

EDUCATION ENDOWMENT SCHEME

ANNUAL REPORT

FOR FINANCIAL YEAR 1994/95

S. 39 of 1995

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1 September 1995



MINISTRY OF EDUCATION

**EDUCATION ENDOWMENT SCHEME
ANNUAL REPORT FOR FINANCIAL YEAR 1994/95**

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OVERVIEW

The Education Endowment Scheme, commonly known as the Edusave Scheme, was established in January 1993. Its objective 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 Edusave Scheme is governed by the Education Endowment Scheme Act (CAP 87A). The Edusave Endowment Fund and Edusave Pupils Fund were established under the Act.

The Edusave Advisory Council was also set up under the Act 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 completed its two-year term on 31 December 1994. The second Edusave Advisory Council, consisting of five members from the business and education sectors, was appointed on 1 January 1995 for a two-year period.

The Edusave Endowment Fund received a Government contribution of \$1.0 billion from the Consolidated Revenue Account during the financial year (FY 94). The Fund is invested by the Government and is deemed to earn a fixed income pegged to the CPF interest rate. The balance in the Capital Account of the Endowment Fund as at 31 March 1995 was \$3.5 billion. The Government's target is to build up the Capital sum to \$5 billion. The rate of future contributions to the Fund will depend on Singapore's economic growth and the Government's budgetary surpluses.

During the financial year, the Edusave Endowment Fund generated an interest income of \$80.43m. With the balance brought forward of \$37.55m, the total income available in the Income Account for FY 94 amounted to \$117.98m.

Of this amount, \$73.75m 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 development and operating expenditures.

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 is \$110 in 1995. The total contribution for the financial year amounted to \$41.19m. During the financial year, a total of \$3.69m was withdrawn for payment of second-tier miscellaneous fees, school-based enrichment programmes and payment of tuition

fees at the polytechnics. At the primary and secondary levels, 94,400 pupils made withdrawals from their Edusave accounts, representing 25.3% of the total 372,600 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 during the year to enable them to procure services and resources and introduce programmes that enhance the quality of teaching and learning. Of the allocation of \$14.67m for the financial year, \$11.14m was spent, representing a utilisation rate of 75.9%. A total of \$25.16m was disbursed to schools to cater for the reimbursement of grant imprests from April to December 1994, the half-yearly release of grants for 1995 and the release of unspent balances brought forward from 1993 and 1994.

The total value of Edusave scholarships awarded to pupils in independent schools and Government and Government-aided secondary schools during the financial year was \$6.56m.

Under the Edusave Scholarships for Independent Schools (ESIS) Scheme, scholarships are awarded to the top 25% of pupils enrolled in independent schools based on PSLE results. 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 January 1995, 820 scholarships were awarded to secondary one pupils. Of these, 675 were funded from Edusave funds and the remaining 145 from Voted Funds under the special programmes, ie Gifted Education Programme, Music Elective Programme and Art Elective Programme. In addition, 45 secondary one and 62 secondary two pupils were also awarded the Edusave (Independent Schools) Yearly Award in December 1994. 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 scholarships paid to independent school pupils from Edusave funds was \$3.19m.

For pupils in the Government and Government-aided secondary schools, 8,454 scholarships were awarded to secondary one and two pupils in December 1994 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 \$3.37m.

The system development and operating cost of the Edusave Endowment Fund and Edusave Pupils Fund amounted to \$0.84m during the financial year.

As at 31 March 1995, the balance in the Edusave Endowment Fund was \$3.54 billion, including a balance of \$44.23m in the Income Account. Of this amount, \$41.87m was committed for FY 95, leaving an uncommitted balance of \$2.36m.

EDUSAVE ENDOWMENT FUND

TRANSFERS FROM CONSOLIDATED REVENUE ACCOUNT

The Edusave Endowment Fund was created on 1 Jan 93 by the transfer of fund from the Consolidated Revenue Account. The Government contributed an additional \$1.0 billion in FY 94 through a sum of \$0.5 billion each in April 94 and March 95. 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 1995 was \$3.5 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 2.50% pa from April to December 1994 and 3.10% pa from January to March 1995.

During the period under review, the Edusave Endowment Fund generated an interest income of \$80.43m. With the balance brought forward of \$37.55m, the total income available in the Income Account for the period amounted to \$117.98m.

ALLOCATION OF INCOME

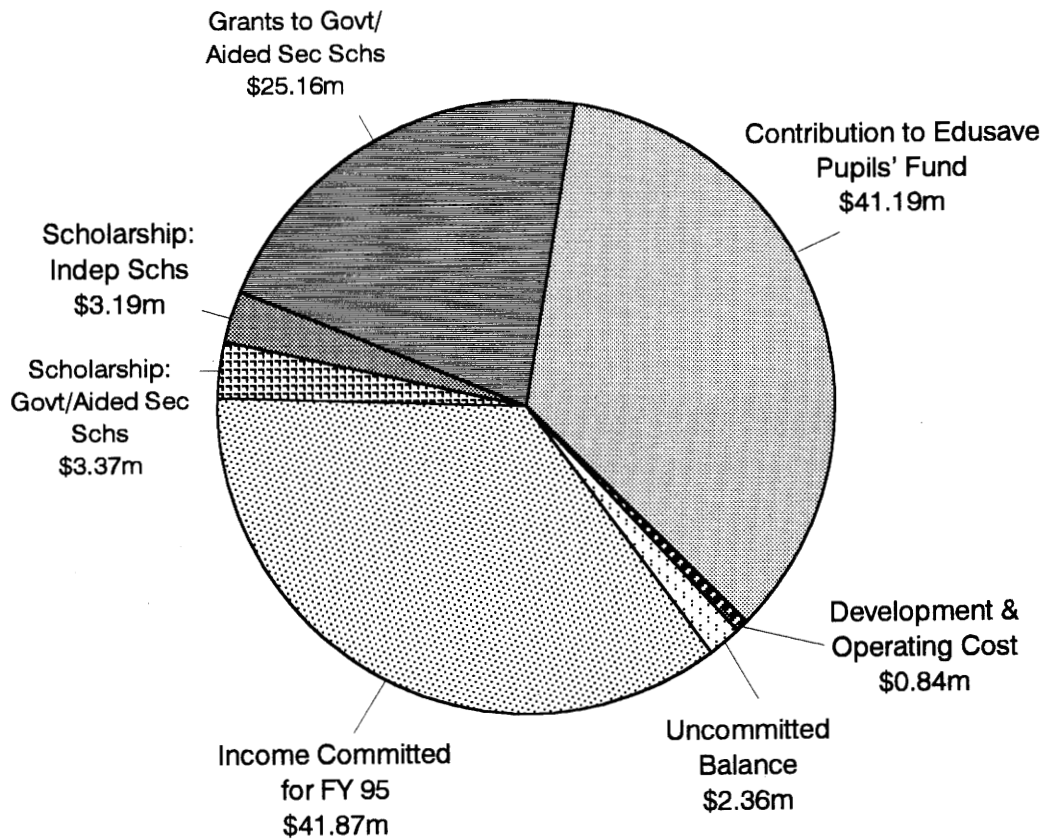
Of the total income of \$117.98m, \$73.75m was disbursed during the financial year. The bulk of the disbursement, amounting to \$41.19m (55.9%), was paid into the Edusave accounts of eligible pupils. Another \$25.16m (34.1%) was disbursed as Edusave grants to Government and Government-aided secondary schools. A sum of \$3.19m (4.3%) 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 \$3.37m (4.6%) worth of scholarships was given out under the Edusave Scholarships for Secondary Schools Scheme. Systems development and operating expenses of the Edusave Endowment Fund and Edusave Pupils Fund accounted for \$0.84m (1.1%). The balance of the income as at 31 March 95 was \$44.23m. Of this, \$41.87m was committed for FY 95, leaving an uncommitted balance of \$2.36m.

The chart below shows the allocation of Edusave income during the financial year.

ACCUMULATED BALANCE

As at 31 March 1995, the balance in the Edusave Endowment Fund was \$3.54 billion, comprising \$3.5 billion in the Capital Account and \$44.23m in the Income Account.

ALLOCATION OF INCOME FROM EDUSAVE ENDOWMENT FUND



Total Available Income = \$117.98m

EDUSAVE PUPILS FUND

CONTRIBUTIONS IN 1995

The Edusave Pupils Fund comprises Edusave funds which are paid into the Edusave accounts of eligible pupils. In 1995, the contribution rate is \$110. During the financial year, \$40.99m was paid into the accounts of 372,600 pupils in the primary and secondary schools, and \$0.20m was paid into the accounts of 2,000 pupils in the Institute of Technical Education. The total contributions amounted to \$41.19m in FY 94.

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.

Some polytechnic students used their Edusave funds to pay for their tuition fees in FY 94. Eventually, university students who have accumulated Edusave funds will also be able to use these funds to pay their university tuition fees.

ANALYSIS OF WITHDRAWALS

A total of \$3.69m was withdrawn from 95,000 Edusave accounts in FY 94. The bulk of the withdrawals amounting to \$3.66m were by some 94,400 pupils in the primary and secondary schools, representing a pupil participation rate of 25.3% and a fund utilisation rate of 8.9%. The withdrawals have increased compared to the previous financial period which had a pupil participation rate and fund utilisation rate of 17.5% and 2.6% respectively. Trainees in the Institute of Technical Education (ITE) withdrew a small sum of \$4,360 during the period. Withdrawals for polytechnic tuition fees amounted to \$25,000.

Of the \$3.66m withdrawn by school pupils, \$0.77m (21.1%) was for payment of second-tier miscellaneous fees, and the remaining \$2.89m (78.9%) was for enrichment programmes. Please see Table 1.

TABLE 1: ANALYSIS OF WITHDRAWALS BY PUPILS IN SCHOOLS

	Primary	Secondary	Total
<u>Pupil participation Rate</u>			
Total No. of accounts	231,900	140,700	372,600
Total No. of accounts with withdrawals			
2nd-tier misc fees only	22,200	9,800	32,000
Enrichment & ECA only	8,700	41,000	49,700
Both	2,400	10,300	12,700
	33,300	61,100	94,400
Participation rate	14.4%	43.4%	25.3%
<u>Analysis of Amount Withdrawn</u>	\$	\$	\$
2nd-tier misc fees	380,200	393,400	773,600
Enrichment & ECA	563,000	2,328,800	2,891,800
Total amount withdrawn	943,200	2,722,200	3,665,400
Total contribution	25,509,000	15,477,000	40,986,000
Utilisation rate	3.7%	17.6%	8.9%

Of the \$2.89m withdrawn for enrichment programmes, \$0.83m (28.8%) was spent on personal development programmes, \$0.54m (18.5%) on educational tours and camps, \$1.08m (37.5%) on academic enrichment programmes, \$0.14m (4.7%) on sports and games and the remaining \$0.30m (10.5%) on aesthetic activities. Details are in Table 2.

TABLE 2: BREAKDOWN OF EDUSAVE FUNDS WITHDRAWN FOR ENRICHMENT PROGRAMMES

	Primary	Secondary	Total
	\$	\$	\$
Personal development programmes	34,800	797,600	832,400
Educational tours/camps	92,200	444,000	536,200
Academic enrichment programmes	321,600	762,700	1,084,300
Sports and games	72,300	63,800	136,100
Aesthetic programmes	42,100	260,700	302,800
Total	563,000	2,328,800	2,891,800

During the financial year, 339 schools out of a total of 349 schools (97.1%), had pupils who use their Edusave accounts. Please see Table 3.

TABLE 3: NUMBER OF SCHOOLS WITH WITHDRAWALS FROM EDUSAVE ACCOUNTS

	Primary	Secondary	Total
<u>Number of schools with withdrawals for:</u>			
2nd-tier misc. fees only	160	0	160
Enrichment programmes only	2	1	3
Both	27	149	176
No of schools with withdrawals	189	150	339
Total number of schools	198	151	349
Participation rate	95.4%	99.3%	97.1%

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 a maximum of \$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 payment of each ESIS award 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

Under the Edusave Endowment Scheme (Edusave Scholarships) Regulations the scholarship award of pupils in the special programmes, ie the Gifted Education Programme, Music Elective Programme and Art Elective Programme, would 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.

1995 ESIS AWARDS

In 1995, 820 scholarships were awarded to secondary one pupils, an increase of 14 scholarships (2%) over the 806 scholarships awarded in 1994. Of these, 675 scholarships, amounting to \$1.02m were funded from Edusave funds while the remaining 145 were funded from Voted Fund. Another \$2.05m was also disbursed to the 648 scholars in secondary two and 642 scholars in secondary three during the financial year.

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. The 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.

1994 YEARLY AWARDS

In Dec 1994, 45 secondary one pupils and 62 secondary two pupils in the independent schools were given the Yearly Awards, amounting to \$120,270.

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.

1994 ESSS AWARDS

The scholarships were awarded and paid out to secondary one and two pupils in December 1994. The awardees were selected from the different academic courses (Normal/Express/Special) by their Principals.

A total of 8,454 secondary one and two pupils were awarded the scholarships. Among these, 5,100 awards went to secondary one pupils and 3,354 to secondary two pupils. Of the 3,354 secondary two pupils, 1,875 had received the award when they were in secondary one. Out of the total number of awardees, 4,153 pupils received the \$500 award and 4,301 pupils, the \$300 award. The total amount paid out was \$3.37m. Details can be found in Table 4.

TABLE 4: DISTRIBUTION OF 1994 ESSS AWARDEES BY TYPE OF AWARD

Type of Award \$	No of Awardees		Total	Amount Paid \$
	Sec 1	Sec 2		
500	2,510	1,643	4,153	2,076,500
300	2,590	1,711	4,301	1,290,300
Total	5,100	3,354	8,454	3,366,800

The breakdown of the awards by course shows that 3,334 (40%) awardees were from the Normal Course, 4,734 (56%) from the Express Course and 386 (4%) from the Special Course. Details are shown in Table 5.

TABLE 5: DISTRIBUTION OF 1994 ESSS AWARDEES BY COURSE

Course	No. of Awardees				Total	
	Sec 1		Sec 2			
Normal	2,234	(44%)	1,100	(33%)	3,334	(40%)
Express	2,667	(52%)	2,067	(62%)	4,734	(56%)
Special	199	(4%)	187	(5%)	386	(4%)
Total	5,100	(100%)	3,354	(100%)	8,454	(100%)
Amount Paid	\$2,032,000		\$1,334,800		\$3,366,800	

On the whole, the distribution of the awards among the three courses was fairly even. The awards were given to 9% of the Normal Course pupils, 11% of the Express Course pupils and 11% of the Special Course pupils. Principals have rewarded not only the bright pupils in the Special and Express Courses, but also those in the Normal Course to motivate all pupils to put in their best effort in their studies. Details are shown in Table 6.

TABLE 6: PERCENTAGE OF 1994 ESSS AWARDEES AS A PROPORTION OF COURSE ENROLMENT

Course	% of Course		Total
	Sec 1	Sec 2	
Normal	9%	9%	9%
Express	11%	10%	11%
Special	11%	12%	11%
Total	10%	10%	10%

EDUSAVE GRANTS FOR SECONDARY SCHOOLS

AMOUNT DISBURSED

Edusave grants are given to all Government and Government-aided 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, which works out to an average annual grant of about \$100,000 per school.

A total of 143 Government and Government-aided secondary schools were allocated Edusave grants in FY 94. The amount allocated for the financial year ending 31 March 1995 was \$14.67m.

The Edusave grants were operated under the imprest system till December 1994. The amount reimbursed to the schools' imprests was \$11.52m. From 1995 onwards, the schools' allocation for the year would be disbursed to them in two instalments in January and July each year. The first half-yearly release for 1995 was \$7.56m. In addition, the balance of unspent grants brought forward from 1993 and 1994, amounting to \$6.08m, was also released to schools in March 1995. In total, the amount of Edusave grants disbursed to schools during the financial year was \$25.16m.

UTILISATION OF GRANTS

Of the allocation of \$14.67m for FY 94, \$11.14m was spent by the schools, representing 75.9% of the grant allocation. This was an increase compared to 62.1% in the previous financial period. Of the total amount spent, \$3.23m (29.0%) was for the purchase of resources and equipment and \$6.62m (59.4%) on enrichment programmes. About \$0.64m (5.8%) was used for administrative support services while the remaining \$0.65m (5.8%) was spent on miscellaneous items. On the whole, schools have used their Edusave grants well. Table 7 shows a breakdown of the major categories of expenditure.

TABLE 7: BREAKDOWN ON THE USE OF EDUSAVE GRANTS

Categories of expenditure	\$m	%
Resources and equipment	3.23	29.0
Enrichment programmes	6.62	59.4
Administrative support services	0.64	5.8
Miscellaneous items	0.65	5.8
Total	11.14	100.0

To assist schools in sourcing for enrichment programmes, the Ministry has worked in collaboration with the Singapore Teachers' Union (STU) to develop a good supply of enrichment programmes that are of reasonable quality and give value-for-money. With the assistance of STU, schools will have a wider choice of good enrichment programmes starting from 1995.

During the financial year, 112 (78%) out of the total of 143 secondary schools, had spent more than 50% of their grant allocation. Table 8 shows the percentage of Edusave Grant spent by schools in FY 94.

TABLE 8 : PERCENTAGE OF EDUSAVE GRANTS SPENT BY SCHOOLS

Percentage of grant spent	Schools	Proportion
up to 25%	6	4%
26% to 50%	25	18%
51% to 75%	46	32%
76% to 100%	43	30%
above 100% *	23	16%
Total	143	100%

Note: * Unspent balances brought forward were utilised.

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

FOR THE YEAR ENDED 31 MARCH 1995

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 year ended 31 March 1995 and the balance held by the Accountant-General as at 31 March 1995, 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 for the year ended 31 March 1995 were in accordance with the provisions of the Act.




Foo, Kon & Tan
Certified Public Accountants
Singapore

29 AUG 1995

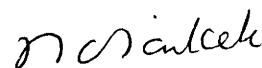
**EDUSAVE ENDOWMENT FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1995**

	<u>Notes</u>	1.4.94 to 31.3.95 S\$	1.1.93 to 31.3.94 S\$
Receipts:			
Capital contributions from			
Consolidated Revenue Account	4	1,000,000,000	2,500,000,000
Income:			
Interest income	5	80,432,598	57,640,543
Grants from Government		-	50,600,000
		80,432,598	108,240,543
Less:			
Disbursements:			
Contributions to Edusave Pupils Fund	6	41,189,170	53,591,400
Edusave Scholarships	7	6,561,497	4,330,756
Grants to Government and Government-Aided Schools	8	25,157,898	10,057,419
Administrative expenses:			
Edusave Endowment Fund	9	372,690	418,254
Edusave Pupils Fund	10	470,934	2,295,035
		73,752,189	70,692,864
Surplus for the year/period		6,680,409	37,547,679
Accumulated balance at beginning		2,537,547,679	-
Accumulated balance at end	11	3,544,228,088	2,537,547,679
Represented by:			
Balance held by the Accountant-General	12	3,543,959,829	2,537,242,714
Advance held by CPF Board	10	268,259	304,965
Total Balance		3,544,228,088	2,537,547,679

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 YEAR

The accounting year is based on the Government financial year from 1 April 1994 to 31 March 1995.

4 CAPITAL CONTRIBUTIONS

	1.4.94 to 31.3.95 \$	1.1.93 to 31.3.94 \$
Initial contribution	-	1,000,000,000
Contributions during the year/period	1,000,000,000	1,500,000,000
	<u>1,000,000,000</u>	<u>2,500,000,000</u>

5 INCOME

The CPF interest rate is used to compute the interest income of the Fund. The rate was 2.50% pa from 1 April 1994 to 31 December 1994 and 3.10% pa from 1 January 1995 to 31 March 1995.

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 is to be spent on enrichment programmes organised by the schools, second-tier miscellaneous fees and other approved fees. The rate of contribution to each account was \$100 in 1994 and \$110 in 1995. The contributions for the past years were as follows :-

<u>Year of Contribution</u>	<u>Rate</u>	1.4.94 to 31.3.95	1.1.93 to 31.3.94
1993	\$ 50	\$ -	\$ 17,671,100
1994	\$100	207,900	35,920,300
1995	\$110	40,981,270	-
		<u>41,189,170</u>	<u>53,591,400</u>

7 EDUSAVE SCHOLARSHIPS

	1.4.94 to 31.3.95	1.1.93 to 31.3.94
For Independent Schools	\$ 3,194,697	\$ 2,998,656
For Secondary Schools	3,366,800	1,332,100
	<u>6,561,497</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 the ESIS. These scholarships cover their school fees less the school and standard miscellaneous fees in Government and Government-aided secondary schools throughout their four-year secondary education in the independent schools. Pupils from secondary one to three were paid the scholarship award in January/February 1995. In addition, the top 5% pupils based on the school examination results who are not in receipt of the four-year ESIS, would receive the Yearly Award at the end of each year. The Yearly Awards were paid to both secondary one and two pupils at the end of 1994.

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 of each level in the Government and Government-aided secondary schools based on their examination results for that year. Scholarship awards for both secondary one and two pupils were paid at the end of 1994.

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 grants were operated under an imprest system up to December 1994. From 1995 onwards, grants would be released to schools in two instalments in January and July each year. The \$25,157,898 and \$10,057,419 disbursed to schools in FY 94 and FY 93 respectively comprised the following:

	1.4.94 to 31.3.95	1.1.93 to 31.3.94
Reimbursement of schools' imprests	\$11,518,662	\$10,057,419
Allocation for first half of 1995	\$ 7,558,700	–
Release of unspent grants brought forward from 1993 and 1994	\$ 6,080,536	–
	<u>\$25,157,898</u>	<u>\$10,057,419</u>

The quantum of grants spent by schools in FY 94 was \$11,137,087 (FY 93: \$9,931,857).

9 **ADMINISTRATIVE EXPENSES OF EDUSAVE ENDOWMENT FUND**

	1.4.94 to 31.3.95	1.1.93 to 31.3.94
<u>DEVELOPMENT COST</u>	\$	\$
Computer services manpower cost	–	71,640
Edusave Unit manpower cost	–	33,137
Total development cost	<u>–</u>	<u>104,777</u>
<u>OPERATING COST</u>		
Computer Services manpower cost	250,250	139,230
Edusave Unit manpower cost	85,892	12,213
Printing and stationery	3,069	141,124
Audit charges	19,842	–
Key-punching services	8,677	6,202
Edusave briefings & seminars	3,785	–
Purchase of personal computers	–	14,411
General expenses	1,175	297
Total operating cost	<u>372,690</u>	<u>313,477</u>
Total cost for the year/period	<u>372,690</u>	<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. An advance is paid to CPF Board to meet these administrative expenses. The balance of the advance brought forward from the previous financial period was \$304,965. An advance of \$434,228 was disbursed to CPF Board in FY 94. The expenses billed by CPF Board for FY 94 was \$470,934 as shown below, leaving a balance of \$268,259 in the advance account. The comparative figures for FY 93 have been re-presented to conform with the FY 94 presentation.

	1.4.94 to 31.3.95 \$	1.1.93 to 31.3.94 \$
<u>DEVELOPMENT COST</u>		
System development:		
Computer services manpower cost	74,250	1,042,130
Computer processing charges	28,949	173,442
Purchase of personal computers and PC software	—	44,837
	<u>103,199</u>	<u>1,260,409</u>
Administrative support:		
Manpower cost	—	122,619
General expenses	—	4,391
	<u>—</u>	<u>127,010</u>
Total development cost	<u>103,199</u>	<u>1,387,419</u>
<u>OPERATING COST</u>		
Computer services:		
Computer services manpower cost	33,860	340,310
Computer processing charges	130,587	336,470
	<u>164,447</u>	<u>676,780</u>
Administrative support:		
Manpower cost	83,407	108,627
Postage and courier	81,632	66,916
Printing and stationery	3,979	29,292
Contract services	15,376	12,546
General expenses	2,611	6,100
Audit charges	—	4,400
Software and equipment maintenance	2,566	2,955
	<u>189,571</u>	<u>230,836</u>
Total operating cost	<u>354,018</u>	<u>907,616</u>

	1.4.94 to 31.3.95 \$	1.1.93 to 31.3.94 \$
Total development and operating cost	457,217	2,295,035
GST of 3%	13,717	—
Total cost for the year/period	470,934	2,295,035
Less: Balance brought forward	304,965	—
Add: Balance carried forward	268,259	304,965
Advance to CPF Board	434,228	2,600,000

11 ACCUMULATED BALANCE AT END

The accumulated balance of \$3,544,228,088 comprises \$3,500,000,000 in the Capital Account and \$44,228,088 in the Income Account. Of the balance in the Income Account, \$41,865,895 was committed for disbursements in FY 95, leaving an uncommitted balance of \$2,362,193.

12 BALANCE HELD BY ACCOUNTANT-GENERAL

In accordance with section 3 of the Education Endowment Scheme Act (CAP 87A), the balance was 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 1 January 1993. Hence the comparative figures for the first set of accounts covered the 15-month period from 1 January 1993 to 31 March 1994. Certain comparative figures have been re-classified to conform with current year's presentation.

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

FOR THE YEAR ENDED 31 MARCH 1995

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 year ended 31 March 1995 and the balance with financial institutions; 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 for the year ended 31 March 1995 were in accordance with the provisions of the Act.



Foo, Kon & Tan
Certified Public Accountants
Singapore

29 AUG 1995

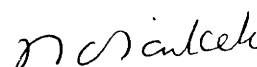
**EDUSAVE PUPILS FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1995**

	<u>Notes</u>	1.4.94 to 31.3.95 \$	1.1.93 to 31.3.94 \$
Income from:			
Deposits with the Monetary Authority of Singapore		150,609	320,618
Balances with commercial banks:			
Fixed Deposits		1,571,341	187,693
Overnight Deposits		25,898	4,350
Current Account		2,107	3,950
		1,749,955	516,611
Less:			
Interest credited to members' accounts	4	1,193,907	393,790
		556,048	122,821
Edusave contributions from the Edusave Endowment Fund		41,189,170	53,591,400
Interest credited to members' accounts		1,193,907	393,790
		42,383,077	53,985,190
Less:			
Withdrawals for Educational Programmes	5	3,694,742	1,400,703
		38,688,335	52,584,487
Surplus for the year/period		39,244,383	52,707,308
Accumulated balance at beginning		52,707,308	-
Accumulated balance at end		91,951,691	52,707,308
Represented by:			
Deposits with the Monetary Authority of Singapore		80,800,000	-
Balances with commercial banks:			
Fixed Deposits		11,000,000	51,600,000
Overnight Deposits		-	1,000,000
Cash at Bank		151,691	107,308
		91,951,691	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 withdrawn and 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 ACCOUNTING YEAR

The accounting year is based on the Government financial year from 1 April 1994 to 31 March 1995.

4 INTEREST CREDITED TO MEMBERS' ACCOUNTS

Interest credited to members' accounts was based on the CPF interest rate of 2.50% pa from 1 April 1994 to 31 December 1994 and 3.10% pa from 1 January 1995 to 31 March 1995.

5 WITHDRAWALS FOR EDUCATIONAL PROGRAMMES

	1.4.94 to 31.3.95 \$	1.1.93 to 31.3.94 \$
Second-tier miscellaneous fees	773,613	658,668
Enrichment programmes:		
Schools	2,891,823	740,400
Institute of Technical Education	4,360	1,635
	2,896,183	742,035
Tuition Fees For Tertiary Institutions	24,946	-
	3,694,742	1,400,703

6 COMPARATIVE FIGURES

The Edusave Pupils Fund was established on 1 January 1993. Hence the comparative figures for the first set of accounts covered the 15-month period from 1 January 1993 to 31 March 1994.

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 which was appointed on 1 January 1993, had completed its two-year term on 31 December 1994. The members who served in the first Council were as follows:

- 1) Mr Hsieh Fu Hua (Chairman)
Managing Director, PrimeEast Capital Group Pte Ltd;
- 2) Mr Keith Tay
Chairman, UTG Holdings Pte Ltd and
Deputy Chairman, Asia Quest Associates Pte Ltd;
- 3) Mrs Goh Hwee Choo
Principal, Deyi Secondary School; and
- 4) Mrs Salmah Yunos
Principal, Eunoz Primary School.

Mrs Yunos stepped down from the Council in September 1994 when she retired from the Education Service.

The second Edusave Advisory Council was appointed on 1 January 1995 for a period of two years. It consists of five members who are prominent businessmen and experienced educationists. They are as follows:

- 1) Mr Keith Tay (Chairman)
Chairman, UTG Holdings Pte Ltd and
Deputy Chairman, Asia Quest Associates Pte Ltd;
- 2) Mr Ong Lay Khiam
Executive Vice-President, Tat Lee Bank Ltd;
- 3) Professor S. Gopinathan
Dean, School of Education and
Head, Centre of Applied Research in Education,
National Institute of Education;
- 4) Mrs Goh Hwee Choo
Principal, Deyi Secondary School; and
- 5) Mr Chia Boon Chai
Principal, Temasek Primary School.