key management personnel compensation is as follows:

	2011 **$**	2010 $
Salaries and other short-term employee benefits	**348,953**	284,730
Post-employment benefits - contribution to Central Provident Fund	**7,177**	6,703
	356,130	291,433

Included in the above was total compensation to directors of the Company amounting to $33,645 (2010: $30,000).

16. Comparative information

During the current year, the Company reclassified its computer software and development costs for computer application systems from property, plant and equipment to intangible assets to reflect more appropriately the nature of the assets. The Company also reclassified government grants to show the government grants as income instead of being netted against the relevant expense to provide more information. Comparative figures have been re-classified to conform with the current financial year's presentation. The reclassified amounts are disclosed in the financial statements and respective notes to the financial statements.

17. Events after the balance sheet date

With effect from 1 May 2011, the DI Act was re-enacted as the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DIPOPS Act") and the Company was designated under this Act as the deposit insurance and policy owners' protection fund agency. Hence, from 1 May 2011, the principal activities of the Company include the administration of the DI Scheme, administration and management of the DI Fund, administration of the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the Policy Owners' Protection Life Fund (the "PPF Life Fund") and the Policy Owners' Protection General Fund (the "PPF General Fund"). An estimate of the impact on the future financial statements cannot be made at the time these financial statements are authorised for issue.

On 3 May 2011, the Company drew down $372,300 from an interest-free short-term borrowing facility of up to $446,300 established with the Monetary Authority of Singapore on 29 April 2011. The purpose of the facility is to finance the set-up costs and the initial personnel, operating and general administrative expenditure of the PPF Scheme, until levies are collected from PPF Scheme members. The loan proceeds of $372,300 have been paid into the PPF Life Fund and the PPF General Fund in accordance with the DIPOPS Act.

18. 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 January 2011 or later periods and which the Company has not early adopted. The Company anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the Company's financial statements.

19. 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 2011.

ANNUAL REPORT
For the financial year ended 31 March 2011

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 2011

Contents

DEPOSIT INSURANCE FUND

STATEMENT BY SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
For the financial year ended 31 March 2011

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

(a) the financial statements as set out on pages 4 to 16 are drawn up so as to present fairly, in all material respects, the state of affairs of the Deposit Insurance Fund (the "DI Fund") as at 31 March 2011, and the results, cash flows and changes in accumulated surplus for the financial year ended 31 March 2011 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 DI 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

Date: 30 May 2011

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

Report on the Financial Statements

The accompanying financial statements of Deposit Insurance Fund (the "DI Fund"), set out on pages 4 to 16, have been audited under my direction. These financial statements comprise the balance sheet as at 31 March 2011, and the statement of comprehensive income, statement of changes in accumulated surplus and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management of Singapore Deposit Insurance Corporation Limited (the "Agency") is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Deposit Insurance Act, Cap. 77A (the "DI Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. The audit was conducted in accordance with Singapore Standards on Auditing. Those standards require that ethical requirements be complied with, and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of the DI 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 DI Fund as at 31 March 2011 and the results, changes in accumulated surplus and cash flows of the DI Fund for the financial year ended on that date.

Other Matters

The financial statements of the DI Fund for the financial year ended 31 March 2010 were audited by PricewaterhouseCoopers LLP who expressed an unmodified opinion on those statements on 18 June 2010.

Report on Other Legal and Regulatory Requirements

In my opinion,

(a) the accounting and other records have been properly kept, including records of all assets of the DI Fund whether purchased, donated or otherwise; and

(b) the receipts, expenditure and investment of moneys by the DI Fund during the financial year have been in accordance with the provisions of the DI Act.

LIM SOO PING
AUDITOR-GENERAL
SINGAPORE

30 May 2011

DEPOSIT INSURANCE FUND

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2011

	Note	**2011** **$**	2010 $
Income:			
Premium contributions	2.2	**17,438,607**	16,984,197
Interest income from investment securities	2.2	**2,370,388**	1,784,089
		19,808,995	18,768,286
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	**1,771,221**	1,725,647
Other expenses		**120**	180
Total expenses		**1,771,341**	1,725,827
Net surplus		**18,037,654**	17,042,459
Other comprehensive income		**-**	-
Total comprehensive income		**18,037,654**	17,042,459

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

DEPOSIT INSURANCE FUND

BALANCE SHEET
As at 31 March 2011

	Note	**2011** $	2010 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**2,739,601**	305,902
Advance to the Agency	6	**1,413,887**	1,658,110
Other receivables	6	**206,904**	159,520
Financial assets, held-to-maturity	7	**999,407**	2,679,138
		5,359,799	4,802,670
Non-current assets			
Financial assets, held-to-maturity	7	**73,914,894**	56,434,369
TOTAL ASSETS AND NET ASSETS		**79,274,693**	61,237,039
ACCUMULATED SURPLUS		**79,274,693**	61,237,039

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 2011

	Note	**2011 $**	2010 $
Beginning of financial year		**61,237,039**	44,194,580
Total comprehensive income for the financial year		**18,037,654**	17,042,459
End of financial year	8(d)	**79,274,693**	61,237,039

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

DEPOSIT INSURANCE FUND

CASH FLOW STATEMENT
For the financial year ended 31 March 2011

	Note	**2011**	2010 (restated)
		$	$
Cash flows from operating activities			
Net surplus		**18,037,654**	17,042,459
Less: Interest income from investment securities		**(2,370,388)**	(1,784,089)
		15,667,266	15,258,370
Changes in working capital			
- Advance to the Agency		**244,223**	337,347
- Other receivables		**(1,459)**	-
Net cash from operating activities		**15,910,030**	15,595,717
Cash flows from investing activities			
Purchases of financial assets, held-to-maturity		**(18,629,458)**	(19,585,976)
Proceeds upon maturity of financial assets, held-to-maturity		**2,678,350**	2,362,439
Interest received from investment securities		**2,474,777**	1,922,852
Net cash used in investing activities		**(13,476,331)**	(15,300,685)
Net increase in cash and cash equivalents		**2,433,699**	295,032
Cash and cash equivalents at beginning of financial year	5	**305,902**	10,870
Cash and cash equivalents at end of financial year	5	**2,739,601**	305,902

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

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 (the “DI Fund”), established under section 9 of the Deposit Insurance Act Cap 77A (the “DI Act”) and subject to the directions of the Minister, is administered and managed 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 “DI Scheme”) and the administration and management of the DI Fund.

The DI Scheme was established in Singapore for the benefit of insured depositors in respect of their insured deposits placed with DI Scheme members up to $20,000 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 DI 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. The area involving a higher degree of judgment or complexity, or area where assumptions and estimates are significant to the financial statements, is as follows:

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Financial assets, held-to-maturity

The Agency follows the guidance of FRS 39 in classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Agency evaluates its intention and ability to hold such investments to maturity.

If the Agency fails to keep these investments to maturity other than for specific circumstances explained in FRS 39, it will be required to reclassify the entire held-to-maturity financial assets as available for sale. The investments will be required to be measured at fair value instead of at amortised cost upon reclassification.

Interpretations and amendments to published standards effective in 2010

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2010 did not have any material impact on the DI Fund's financial statements.

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 DI 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 statement of comprehensive income for securities measured at amortised cost using the effective interest 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. Significant accounting policies (continued)

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.

2.4 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the DI 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 include “advance to the Agency”, “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 DI Fund has the positive intention and ability to hold to maturity. If the DI 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. Financial assets, held-to-maturity, are presented as non-current assets,

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(a) Classification (continued)

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

except for those maturing within 12 months after the balance sheet date which are presented as current assets.

(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 DI 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 in the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

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.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(e) Impairment (continued)

Loans and receivables / Financial assets, held-to-maturity

The Agency 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 statement of comprehensive income. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Impairment loss is reversed through the statement of comprehensive income. 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 Currency translation

Items included in the financial statements of the DI 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 DI Fund's functional and presentation currency.

3. Net expenditure incurred by Singapore Deposit Insurance Corporation Limited

Net expenditure incurred by the Agency in carrying out the objects of the DI Act are payable from the DI Fund as provided under the DI Act.

4. Income tax

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

5. Cash and cash equivalents

	2011	2010
	$	$
Cash at bank and on hand	**2,739,601**	305,902

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

6. Advance to the Agency and other receivables

Advance to the Agency to cover the Agency's operating and capital expenditures and other receivables are all denominated in Singapore Dollar.

7. 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 DI 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 method. The DI Fund's held-to-maturity investments comprise:

	2011	2010
	$	$
Current		
Singapore Government treasury bills	**999,407**	2,679,138
Non-current		
Singapore Government bonds	**73,914,894**	56,434,369
Total	**74,914,301**	59,113,507

The total fair value of the held-to-maturity investments, measured using quoted market bid prices as at 31 March 2011 was $78,543,437 (2010: $58,950,874). The non-current held-to-maturity investments have maturity dates between 2016 and 2027.

8. Financial risk management

(a) Market risk

(i) Currency risk

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

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 DI Fund's investments in Singapore Government bonds are not subjected to cash flow interest rate risk as the interest payments are fixed. The DI 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 DI 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 7 for details on the investments' fair values as at year end.

(b) Credit risk

The DI Fund's financial assets comprise:

(i) Investments in Singapore Government Securities and accrued interest receivable on such securities; the issuer, the Singapore Government, has a very high credit rating

(ii) Current account balances with a major bank in Singapore and the Monetary Authority of Singapore

(iii) Advance to the Agency to fund the Agency's budget spending

The DI Fund has no past due or impaired assets.

(c) Liquidity risk

(i) Liabilities-related risk

The DI 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 DI Fund's annual cash inflows are predictable,

8. Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Liabilities-related risk (continued)

comprising premium contributions which are collected on the first day of the financial year and coupon from holdings of Singapore Government bonds. Therefore, the DI Fund is able to provide adequate funding to meet the Agency's budget spending.

(ii) Contingent liabilities-related risk

The making of compensation payments pursuant to the DI Scheme established under the DI Act arises from the occurrence of future events that are not within the control of the DI Fund. The assets of the DI Fund, comprising cash and financial assets will be used for payment of compensation by the Agency to the insured depositors of a failed DI 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 DI Fund while awaiting payments from the assets of the failed DI 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. The Agency may also raise additional premium contributions in accordance with section 24 of the DI Act.

(d) Accumulated surplus

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

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

(e) Fair value measurement

At 31 March 2011, there were no assets or liabilities carried at fair value on the balance sheet (2010: Nil).

8. Financial risk management (continued)

(e) Fair value measurement (continued)

The fair values of financial assets, held-to-maturity, are based on quoted market bid-prices at the balance sheet date traded in active markets. The fair value of financial assets, held to maturity is disclosed in Note 7.

The carrying value of cash and cash equivalents, advance to the Agency and other receivables approximate their fair value at the balance sheet date due to their short-term nature.

9. Comparative information

The proceeds upon maturity and interest received from held-to-maturity financial assets are reclassified from the purchases of financial assets in the cash flow statement to reflect more appropriately the cash flows of the investing activities. Comparative figures have been re-classified to conform with the current financial year's presentation. The reclassified amounts are disclosed in the cash flow statement.

10. Events after the balance sheet date

With effect from 1 May 2011, the DI Act was re-enacted as the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 (the "DIPOPS Act"). Under the DIPOPS Act, compensation limit was raised from $20,000 for each insured depositor of each DI Scheme member to $50,000. An estimate of the impact on the future financial statements due to the change in compensation limit cannot be made at the time these financial statements are authorised for issue.

11. 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 DI Fund's accounting periods beginning on or after 1 January 2011 or later periods and which the DI Fund has not early adopted. The Agency anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the DI Fund's financial statements.

12. Authorisation of financial statements

These financial statements were authorised for issue by the directors of the Agency on 30 May 2011.