ANNUAL REPORT
For the financial year ended 31 March 2013

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
(Incorporated in Singapore. Registration Number: 200600593Z)

DEPOSIT INSURANCE FUND
(Established under the Deposit Insurance Act Cap. 77A and re-constituted under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

POLICY OWNERS' PROTECTION LIFE FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

POLICY OWNERS' PROTECTION GENERAL FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

ANNUAL REPORT
For the financial year ended 31 March 2013

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(Incorporated in Singapore. Registration Number: 200600593Z)

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ANNUAL REPORT
For the financial year ended 31 March 2013

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DIRECTORS' REPORT

For the financial year ended 31 March 2013

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2013.

Directors

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

Mr Koh Yong Guan, Chairman	(Appointed on 1 May 2012)
Mr Han Eng Juan	
Mrs Hauw-Quek Soo Hoon	
Mr Wong Yew Meng	
Mr Ang Peng Koon Patrick	(Appointed on 31 July 2012)

Directors in office during the financial year but not at the date of this report are as follows:

Mr James Koh Cher Siang, Chairman	(Resigned with effect from 1 May 2012)
Mr Thean Lip Ping	(Resigned with effect from 31 May 2012)
Mr Vinodh Coomaraswamy	(Resigned with effect from 31 July 2012)

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 also members of the Company, but they have no personal interest in the Company, which is designated under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B as the deposit insurance and policy owners' protection fund agency. 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

Except as disclosed in the accompanying financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

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

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the board of directors

KOH YONG GUAN
Director

HAN ENG JUAN
Director

21 June 2013

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2013

In the opinion of the directors,

(i) the accompanying financial statements as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and of the results and cash flows of the Company for the financial year then ended; and

(ii) 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 board of directors

KOH YONG GUAN Director	HAN ENG JUAN Director

21 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
For the financial year ended 31 March 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Deposit Insurance Corporation Limited (the "Company"), set out on pages 6 to 24, which comprise the balance sheet as at 31 March 2013, the statement of comprehensive income and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act"), the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF 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 sheet and to maintain accountability of assets.

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 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 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 of the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED For the financial year ended 31 March 2013 (continued)

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act, the DI-PPF 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 2013 and the results and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

(a) the accounting and other records required by the Act and the DI-PPF Act to be kept by the Company have been properly kept in accordance with the provisions of these Acts; and

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

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
21 June 2013

SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2013

	Note	2013	2012
		$	$
Income:			
Recovery from the Deposit Insurance Fund	2.2	**2,100,916**	1,530,798
Recovery from the Policy Owners' Protection Life Fund	2.2	**747,757**	625,085
Recovery from the Policy Owners' Protection General Fund	2.2	**424,932**	352,646
Government grants	2.2	**4,439**	907
Total income		**3,278,044**	2,509,436
Expenses:			
Employee compensation	3	**1,399,178**	1,115,318
Depreciation and amortisation	8, 9	**584,008**	494,327
Other expenses	4	**1,294,858**	899,791
Total expenses		**3,278,044**	2,509,436
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.

BALANCE SHEET
As at 31 March 2013

	Note	**2013** $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**3,540,964**	1,708,903
Trade and other receivables	7	**174,585**	169,187
Prepayments		**4,793**	8,374
		3,720,342	1,886,464
Non-current assets			
Property, plant and equipment	8	**47,116**	20,983
Intangible assets	9	**952,980**	1,209,197
		1,000,096	1,230,180
Total assets		**4,720,438**	3,116,644
LIABILITIES			
Current liabilities			
Advance from the Deposit Insurance Fund	10	**2,141,405**	2,546,139
Advance from the Policy Owners' Protection Life Fund	10	**1,276,373**	245,745
Advance from the Policy Owners' Protection General Fund	10	**726,627**	149,744
Other payables	10	**576,033**	175,016
Total liabilities		**4,720,438**	3,116,644
NET ASSETS		**-**	-

The Company is a public company limited by guarantee and has no share capital. The Company has no retained earnings or accumulated losses since its incorporation. As such, no statement of change in equity is presented.

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 2013

	Note	**2013**	2012
		$	$
Cash flows from operating activities			
Net profit		**-**	-
Adjustments for:			
Depreciation and amortisation		**584,008**	494,327
Government grants		**(4,439)**	(907)
		579,569	493,420
Changes in working capital			
Trade and other receivables		**(5,398)**	(81,514)
Advance from the Deposit Insurance Fund		**(404,734)**	1,132,252
Advance from the Policy Owners' Protection Life Fund		**1,030,628**	245,745
Advance from the Policy Owners' Protection General Fund		**576,883**	149,744
Other payables		**401,017**	(64,342)
Prepayments		**3,581**	6,306
Government grants received		**4,439**	907
Net cash from operating activities		**2,185,985**	1,882,518
Cash flows from investing activities			
Additions to property, plant and equipment		**(42,722)**	(23,041)
Additions to intangible assets		**(311,202)**	(606,975)
Net cash used in investing activities		**(353,924)**	(630,016)
Net increase in cash and cash equivalents		**1,832,061**	1,252,502
Cash and cash equivalents at beginning of financial year	6	**1,708,903**	456,401
Cash and cash equivalents at end of financial year	6	**3,540,964**	1,708,903

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 designated under section 56 of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF Act") to be the deposit insurance and policy owners' protection fund agency (the "Agency") for the purposes of the DI-PPF Act. The Company was previously designated by the Minister under section 12 of the Deposit Insurance Act Cap. 77A (the "DI Act") as the deposit insurance agency until the repeal of the DI Act on 1 May 2011. Accordingly, in the notes to the financial statements, DI-PPF Act refers collectively to the DI Act in force up to 30 April 2011 and the DI-PPF Act which came into force on 1 May 2011. The Company is a public company limited by guarantee incorporated under the Companies Act Cap. 50 on 13 January 2006 and is domiciled in Singapore. The address of its registered office is 10 Shenton Way, #11-06, MAS Building, Singapore 079117.

The objects of the Company are as stipulated under section 57 of the DI-PPF Act, and include the following:

(a) to administer the Deposit Insurance Scheme (the "DI Scheme") and the Policy Owners' Protection Scheme (the "PPF Scheme") in accordance with the DI-PPF Act;
(b) to administer and manage the Deposit Insurance Fund (the "DI Fund"), the Policy Owners' Protection Life Fund (the "PPF Life Fund") and the Policy Owners' Protection General Fund (the "PPF General Fund") in accordance with the DI-PPF Act;
(c) to administer and manage the insurance business of a failed PPF Scheme member; and
(d) to take such steps as may be directed by the Minister or after consultation with the Monetary Authority of Singapore, to contribute to the stability of the financial system.

In order to fulfil the above objects, the Company may transfer moneys to its account from the DI Fund, the PPF Life Fund and the PPF General Fund pursuant to section 57(4) of the DI-PPF 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-PPF Act. The PPF Scheme was established in Singapore for the benefit of policy owners in respect of their protected policies as specified in the DI-PPF Act.

The DI Fund re-constituted under section 9 of the DI-PPF 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 Scheme are payable into the DI Fund and all expenditure and other moneys are payable out of the DI Fund as authorised under the DI-PPF Act.

1. General information (continued)

The PPF Life Fund and the PPF General Fund, established under section 34 of the DI-PPF Act, and subject to the directions of the Minister, are administered and managed by the Company. All levies and moneys receivable under the PPF Scheme from Scheme members carrying on life business are payable into the PPF Life Fund and all expenditure and other moneys are payable out of the PPF Life Fund as authorised under the DI-PPF Act. All levies and moneys receivable under the PPF Scheme from Scheme members carrying on general business are payable into the PPF General Fund and all expenditure and other moneys are payable out of the PPF General Fund as authorised under the DI-PPF Act.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). 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 judgement or complexity, or area where assumptions and estimates are significant to the financial statements, is as follows:

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 2012

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2012 did not have any material impact on the Company's financial statements.

2. Summary of significant accounting policies (continued)

2.2 Revenue recognition

Income from the DI Fund, the PPF Life Fund and the PPF General Fund (hereafter collectively referred to as the "Funds") represent moneys recoverable from the DI Fund, the PPF Life Fund and the PPF General Fund respectively for expenditure properly incurred and as authorised under the DI-PPF Act.

Income from the DI Fund, the PPF Life Fund and the PPF General Fund is recognised in the period in which the relevant expenditure is charged to the statement of comprehensive income.

Government grants received are recognised as income.

2.3 Property, plant and equipment

(a) *Recognition and 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:

	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.

2. Summary of significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

(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) *Recognition and 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.

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. Summary of significant accounting policies (continued)

2.5 Advances from the Funds and other payables

Advances from the DI Fund, the PPF Life Fund and the PPF General Fund and other payables are initially carried at fair value, and subsequently measured at amortised cost, using the effective interest method. They constitute total financial liabilities which amounted to $4,720,438 (2012: $3,116,644).

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.

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 and amounted to $3,715,549 (2012: $1,878,090). 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.

2. Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

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 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.

2. Summary of significant accounting policies (continued)

2.9 Employee compensation (continued)

(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.

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. Summary of significant accounting policies (continued)

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

	2013	2012
	$	$
Wages and salaries	**1,221,914**	1,001,544
Employer's contribution to Central Provident Fund	**104,361**	76,311
Directors' fees	**68,438**	33,750
Others	**4,465**	3,713
	1,399,178	1,115,318

4. Other expenses

	2013	2012
	$	$
Rental	**224,911**	193,736
Office maintenance	**7,013**	5,210
Telecommunication charges	**4,094**	3,735
Travel	**12,739**	5,995
Trade association membership	**15,832**	15,930
Audit fees	**34,796**	30,500
Legal, accounting and other fees	**2,925**	11,912
Company secretary fees	**2,390**	1,930
Consultancy fees	**199,446**	151,480
IT expenses	**313,748**	255,334
Publicity	**458,287**	204,718
Others	**18,677**	19,311
	1,294,858	899,791

5. Income tax expense

The expenses recovered from the DI Fund, the PPF Life Fund and the PPF General Fund are not taxable as long as the income of the respective fund is exempted from income tax. Each fund is exempted from income tax until such time that the fund reaches its target fund size or 2018, whichever is the earlier.

6. Cash and cash equivalents

	2013 $	2012 $
Cash at bank and on hand	**3,540,964**	1,708,903

Cash at bank and on hand constitute moneys withdrawn by the Company from:

(a) the DI Fund to carry out the objects and purposes of the DI Scheme pursuant to section 10 of the DI-PPF Act; and
(b) the PPF Life Fund and the PPF General Fund to carry out the objects and purposes of the PPF Scheme pursuant to section 35 of the DI-PPF Act.

As the Agency of the respective Funds as defined in the DI-PPF Act, the Company can only utilise the money in the bank accounts for purposes as stated above. Therefore, the cash at bank (bank accounts) are held in the name of the Company but are specified as trust accounts.

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

7. Trade and other receivables

	2013 $	2012 $
Refundable deposits	**56,355**	56,635
Receivable from Comptroller of Goods and Services Tax	**118,230**	112,552
	174,585	169,187

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	Total
	$	$	$
2013			
Cost			
Beginning of financial year	78,827	214,216	293,043
Additions	-	42,722	42,722
End of financial year	78,827	256,938	335,765
Accumulated depreciation			
Beginning of financial year	60,510	211,550	272,060
Depreciation	4,575	12,014	16,589
End of financial year	65,085	223,564	288,649
Net book value			
End of financial year	**13,742**	**33,374**	**47,116**
2012			
Cost			
Beginning of financial year	56,886	213,116	270,002
Additions	21,941	1,100	23,041
End of financial year	78,827	214,216	293,043
Accumulated depreciation			
Beginning of financial year	56,886	208,042	264,928
Depreciation	3,624	3,508	7,132
End of financial year	60,510	211,550	272,060
Net book value			
End of financial year	**18,317**	**2,666**	**20,983**

9. Intangible assets

	Computer software $	Software under development $	Total $
2013			
Cost			
Beginning of financial year	2,746,754	-	2,746,754
Additions	311,202	-	311,202
End of financial year	3,057,956	-	3,057,956
Accumulated amortisation			
Beginning of financial year	1,537,557	-	1,537,557
Amortisation	567,419	-	567,419
End of financial year	2,104,976	-	2,104,976
Net book value			
End of financial year	**952,980**	**-**	**952,980**
2012			
Cost			
Beginning of financial year	1,826,704	313,075	2,139,779
Additions	269,100	337,875	606,975
Transfers	650,950	(650,950)	-
End of financial year	2,746,754	-	2,746,754
Accumulated amortisation			
Beginning of financial year	1,050,362	-	1,050,362
Amortisation	487,195	-	487,195
End of financial year	1,537,557	-	1,537,557
Net book value			
End of financial year	**1,209,197**	**-**	**1,209,197**

10. Advances from the Funds and other payables

Advances from the DI Fund, the PPF Life Fund and the PPF General Fund to cover the Company's operating and capital expenditures and other payables are interest free and have no fixed term of repayment. They are 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

(a) on behalf of the DI Fund, for the period from the incorporation of the Company until such time when the fund reaches the size of 0.3% of the aggregate of the insured deposit base of every DI Scheme member or 2018, whichever is the earlier.

11. Goods and Services Tax ("GST") (continued)

(b) on behalf of the PPF Life Fund, from the inception of the fund until such time when the fund reaches the size of 0.61% of the aggregate protected liabilities in respect of insured policies covered under the PPF Life Fund or 2018, whichever is the earlier; and

(c) on behalf of the PPF General Fund, from the inception of the fund until such time when the fund reaches the size of 1.51% of the gross premium income in respect of insured policies covered under the PPF General Fund or 2018, 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:

	2013 $	2012 $
Property, plant and equipment	**404,860**	21,542
Intangible asset - Software under development	**1,798,032**	219,100

(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:

	2013 $	2012 $
Not later than one year	**204,618**	223,219
Later than one year but not later than five years	**-**	204,618
	204,618	427,837

14. Financial risk management objectives and policies

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The Company's exposure to credit risk arises primarily from trade and other receivables and current account balance held with banks. The Company minimises credit risk by dealing with credit worthy parties. The Company's financial assets comprise:

(i) cash and cash equivalent that are placed with major banks in Singapore; and
(ii) trade and other receivables totalling \$174,585 (2012: \$169,187) of which 99% (2012: 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

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

(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-PPF Act. The Company would ensure that each of the DI Fund, the PPF Life Fund and the PPF General Fund, maintains sufficient cash and liquid assets to meet the Company's budget spending in respect of the individual funds.

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-PPF Act arises from the occurrence of future events that are not within the control of the DI Fund or 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 (the "MAS") under section 21(2) of the DI-PPF Act. The Company may raise cash from the assets held by the DI Fund which comprises Singapore Government Securities and MAS bills. Where this is insufficient, the Company will obtain loans on behalf of the DI Fund while awaiting payments from the realisation of the assets of the failed DI Scheme member.

14. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

(ii) Contingent liabilities-related risk (continued)

The Company entered into an agreement with the MAS on 9 February 2012 where the MAS may provide the Company a contingent liquidity facility of up to $20 billion, in the event liquidity is needed for compensation payments to insured depositors. For the financial year ended 31 March 2013, there was no request and no drawdown on the facility. Furthermore, the Company may raise additional premium contributions in accordance with section 15 of the DI-PPF Act.

The making of payments pursuant to the PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF Life Fund, the PPF General Fund or the Company. When required by the MAS under section 46(2) of the DI-PPF Act, the Company will pay out of or utilise the PPF Life Fund or the PPF General Fund in the following manner:

- make payment of compensation to insured policy owners or third parties;
- utilise the PPF Life Fund or the PPF General Fund to fund transfer or run-off of the insurance business of a failed PPF Scheme member.

The Company may raise cash from the assets held by the PPF Life Fund or the PPF General Fund which comprises Singapore Government Securities and MAS bills. Where this is insufficient, the Company will obtain loans on behalf of the PPF Life Fund or the PPF General Fund while awaiting payments from realisation of the assets of the failed PPF Scheme member. The Company may also raise additional levies in accordance with section 40 of the DI-PPF 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) Equity price risk

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

14. Financial risk management objectives and policies (continued)

(c) Market risk (continued)

(iii) Interest rate risk

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

(d) Fair value measurement

At 31 March 2013, there were no assets or liabilities carried at fair value on the balance sheet (2012: Nil).

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

15. Related party transactions

(a) Purchase of services

In addition to the related party information disclosed elsewhere in the financial statements, the following transaction between the Company and a firm of which a director of the Company was a partner for part of the year took place on terms agreed between the parties during the financial year:

	2013	**2012**
	$	**$**
Purchase of services – legal advice and company secretarial services	**4,940**	11,650

The director was in office during the financial year but not at the date of this report.

15. Related party transactions (continued)

(b) Compensation of key management personnel

Key management personnel compensation is as follows:

	2013 $	2012 $
Salaries and other short-term employee benefits	**385,559**	313,792
Post-employment benefits - contribution to Central Provident Fund	**6,797**	7,168
	392,356	320,960

16. Capital 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 Funds, the Company draws advances from the Funds to pay their respective share of capital and operating expenditures and recovers their respective share of operating expenditures and depreciation amounts by offsetting against the advances from the Funds at the end of each financial year.

To safeguard the Company's ability to continue as a going concern, the Company ensures that the Funds maintain sufficient cash and liquid assets to meet their respective share of the Company's budget for capital and operating expenditures.

17. 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 2013 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.

18. 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 21 June 2013.

ANNUAL REPORT
For the financial year ended 31 March 2013

DEPOSIT INSURANCE FUND
(Established under the Deposit Insurance Act Cap. 77A and re-constituted under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

DEPOSIT INSURANCE FUND

(Established under the Deposit Insurance Act Cap. 77A and re-constituted under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

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For the financial year ended 31 March 2013

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DEPOSIT INSURANCE FUND

STATEMENT BY SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
For the financial year ended 31 March 2013

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

(a) the accompanying 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 2013, and the results, cash flows and changes in accumulated surplus for the financial year ended 31 March 2013 and have been prepared in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF Act"); 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

KOH YONG GUAN
Director

HAN ENG JUAN
Director

21 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - DEPOSIT INSURANCE FUND
For the financial year ended 31 March 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Deposit Insurance Fund (the "DI Fund"), set out on pages 4 to 16, which comprise the balance sheet as at 31 March 2013, 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 and Policy Owners' Protection Schemes Act Cap. 77B ("the DI-PPF 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 sheet and to maintain accountability of assets.

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 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 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 of the 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - DEPOSIT INSURANCE FUND
For the financial year ended 31 March 2013 (continued)

Opinion

In our opinion, the financial statements of the DI Fund are properly drawn up in accordance with the provisions of the DI-PPF 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 2013 and the results, changes in accumulated surplus and cash flows of the DI Fund for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our 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 made in accordance with the provisions of the DI-PPF Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
21 June 2013

DEPOSIT INSURANCE FUND

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	**2013** **$**	2012 $
Income:			
Premium contributions	2.2	**25,119,738**	23,196,519
Interest income from financial assets	2.2	**3,672,744**	2,997,187
		28,792,482	26,193,706
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	**2,100,916**	1,530,798
Other expenses		**60**	40
Total expenses		**2,100,976**	1,530,838
Net surplus		**26,691,506**	24,662,868
Other comprehensive income		**-**	-
Total comprehensive income		**26,691,506**	24,662,868

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

DEPOSIT INSURANCE FUND

BALANCE SHEET
As at 31 March 2013

	Note	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**21,785**	1,606,359
Advance to the Agency	6	**2,141,405**	2,546,139
Other receivables	6	**418,773**	265,779
Financial assets, held-to-maturity	7	**4,773,552**	999,440
		7,355,515	5,417,717
Non-current assets			
Financial assets, held-to-maturity	7	**123,273,552**	98,519,844
TOTAL ASSETS AND NET ASSETS		**130,629,067**	103,937,561
ACCUMULATED SURPLUS		**130,629,067**	103,937,561

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 2013

	Note	**2013** **$**	2012 $
Beginning of financial year		**103,937,561**	79,274,693
Total comprehensive income for the financial year		**26,691,506**	24,662,868
End of financial year	8(d)	**130,629,067**	103,937,561

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

DEPOSIT INSURANCE FUND

CASH FLOW STATEMENT
For the financial year ended 31 March 2013

	Note	**2013**	2012
		$	$
Cash flows from operating activities			
Net surplus		**26,691,506**	24,662,868
Less: Interest income from financial assets		**(3,672,744)**	(2,997,187)
		23,018,762	21,665,681
Changes in working capital			
- Advance to the Agency		**404,734**	(1,132,252)
- Other receivables		**-**	1,459
Net cash from operating activities		**23,423,496**	20,534,888
Cash flows from investing activities			
Purchases of financial assets, held-to-maturity		**(29,777,914)**	(25,770,290)
Proceeds upon maturity of financial assets, held-to-maturity		**999,150**	999,130
Interest received from financial assets		**3,770,694**	3,103,030
Net cash used in investing activities		**(25,008,070)**	(21,668,130)
Net decrease in cash and cash equivalents		**(1,584,574)**	(1,133,242)
Cash and cash equivalents at beginning of financial year	5	**1,606,359**	2,739,601
Cash and cash equivalents at end of financial year	5	**21,785**	1,606,359

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") was established under section 9 of the Deposit Insurance Act Cap. 77A (the "DI Act") and re-constituted on 1 May 2011 under section 9 of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF Act"). Accordingly, in the notes to the financial statements, DI-PPF Act refers collectively to the DI Act in force up to 30 April 2011 and the DI-PPF Act which came into force on 1 May 2011. Subject to the directions of the Minister, the DI Fund is administered and managed by Singapore Deposit Insurance Corporation Limited (the "Agency") designated by the Minister under section 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency in 2011.

The Agency is a public company limited by guarantee incorporated under the Companies Act Cap. 50 on 13 January 2006 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 Policy Owners' Protection Scheme and the administration and management of the DI Fund, the Policy Owners' Protection Life Fund and the Policy Owners' Protection General 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 $50,000 as specified in the DI-PPF Act from 1 May 2011.

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 judgement 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 2012

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2012 did not have any material impact on the DI Fund's financial statements.

2.2 Revenue recognition

Premium contributions

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the premium contributions payable by DI Scheme members and refunds, and to notify the amounts to the Agency. Premium contributions are recognised in the period in which the premium contributions are due, by reference to the written notices given by the Agency to the DI Scheme members. Refunds of premium contributions are recognised in the period in which the notice to refund is received from the MAS.

Interest income from financial assets

In accordance with FRS 39 Financial Instruments: Recognition and Measurement, interest income from financial assets is recognised in the statement of comprehensive income for financial assets 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 financial assets. When calculating the effective interest rate, cash flows are estimated by considering the contractual terms of the financial assets, including transaction costs, premiums and discounts. For financial assets 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.

2. Significant accounting policies (continued)

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 that 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 MAS under section 21 of the DI-PPF Act; and

(b) refund of premium contributions received is recognised when the Agency:

(i) receives notification from the MAS under section 18 of the DI-PPF Act; or
(ii) receives approval under section 17 of the DI-PPF 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. Loans and receivables amounted to $2,581,963 (2012: $4,418,277).

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

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 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-PPF Act are payable from the DI Fund as provided under the DI-PPF 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 until such time the DI Fund reaches 0.3% of the aggregate of the insured deposit base of every DI Scheme member or 2018, whichever is earlier.

5. Cash and cash equivalents

	2013	2012
	$	$
Cash at bank and on hand	**21,785**	1,606,359

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 interest free and have no fixed term of repayment. They are 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:

	2013	2012
	$	$
Current		
Singapore Government treasury bills and MAS bills	**4,773,552**	999,440
Non-current		
Singapore Government bonds	**123,273,552**	98,519,844
Total	**128,047,104**	99,519,284

The total fair value of the held-to-maturity investments, measured using quoted market bid prices as at 31 March 2013 was $139,468,734 (2012: $109,807,727). The non-current held-to-maturity investments have maturity dates between 2016 and 2042.

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) Equity price risk

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

(iii) Interest rate risk

There are two elements of 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 and MAS 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, MAS bills and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings

(ii) Current account balances with a major bank in Singapore and the MAS

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

The DI Fund has no past due or impaired assets.

8. Financial risk management (continued)

(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-PPF 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-PPF Act. The DI Fund's annual cash inflows are predictable, comprising

- premium contributions which are usually 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–PPF Act arises from the occurrence of future events that are not within the control of the DI Fund or the Agency. The Agency 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 MAS under section 21(2) of the DI-PPF Act. The Agency may raise cash from the assets held by the DI Fund which comprises Singapore Government Securities and MAS bills. Where this is insufficient, the Agency will obtain loans on behalf of the DI Fund while awaiting payments from realisation of the assets of the failed DI Scheme member. The Agency entered into an agreement with the MAS on 9 February 2012 where the MAS may provide the Agency a contingent liquidity facility of up to $20 billion, in the event liquidity is needed for compensation payments to insured depositors. For the financial year ended 31 March 2013, there was no request and no drawdown on the facility. Furthermore, the Agency may raise additional premium contributions in accordance with section 15 of the DI-PPF Act.

8. Financial risk management (continued)

(d) Accumulated surplus

The management of the DI Fund's accumulated surplus is circumscribed by the DI-PPF Act. Premium contributions income is determined by the MAS which is charged under the DI-PPF 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 MAS 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 fund's share of the Agency's budget for capital and operating expenditures.

(e) Fair value measurement

At 31 March 2013, there were no assets or liabilities carried at fair value on the balance sheet (2012: Nil).

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. New or revised accounting standards and 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 2013 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.

10. Authorisation of financial statements

These financial statements were authorised for issue by the directors of the Agency on 21 June 2013.

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For the financial year ended 31 March 2013

POLICY OWNERS' PROTECTION LIFE FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

POLICY OWNERS' PROTECTION LIFE FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

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STATEMENT BY SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED

For the financial year ended 31 March 2013

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

(a) the accompanying financial statements as set out on pages 4 to 17 are drawn up so as to present fairly, in all material respects, the state of affairs of the Policy Owners' Protection Life Fund as at 31 March 2013, and the results, cash flows and changes in accumulated surplus for the financial year ended 31 March 2013 and have been prepared in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap.77B; and

(b) at the date of this statement, there are reasonable grounds to believe that the Policy Owners' Protection Life Fund will be able to pay its debts as and when they fall due.

On behalf of Singapore Deposit Insurance Corporation Limited

KOH YONG GUAN
Director

HAN ENG JUAN
Director

21 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - POLICY OWNERS' PROTECTION LIFE FUND For the financial year ended 31 March 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Policy Owners' Protection Fund (the "PPF Life Fund"), set out on pages 4 to 17, which comprise the balance sheet as at 31 March 2013, 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 and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF 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 sheet and to maintain accountability of assets.

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 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 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 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - POLICY OWNERS' PROTECTION LIFE FUND For the financial year ended 31 March 2013 (continued)

Opinion

In our opinion, the financial statements of the PPF Life Fund are properly drawn up in accordance with the provisions of the DI-PPF Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the PPF Life Fund as at 31 March 2013 and the results, changes in accumulated surplus and cash flows of the PPF Life Fund for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

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

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

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

21 June 2013

POLICY OWNERS' PROTECTION LIFE FUND

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	2013 $	1 May 2011 to 31 March 2012 $
Income:			
Levies	2.2	**24,165,834**	12,601,234
Interest income from financial assets	2.2	**622,693**	106,864
		24,788,527	12,708,098
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	**747,757**	625,085
Other expenses		**60**	40
Total expenses		**747,817**	625,125
Net surplus		**24,040,710**	12,082,973
Other comprehensive income		**-**	-
Total comprehensive income		**24,040,710**	12,082,973

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

POLICY OWNERS' PROTECTION LIFE FUND

BALANCE SHEET
As at 31 March 2013

	Note	**2013**	2012
		$	**$**
ASSETS			
Current assets			
Cash and cash equivalents	5	**1,006**	871,880
Advance to the Agency	6	**1,276,373**	245,745
Other receivables	6	**194,371**	25,976
Financial assets, held-to-maturity	7	**2,751,889**	605,666
		4,223,639	1,749,267
Non-current assets			
Financial assets, held-to-maturity	7	**31,900,044**	10,333,706
TOTAL ASSETS AND NET ASSETS		**36,123,683**	12,082,973
ACCUMULATED SURPLUS		**36,123,683**	12,082,973

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

POLICY OWNERS' PROTECTION LIFE FUND

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

For the financial year ended 31 March 2013

	Note	**2013** **$**	1 May 2011 to 31 March 2012 $
Beginning of financial year/period		**12,082,973**	-
Total comprehensive income for the financial year/period		**24,040,710**	12,082,973
End of financial year/period	8(d)	**36,123,683**	12,082,973

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

POLICY OWNERS' PROTECTION LIFE FUND

CASH FLOW STATEMENT

For the financial year ended 31 March 2013

	Note	2013 $	1 May 2011 to 31 March 2012 $
Cash flows from operating activities			
Net surplus		**24,040,710**	12,082,973
Less: Interest income from financial assets		**(622,693)**	(106,864)
		23,418,017	11,976,109
Changes in working capital			
- Advance to the Agency		**(1,030,628)**	(245,745)
Net cash from operating activities		**22,387,389**	11,730,364
Cash flows from investing activities			
Purchases of financial assets, held-to-maturity		**(24,605,461)**	(11,019,330)
Proceeds upon maturity of financial assets, held-to-maturity		**605,546**	-
Interest received from financial assets		**741,652**	160,846
Net cash used in investing activities		**(23,258,263)**	(10,858,484)
Net increase/(decrease) in cash and cash equivalents		**(870,874)**	871,880
Cash and cash equivalents at beginning of financial year/period	5	**871,880**	-
Cash and cash equivalents at end of financial year/period	5	**1,006**	871,880

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 Policy Owners' Protection Life Fund (the "PPF Life Fund"), established under section 34 of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF 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 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency in 2011.

The Agency is a public company limited by guarantee incorporated under the Companies Act Cap. 50 on 13 January 2006 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 and the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the Deposit Insurance Fund, the PPF Life Fund and the Policy Owners' Protection General Fund.

The PPF Scheme was established in Singapore for the benefit of policy owners in respect of their protected policies as specified in the DI-PPF 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 PPF Life 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 judgement 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 2012

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2012 did not have any material impact on the PPF Life Fund's financial statements.

2.2 Revenue recognition

Levies

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the levies payable by PPF Scheme members and refunds, and to notify the amounts to the Agency. Levies are recognised in the period in which the levies are due, by reference to the written notices given by the Agency to the PPF Scheme members. Refunds of levies are recognised in the period in which the notice to refund is received from the MAS.

Interest income from financial assets

In accordance with FRS 39 Financial Instruments: Recognition and Measurement, interest income from financial assets is recognised in the statement of comprehensive income for financial assets 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 financial assets. When calculating the effective interest rate, cash flows are estimated by considering the contractual terms of the financial assets, including transaction costs, premiums and discounts. For financial assets 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 PPF Life Fund has a legal or constructive obligation that 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 and payment to fund the transfer or the run-off of the insurance business of a failed PPF Scheme member are recognised when the Agency receives notification from the MAS under section 46 of the DI-PPF Act; and

(b) refund of levies received is recognised when the Agency:

- (i) receives notification from the MAS under section 43 of the DI-PPF Act; or

- (ii) receives approval under section 42 of the DI-PPF Act to refund or remit levies.

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. Loans and receivables amounted to $1,471,750 (2012: $1,143,601).

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(a) Classification (continued)

(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 PPF Life Fund has the positive intention and ability to hold to maturity. If the PPF Life 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, 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 PPF Life 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.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(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.

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 PPF Life 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 PPF Life 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-PPF Act are payable from the PPF Life Fund as provided under the DI-PPF Act.

4. Income tax

The PPF Life Fund does not have taxable income for this financial year. The levies received from PPF Scheme members are exempted from income tax. In addition, its investment income is exempted from income tax until such time the PPF Life Fund reaches the size of 0.61% of the aggregate protected liabilities in respect of insured policies covered under the PPF Life Fund or 2018, whichever is the earlier.

5. Cash and cash equivalents

	2013	**2012**
	$	**$**
Cash at bank and on hand	**1,006**	871,880

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 interest free and have no fixed term of repayment. They are 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 PPF Life 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 PPF Life Fund's held-to-maturity investments comprise:

	2013	2012
	$	$
Current		
Singapore Government treasury bills and MAS bills	**2,751,889**	605,666
Non-current		
Singapore Government bonds	**31,900,044**	10,333,706
Total	**34,651,933**	10,939,372

The total fair value of the held-to-maturity investments, measured using quoted market bid prices as at 31 March 2013 was $34,053,957 (2012: $10,774,525). The non-current held-to-maturity investments have maturity dates between 2027 and 2042.

8. Financial risk management

(a) Market risk

(i) Currency risk

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

In the event that the PPF Life Fund has a legal and constructive obligation to make compensation payment and payment to fund for the transfer or the run-off of the insurance business of a failed PPF Scheme member, such obligations may be exposed to currency risk if there are insured policies denominated in a currency other than Singapore Dollar. However, this exposure cannot be reliably estimated at this juncture as the occurrence of such event is not within the control of the PPF Life Fund or the Agency.

(ii) Equity price risk

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

(iii) Interest rate risk

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

The PPF Life 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 the end of the financial year.

8. Financial risk management (continued)

(b) Credit risk

The PPF Life Fund's financial assets comprise:

(i) Investments in Singapore Government Securities, MAS bills and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings

(ii) Current account balances with a major bank in Singapore and the MAS

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

The PPF Life Fund has no past due or impaired assets.

(c) Liquidity risk

(i) Liabilities-related risk

The PPF Life Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI-PPF 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-PPF Act. The PPF Life Fund's annual cash inflows are predictable, comprising

- levies which are usually collected every July; and
- coupon from holdings of Singapore Government bonds.

Therefore, the PPF Life 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 PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF Life Fund or the Agency. The Agency will pay out of or utilise the PPF Life Fund in the following manner when required to do so by the MAS under section 46(2) of the DI-PPF Act:

- make payment of compensation to insured policy owners;
- fund transfer or run-off of the insurance business of a failed PPF Scheme member.

8. Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Contingent liabilities-related risk (continued)

The Agency may raise cash from the assets held by the PPF Life Fund which comprises Singapore Government Securities and MAS bills. Where this is insufficient, the Agency will obtain loans on behalf of the PPF Life Fund while awaiting payments from the realisation of the assets of the failed PPF Scheme member. The Agency may also raise additional levies in accordance with section 40 of the DI-PPF Act.

(d) Accumulated surplus

The management of the PPF Life Fund's accumulated surplus is circumscribed by the DI-PPF Act. Levies income is determined by the MAS which is charged under the DI-PPF Act to set the rates at which levies are levied on PPF Scheme members. When the PPF Life Fund's accumulated surplus reaches 0.61% of the aggregate protected liabilities in respect of insured policies covered under the PPF Life Fund, the MAS and the Agency may conduct a joint review of the levy rates. As for the investment income, the Agency is required to invest the PPF Life Fund's moneys with the objects of capital preservation and maintenance of liquidity.

The Agency ensures that the PPF Life Fund maintains sufficient cash and liquid assets to meet the fund's share of the Agency's budget for capital and operating expenditures.

(e) Fair value measurement

At 31 March 2013, there were no assets or liabilities carried at fair value on the balance sheet.

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. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the PPF Life Fund's accounting periods beginning on or after 1 January 2013 or later periods and which the PPF Life 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 PPF Life Fund's financial statements.

10. Authorisation of financial statements

These financial statements were authorised for issue by the directors of the Agency on 21 June 2013.

ANNUAL REPORT
For the financial year ended 31 March 2013

POLICY OWNERS' PROTECTION GENERAL FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

POLICY OWNERS' PROTECTION GENERAL FUND
(Established under the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B)

ANNUAL REPORT
For the financial year ended 31 March 2013

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POLICY OWNERS' PROTECTION GENERAL FUND

STATEMENT BY SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED
For the financial year ended 31 March 2013

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

(a) the accompanying financial statements as set out on pages 4 to 17 are drawn up so as to present fairly, in all material respects, the state of affairs of the Policy Owners' Protection General Fund as at 31 March 2013, and the results, cash flows and changes in accumulated surplus for the financial year ended 31 March 2013 and have been prepared in accordance with the provisions of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B; and

(b) at the date of this statement, there are reasonable grounds to believe that the Policy Owners' Protection General Fund will be able to pay its debts as and when they fall due.

On behalf of Singapore Deposit Insurance Corporation Limited

KOH YONG GUAN
Director

HAN ENG JUAN
Director

21 June 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - POLICY OWNERS' PROTECTION GENERAL FUND
For the financial year ended 31 March 2013

Report on the Financial Statements

We have audited the accompanying financial statements of Policy Owners' Protection General Fund (the "PPF General Fund"), set out on pages 4 to 17, which comprise the balance sheet as at 31 March 2013, 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 and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF 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 sheet and to maintain accountability of assets.

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 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 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 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE DEPOSIT INSURANCE CORPORATION LIMITED - POLICY OWNERS' PROTECTION GENERAL FUND For the financial year ended 31 March 2013 (continued)

Opinion

In our opinion, the financial statements of the PPF General Fund are properly drawn up in accordance with the provisions of the DI-PPF Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the PPF General Fund as at 31 March 2013 and the results, changes in accumulated surplus and cash flows of the PPF General Fund for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

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

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

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore

21 June 2013

POLICY OWNERS' PROTECTION GENERAL FUND

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

	Note	**2013**	1 May 2011 to 31 March 2012
		$	$
Income:			
Levies	2.2	**2,676,498**	1,446,519
Interest income from financial assets	2.2	**34,704**	4,650
		2,711,202	1,451,169
Expenses:			
Net expenditure incurred by Singapore Deposit Insurance Corporation Limited	3	**424,932**	352,646
Other expenses		**60**	40
Total expenses		**424,992**	352,686
Net surplus		**2,286,210**	1,098,483
Other comprehensive income		**-**	-
Total comprehensive income		**2,286,210**	1,098,483

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

POLICY OWNERS' PROTECTION GENERAL FUND

BALANCE SHEET
As at 31 March 2013

	Note	2013 $	2012 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**26,033**	503,639
Advance to the Agency	6	**726,627**	149,744
Other receivables	6	**4,251**	930
Financial assets, held-to-maturity	7	**703,000**	33,982
		1,459,911	688,295
Non-current assets			
Financial assets, held-to-maturity	7	**1,924,782**	410,188
TOTAL ASSETS AND NET ASSETS		**3,384,693**	1,098,483
ACCUMULATED SURPLUS		**3,384,693**	1,098,483

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

POLICY OWNERS' PROTECTION GENERAL FUND

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

For the financial year ended 31 March 2013

	Note	**2013** **$**	1 May 2011 to 31 March 2012 $
Beginning of financial year/period		**1,098,483**	-
Total comprehensive income for the financial year/period		**2,286,210**	1,098,483
End of financial year/period	8(d)	**3,384,693**	1,098,483

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

POLICY OWNERS' PROTECTION GENERAL FUND

CASH FLOW STATEMENT

For the financial year ended 31 March 2013

	Note	2013 $	1 May 2011 to 31 March 2012 $
Cash flows from operating activities			
Net surplus		**2,286,210**	1,098,483
Less: Interest income from financial assets		**(34,704)**	(4,650)
		2,251,506	1,093,833
Changes in working capital			
- Advance to the Agency		**(576,883)**	(149,744)
Net cash from operating activities		**1,674,623**	944,089
Cash flows from investing activities			
Purchases of financial assets, held-to-maturity		**(2,238,099)**	(446,928)
Proceeds upon maturity of financial assets, held-to-maturity		**33,975**	-
Interest received from financial assets		**51,895**	6,478
Net cash used in investing activities		**(2,152,229)**	(440,450)
Net increase/(decrease) in cash and cash equivalents		**(477,606)**	503,639
Cash and cash equivalents at beginning of financial year/period	5	**503,639**	-
Cash and cash equivalents at end of financial year/period	5	**26,033**	503,639

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 Policy Owners' Protection General Fund (the "PPF General Fund") established under section 34 of the Deposit Insurance and Policy Owners' Protection Schemes Act Cap. 77B (the "DI-PPF 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 56 of the DI-PPF Act as the deposit insurance and policy owners' protection fund agency in 2011.

The Agency is a public company limited by guarantee incorporated under the Companies Act Cap. 50 on 13 January 2006 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 and the Policy Owners' Protection Scheme (the "PPF Scheme") and the administration and management of the Deposit Insurance Fund, the Policy Owners' Protection Life Fund and the PPF General Fund.

The PPF Scheme was established in Singapore for the benefit of policy owners in respect of their protected policies as specified in the DI-PPF 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 PPF General 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 judgement 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 2012

The new or amended FRS and Interpretations to FRS mandatory for application from 1 April 2012 did not have any material impact on the PPF General Fund's financial statements.

2.2 Revenue recognition

Levies

The Monetary Authority of Singapore (the "MAS") is charged under the DI-PPF Act to compute the levies payable by PPF Scheme members and refunds, and to notify the amounts to the Agency. Levies are recognised in the period in which the levies are due, by reference to the written notices given by the Agency to the PPF Scheme members. Refunds of levies are recognised in the period in which the notice to refund is received from the MAS.

Interest income from financial assets

In accordance with FRS 39 Financial Instruments: Recognition and Measurement, interest income from financial assets is recognised in the statement of comprehensive income for financial assets 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 financial assets. When calculating the effective interest rate, cash flows are estimated by considering the contractual terms of the financial assets, including transaction costs, premiums and discounts. For financial assets 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 PPF General Fund has a legal or constructive obligation that 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 and payment to fund the transfer or the run-off of the insurance business of a failed PPF Scheme member are recognised when the Agency receives notification from the MAS under section 46 of the DI-PPF Act; and

(b) refund of levies received is recognised when the Agency:

 (i) receives notification from the MAS under section 43 of the DI-PPF Act; or

 (ii) receives approval under section 42 of the DI-PPF Act to refund or remit levies.

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. Loans and receivables amounted to $756,911 (2012: $654,313).

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(a) Classification (continued)

(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 PPF General Fund has the positive intention and ability to hold to maturity. If the PPF General 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, 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 PPF General 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.

2. Significant accounting policies (continued)

2.5 Financial assets (continued)

(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.

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 PPF General 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 PPF General 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-PPF Act are payable from the PPF General Fund as provided under the DI-PPF Act.

4. Income tax

The PPF General Fund does not have taxable income for this financial year. The levies received from PPF Scheme members are exempted from income tax. In addition, its investment income is exempted from income tax until such time the PPF General Fund reaches the size of 1.51% of the gross premium income in respect of insured policies covered under the PPF General Fund or 2018, whichever is the earlier.

5. Cash and cash equivalents

	2013	**2012**
	$	**$**
Cash at bank and on hand	**26,033**	503,639

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 interest free and have no fixed term of repayment. They are 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 PPF General 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 PPF General Fund's held-to-maturity investments comprise:

	2013	2012
	$	$
Current		
Singapore Government treasury bills and MAS bills	**703,000**	33,982
Non-current		
Singapore Government bonds	**1,924,782**	410,188
Total	**2,627,782**	444,170

The total fair value of the held-to-maturity investments, measured using quoted market bid prices as at 31 March 2013 was $2,596,551 (2012: $442,809). The non-current held-to-maturity investments have maturity dates between 2024 and 2030.

8. Financial risk management

(a) Market risk

(i) Currency risk

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

In the event that the PPF General Fund has a legal and constructive obligation to make compensation payment and payment to fund for the transfer or the run-off of the insurance business of a failed PPF Scheme member, such obligations may be exposed to currency risk if there are insured policies denominated in a currency other than Singapore Dollar. However, this exposure cannot be reliably estimated at this juncture as the occurrence of such event is not within the control of the PPF General Fund or the Agency.

(ii) Equity price risk

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

(iii) Interest rate risk

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

The PPF General 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 the end of the financial year.

8. Financial risk management (continued)

(b) Credit risk

The PPF General Fund's financial assets comprise:

(i) Investments in Singapore Government Securities, MAS bills and accrued interest receivable on such securities; the issuer, the Singapore Government, has a credit rating of "AAA" from Standard & Poor's and Fitch Ratings

(ii) Current account balances with a major bank in Singapore and the MAS

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

The PPF General Fund has no past due or impaired assets.

(c) Liquidity risk

(i) Liabilities-related risk

The PPF General Fund is responsible for funding the expenditure of the Agency in discharging functions prescribed in the DI-PPF 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-PPF Act. The PPF General Fund's annual cash inflows are predictable, comprising

- levies which are usually collected every July; and
- coupon from holdings of Singapore Government bonds.

Therefore, the PPF General 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 PPF Scheme established under the DI-PPF Act arises from the occurrence of future events that are not within the control of the PPF General Fund or the Agency. The Agency will pay out of or utilise the PPF General Fund in the following manner when required to do so by the MAS under section 46(2) of the DI-PPF Act.
- make payment of compensation to insured policy owners or third parties;
- fund transfer or run-off of the insurance business of a failed PPF Scheme member.

8. Financial risk management (continued)

(c) Liquidity risk (continued)

(ii) Contingent liabilities-related risk (continued)

The Agency may raise cash from the assets held by the PPF General Fund which comprises Singapore Government Securities and MAS bills. Where this is insufficient, the Agency will obtain loans on behalf of the PPF General Fund while awaiting payments from the realisation of the assets of the failed PPF Scheme member. The Agency may also raise additional levies in accordance with section 40 of the DI-PPF Act.

(d) Accumulated surplus

The management of the PPF General Fund's accumulated surplus is circumscribed by the DI-PPF Act. Levies income is determined by the MAS which is charged under the DI-PPF Act to set the rates at which levies are levied on PPF Scheme members. When the PPF General Fund's accumulated surplus reaches 1.51% of the gross premium income in respect of insured policies covered under the PPF General Fund, the MAS and the Agency may conduct a joint review of the levy rates. As for investment income, the Agency is required to invest the PPF General Fund's moneys with the objects of capital preservation and maintenance of liquidity.

The Agency ensures that the PPF General Fund maintains sufficient cash and liquid assets to meet the fund's share of the Agency's budget for capital and operating expenditures.

(e) Fair value measurement

At 31 March 2013, there were no assets or liabilities carried at fair value on the balance sheet.

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. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the PPF General Fund's accounting periods beginning on or after 1 January 2013 or later periods and which the PPF General 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 PPF General Fund's financial statements.

10. Authorisation of financial statements

These financial statements were authorised for issue by the directors of the Agency on 21 June 2013.