

EDUCATION ENDOWMENT SCHEME

FIRST ANNUAL REPORT

FOR THE PERIOD

1 JANUARY 1993 TO 31 MARCH 1994

S 50 OF 1994

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Ordered by Parliament to lie upon the Table:

15th September 1994



MINISTRY OF EDUCATION

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FIRST ANNUAL REPORT
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OVERVIEW

The Education Endowment Scheme, commonly known as the Edusave Scheme, was launched by the Government on 1 January 1993. The objective of the Scheme is to maximise and equalise educational opportunities for all Singaporeans. It aims to enhance the quality of education in Singapore and to motivate pupils to excel academically.

The Education Endowment Scheme Act (CAP 87A) was enacted and became operational on 1 January 1993. The Edusave Endowment Fund and Edusave Pupils Fund were established under the Act.

An Edusave Advisory Council was set up for the purpose of advising the Minister for Education on the application of the income from the Edusave Endowment Fund. The first Edusave Advisory Council consists of five members from the business and education sectors.

The Edusave Endowment Fund received a Government contribution of \$2.5 billion from the Consolidated Revenue Account during the period under review. The Fund is invested by the Government and is deemed to earn a fixed income pegged to the CPF interest rate. The Government's target is to build up the Endowment Fund to \$5 billion. The rate of future contributions to the Fund will depend on Singapore's economic growth and the Government's budgetary surpluses.

As no interest income was available to meet the outlay under the Edusave Scheme in the first year of implementation, the Government contributed a grant of \$39.50m in January 1993 to the Income Account to meet the projected outlay in 1993. During the period under review, the Edusave Endowment Fund generated an interest income of \$57.64m. The Government contributed another grant of \$11.10m in January 1994 to top-up the income to meet the projected outlay in 1994. Hence the total income for the period was \$108.24m.

Of this amount, \$71.00m was disbursed during the period in the form of contributions to pupils' Edusave accounts, grants to Government and Government-aided secondary schools, Edusave scholarships and system development and operating expenditure.

The Edusave Pupils Fund comprises funds which are credited to the Edusave accounts of eligible pupils in primary and secondary schools and trainees in the Institute of Technical Education. The contribution rate was \$50 per pupil in 1993 and \$100 per pupil in 1994. The total contribution for the period amounted to \$53.59m. Of this amount, \$1.40m was withdrawn as at 31 March 1994 for payment of second-tier miscellaneous fees and school-based enrichment programmes. Of the 356,680 accounts of primary and secondary school pupils as at 31 March 1994, 62,532 accounts had withdrawals, representing 17.5% of the total number of accounts.

In addition to the Edusave funds in the pupils' accounts, an Edusave grant of \$90 per pupil (averaging \$100,000 per school) was allocated to all Government and Government-aided secondary schools in 1993 and 1994 to enable them to procure services and resources and introduce programmes that enhance the quality of teaching and learning. Of the \$15.99m set aside for these schools for the period, \$9.93m was spent, representing a utilisation rate of 62.1%.

The total payment of Edusave scholarships awarded during the period was \$4.33m. In January 1993, 645 scholarships were awarded to independent school pupils under the Edusave Scholarships for Independent Schools (ESIS) Scheme. Under this Scheme, the top 25% of pupils enrolled in independent schools based on PSLE results are eligible for the awards. The number awarded in January 1994 was 806. The scholarship is tenable for four years of education in the independent school. Its value is equivalent to the school fee of each independent school less the school and standard miscellaneous fee in the Government and Government-aided secondary schools. In addition, 60 awards were also given out in December 1993 to independent school pupils under the Edusave (Independent Schools) Yearly Award Scheme. This is given to the top 5% of pupils in each independent school based on the school examination results, and who are not ESIS holders. The total value of the scholarships paid to independent school pupils during the period was \$3.00m.

For pupils in the Government and Government-aided secondary schools, 3,347 scholarships were awarded in December 1993 under the Edusave Scholarships for Secondary Schools (ESSS) Scheme. Under the Scheme, the top 5% of pupils at each level based on the school examination results received \$500 each while the next 5% received \$300 each. These scholarships amounted to \$1.33m.

The system development and operating costs of the Edusave Endowment Fund and Edusave Pupils Fund amounted to \$3.02m in the 15 months under review.

As at 31 March 1994, the balance in the Edusave Endowment Fund was \$2.54 billion which includes the balance of \$37.24m in the Income Account. Of the \$37.24m, \$34.26m was committed for FY 94, leaving an uncommitted balance of \$2.98m.

EDUSAVE ENDOWMENT FUND

TRANSFERS FROM CONSOLIDATED REVENUE ACCOUNT

The Edusave Endowment Fund was created by the transfer of fund from the Consolidated Revenue Account. The Government gave an initial contribution of \$1.0 billion in January 1993 and \$0.5 billion each in March 1993, June 1993 and March 1994 respectively. These contributions constitute the capital of the Fund from which income is generated for application under the Edusave Scheme. The capital sum in the Fund as at 31 March 1994 was \$2.5 billion.

INCOME FROM THE EDUSAVE ENDOWMENT FUND

The Edusave Endowment Fund is invested by the Government together with other Government funds. The Fund receives a fixed interest income based on the CPF rate of interest. The interest earned each year is used to finance the outlay under the Edusave Scheme. The interest rate was 2.62% pa from January to June 1993 and 2.50% pa from July 1993 to March 1994.

As no interest income was available to meet the outlay under the Edusave Scheme in the first year of implementation, the Government contributed a grant of \$39.50m in January 1993 to the Income Account to meet projected outlay in 1993. During the period under review, the Edusave Endowment Fund generated an interest income of \$57.64m. In January 1994, the Government contributed another grant of \$11.10m to top-up the income to meet the projected outlay for 1994. The total income for the period was \$108.24m.

ALLOCATION OF INCOME

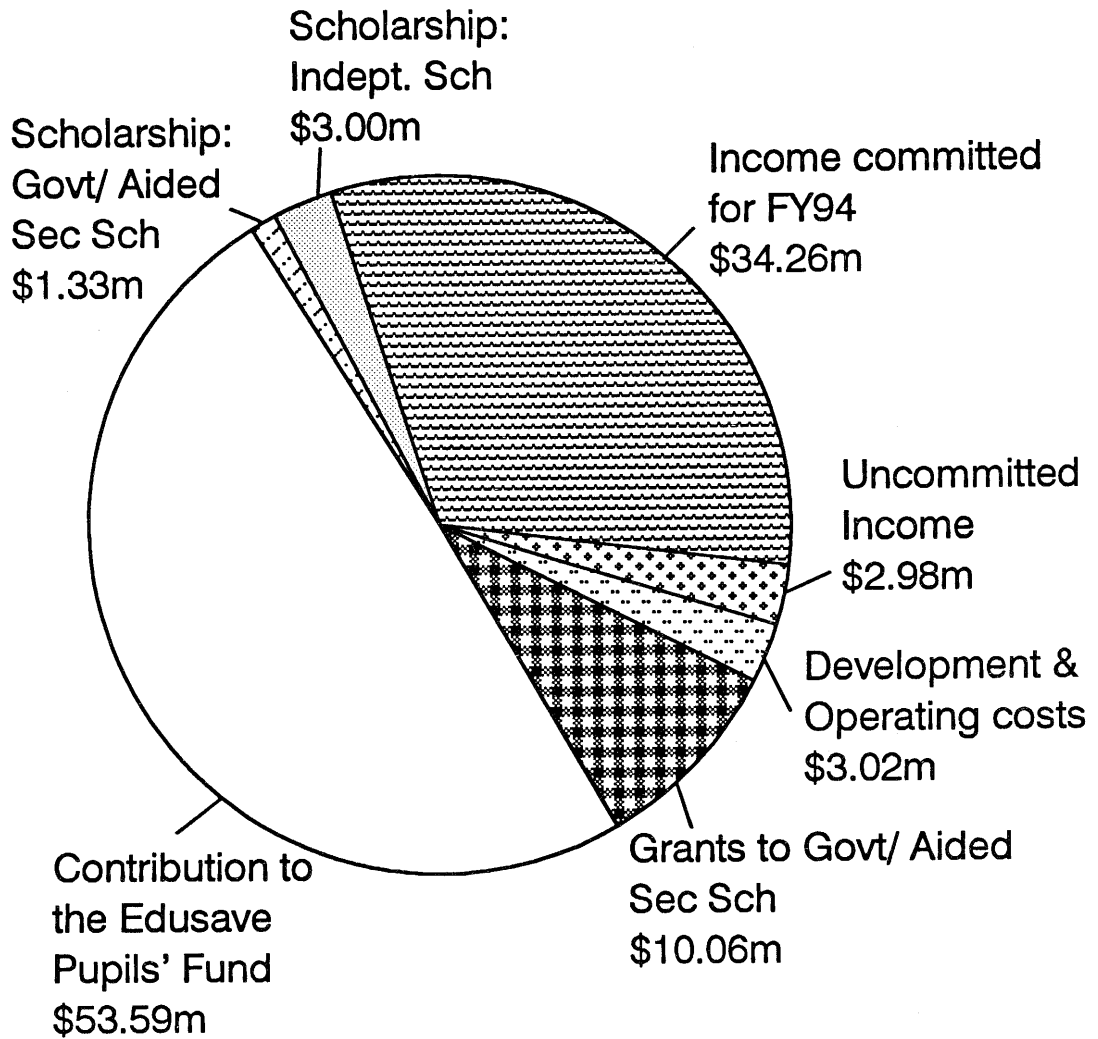
Of the total income of \$108.24m, \$71.00m was disbursed as at 31 March 1994. The bulk of the disbursement, amounting to \$53.59m (75.5%), was paid into the Edusave accounts of eligible pupils. Another \$10.06m (14.2%) was disbursed as Edusave grants to Government and Government-aided secondary schools. A sum of \$3.00m (4.2%) was given as scholarships to top pupils in independent schools under the Edusave Scholarships for Independent Schools and Edusave (Independent Schools) Yearly Awards Schemes and \$1.33m (1.9%) worth of scholarships was given out under the Edusave Scholarships for Secondary Schools Scheme. \$3.02m (4.2%) was spent on system development and operating expenses of the Edusave Endowment Fund and Edusave Pupils Fund.

BALANCE FOR THE PERIOD

As at 31 March 1994, the balance in the Edusave Endowment Fund was \$2.54 billion which includes the balance of \$37.24m in the Income Account. Of the \$37.24m, \$34.26m was committed for FY 94, leaving an uncommitted balance of \$2.98m.

The chart on the next page shows the allocation of Edusave income for the period 1 January 1993 to 31 March 1994.

Allocation of Income from Edusave Endowment Fund



TOTAL INCOME = \$108.24m

EDUSAVE PUPILS FUND

CONTRIBUTION IN JANUARY 1993 AND 1994

The Edusave Pupils Fund comprises Edusave funds which are paid into the Edusave accounts of eligible pupils. In January 1993, an amount of \$50 per pupil was credited into the Edusave accounts of 349,243 pupils in primary and secondary schools and 4,179 trainees in the Institute of Technical Education (ITE). In January 1994, another \$100 per pupil was credited into the accounts of 356,680 pupils of primary and secondary schools and 2,523 trainees of the Institute of Technical Education. The total contribution amounted to \$53.13m for primary and secondary school pupils and \$0.46m for ITE trainees.

APPROVED USES

A pupil can use the money in his Edusave account to pay for enrichment programmes organised by his school, such as extra-curricular activities, music and dance, educational tours, sports and games lessons etc. He can also use the money to pay his second-tier miscellaneous fees if he is in a Government or Government-aided school. In the case of independent schools, it can be used to pay for the portion of school fees (ranging from \$100 to \$200 per month) in excess of the dollar value of the school and standard miscellaneous fees of the Government and Government-aided secondary schools (\$12 per month). For autonomous schools, the fund can also be used to pay the autonomous school additional miscellaneous fees.

Eventually, university and polytechnic students can also use their Edusave funds to pay their tuition fees.

ANALYSIS OF WITHDRAWALS

For the primary and secondary school levels, \$1,399,068 was withdrawn from 62,532 accounts during the period. This represents a pupil participation rate of 17.5%. Trainees in the Institute of Technical Education (ITE) withdrew only a small sum of \$1,635 during the period.

The \$1,399,068 withdrawn represents 2.6% of the total contribution of \$53.13m for primary and secondary schools. Of the total amount withdrawn, \$658,668 (47%) was for payment of second-tier miscellaneous fees, and the remaining \$740,400 (53%) was for enrichment programmes. Please see Table 1.

TABLE 1 : NUMBER OF EDUSAVE ACCOUNTS WITH WITHDRAWALS AND AMOUNT WITHDRAWN

	Primary	Secondary	Total
<u>No. Of Accounts With Withdrawals</u>			
2nd-tier misc. fees only	24,456	14,284	38,740
Enrichment programmes only	2,923	17,211	20,134
Both	1,664	1,994	3,658
Total number	29,043	33,489	62,532
<u>Amount Withdrawn</u>			
	\$	\$	\$
2nd-tier misc. fees	389,619	269,049	658,668
Enrichment programmes	108,163	632,237	740,400
Total	497,782	901,286	1,399,068
<u>Pupil Participation Rate</u>			
No. of accounts with withdrawals	29,043	33,489	62,532
Total number of accounts	222,476	134,204	356,680
Participation rate	13.0%	25.0%	17.5%

Of the \$740,400 withdrawn for enrichment programmes, \$322,855 (44%) was spent on personal development programmes, \$164,036 (22%) on educational tours and camps, \$153,756 (21%) on academic programmes, \$58,466 (8%) on sports and uniformed groups and the remaining \$41,287 (5%) on aesthetic activities. Details are in Table 2.

TABLE 2: BREAKDOWN OF EDUSAVE FUNDS WITHDRAWN FOR ENRICHMENT PROGRAMMES

	Primary	Secondary	Total
	\$	\$	\$
Personal development programmes	26,318	296,537	322,855
Educational tours/camps	30,220	133,816	164,036
Academic programmes	23,154	130,602	153,756
Sports and uniformed groups	26,826	31,640	58,466
Aesthetic programmes	1,645	39,642	41,287
Total	108,163	632,237	740,400

Out of a total of 344 schools, 172 schools (50%), had pupils who withdrew money from their Edusave accounts. Please see Table 3.

TABLE 3: NUMBER OF SCHOOLS WITH WITHDRAWALS FROM EDUSAVE ACCOUNTS

	Primary	Secondary	Total
Number of schools with withdrawals for:			
2nd-tier misc. fees only	10	0	10
Enrichment programmes only	24	24	48
Both	39	75	114
No. of schools with withdrawals	73	99	172
Total number of schools	193	151	344
Participation rate	37.8%	65.6%	50.0%

ADMINISTRATION OF EDUSAVE PUPILS FUND

The Central Provident Fund Board (CPF Board) is responsible for maintaining the accounts of the Edusave Pupils Fund. Based on information furnished by the Ministry, the Board opens an Edusave account for every eligible pupil. It credits Edusave contributions to the accounts, process withdrawals and remit funds withdrawn to the schools. Interest is credited to the accounts yearly based on CPF interest rate. The CPF Board sends half-yearly statements of account in February to all Edusave account holders showing the contributions, interest credited, withdrawals during the preceding 6 months and the balance in the accounts. In August, statements of account are sent only to those with transactions in the preceding 6 months.

EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS

VALUE AND TENURE OF AWARD

Under the Edusave Scholarship for Independent Schools (ESIS) Scheme, scholarships are awarded to pupils in the top 25% of secondary one (S1) Singaporean pupils enrolled in the independent schools based on their PSLE results. The annual quantum of the scholarship is the school fees charged by the independent school (ranging from \$1,200 to \$2,400 per year) less the amount of school and standard miscellaneous fees that pupils in Government and Government-aided secondary schools have to pay (\$144 per year). The annual payment of the ESIS therefore ranges from \$1,056 to \$2,256 per annum, depending on the school fees charged by each independent school. The scholarship is tenable for the full 4 years of the pupil's secondary education in the independent school.

ESIS FOR PUPILS IN SPECIAL PROGRAMMES

In 1993, the Edusave Endowment Scheme (Edusave Scholarships) Regulations were amended to enable the scholarship award of pupils in the special programmes, ie the Gifted Education Programme, Music Elective Programme and Art Elective Programme, to be funded from Voted Fund and not from the Edusave Endowment Fund. As pupils in these special programmes in independent schools are subsidised in their school fees, the changes will enable more pupils who are not in these special programmes to qualify for ESIS from Edusave Funds.

1993 AND 1994 ESIS AWARDS

In 1993, 645 secondary one pupils in the 8 independent schools were awarded the scholarships. The total value of these awards for secondary one level was \$876,804. When these scholars were promoted to secondary two in 1994, the value of the scholarship was increased to \$1,030,284, because of the rise in the school fees of independent schools in January 1994.

In 1994, 806 scholarships were awarded, an increase of 161 scholarships (25%) over the number awarded in 1993. Of these, 650 scholarships, amounting to \$1,021,920 were funded from Edusave funds while the remaining 156 were funded from Voted Fund.

EDUSAVE (INDEPENDENT SCHOOLS) YEARLY AWARDS

In addition to the ESIS, pupils in independent schools may also be awarded the Edusave (Independent Schools) Yearly Award. This award is given at the end of each academic year to the top 5% pupils in each independent school who are not already ESIS holders. These Yearly Awards reward pupils who were not selected for the 4-year ESIS award for excellent academic performance achieved in the year.

Selection for the Yearly Awards is based on the pupils' school examination results for that year. The value of the Yearly Award is equivalent to the annual value of the ESIS.

1993 YEARLY AWARDS

In Dec 1993, 60 secondary one pupils in the independent schools were given the Yearly Awards, amounting to \$69,648.

EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED SECONDARY SCHOOLS

Pupils in Government and Government-aided secondary schools are eligible for Edusave scholarships under the Edusave Scholarships for Secondary Schools (ESSS) Scheme. Pupils in the top 5% of each level will receive annual scholarships of \$500 each while those in the next 5% will receive \$300 each. Selection is based on the academic performance in each year.

1993 ESSS AWARDS

The scholarships were awarded and paid out for the first time to eligible secondary one pupils in December 1993. The awardees were selected from the different academic courses (Normal/Express/Special) by their Principals.

A total of 3,347 pupils were awarded the scholarships. Of these, 1,640 pupils received the \$500 award and 1,707 pupils, the \$300 award. The total amount paid out was \$1,332,100. Details can be found in Table 4.

TABLE 4 : EDUSAVE SCHOLARSHIPS FOR SECONDARY SCHOOLS AWARDED IN 1993 BY TYPE

Type of Award \$	No. of pupils	Amount Paid \$
500	1,640	820,000
300	1,707	512,100
Total	3,347	1,332,100

The breakdown of the awards by course shows that 1,200 (36%) awardees were from the Normal Course, 1,954 (58%) from the Express Course and 193 (6%) from the Special Course. The awards were given to 9% of the Normal Course pupils, 10% of the Express Course pupils and 12% of the Special Course pupils. The details are shown in Table 5.

TABLE 5 : EDUSAVE SCHOLARSHIPS FOR SECONDARY SCHOOLS AWARDED IN 1993 BY COURSE

Course	Number of Pupils	% of course
Normal	1,200 (36%)	9%
Express	1,954 (58%)	10%
Special	193 (6%)	12%
Total	3,347 (100%)	

EDUSAVE GRANTS FOR SECONDARY SCHOOLS

AMOUNT DISBURSED

Edusave grants are given to secondary schools to enable them to procure services and resources and introduce programmes that enhance the quality of teaching and learning. The grant is pegged at \$90 per student. The quantum of grant for each school is based on its student enrolment. In 1993 and 1994, an annual grant averaging \$100,000 per school was allocated to all Government and Government-aided secondary schools.

UTILISATION OF GRANTS

A total of 132 Government and Government-aided secondary schools were allocated the Edusave grants in 1993. The number was 143 in 1994. The amount allocated for the 15-month period from 1 January 1993 to 31 March 1994 was \$15.99m of which \$10.06m was disbursed to schools. Of this, \$9.93m was spent, representing about 62.1% of the \$15.99m allocated for the period.

Of the total amount spent, \$4.55m (45.8%) was for the purchase of resources and equipment and \$4.51m (45.4%) on enrichment programmes. About \$0.28m (2.8%) was used for administrative and technical support services while the remaining \$0.59m (6.0%) was spent on miscellaneous items. On the whole, schools have used their Edusave grants well. Table 6 shows a breakdown of the major categories of expenditure.

TABLE 6 : BREAKDOWN ON THE USE OF EDUSAVE GRANTS

Categories of expenditure	\$m	%
Resources and equipment	4.55	45.8
Enrichment programmes	4.51	45.4
Administrative/technical support services	0.28	2.8
Miscellaneous items	0.59	6.0
Total	9.93	100.0

During 1993, 62 schools, out of a total of 132 secondary schools, spent more than \$50,000 each, ie. more than half of the grant allocated to each school. In the first quarter of 1994, 107 out of 143 secondary schools spent more than 50% of the quarterly allocation. Some schools with unspent grants brought forward from 1993 have utilised them in the first quarter of 1994. The table below shows the percentage of Edusave Grant spent by schools in 1993 and the first quarter of 1994 out of the allocation for the respective periods.

TABLE 7 : PERCENTAGE OF EDUSAVE GRANTS SPENT BY SCHOOLS IN 1993 AND FIRST QUARTER OF 1994

Percentage of grant spent	1993		1st Qtr 1994	
	Schools	Proportion	Schools	Proportion
up to 25%	21	15.9%	19	13.3%
26% to 50%	49	37.1%	17	11.9%
51% to 75%	35	26.5%	30	20.9%
76% to 100%	27	20.5%	35	24.5%
above 100%	-	-	42*	29.4%
Total	132	100.0%	143	100.0%

Note: * Unspent balances brought forward from 1993 were utilised.

**REPORT ON THE AUDIT OF THE ACCOUNTS
OF THE EDUSAVE ENDOWMENT FUND**

FOR THE PERIOD 1 JANUARY 1993 TO 31 MARCH 1994

The accounts of the Edusave Endowment Fund have been examined in accordance with the provisions of the Education Endowment Scheme Act (CAP 87A).

In our opinion:

- a) the accompanying accounts show fairly the receipts and payments of the Edusave Endowment Fund for the period from 1 January 1993 to 31 March 1994 and the balance held by the Accountant-General as at 31 March 1994; and
- b) the accounting and other records required by the Act to be kept by the Fund have been properly kept in accordance with the provisions of the Act.

To the best of our knowledge and belief, the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Edusave Endowment Fund during the period from 1 January 1993 to 31 March 1994 were in accordance with the provisions of the Act.




FOO, KON & TAN
Certified Public Accountants
Singapore

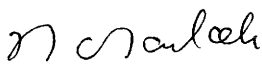
EDUSAVE ENDOWMENT FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD
1 JANUARY 1993 TO 31 MARCH 1994

	<u>Note</u>	S\$
Receipts:		
Capital contributions transferred from Consolidated Revenue Account	4	2,500,000,000
Income:		
Interest income	5	57,640,543
Grants from Government	5	50,600,000
		108,240,543
Less:		
Disbursements:		
Contributions to Edusave Pupils Fund	6	53,591,400
Edusave Scholarships	7	4,330,756
Grants to Government and Government-Aided Schools	8	10,057,419
Administrative expenses of Edusave Endowment Fund	9	418,254
Administrative expenses of Edusave Pupils Fund	10	2,600,000
		70,997,829
Balance for the period	11	37,242,714
Accumulated balance at beginning		-
Accumulated balance at end		2,537,242,714
Represented by:		
Balance held by Accountant-General	12	2,537,242,714

The annexed notes form an integral part of and should be read in conjunction with these accounts.



 MR KOH CHER SIANG
 Permanent Secretary
 Ministry of Education



 MRS WONG-HO SAI KEK
 Deputy Director/
 Finance & Accounts
 Ministry of Education

EDUSAVE ENDOWMENT FUND NOTES TO ACCOUNTS

1 **PRINCIPAL ACTIVITIES**

The Edusave Endowment Fund was established on 1 January 1993 under the Education Endowment Scheme Act (CAP 87A). The income generated by the Fund is to be used for the following purposes:

- 1.1 the provision of contributions to the Edusave Pupils Fund;
- 1.2 the provision of scholarships to full-time pupils at prescribed schools;
- 1.3 the provision of grants to Government and Government-aided schools to be used to enhance the quality of education; and
- 1.4 such other purposes authorised under the Act, including administrative expenses.

2 **BASIS OF ACCOUNTING**

The accounts are prepared on a cash basis. Income is recognised when received and expenses are recognised when paid.

3 **ACCOUNTING PERIOD**

The accounting period is from 1 April to 31 March of the next year. However, as this is the first set of accounts, it covers the period from 1 January 1993 to 31 March 1994.

4 **CAPITAL CONTRIBUTIONS**

The Edusave Endowment Fund was created in January 1993 with an initial capital of \$1.0 billion transferred from the Consolidated Revenue Account. Another \$0.5 billion each was transferred in March 1993, June 1993 and March 1994 respectively.

5 **INCOME**

The CPF interest rate is used to compute the income of the Fund. As no interest income was available to meet the outlay under the Edusave Scheme in the first year of implementation, the Government contributed an initial grant of \$39,500,000 in January 1993 to the Income Account to meet projected outlay in 1993.

The Government contributed another grant of \$11,100,000 in January 1994 to top-up the income as the interest income was inadequate to meet the projected outlay in 1994. The total grants received amounted to \$50,600,000.

During the period under review, the Edusave Endowment Fund generated an interest income of \$57,640,543.

6 **CONTRIBUTIONS TO EDUSAVE PUPILS FUND**

The Edusave Pupils Fund consists of contributions made from the Edusave Endowment Fund to the Edusave accounts opened for eligible Singaporean pupils between the ages of six and sixteen, studying in prescribed schools. The money can only be spent on enrichment programmes organised by the schools, second-tier miscellaneous fees and other approved fees. The amount contributed in 1993 was \$50 per account, amounting to \$17,671,100. In 1994, the contribution was \$100 per account, amounting to \$35,920,300.

7 **EDUSAVE SCHOLARSHIPS**

The Scholarships comprise 2 components:

	\$
Edusave Scholarships and awards for independent schools	2,998,656
Edusave Scholarships for Secondary Schools	<u>1,332,100</u>
	<u>4,330,756</u>

i) Edusave Scholarships for Independent Schools (ESIS)

The top 25% of Singaporean pupils enrolled in the independent schools based on the PSLE results are eligible to receive ESIS. These scholarships cover

their school fees less the school and standard miscellaneous fees in Government and Government-aided secondary schools throughout their four years in independent schools. In addition, the top 5% of Singaporean pupils, based on the school examination results, who are not in receipt of ESIS, are awarded the Yearly Award at the end of each year.

ii) Edusave Scholarships for Secondary Schools (ESSS)

The ESSS are yearly awards given at the end of every school year to the top 10% pupils in each Government and Government-aided secondary school based on their examination results for that year.

Both schemes started with secondary one pupils in 1993 and will be phased to cover all levels eventually.

8 **GRANTS TO GOVERNMENT AND GOVERNMENT AIDED SECONDARY SCHOOLS**

The purpose of the grant is to enable schools to procure services and resources and introduce programmes that enhance the quality of teaching and learning. The grant is operated under an imprest system. Of the \$10,057,419 that was disbursed, the actual expenditure by schools amounted to \$9,931,857.

9 **ADMINISTRATIVE EXPENSES OF EDUSAVE ENDOWMENT FUND**

<u>Start-Up Cost</u>	\$
Computer services manpower cost	71,640
Edusave Unit manpower cost	<u>33,137</u>
Total start-up cost	<u>104,777</u>
 <u>Operating Cost</u>	 \$
Computer services manpower cost	139,230
Edusave Unit manpower cost	12,213
Printing and stationery	141,124
Purchase of personal computers	14,411
Key-punching services	6,202
General expenses	<u>297</u>
Total operating cost	<u>313,477</u>
 Total cost incurred during the period	 <u>418,254</u>

10 ADMINISTRATIVE EXPENSES OF EDUSAVE PUPILS FUND

In compliance with Section 17 of the Education Endowment Scheme Act (CAP 87A), charges by Central Provident Fund (CPF) Board for administering the Edusave Pupils Fund were paid out of the Edusave Endowment Fund. The charges paid to CPF board in advance amounted to \$2,600,000, of which \$2,295,035 was incurred by CPF Board during the period. The balance carried forward to FY 94 was \$304,965. The services rendered include system development, recurrent computer services, manpower expenditure and other operating expenditure, as shown below.

Start-Up Cost

	\$
System development:	
Computer services manpower cost	1,042,130
Computer processing charges	173,442
Purchase of personal computers and PC software	<u>44,837</u>
	<u>1,260,409</u>
Administrative support:	
Manpower cost	122,619
General expenses	<u>4,391</u>
	<u>127,010</u>
 Total start-up cost	 <u>1,387,419</u>

Operating Cost

	\$
Computer services:	
Computer services manpower cost	340,310
Computer processing charges	<u>336,470</u>
	<u>676,780</u>
Administrative support:	
Manpower cost	108,627
Postage and courier	66,916
Printing and stationery	29,292
Agency and contract services	12,546
General expenses	6,100
Audit fees	4,400
Software and equipment maintenance	<u>2,955</u>
	<u>230,836</u>
 Total operating cost	 <u>907,616</u>
 Total cost incurred during the period	 <u>2,295,035</u>

11 **BALANCE FOR THE PERIOD**

Of the balance of \$37,242,714 as at 31 March 94, \$34,258,877 is committed for disbursements in FY 94, leaving an uncommitted balance of \$2,983,837.

12 **BALANCE HELD BY ACCOUNTANT-GENERAL**

In accordance with Section 3 of the Education Endowment Scheme Act (CAP 87A), the balance is pooled with other Government funds for investment by the Government under the Financial Procedure Act (CAP 109).

13 **COMPARATIVE FIGURES**

The Edusave Endowment Fund was established on 1st January 1993 and this being the first set of accounts, there are therefore no comparative figures.

**REPORT ON THE AUDIT OF THE ACCOUNTS
OF THE EDUSAVE PUPILS FUND**

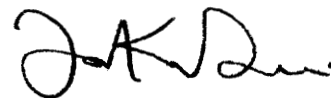
FOR THE PERIOD 1 JANUARY 1993 TO 31 MARCH 1994

The accounts of the Edusave Pupils Fund have been examined in accordance with the provisions of the Education Endowment Scheme Act (CAP 87A).

In our opinion:

- a) the accompanying accounts show fairly the receipts and payments of the Edusave Pupils Fund for the period from 1 January 1993 to 31 March 1994 and the balances with commercial banks; and
- b) the accounting and other records required by the Act to be kept by the Fund have been properly kept in accordance with the provisions of the Act.

To the best of our knowledge and belief, the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Edusave Pupils Fund during the period from 1 January 1993 to 31 March 1994 were in accordance with the provisions of the Act.




FOO, KON & TAN
Certified Public Accountants
Singapore

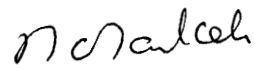
**EDUSAVE PUPILS FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE PERIOD
1 JANUARY 1993 TO 31 MARCH 1994**

	<u>Note</u>	\$
Income from:		
Advance Deposits with Monetary Authority of Singapore		320,618
Balances with commercial banks:		
Fixed Deposits		187,693
Overnight Deposits		4,350
Current Account		3,950
		516,611
Less:		
Interest credited to members' accounts		393,790
		122,821
Edusave contributions from the Edusave Endowment Fund	3	53,591,400
Interest credited to members' accounts		393,790
		53,985,190
Less:		
Withdrawals for Educational Programmes	5	1,400,703
		52,584,487
Balance for the period		52,707,308
Accumulated balance at beginning		-
Accumulated balance at end		52,707,308
Represented by:		
Balances with commercial banks:		
Fixed Deposits		51,600,000
Overnight Deposits		1,000,000
Cash at Bank		107,308
		52,707,308

The annexed notes form an integral part of and should be read in conjunction with these accounts.



MR KOH CHER SIANG
Permanent Secretary
Ministry of Education



MRS WONG-HO SAI KEK
Deputy Director/
Finance & Accounts
Ministry of Education

EDUSAVE PUPILS FUND

NOTES TO ACCOUNTS

1 PRINCIPAL ACTIVITIES

The Edusave Pupils Fund, managed by the Central Provident Fund (CPF) Board, receives contributions from the Edusave Endowment Fund which are credited to the Edusave accounts of eligible Singaporean pupils. The money can be spent on enrichment programmes organised by schools, the second-tier miscellaneous fees, tertiary tuition fees and other approved fees.

2 BASIS OF ACCOUNTING

The accounts are prepared using the cash basis of accounting adopted by the Government.

3 EDUSAVE CONTRIBUTIONS FROM THE EDUSAVE ENDOWMENT FUND

	\$
Contributions from Edusave Endowment Fund	54,453,400
Refund of contributions (Note 4)	<u>(862,000)</u>
	<u>53,591,400</u>

4 REFUND OF CONTRIBUTIONS

Edusave contributions are refunded to the Edusave Endowment Fund when students are found to have left school and hence are ineligible for the contribution.

5 **WITHDRAWALS FOR EDUCATIONAL PROGRAMMES**

	\$
Second-tier miscellaneous fees	658,668
Enrichment Programmes :	
Primary and Secondary Schools	740,400
Institute of Technical Education	<u>1,635</u>
	<u>742,035</u>
	<u>1,400,703</u>

6 **COMPARATIVE FIGURES**

The Edusave Pupils Fund was established on 1st January 1993 and this being the first set of accounts, there are therefore, no comparative figures.

EDUSAVE ADVISORY COUNCIL

The Edusave Advisory Council was established under the Education Endowment Scheme Act (CAP 87A) for the purpose of advising the Minister for Education on the application of the income of the Edusave Endowment Fund.

The first Edusave Advisory Council appointed in January 1993 consists of 5 members who are prominent businessmen and experienced educationists. They are as follows:

- a) Mr Hsieh Fu Hua (Chairman)
Managing Director, PrimeEast Capital Group Pte Ltd.

- b) Mr Keith Tay
Chairman, UTG Holdings Pte Ltd and
Deputy Chairman, Asia Quest Associates Pte Ltd.

- c) Professor Sim Wong Kooi
Head, Centre for Applied Research in Education
National Institute of Education
(Till April 1993)

- d) Mrs Goh Hwee Choo
Principal, Deyi Secondary School; and

- e) Mrs Salmah Yunos
Principal, Eunus Primary School.

Professor Sim Wong Kooi stepped down from the Council in April 1993 following his resignation from the National Institute of Education.