



Singapore Quality Class

Business Continuity Management

People Developer

ISO 27001

Performance Educational Certification Assessment

Mission Quality Uphold National Standards

Professionalism

Values Commitment

Integrity Value People

Partnerships Teamwork

Collaboration

International

Research

Innovation

Productivity

Excellence

Specialist Diploma in Educational Assessment

IAEA iPSLE

Trusted

Recognised

A-Level

O-Level

N(A)-Level GCE

N(O)-Level Timely PSLE

National Examinations

Fair Valid Schools Secure

Consultancy Reliable

Assessment Services

Workshops

Training

Assessment

Literacy

SPERS

AEIS

Vision

Celebrating Our Past

Creating Our Future

SEAB Annual Report 2013/2014

Contents



	<i>Page</i>
<i>Our Vision, Mission, Values And Strategic Thrusts</i>	2
<i>Chairman's Message</i>	3
<i>Governing Board</i>	6
<i>Corporate Governance</i>	7
<i>Senior Management</i>	8
<i>Year in Review</i>	9
<i>Financial Statements</i>	20

Celebrating Our Past
Creating Our Future

Our Vision, Mission, Values and Strategic Thrusts

Our Vision

A trusted authority in examinations and assessment, recognised locally and internationally.

Our Mission

We assess educational performance so as to certify individuals, uphold national standards and advance quality in assessment worldwide.

Our Values

Integrity: We act with honesty at all times.

Professionalism: We live by high standards of work and conduct. We learn continuously to improve our knowledge and skills.

Commitment: We give of our best at all times to meet the needs of our customers.

Teamwork: We combine our talents and effort for superior outcomes. Together, each achieves more.

Value People: We respect and care for our people. Each one makes a unique contribution to our organisation.

Our Strategic Thrusts

Enhance National Examinations

Develop New Products and Services

Provide Training, Consultancy and Certification

Build an Excellent and Innovative Organisation

Chairman's Message



2014 marks a special year for SEAB as it is our 10th Anniversary and it is apt that we celebrate the milestones of our 10-year journey as a statutory board.

SEAB successfully conducted the first e-examinations for the GCE A-Level Mother Tongue Language (MTL) B Examination in November 2013, for about 260 candidates. This was the culmination of the foresight, commitment and dedication of SEAB working with MOE and partner agencies to realise this vision. In preparation for scaling-up of e-examinations in other subjects, SEAB is developing an end-to-end e-system to author, deliver and mark examinations. These are ground-breaking efforts.

SEAB has come a long way since its inception in 2004. The conduct of e-examinations is one of the latest achievements of SEAB. Most importantly, the agency continues to be committed to its key role in upholding integrity and public confidence in national examinations. Each year, SEAB, with the support of thousands of school personnel, delivered examinations in more than 200 subjects to about 180,000 candidates and managed examination operations that handled more than 1.8 million scripts. This will remain the core of SEAB's mission even as the agency continues to innovate and value-add to what is being assessed and the way examinations are conducted.

Chairman's Message

Looking back over the past ten years, there are a number of other milestones attained by SEAB worthy of mention.

Beginning in 2005, through business process re-engineering, SEAB fundamentally changed the decade-old provisional joint admissions exercise for Junior Colleges and Millennium Institute by bringing forward the release date by six weeks of the GCE O-Level results to mid January. This allowed the implementation of one single intake which reduced the disruption in the JC admission due to the difference in posting based on the school preliminary results and the actual GCE O-Level results.

In 2007, SEAB and MOE successfully conducted the new Singapore-Cambridge GCE A-Level examinations for H1, H2, and H3 subjects. This was a strategic development as it demonstrated Singapore's capability to develop national examinations that are aligned with the national curriculum and customised to meet Singapore's educational objectives.

Over the years, SEAB plays an increasingly important role in raising the assessment literacy of teachers, a strategic thrust of MOE. To date, SEAB has conducted about 500 workshops for more than 16,000 teachers, or more than half the population of teachers in Singapore. In particular, SEAB conducts the year-long Specialist Diploma in Educational Assessment (SDEA) course, which is designed to develop a pool of teachers with the necessary assessment knowledge and expertise to guide and mentor colleagues in their respective schools. About 10% of schools in Singapore have teachers who have successfully graduated from the SDEA course. SEAB has also produced significant publications to share assessment knowledge with the local teaching community. These are *Examinations in Singapore Change and Continuity (1891 - 2007)*, *Assessing Learning in Primary Science: A Guide for Teachers* and *Assessment in Singapore: Perspectives for Classroom Practice*.

SEAB is an organisation of excellence. It has been held to several standards of excellence, including the People Developer Standard, Information Security Management System (ISO 27001:2005), Business Continuity Management (SS 540:2008), and Singapore Quality Class. These certifications are a validation of SEAB's operations, systems and processes in maintaining high standards in the conduct of national examinations.

Chairman's Message

SEAB's achievements over the last 10 years are the fruits of the hard work and dedication of each and every SEAB staff. I would also like to place on record my sincere thanks to all SEAB Board members, past and present, who have provided invaluable guidance and support to the management and staff of SEAB. I am privileged to be working side by side with such a team of dedicated professionals and would like to take this opportunity to congratulate SEAB on what has been achieved in the last 10 years. The Board is confident that SEAB will continue to grow from strength to strength and that SEAB staff will have the passion, courage, and discipline to take the organisation through an exciting and promising future ahead.



Ms Ho Peng
*Chairman, Singapore Examinations and Assessment Board, and
Director-General of Education, Ministry of Education*



Governing Board

Chairperson



Ms Ho Peng
Director-General of Education
Ministry of Education

Members



Mr Don Yeo Yong Kiang
Deputy Chief
Executive Officer
(Corporate Development Group) &
Chief Financial Officer
Central Provident Fund Board



**Mr Yuen Djia Chiang
Jonathan**
Partner
Rajah & Tann LLP



Professor Bernard Tan
Vice-Provost
(Education)
National University of Singapore



**Mr Ahsanul Kalam
Bin Mohamed Sani**
Global Bid Manager
Dimension Data
Asia Pacific Pte Ltd



Mr Lim Kok Thai
Senior Director
(National Security
Coordination Centre)
National Security
Coordination Secretariat



Mr Wong Siew Hoong
Deputy Director-General
Education (Curriculum)
Ministry of Education



Mr Ngien Hoon Ping
Deputy Secretary
(Performance)
Ministry of Finance



Ms Tan Lay Choo
Chief Executive
Singapore Examinations
and Assessment Board

Corporate Governance

Audit Committee

The Audit Committee provides guidance on the financial governance of SEAB. Its purpose is to ensure the adequacy of the Boards' financial reporting process, including the internal control structure and procedures for financial reporting, and monitor the integrity and appropriateness of SEAB's financial statements.

Chairman: Mr Ngien Hoon Ping
Members: Mr Lim Kok Thai
Mr Don Yeo Yong Kiang

Establishment Committee

The Establishment Committee provides guidance on overall human resource strategies to support the Board's performance. Its purpose is to ensure that SEAB has an effective organisational structure and appropriate manpower establishment, and that sound human resources and competitive compensation policies and practices are in place.

Chairman: Ms Ho Peng
Members: Professor Bernard Tan
Mr Wong Siew Hoong
Ms Tan Lay Choo

Business Committee

The Business Committee provides guidance on building the business capabilities of SEAB.

Chairman: Mr Ahsanul Kalam Bin Mohamed Sani
Members: Mr Yuen Djia Chiang Jonathan
Ms Tan Lay Choo

Senior Management



Singapore Examinations and Assessment Board

Ms Tan Lay Choo, Chief Executive

Assessment Planning and Development Division

Plan and develop assessment instruments and related materials

Mr Toh Poh Guan, Director

Mr Yue Lip Sin, Director

Mr Lee Ah Huat, Director (Designate)

Research and Development Division

Conduct assessment research, measurement and analytics

Mrs Cheah Mei Ling, Director

Exam Operations Division

Plan and administer the conduct of national examinations

Mr Pang Chong Han, Director

Corporate Services Division

Provide key strategic corporate services that are critical to the success of the Board

Ms Yeo Su-Lin Selena, Director

Year in Review

April 2013

- Computer-based assessment
- Checkpoint Tool for Primary 2

June 2013

- SEAB Seminar
- Business Continuity Certification

July 2013

- PSLE. 29 July to 2 August

September 2013

- GCE N(T)-Level. 16 to 23 September
- PSLE. 26 September to 2 October

October 2013

- GCE N(A)-Level. 7 to 18 October
- GCE O-Level. 8 October to 15 November
- GCE A-Level. 21 October to 3 December
- Admission Exercise for AEIS

November 2013

- Release of Results for PSLE
- Release of Results for PSLE

December 2013

- Release of Results for GCE N(T) and N(A)-Level

January 2014

- Release of Results for GCE O-Level

March 2014

- Release of Results for GCE A-Level
- Publication of book: *Assessment in Singapore Perspectives for Classroom Practice*

Year in Review

National Examinations Statistics

Number of Candidates

PSLE : 43,047

GCE N(T)-Level : 5,510

GCE N(A)-Level : 12,419

GCE O-Level* : 92,894

GCE A-Level** : 24,902

* Number of candidates who offered at least one O-Level subject

** Number of candidates who offered at least one A-Level subject



Number of Subjects

PSLE : 22

GCE N(T)-Level : 16

GCE N(A)-Level : 23

GCE O-Level : 67

GCE A-Level : 69



Number of Papers and Scripts




	Papers	Scripts
PSLE	65	485,401
GCE N(T)-Level	46	87,605
GCE N(A)-Level	63	219,972
GCE O-Level	194	883,973
GCE A-Level	213	208,427



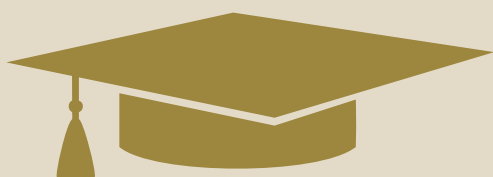
Year in Review

National Examinations Statistics

National Examinations Results

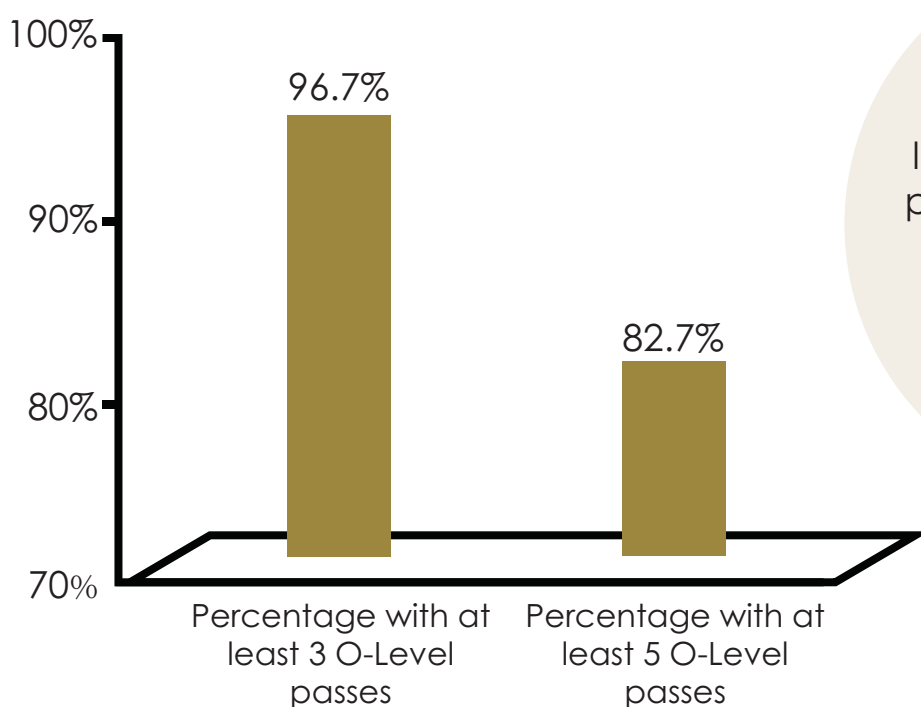
PSLE Results:	Express	N(A)- Level	N(T)- Level	Not Posted
percentage qualified for secondary course	66.7% 	19.9% 	10.9% 	2.5%

GCE N(T)-Level and N(A)-Level results: percentage awarded certificate



	N(T)- Level	N(A)- Level
Awarded	98%	99.5%

O-Level results:



A-Level results:

percentage with at least 3 H2 Passes, with a pass in General Paper or Knowledge Inquiry

91.1%

Year in Review

National Examinations



2013 Primary School Leaving Examination (PSLE)

The 2013 PSLE written examination was conducted from 26 September to 2 October 2013. A total of 43,047 candidates sat the examination. The PSLE marking exercise was conducted from 14 to 18 October 2013. The 2013 PSLE results were released on 22 November 2013.

2013 Singapore-Cambridge GCE Normal (Technical)-Level Examination

The 2013 GCE N(T)-Level written examinations were conducted from 16 to 23 September 2013. 5,510 students sat the Secondary 4 N(T)-Level examination. The 2013 GCE N(T)-Level results were released on 19 December 2013.

The N(T)-Level certificate is awarded to a candidate who obtains a pass grade of Grade D or better in at least one N(T)-Level subject.

2013 Singapore-Cambridge GCE Normal (Academic) -Level Examination

The 2013 GCE N(A)-Level written examinations were conducted from 7 to 18 October 2013. 12,419 students sat the Secondary 4 N(A)-Level examination. The 2013 GCE N(A)-Level results were released on 19 December 2013.

The N(A)-Level certificate is awarded to a candidate who obtains a pass grade of Grade 5 or better in at least one N(A)-Level subject.

Year in Review

National Examinations

72.8% students from the Secondary 4 N(A)-Level course were eligible for promotion to Secondary 5 N(A). These students obtained an aggregate not exceeding 19 points in English Language (EL), Mathematics and best three subjects (ELMAB3) and a Grade 5 or better for both EL and Mathematics.

2013 Singapore-Cambridge GCE O-Level Examination

The 2013 GCE O-Level written examinations was conducted from 8 October 2013 to 15 November 2013. A total of 34,124 school candidates sat the examination.

The 2013 GCE O-Level examination results were released on 13 January 2014.

2013 Singapore-Cambridge GCE A-Level Examination

The 2013 GCE A-Level written examinations was conducted from 21 October to 3 December 2013. A total of 13,936 school candidates sat the examination.

The 2013 GCE A-Level examination results were released on 3 March 2014.

Computer-Based Examination

2013 Singapore-Cambridge GCE A-Level MTL B Examination

About 300 first-year students from 19 junior colleges sat the A-Level Mother Tongue Language (MTL) B Examination, which has a computer-based component, in November 2013. Computer-based writing was introduced in Paper 1 (Functional Writing) of the examination, where students were required to compose either an email response or a blog entry, and key in their responses on laptops.



Year in Review

Assessment Products and Services

International Primary School Examination (IPSE)

The 2013 IPSE examination was conducted from 29 July to 2 August 2013. There were 1,965 candidates from 13 centres in China, Indonesia, Myanmar, Philippines, Thailand and Vietnam.

The IPSE results were released on 1 November 2013.

School Placement Exercise for Returning Singaporeans (SPERS) and Admissions Exercise for International Students (AEIS)

The 2013 AEIS Test was conducted on 9 and 10 October 2013 for about 2,400 candidates. Results were released to MOE on 8 November 2013.

The 2013 SPERS Test was conducted on 27 December 2013. About 120 candidates sat the Test. Results were released to MOE on 13 January 2014.

Consultancy, Training and Certification

Specialist Diploma in Educational Assessment (SDEA)

The fourth cohort of participants completed the 2013 SDEA written examination on 3 December 2013 and results were released to all participants on 10 December 2013. The fifth SDEA cohort commenced their first course module on 17 March 2014.

Training Workshops for Local Schools

54 workshops were conducted for about 1,500 teachers and examiners between April 2013 and March 2014. The topics for these workshops included Ideas to Items (i2i), OSIE Assessor (PE and Drama), Introduction to Assessment for Beginning Teachers, P4 Assessment Literacy, Assessment – Science (Secondary), Introduction to Assessment for Experienced Teachers for Upper Secondary Social Studies, Assessment – English (Secondary), Assessment – Chinese (Secondary), P4 Chinese Language Assessment Literacy, P4 Mathematics Assessment, Introduction to Assessment for Beginning Teachers – Mathematics (Primary), Introduction to Assessment for Beginning Teachers – Chinese Language (Primary), Assessment – Mathematics (Secondary), Developing and Implementing Assessment in Schools, The STAR approach to designing Science Test Items and Designing STAR Test Items.

Training Workshops for SMRT

SEAB conducted three sessions of Assessment Workshops for Full-Time and Line Trainers for SMRT.

Consultancy

Consultancy in Science sessions were conducted for the South Zone and East Zone Cluster Schools from April 2013 to March 2014. About 260 teachers benefited from SEAB's consultancy service.

Year in Review

International Collaboration and Research



e-Assessment

SEAB and CIE collaborated on plans to look into new research strands on e-assessment. SEAB also conducted research into end-to-end computer-based assessment in preparation for the conduct of e-examinations and the development of supporting systems.

Checkpoint Tool

SEAB conducted research into the development of an English Language/Mathematics Skills Checkpoint Tool for Primary 2. The Checkpoint Tool comprises a set of standardised tests designed to measure pupils' attainment of foundational knowledge and skills in English Language (SESC-P2) and Mathematics (SMSC-P2) at the end of Primary 2. The value of the tests lies in the qualitative feedback provided to Primary 3 teachers in the next school year as these pupils begin their Primary 3 education. The feedback informs teachers of the strengths and areas for improvement in the respective subjects at both the pupil and class level, and enables teachers to plan programmes to meet the needs of individuals and classes. In 2013, approximately 12,500 Primary 2 pupils from 58 primary schools participated in the Phase 1 pilot roll-out of SESC-P2 and SMSC-P2.

Year in Review

Organisational Excellence



**A Trusted Authority in Examinations and Assessment,
Recognised Locally and Internationally**

9th SEAB Day Celebrations

The 9th SEAB Anniversary Celebration was held on 28 March 2013 at the Singapore Bird Park. The theme for the day was "Celebrating SEABlings - It's All About You". The theme was in line with SEAB's core value of "Value People", celebrate and show appreciation for the staff of SEAB for their professionalism, commitment and hard work in upholding the integrity of the national examinations.

2013 SEAB Seminar

Held on 28 June 2013, the theme of the seminar was "You have a Hand in Our Future". The Seminar provided a forum for SEABlings to discuss 5 key priorities that SEAB would focus on, and their desired outcomes, including e-Assessment.

2013 Active Day cum National Day Celebrations

The 2013 Active Day cum National Day celebration was held on 7 August. As part of National Education, to enhance our knowledge of Singapore's heritage and immigrant history, activities were organised at Gardens by the Bay. One was a photo competition, aligned with the theme "Many Stories...One Singapore", for everyone to understand the diverse backgrounds of SEABlings and Singaporeans and value SEAB and Singapore as a whole.

Year in Review

Organisational Excellence

Director, Research and Development

Mrs Cheah Mei Ling took up the post of Director, Research and Development on 26 December 2013 following the retirement of Ms Yap Wah Choo. Mrs Cheah Mei Ling joined SEAB on 17 December 2012 as Deputy Director, Research and Development. Prior to joining SEAB, she was principal of Commonwealth Secondary School (2009–2012), and Vice Principal at Dunman High School (2007-2008) and Innova Junior College (2005-2006). Mrs Cheah also served in The Enterprise Challenge (TEC) Unit, Public Service Division (2002-2004) and the Educational Technology Division (1998-2002).

Organisation Review

SEAB embarked on an Organisation Review Project in June 2012 to support the growth of SEAB and facilitate the attraction, development, and retention of talents. The A.C.E Framework, denoting Aspire, Cultivate and Enrich, is SEAB's Employee Value Proposition and was adopted since 15 March 2013 to provide a holistic approach towards reward, recognition and growth. The review of SEAB's organisation structure was approved in February 2014 and subsequently implemented on 1 April 2014.



Year in Review

Organisational Excellence

Book Publication

To help raise the assessment literacy of teachers, SEAB published and launched the book, *Assessment in Singapore: Perspectives for Classroom Practice*.

Business Continuity Management

To assure that SEAB's systems and processes are sound and robust, and to build public trust and confidence in the integrity of the national examinations, SEAB is certified to the SS540:2008 standard. This certification was awarded in July 2013.



2013 National Day Award

In 2013, Mdm Yio Puay Ching, Senior Assessment Specialist, Chinese Language, received the Commendation Medal.

2013 PS21 Excellent Service Award (Gold)

The recipients of the PS21 Excellent Service Award (Gold) were:

- a. Mr Ow Mun Hoe
Senior Assessment Specialist, Sciences
- b. Mdm Sharifah Mufidah Mohamed Aljunied
Assessment Specialist, Humanities
- c. Ms Diana Ng Yee Ping
Assessment Specialist, Sciences
- d. Ms Mandy Leong
Management Executive, Centre for Assessment Services
- e. Ms Goh Lin Ngin
Graphic Artist



Year in Review

Organisational Excellence

2013 PS21 Excellent Service Award (Silver)

The recipients of the PS21 Excellent Service Award (Silver) were:

- a. Dr Leong See Cheng
Lead Assessment Specialist, Assessment Research and Technology
- b. Mrs Chen-Theng Geak Seng
Senior Assessment Specialist, Mathematics
- c. Ms Marilyn Kam Ming Wei
Management Executive, Digital Media
- d. Mr Joshua Neo
Management Executive, Exams Administration
- e. Ms Karen Tan
Management Executive, Exams Administration
- f. Mr Ramesh Sambandam
Management Executive, Exams Administration



Singapore Examinations and Assessment Board
and its subsidiary

Annual Financial Statements
31 March 2014

Singapore Examinations and Assessment Board and its subsidiary

Board Information

Board members

Chairman

Ms Ho Peng
Director-General of Education, Ministry of Education

Members

Mr Ahsanul Kalam Bin Mohamed Sani
Global Bid Manager, Dimension Data Asia Pacific Pte Ltd

Mr Lim Kok Thai
Senior Director (National Security Coordination Centre), National Security Coordination Secretariat

Mr Ngien Hoon Ping
Deputy Secretary (Performance), Ministry of Finance

Professor Tan Cheng Yian Bernard (Appointed on 1 April 2013)
Vice-Provost (Education), National University of Singapore

Ms Tan Lay Choo
Chief Executive, Singapore Examinations & Assessment Board

Mr Wong Siew Hoong
Deputy Director-General of Education (Curriculum), Ministry of Education

Mr Don Yeo Yong Kiang (Appointed on 1 April 2013)
Deputy Chief Executive Officer (Corporate Development Group) & Chief Financial Officer, Central Provident Fund Board

Mr Yuen Djia Chiang Jonathan (Appointed on 1 April 2013)
Partner, Rajah & Tann LLP

Registered office

298 Jalan Bukit Ho Swee
Singapore 169565

Banker

DBS Bank Ltd

Auditor

Ernst & Young LLP

Singapore Examinations and Assessment Board and its subsidiary

Index

	Page
Statement by the Singapore Examinations and Assessment Board	1
Independent Auditor's Report	2
Statements of Financial Position	4
Statements of Comprehensive Income	5
Statement of Changes in Equity	6
Consolidated Statement of Cash Flows	7
Notes to the Financial Statements	8

Singapore Examinations and Assessment Board and its subsidiary

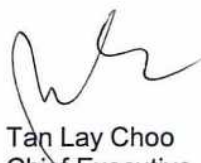
Statement by The Singapore Examinations and Assessment Board

In our opinion, the accompanying Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes In Equity and the Consolidated Statement of Cash Flows of the Singapore Examinations and Assessment Board ("the Board") and its subsidiary (collectively, "the Group"), together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Board and of the Group as at 31 March 2014 and of the results and changes in equity of the Board and the Group and cash flows of the Group for the financial year then ended.

On behalf of the Board:



Ho Peng
Chairman



Tan Lay Choo
Chief Executive

Singapore
31 July 2014

Singapore Examinations and Assessment Board and its subsidiary

Independent Auditor's Report For the financial year ended 31 March 2014 To the Members of Singapore Examinations and Assessment Board

Report on the Financial Statements

We have audited the accompanying financial statements of the Singapore Examinations and Assessment Board ("the Board") and its subsidiary (collectively, "the Group"), which comprise the statements of financial position of the Group and the Board as at 31 March 2014, the statements of comprehensive income and statements of changes in equity of the Group and the Board and consolidated cash flow statement of the Group 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 and fair presentation of these financial statements in accordance with the provisions of the Singapore Examinations and Assessment Act, Chapter 299A and Statutory Board Financial Reporting Standards ("SB-FRS") and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Board are properly drawn up in accordance with the provisions of the Act and the Statutory Board Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Board as at 31 March 2014 and the results, changes in equity of the Group and the Board and the cash flows of the Group for the financial year ended on that date.

Singapore Examinations and Assessment Board and its subsidiary

Independent Auditor's Report

For the financial year ended 31 March 2014

To the Members of Singapore Examinations and Assessment Board

Report on Other Legal and Regulatory Requirements

Management's Responsibility for Compliance with Legal and Regulatory Requirements

Management is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

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

Opinion

In our opinion:

- (a) the receipts, expenditure, investment of moneys and the acquisition and disposal of assets by the Board during the year are, in all material respects, in accordance with the provisions of the Act; and
- (b) proper accounting and other records have been kept, including records of all assets of the Board whether purchased, donated or otherwise.



Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 July 2014

Singapore Examinations and Assessment Board and its subsidiary

Statement of Financial Position
For the financial year ended 31 March 2014

	Note	The Board		The Group	
		2014 \$	2013 \$	2014 \$	2013 \$
Assets less liabilities					
Non-current assets					
Plant and equipment	4	2,670,059	3,319,656	2,670,059	3,319,656
Subsidiary	5	2	2	-	-
		<u>2,670,061</u>	<u>3,319,658</u>	<u>2,670,059</u>	<u>3,319,656</u>
Current assets					
Trade and other receivables	6	2,909,161	1,292,132	2,934,162	1,321,700
Prepayments		194,439	265,946	196,018	265,946
Amount owing by subsidiary	7	22,530	50,617	-	-
Cash and cash equivalents	9	64,107,273	76,017,315	65,133,409	77,012,330
		<u>67,233,403</u>	<u>77,626,010</u>	<u>68,263,589</u>	<u>78,599,976</u>
Less:					
Current liabilities					
Trade and other payables	10	5,729,755	12,707,334	5,734,069	12,716,274
Income received in advance		1,160,891	819,379	1,160,891	819,379
Grants received in advance	11	268,755	1,716,738	268,755	1,716,738
Provision for contribution to Consolidated Fund	12	-	514,522	-	514,522
Derivatives	8	-	646,573	-	646,573
Current tax payable		-	-	3,523	5,480
		<u>7,159,401</u>	<u>16,404,546</u>	<u>7,167,238</u>	<u>16,418,966</u>
Net current assets		60,074,002	61,221,464	61,096,351	62,181,010
Less:					
Non-current liabilities					
Obligations in respect of pension scheme	13	4,433,892	4,478,323	4,433,892	4,478,323
		<u>4,433,892</u>	<u>4,478,323</u>	<u>4,433,892</u>	<u>4,478,323</u>
Net assets		<u>58,310,171</u>	<u>60,062,799</u>	<u>59,332,518</u>	<u>61,022,343</u>
Equity					
Capital account	14	10,064,920	9,626,713	10,064,920	9,626,713
Accumulated surplus		48,245,251	51,082,659	49,267,598	52,042,203
Hedging reserve	15	-	(646,573)	-	(646,573)
Total equity		<u>58,310,171</u>	<u>60,062,799</u>	<u>59,332,518</u>	<u>61,022,343</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Singapore Examinations and Assessment Board and its subsidiary

Statement of Comprehensive Income
For the financial year ended 31 March 2014

	Note	The Board		The Group	
		2014 \$	2013 \$	2014 \$	2013 \$
Revenue					
Examination fees		33,038,047	34,569,729	33,038,047	34,569,729
Other operating income	16	7,728,205	7,255,967	7,800,762	7,362,484
		<u>40,766,252</u>	<u>41,825,696</u>	<u>40,838,809</u>	<u>41,932,213</u>
Less: Cost and operating expenses					
Examination and outsourcing fees		(20,946,940)	(20,446,786)	(20,946,940)	(20,446,786)
Staff costs	17	(24,609,583)	(20,057,651)	(24,609,583)	(20,057,651)
Depreciation of plant and equipment	4	(2,634,816)	(2,579,265)	(2,634,816)	(2,579,265)
Other operating expenses	18	(25,393,273)	(26,245,589)	(25,402,559)	(26,257,374)
Total operating expenses		<u>(73,584,612)</u>	<u>(69,329,291)</u>	<u>(73,593,898)</u>	<u>(69,341,076)</u>
Operating deficit		(32,818,360)	(27,503,595)	(32,755,089)	(27,408,863)
Non-operating income					
Interest income - fixed deposits		372,238	439,913	373,173	442,281
Operating deficit before grants and contribution to Consolidated Fund and taxation		(32,446,122)	(27,063,682)	(32,381,916)	(26,966,582)
Operating grants	11	30,316,714	30,090,282	30,316,714	30,090,282
Net (deficit)/surplus before contribution to Consolidated Fund and taxation		<u>(2,129,408)</u>	<u>3,026,600</u>	<u>(2,065,202)</u>	<u>3,123,700</u>
Contribution to Consolidated Fund	19	-	(514,522)	-	(514,522)
Taxation	20	-	-	(1,403)	(5,480)
Net (deficit)/surplus for the financial year		<u>(2,129,408)</u>	<u>2,512,078</u>	<u>(2,066,605)</u>	<u>2,603,698</u>
Other comprehensive income:					
Net movement on cash flow hedges					
Loss/(Gain) arising during the financial year from foreign currency forward contracts		646,573	(978,344)	646,573	(978,344)
Total comprehensive income for the financial year		<u>(1,482,835)</u>	<u>1,533,734</u>	<u>(1,420,032)</u>	<u>1,625,354</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Singapore Examinations and Assessment Board and its subsidiary

Statement of Changes in Equity
For the financial year ended 31 March 2014

	Note	Capital account (Note 14) \$	Accumulated surplus \$	Hedging reserve (Note 15) \$	Total \$
The Board					
Balance at 31 March 2012		9,626,713	50,374,581	331,771	60,333,065
Dividend paid		-	(1,804,000)	-	(1,804,000)
Surplus for the financial year		-	2,512,078	-	2,512,078
Net movement on cash flow hedges		-	-	(978,344)	(978,344)
Total comprehensive income for the financial year		-	2,512,078	(978,344)	1,533,734
Balance at 31 March 2013		9,626,713	51,082,659	(646,573)	60,062,799
Issue of shares		438,207	-	-	438,207
Dividend paid	21	-	(708,000)	-	(708,000)
Deficit for the financial year		-	(2,129,408)	-	(2,129,408)
Net movement on cash flow hedges		-	-	646,573	646,573
Total comprehensive income for the financial year		-	(2,129,408)	646,573	(1,482,835)
Balance at 31 March 2014		10,064,920	48,245,251	-	58,310,171
The Group					
Balance at 31 March 2012		9,626,713	51,242,505	331,771	61,200,989
Dividend paid		-	(1,804,000)	-	(1,804,000)
Surplus for the financial year		-	2,603,698	-	2,603,698
Net movement on cash flow hedges		-	-	(978,344)	(978,344)
Total comprehensive income for the financial year		-	2,603,698	(978,344)	1,625,354
Balance at 31 March 2013		9,626,713	52,042,203	(646,573)	61,022,343
Issue of shares		438,207	-	-	438,207
Dividend paid	21	-	(708,000)	-	(708,000)
Deficit for the financial year		-	(2,066,605)	-	(2,066,605)
Net movement on cash flow hedges		-	-	646,573	646,573
Total comprehensive income for the financial year		-	(2,066,605)	646,573	(1,420,032)
Balance at 31 March 2014		10,064,920	49,267,598	-	59,332,518

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Singapore Examinations and Assessment Board and its subsidiary

Consolidated Statement of Cash Flows
For the financial year ended 31 March 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Operating deficit before grants and contribution to consolidated fund and taxation	(32,381,916)	(26,966,582)
Adjustments:		
Obligation in respect of pension scheme	267,115	264,218
Gain on disposal of plant and equipment	(1,977)	(1,975)
Depreciation of plant and equipment	2,634,816	2,579,265
Interest income	(373,173)	(442,282)
Operating deficit before working capital changes	(29,855,135)	(24,567,356)
(Increase)/decrease in trade and other receivables	(1,612,462)	1,282,304
Decrease/(increase) in prepayments	69,928	(6,248)
(Decrease)/increase in trade and other payables	(6,982,205)	7,719,207
Increase/(decrease) in income received in advance	341,512	(607,620)
Cash flows used in operations	(38,038,362)	(16,179,713)
Payment of pension scheme	(311,546)	(26,331)
Interest received	373,173	442,282
Payment to consolidated fund	(514,522)	(1,088,857)
Income tax paid	(3,360)	(6,074)
Net cash flows used in operating activities	(38,494,617)	(16,858,693)
Cash flows from investing activities		
Purchase of plant and equipment	(1,985,219)	(377,411)
Proceeds from disposal of plant and equipment	1,977	1,975
Net cash flows used in investing activities	(1,983,242)	(375,436)
Cash flows from financing activities		
Capital contribution received	438,207	-
Grants received from government	28,868,731	28,589,987
Dividend paid	(708,000)	(1,804,000)
Net cash flows generated from financing activities	28,598,938	26,785,987
Net (decrease)/increase in cash and cash equivalents	(11,878,921)	9,551,858
Cash and cash equivalents at beginning of the financial year (Note 9)	77,012,330	67,460,472
Cash and cash equivalents at end of the financial year (Note 9)	65,133,409	77,012,330

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. General information

The Singapore Examinations and Assessment Board ("SEAB" or the "Board") was established under the Singapore Examinations and Assessment Board Act 2003 on 1 April 2004 as a statutory board. SEAB, formerly the Examinations Division of the Ministry of Education ("MOE"), was formed to develop and conduct national examinations in Singapore and to provide other examination and assessment services, locally as well as overseas. SEAB will collaborate with MOE on all national examinations.

The registered office and principal place of operations of the Board is at 298 Jalan Bukit Ho Swee, Singapore 169565.

The primary functions and duties of the Board are:

- (i) To develop and devise national examinations which would support and promote the goals and objectives of Singapore's education systems;
- (ii) To organise and conduct the national examinations;
- (iii) To serve as the examining authority for any of the national examinations or such modules or components of any of the national examinations as the Board may, in consultation with the Minister, determine;
- (iv) To publish and disseminate information on matters relating to the Board's functions and duties;
- (v) To provide advisory and consultancy services and training in Singapore or elsewhere on matters relating to the national examinations and assessment generally, and;
- (vi) To carry out such other functions and duties as are imposed upon the Board under the Singapore Examinations and Assessment Board Act 2003 or any other written law.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Statutory Board Financial Reporting Standards ("SB-FRS") promulgated by the Accountant-General and the provisions of the Singapore Examinations and Assessment Board Act, Chapter 299A (the "Act").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Board and the Group are presented in Singapore dollars ("SGD" or "\$").

The accounting policies have been consistently applied by the Board and the Group and are consistent with those used in the previous financial year.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and interpretation of SB-FRS ("INT SB-FRS") that are effective for annual periods beginning on or after 1 April 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Board.

2.3 SB-FRS and INT SB-FRS issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
SB-FRS 27 Separate Financial Statements	1 January 2014
SB-FRS 28 Investments in Associates and Joint Ventures	1 January 2014
SB-FRS 32 Offsetting of Financial Assets and Financial Liabilities	1 January 2014
SB-FRS 110 Consolidated Financial Statements	1 January 2014
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to SB-FRS 110, SB-FRS 111 and SB-FRS 112)	1 January 2014
SB-FRS 111 Joint Arrangements	1 January 2014
Illustrative Examples	1 January 2014
SB-FRS 112 Disclosure of Interests in Other Entities	1 January 2014
SB-FRS 110, SB-FRS 112 and SB-FRS 27 Amendments to SB-FRS 110, SB-FRS 112 and SB-FRS 27: Investment Entities	1 January 2014
SB-FRS 36 Amendments to SB-FRS 36: Recoverable Amount Disclosure for Non-Financial Assets	1 January 2014
SB-FRS 39 Amendments to SB-FRS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
INT SB-FRS 121 Levies	1 January 2014
Amendments to SB-FRS 19 Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to SB-FRSs 2014	
- Amendment to SB-FRS 102 Share-based Payment	1 July 2014
- Amendment to SB-FRS 103 Business Combinations	1 July 2014
- Amendment to SB-FRS 108 Operating Segments	1 July 2014
- Amendment to SB-FRS 16 Property, Plant and Equipment	1 July 2014
- Amendment to SB-FRS 24 Related Party Disclosures	1 July 2014
- Amendment to SB-FRS 38 Intangible Assets	1 July 2014
- Amendment to SB-FRS 113 Fair Value Measurement	1 July 2014
- Amendment to SB-FRS 40 Investment Property	1 July 2014

The Board expects that the adoption of the above pronouncements will not have a significant impact on the financial statements in the period of initial application.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation

The financial statements of the Group include the financial statements of the Board and its subsidiary made up to the end of the financial year. Information on its subsidiary is given in Note 5.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the consolidated financial statements reflect external transactions and balances only. The results of subsidiary acquired or disposed of during the financial year are included or excluded from the consolidated income statement from the effective date in which control is transferred to the Group or in which control ceases, respectively.

2.5 Functional currency

The consolidated financial statements are presented in Singapore Dollars, which is also the Board's functional currency.

The Board and the subsidiary determine its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Board and its subsidiary and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.6 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write-off the cost of these assets over their estimated useful lives as follows:

Renovation	3 years
Mechanical and electrical equipment	5 years
Furniture and fittings	5 years
Office equipment	5 years
Personal computers	3 years
Audio visual equipment	5 years
Computer and communication systems	5 years

Development project-in-progress is not depreciated until assets are completed and ready for use.

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

2. Summary of significant accounting policies (continued)

2.6 Plant and equipment (continued)

Subsequent expenditure relating to plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Board and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and no depreciation is provided in the year of disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual lives are reviewed and adjusted as appropriate, at each reporting date as a change in estimates.

2.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (continued)

2.8 Subsidiary

A subsidiary is an entity over which the Board has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Board's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses. On disposal of investment in subsidiary, the difference between disposal proceed and the carrying amount of the investment is taken to profit or loss.

2.9 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loan and receivables include trade and other receivables and amount owing by subsidiary. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.9 Financial assets (continued)

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

For the purpose of presentation in the financial statements, cash and cash equivalents comprise cash at bank, cash held under Centralised Liquidity Management ("CLM") scheme, fixed deposits with financial institutions and cash balances with the Accountant-General Department which are subject to an insignificant risk of change in value.

2.11 Impairment of financial assets

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants to meet the current year's operating expenses are recognised as income in the financial year in which the operating expenses are incurred.

Where the grant relates to an asset, the fair value is recognised as grant received in advance on the statements of financial position and is amortised and charged in the statements of comprehensive income over the period necessary to match the depreciation of the assets purchased with the related grants. Upon disposal of plant and equipment, the balance of the related deferred capital grants is recognised in the statement of comprehensive income to match the net book value of the assets written-off.

2.14 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, not at fair value through profit or loss, directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

2.14 Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(b) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set-off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2. Summary of significant accounting policies (continued)

2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Employee benefits

(a) Defined contribution plan

The Board participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Board makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlement to annual leave is recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(c) Obligations in respect of pension scheme

The Board operates an unfunded defined benefit scheme for certain pensionable officers transferred to the Board on 1 April 2004. The provision has been calculated based on a percentage of pensionable emoluments for its serving pensionable officers each year as required by the Accountant-General's Department. The cost of providing for retirement benefits is charged or credited to the statements of comprehensive income over the remaining service lives of the related employees participating in the defined benefit scheme as part of the staff costs and is included in the Statements of Financial Position as non-current liabilities.

On 1 April 2013, the Group adopted the Revised FRS 19 Employee Benefits.

For defined benefit plans, the Revised FRS 19 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the average vesting period to be recognised immediately in profit or loss when incurred.

2. Summary of significant accounting policies (continued)

2.16 Employee benefits (continued)

(c) Obligations in respect of pension scheme (continued)

The cost of providing benefits under the defined benefit plans ("the SEAB Pension Scheme") is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost;
- Net interest on the pension scheme obligation; or
- Remeasurements of pension scheme obligation.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Interest cost on the pension scheme obligation is the change during the period in the provision that arises from the passage of time which is determined by applying the discount rate based on Singapore government bond yield to the provision. Interest cost on the provision is recognised in profit or loss.

Remeasurements comprising actuarial gains or losses are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

2.17 Leases

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and the cost of transactions can be reliably measured, regardless of when the payment is made. No revenue is recognised if there are significant uncertainties regarding recovery of the considerations due, associated costs or the possible return of fee revenue.

The following specific recognition criteria must also be met before revenue is recognised:

Income from examinations fees is recognised in the income statements when the services are rendered. Income that is received in advance of service being rendered is deferred and reflected as revenue received in advance included under other payables.

Interest income is recognised using the effective interest method.

Revenue from professional services is recognised upon rendering such services.

2. Summary of significant accounting policies (continued)

2.19 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Board.

Contingent liabilities and assets are not recognised on the statements of financial position of the Board, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.20 Derivative financial instrument & hedging

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently re-measured at fair value.

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk);
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

2. Summary of significant accounting policies (continued)

2.20 Derivative financial instrument & hedging (continued)

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted as cash flow hedges.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss in other expenses.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecasted transactions and firm commitments.

2.21 Capital

Proceeds from issuance of shares are recognised as capital in equity.

2.22 Statutory contribution to consolidated fund

In lieu of income tax, the Board is required to make contribution to the Consolidated Fund based on the net surplus of the Board (before donations) for the financial year. The contribution rate used to compute the amount is pegged at the statutory corporate income rate of the preceding year of assessment.

2. Summary of significant accounting policies (continued)

2.23 Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.24 Related parties

The Board is established as a statutory board and is an entity related to the Government of Singapore. The Board's related parties refer to Government-related entities including Ministries, Organs of State and other Statutory Boards. The Board applies the exemption in Paragraph 25 of SB-FRS 24 *Related Party Disclosures* and required disclosures are limited to the following information to enable users of the Board's financial statements to understand the effect of related party transactions on the financial statements:

- (i) the nature and amount of each individually significant transaction with Ministries, Organs of State and other Statutory Boards; and
- (ii) for other transactions with Ministries, Organs of State and other Statutory Boards that are collectively but not individually significant, a qualitative or quantitative indication of their extent.

3. Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SB-FRS requires the use of judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

(a) Obligation in respect of pension scheme

The costs of defined benefit pension plans as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. The Board also made certain assumptions and estimates with regards to the employee's retirement age, the most likely pension scheme the employee will opt in, the employee's current potential assessment, and the maximum full annual pension salary entitlement. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at the end of each reporting period. The net benefit liability as at 31 March 2014 is \$4,433,892 (2013: \$4,478,323).

The Board has carried out an actuarial valuation in determining the present value of obligations in respect of pension scheme by allowing for salary increases of 2.5% (2013: 2.5%) per annum and the probability of earlier exits and discounted using a long-term discount rate of 2.4% (2013: 2.4%) per annum. Further details are provided in Note 13 to the financial statements.

(b) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 5 years. The carrying amount of the Board's and the Group's plant and equipment at 31 March 2014 was \$2,670,059 (2013: \$3,319,656). 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 depreciation charges could be revised.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

4. Plant and equipment	Renovation \$	Mechanical & electrical equipment \$	Furniture & fittings \$	Office equipment \$	Personal computers \$	Audio visual equipment \$	Computer & Development communication systems \$	project-in- progress \$	Total \$
The Board									
Cost									
As at 31 March 2012	1,496,097	1,247,018	460,186	1,585,434	742,915	251,378	17,492,036	-	23,275,064
Additions	23,628	38,843	34,976	136,666	70,043	38,255	35,000	-	377,411
Disposals/written-off	-	-	(3,930)	(109,909)	(72,646)	(23,194)	(7,560,577)	-	(7,770,256)
As at 31 March 2013	1,519,725	1,285,861	491,232	1,612,191	740,312	266,439	9,966,459	-	15,882,219
Additions	40,084	55,969	2,707	148,378	31,676	8,999	1,266,096	431,310	1,985,219
Disposals/written-off	-	(43,971)	-	(23,639)	-	(48,212)	-	-	(115,822)
As at 31 March 2014	1,559,809	1,297,859	493,939	1,736,930	771,988	227,226	11,232,555	431,310	17,751,616
Accumulated depreciation									
At 31 March 2012	1,244,983	1,120,685	421,106	1,002,936	680,688	173,168	13,109,988	-	17,753,554
Depreciation for the year	103,351	51,078	15,910	252,678	48,474	30,652	2,077,122	-	2,579,265
Disposals/written-off	-	-	(3,930)	(109,909)	(72,646)	(23,194)	(7,560,577)	-	(7,770,256)
As at 31 March 2013	1,348,334	1,171,763	433,086	1,145,705	656,516	180,626	7,626,533	-	12,562,563
Depreciation for the year	117,369	56,341	17,434	275,638	47,664	26,934	2,093,436	-	2,634,816
Disposals/written-off	-	(43,971)	-	(23,639)	-	(48,212)	-	-	(115,822)
As at 31 March 2014	1,465,703	1,184,133	450,520	1,397,704	704,180	159,348	9,719,969	-	15,081,557
Net book value									
As at 31 March 2014	94,106	113,726	43,419	339,226	67,808	67,878	1,512,586	431,310	2,670,059
As at 31 March 2013	171,391	114,098	58,146	466,486	83,796	85,813	2,339,926	-	3,319,656

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

4. Plant and equipment (continued)

The Group	Renovation \$	Mechanical & electrical equipment \$	Furniture & fittings \$	Office equipment \$	Personal computers \$	Audio visual equipment \$	Computer & communication systems \$	Development project-in- progress \$	Total \$
Cost									
As at 31 March 2012	1,496,097	1,247,018	460,186	1,588,426	755,837	251,378	17,494,115	-	23,293,057
Additions	23,628	38,843	34,976	136,666	70,043	38,255	35,000	-	377,411
Disposals/written-off	-	-	(3,930)	(109,909)	(72,646)	(23,194)	(7,560,577)	-	(7,770,256)
As at 31 March 2013	1,519,725	1,285,861	491,232	1,615,183	753,234	266,439	9,968,538	-	15,900,212
Additions	40,084	55,969	2,707	148,378	31,676	8,999	1,266,096	431,310	1,985,219
Disposals/written-off	-	(43,971)	-	(23,639)	-	(48,212)	(2,079)	-	(117,901)
As at 31 March 2014	1,559,809	1,297,859	493,939	1,739,922	784,910	227,226	11,232,555	431,310	17,767,530
Accumulated depreciation									
At 31 March 2012	1,244,983	1,120,685	421,106	1,005,928	693,610	173,168	13,112,067	-	17,771,547
Depreciation for the year	103,351	51,078	15,910	252,678	48,474	30,652	2,077,122	-	2,579,265
Disposals/written-off	-	-	(3,930)	(109,909)	(72,646)	(23,194)	(7,560,577)	-	(7,770,256)
As at 31 March 2013	1,348,334	1,171,763	433,086	1,148,697	669,438	180,626	7,628,612	-	12,580,556
Depreciation for the year	117,369	56,341	17,434	275,638	47,664	26,934	2,093,436	-	2,634,816
Disposals/written-off	-	(43,971)	-	(23,639)	-	(48,212)	(2,079)	-	(117,901)
As at 31 March 2014	1,465,703	1,184,133	450,520	1,400,696	717,102	159,348	9,719,969	-	15,097,471
Net book value									
As at 31 March 2014	94,106	113,726	43,419	339,226	67,808	67,878	1,512,586	431,310	2,670,059
As at 31 March 2013	171,391	114,098	58,146	466,486	83,796	85,813	2,339,926	-	3,319,656

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

5. Investment in subsidiary

	The Board	
	2014	2013
	\$	\$
Unquoted equity investments, at cost	2	2

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2014	2013
Held by the Board:				
Sigma Assessment Services Pte Ltd ⁱ	Singapore	Provide training, organising workshop and consultancy work	100	100

ⁱ Audited by James Chan & Partners, LLP.

6. Trade and other receivables

	The Board		The Group	
	2014	2013	2014	2013
	\$	\$	\$	\$
Trade receivables	2,493,994	824,436	2,518,995	851,432
Fixed deposit interest receivable	137,565	179,449	137,565	180,521
Staff study loan	25,010	35,006	25,010	35,006
Other receivables	252,592	253,241	252,592	254,741
Total other receivables	415,167	467,696	415,167	470,268
Total trade and other receivables	2,909,161	1,292,132	2,934,162	1,321,700

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days' terms. The Board and the Group have significant concentration of credit risk. One debtor constitutes 98% (2013: 99%) of the total trade receivables.

Staff study loan

Study loan relates to an interest-free study loan of \$50,000 granted to a staff. Upon completion of course of study, the staff has to serve the Board or anybody or organisation as directed by the Board for a period of 5 years. The study loan is to be repaid in equal instalments from 28 October 2011 to 27 October 2016. The fair value of the study loan has not been adjusted as the difference between the carrying amount and fair values are not significant to the Board.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

7. Amount owing by subsidiary

	The Board	
	2014	2013
	\$	\$
Amount owing by subsidiary:		
- Trade	22,530	50,617

8. Derivatives

	The Board and the Group					
	2014			2013		
	Contract/ notional amount	Assets	Liabilities	Contract/ notional amount	Assets	Liabilities
		\$			\$	
Forward currency contracts	-	-	-	13,823,140	-	(646,573)

In the previous financial year, forward currency contracts were used to hedge foreign currency risk arising from the Board's expected future payments denominated in GBP for which the Board had highly probable forecasted transactions.

9. Cash and cash equivalents

	The Board		The Group	
	2014	2013	2014	2013
	\$	\$	\$	\$
Cash and bank balances	176,454	3,697,513	397,768	3,889,713
Cash with Accountant-General's Department	5,196,042	5,297,939	5,196,042	5,297,939
Cash held under CLM scheme	58,734,777	67,021,863	58,734,777	67,021,863
Fixed deposits	-	-	804,822	802,815
Total cash and cash equivalents	64,107,273	76,017,315	65,133,409	77,012,330

Cash held under the Centralised Liquidity Management ("CLM") scheme and cash and bank balances earn interest at floating rates based on daily bank deposit rates.

Cash with AGD does not earn any interest.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

9. Cash and cash equivalents (continued)

Cash and cash equivalents are denominated in the following currencies:

	The Board		The Group	
	2014 \$	2013 \$	2014 \$	2013 \$
Singapore Dollars	63,928,509	72,714,947	64,954,645	73,709,962
Great Britain Pound	178,764	3,302,368	178,764	3,302,368
	<u>64,107,273</u>	<u>76,017,315</u>	<u>65,133,409</u>	<u>77,012,330</u>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	The Group	
	2014 \$	2013 \$
Cash and bank balances	64,328,587	76,209,515
Fixed deposits	804,822	802,815
	<u>65,133,409</u>	<u>77,012,330</u>

10. Trade and other payables

	The Board		The Group	
	2014 \$	2013 \$	2014 \$	2013 \$
Trade payables	1,764,317	8,744,168	1,764,317	8,744,168
GST payable	72,145	53,754	72,659	55,828
Accrued expenses	3,463,036	3,394,586	3,466,836	3,401,452
Other payables	430,257	514,826	430,257	514,826
	<u>5,729,755</u>	<u>12,707,334</u>	<u>5,734,069</u>	<u>12,716,274</u>

Trade payables/other payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days' terms.

Trade and other payables are denominated in the following currencies:

	The Board		The Group	
	2014 \$	2013 \$	2014 \$	2013 \$
Singapore Dollars	5,432,300	4,938,601	5,436,614	4,947,541
Great Britain Pound	297,455	7,535,948	297,455	7,535,948
Australian Dollars	-	216,937	-	216,937
United States Dollars	-	15,848	-	15,848
	<u>5,729,755</u>	<u>12,707,334</u>	<u>5,734,069</u>	<u>12,716,274</u>

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

11. Grants received in advance

	The Board and the Group	
	2014	2013
	\$	\$
Balance at beginning	1,716,738	3,217,033
Grants received	28,868,731	28,589,987
Transferred to income and expenditure account during the financial year - operating grants	(30,316,714)	(30,090,282)
Balance at end	<u>268,755</u>	<u>1,716,738</u>
Total grants received since inception of the Board	<u>297,419,828</u>	<u>268,551,097</u>

12. Provision for contribution to consolidated fund

	The Board and the Group	
	2014	2013
	\$	\$
Balance at beginning of the financial year	514,522	1,088,857
Payment during the financial year	(514,522)	(1,088,857)
Provision for the financial year	-	514,522
Balance at end of the financial year	<u>-</u>	<u>514,522</u>

13. Obligation in respect of pension scheme

	The Board and the Group	
	2014	2013
	\$	\$
Balance at beginning of the financial year	4,478,323	4,240,436
Payment during the financial year	(311,546)	(26,331)
Provision for the financial year	267,115	264,218
Balance at end of the financial year	<u>4,433,892</u>	<u>4,478,323</u>

The amount recognised in the statements of comprehensive income is as follows:

	The Board and the Group	
	2014	2013
	\$	\$
Current service cost	151,011	148,667
Interest cost	116,104	115,551
	<u>267,115</u>	<u>264,218</u>

13. Obligation in respect of pension scheme (continued)

The principal assumptions used in respect of the Board's and the Group's obligations in respect of the pension scheme were as follows:

	The Board and the Group	
	2014	2013
	%	%
Discount rate	2.4	2.4
Expected rate of salary increases	2.5	2.5

The retirement age is assumed to be 60 and the employee has completed 10 years of public service or when employee has completed 33.33 years of public service, whichever is earlier.

14. Capital account

	The Board and the Group			
	2014		2013	
	No. of shares	\$	No. of shares	\$
<i>Issued and fully paid ordinary shares:</i>				
At 1 April	9,626,713	9,626,713	9,626,713	9,626,713
Issue of ordinary shares	438,207	438,207	-	-
At 31 March	<u>10,064,920</u>	<u>10,064,920</u>	<u>9,626,713</u>	<u>9,626,713</u>

With effect from 1 September 2004, the Ministry of Finance ("MOF") implemented a new debt-equity financing framework for statutory boards. Under this framework, the Government would fund 40% of the project costs as equity injection and the Board would fund the remaining 60% through loan.

Ministry of Finance is entitled to receive dividends annually, computed based on the cost of equity applied to the Board's equity base and it is capped at statutory board's annual accounting surplus. The shares carry neither rights nor par value.

15. Hedging reserve

Hedging reserve records the portion of the fair value changes (net of tax) on derivative financial instruments designated as hedging instruments in cash flow hedges that are determined to be an effective hedge.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

16. Other operating income

	The Board		The Group	
	2014 \$	2013 \$	2014 \$	2013 \$
Professional services	2,124,181	1,656,406	2,164,381	1,696,041
Others (including non-national exams projects)	5,604,024	5,599,561	5,636,381	5,666,443
	<u>7,728,205</u>	<u>7,255,967</u>	<u>7,800,762</u>	<u>7,362,484</u>

17. Staff costs

	The Board		The Group	
	2014 \$	2013 \$	2014 \$	2013 \$
Key management personnel				
Salaries and related costs	1,693,638	1,400,555	1,693,638	1,400,555
CPF contributions	61,879	57,859	61,879	57,859
Pension benefits	32,888	32,813	32,888	32,813
	<u>1,788,405</u>	<u>1,491,227</u>	<u>1,788,405</u>	<u>1,491,227</u>
Other than key management personnel				
Salaries and related costs	20,592,945	16,681,892	20,592,945	16,681,892
CPF contributions	1,994,006	1,653,127	1,994,006	1,653,127
Pension benefits	234,227	231,405	234,227	231,405
	<u>22,821,178</u>	<u>18,566,424</u>	<u>22,821,178</u>	<u>18,566,424</u>
	<u>24,609,583</u>	<u>20,057,651</u>	<u>24,609,583</u>	<u>20,057,651</u>

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Departmental directors are considered key management personnel.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

18. Other operating expenses

	The Board		The Group	
	2014	2013	2014	2013
	\$	\$	\$	\$
Examinations administrative expenses	11,384,415	12,012,564	11,384,859	12,012,664
Maintenance of office premises and information systems	4,731,386	4,865,227	4,731,443	4,865,227
General and administrative expenses	9,277,472	9,367,798	9,286,257	9,379,483
	<u>25,393,273</u>	<u>26,245,589</u>	<u>25,402,559</u>	<u>26,257,374</u>

Included in other operating expenses are:

	The Board and the Group	
	2014	2013
	\$	\$
Directors' fees	90,000	117,742
Exchange gain	(644,117)	(186,215)
Operating lease rentals	4,280,562	4,157,141
Gain on disposal of property, plant and equipment	(1,977)	(1,975)
	<u>3,714,468</u>	<u>4,086,693</u>

19. Contribution to consolidated fund

Under Section 13(1)(e) and the First Schedule of the Singapore Income Tax Act, Chapter 134, the income of the Board is exempt from income tax.

In lieu of income tax, the Board is required to make contribution to the Government Consolidated Fund if it generates accounting surpluses in accordance with the Statutory Corporations (Contributions to Consolidated Fund) Act (Chapter 319A).

As decided by Ministry of Finance, the applicable rate for contribution for the current financial year is 17% (2013:17%). The Board is not required to contribute to the Consolidated Fund given the net deficit for current financial year. This deficit will be carried forward to offset against future years' operating surpluses.

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

19. Contribution to consolidated fund (continued)

At the end of the financial year, the Board has accumulated deficits carried forward as follows:

	The Board	
	2014 \$'000	2013 \$'000
Balance at the beginning of the financial year	–	–
Deficit for the financial year	(2,129,408)	–
Balance at the end of the financial year	<u>(2,129,408)</u>	<u>–</u>
Deferred tax assets not recognised at 17% (2013: 17%)	<u>362,000</u>	<u>–</u>

Benefits in relation to the accumulated deficits were not recognised due to the unpredictability of future surplus streams.

20. Taxation

	The Group	
	2014 \$	2013 \$
Current taxation	3,523	5,480
Overprovision in respect of prior years tax	(2,120)	–
	<u>1,403</u>	<u>5,480</u>

The tax expense on the results of the financial year varies from the amount that would arise using the Singapore standard rate of income tax due to the following:

	The Group	
	2014 \$	2013 \$
Net (deficit)/surplus before contribution to Consolidated Fund and taxation	<u>(2,065,202)</u>	<u>3,123,700</u>
Tax at statutory rate of 17%	(351,085)	531,029
Deferred tax assets not recognised	362,000	–
Tax effect on Board's contribution to Consolidated Fund	–	(514,522)
Overprovision in respect of prior years tax	(2,120)	–
Singapore statutory stepped income exemption	(5,882)	(8,678)
CIT rebate	(1,510)	(2,349)
	<u>1,403</u>	<u>5,480</u>

Singapore Examinations and Assessment Board and its subsidiary

Notes to the Financial Statements - 31 March 2014

21. Dividends

	The Board and the Group	
	2014	2013
	\$	\$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for 2014: 7.0 cents (2013: 18.7) per share	708,000	1,804,000

22. Commitments

Operating lease commitments - as lessee

The Board and the Group have entered into lease agreements for its office premises at various locations with Singapore Land Authority. These non-cancellable leases have lease terms of more than one year.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	The Board and the Group	
	2014	2013
	\$	\$
Not later than one year	2,840,928	3,348,822
Later than one year and not later than five years	1,238,811	2,133,036
	<u>4,079,739</u>	<u>5,481,858</u>

The leases on the Board's and the Group's premises on which rentals are payable will expire latest on 31 December 2016 and the current rent payable on the lease range from \$58,991 to \$122,641 per month, respectively which are subject to revision on renewal.

Other commitments

The Board has an arrangement for the use of computer equipment and all related IT services under an agreement for a Standard ICT Operating Environment ("SOE") which was entered into between the Government and a single service provider. The Board pays a monthly fee for the use of those equipment and all related IT services. From December 2013, the PC Bulk Tender ("PCBT") will replace part of current SOE contract. The Board is given the flexibility to lease the PCs under PCBT with no buyback options. The lease will be treated as operating lease and the Board will pay a monthly fee for the use of those equipment. All other IT services will be made available via other IDA bulk tenders and will be subscribed in 2014 as the Board transits out of SOE into the Whole of Government ICT Infrastructure.

23. Related parties transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free, repayable on demand and to be settled in cash, unless otherwise stated.

Transactions with government-related entities

The Singapore Government has control over the Board, as well as Ministries, Organs of States and other Statutory Boards.

Collectively, but not individually significant transactions

The Board is a Statutory Board under the Ministry of Education ("MOE"). The Board charges fees for the services provided. Collectively, income generated from the fees received from and provision of training and other services to Ministries, Organs of States and other Statutory Boards constitute 13% (2013: 12%) of the total operating income. Purchase of supplies and services from Ministries, Organs of States and other Statutory Boards constitute 11% (2013: 12%) of the total operating expenditure.

These transactions are conducted in the ordinary course of the Board's business on terms comparable to those with other entities that are not government-related.

Nature and amount of individually significant transactions

The Board receives operating grants from the MOE, which is subject to yearly approval. Operating grants from the MOE recognised in the income and expenditure account during the year and grants received in advance from MOE are disclosed in Note 11 to the financial statements.

24. Financial risk management objective and policies

Categories of financial instruments

	The Board		The Group	
	2014	2013	2014	2013
	\$	\$	\$	\$
Trade and other receivables	2,909,161	1,292,132	2,934,162	1,321,700
Amount owing by subsidiary	22,530	50,617	–	–
Cash and cash equivalents	64,107,273	76,017,315	65,133,409	77,012,330
Total loans and receivables	67,038,964	77,360,064	68,067,571	78,334,030
Trade and other payables	5,729,755	12,707,334	5,734,069	12,716,274
Total financial liabilities carried at amortised cost	5,729,755	12,707,334	5,734,069	12,716,274

24. Financial risk management objective and policies (continued)

The Board and the Group

The Board's and the Group's financial risk management policies set out their overall strategies and its risk management philosophy. The Board and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Board's and the Group's overall risk management programme focuses on the unpredictability of foreign exchange, particularly between SGD and GBP and seeks to minimise adverse effect from the unpredictability of currency fluctuation between 2 currencies on the Board's and the Group's financial performance. In the previous year, the Board and the Group used forward foreign exchange contracts to hedge certain risk exposures.

The Board and the Group have written policies and guidelines, which set out its general risk management philosophy. The Board and the Group will continuously review its exposure to these financial risks and the manner in which it manages and measures the risk in line with the funding arrangement with MOE.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Board's and the Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Board and the Group minimise credit risk by dealing exclusively with reputable financial institutions and with the Account-General's Department.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

The carrying amount of cash at bank, fixed deposits, trade and other receivables and prepayments, represent the Board's and the Group's maximum exposure to credit risk. No other financial assets carrying significant exposures to credit risk except as disclosed above.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Based on historical default rates, the Board and the Group believe that no impairment allowance is necessary in respect of trade receivables not past due or past due but not impaired. These receivables are mainly arising by customers that have a good credit record with the Board and the Group.

24. Financial risk management objective and policies (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Board and the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Board's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Board's and the Group's objective is to maintain a level of cash and cash equivalents deemed adequate by management to finance the Board operations.

The table below summarises the maturity profile of the Board's and the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	2014 \$ One year or less	2013 \$ One year or less
The Board		
Financial assets:		
Trade and other receivables	2,909,161	1,292,132
Amount owing by subsidiary	22,530	50,617
Cash and cash equivalents	64,107,273	76,017,315
Total undiscounted financial assets	<u>67,038,964</u>	<u>77,360,064</u>
Financial liabilities:		
Trade and other payables	5,729,755	12,707,334
Derivatives	–	646,573
Total undiscounted financial liabilities	<u>5,729,755</u>	<u>13,353,907</u>
Total net undiscounted financial assets	<u>61,309,209</u>	<u>64,006,157</u>
The Group		
Financial assets:		
Trade and other receivables	2,934,162	1,321,700
Cash and cash equivalents	65,133,409	77,012,330
Total undiscounted financial assets	<u>68,067,571</u>	<u>78,334,030</u>
Financial liabilities:		
Trade and other payables	5,734,069	12,716,274
Derivatives	–	646,573
Total undiscounted financial liabilities	<u>5,734,069</u>	<u>13,362,847</u>
Total net undiscounted financial assets	<u>62,333,502</u>	<u>64,971,183</u>

24. Financial risk management objective and policies (continued)**(c) Foreign currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly from payment due to an overseas examination board. As a result, the Board is exposed to movements in foreign currency exchange rates arising from normal trading transactions, primarily with respect to Great Britain pound ("GBP" or "£"). Where appropriate, foreign currency forward contracts are entered into to manage exposure to movements in foreign currency exchange rates on specific transactions. The Board and the Group will continuously review its exposure to these financial risks and the manner in which it manages and measures the risk in line with the funding arrangement with MOE.

As at 31 March 2014, the Board and the Group do not have any open forward foreign exchange contracts commitments:

	The Board and the Group	
	2014	2013
	\$	\$
Great Britain Pound	-	13,823,140

Cash flow hedges

At 31 March 2014, all foreign currency forward contracts had been realised.

	The Board and the Group	
	2014	2013
	\$	\$
Foreign currency forward contracts:		
Net unrealised losses	-	(978,344)

25. Capital management

The primary objective of the Board and the Group's capital management is to ensure that it safeguards the Board and the Group's ability as a going concern and to provide capacity to support the Board and the Group's future development.

The Board is required to comply with the Capital Management Framework for Statutory Boards detailed in Finance Circular Minute M26/2008, including the need to declare annual dividends to the Ministry of Finance ("MOF") in returns for the equity injection. The Group's capital structure is based on the Ministry of Finance recommended debt-equity ratio of 60 to 40.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2014 and 31 March 2013.

26. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2014 were authorised for issue by members of the Board on 31 July 2014.

