

EDUCATION ENDOWMENT SCHEME

ANNUAL REPORT

FOR FINANCIAL YEAR 1995/96

S. 40 of 1996

**Presented to Parliament pursuant to Statute.
Ordered by Parliament to lie upon the Table:**

10 September 1996



MINISTRY OF EDUCATION

**EDUCATION ENDOWMENT SCHEME
ANNUAL REPORT FOR FINANCIAL YEAR 1995/96**

CONTENTS

	PAGE
1 OVERVIEW	1
2 EDUSAVE ENDOWMENT FUND	4
Transfers from Consolidated Revenue Account	
Income from the Edusave Endowment Fund	
Allocation of Income	
Balance as at 31 March 1996	
3 EDUSAVE PUPILS FUND	6
Contributions in 1996	
Approved uses	
Analysis of withdrawals	
Administration of Edusave Pupils Fund	
4 EDUSAVE GRANTS	9
Amount allocated	
Amount disbursed	
Utilisation of grants	
5 EDUSAVE ENTRANCE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS (EESIS)	11
Value and tenure of award	
EESIS for pupils in special programmes	
1996 EESIS awards	
Edusave (Independent Schools) Yearly Awards	
1995 Yearly Awards	
6 EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED SECONDARY SCHOOLS (ESSS)	13
1995 ESSS Awards	
7 EDUSAVE MERIT BURSARIES	14
1995 EMB Awards	

8	REPORT ON THE AUDIT OF THE ACCOUNTS OF THE EDUSAVE ENDOWMENT FUND	16
9	STATEMENT OF RECEIPTS AND PAYMENTS OF THE EDUSAVE ENDOWMENT FUND	17
10	EDUSAVE ENDOWMENT FUND NOTES TO ACCOUNTS	18
11	REPORT ON THE AUDIT OF THE ACCOUNTS OF THE EDUSAVE PUPILS FUND	22
12	STATEMENT OF RECEIPTS AND PAYMENTS OF THE EDUSAVE PUPILS FUND	23
13	EDUSAVE PUPILS FUND NOTES TO ACCOUNTS	24

CHART 1:	Disbursements of income from Edusave Endowment Fund	5
----------	---	---

TABLES

Table 1	Analysis of withdrawals by pupils in schools	7
Table 2	Breakdown of Edusave funds withdrawn for enrichment programmes	7
Table 3	Number of schools with withdrawals from Edusave accounts	8
Table 4	Breakdown on the use of Edusave Grants	10
Table 5	Percentage of Edusave Grants spent by schools	10
Table 6	Distribution of 1995 ESSS awardees	13
Table 7	Number of EMB awards by stream	15
ANNEX :	Edusave Advisory Council	25

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.

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 current Edusave Advisory Council, consisting of five members from the business and education sectors, was appointed on 1 January 1995 for a two-year term.

The Edusave Endowment Fund received a Government contribution of \$0.5 billion from the Consolidated Revenue Account during the financial year (FY 95). 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 1996 was \$4.0 billion. The Government's target is to build up the Capital sum to \$5.0 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 \$144.53m. With the income brought forward of \$44.23m, the total income available in the Income Account for FY 95 amounted to \$188.76m.

Of this amount, \$93.84m was disbursed during the financial year in the form of contributions to pupils' Edusave accounts, grants to Government and Government-aided schools, Edusave merit bursaries, Edusave scholarships and development and operating expenditures, and \$47.10m was committed for disbursement in 1996. The balance of \$47.82m was set aside for allocation in 1997.

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 \$110 in 1995 and \$130 in 1996. The total contributions disbursed in the financial year was \$49.91m. During the financial year, a total of \$7.18m was

withdrawn for payment of second-tier miscellaneous fees, school-based enrichment programmes and payment of tuition fees at the polytechnics. This is almost double that of the \$3.69m withdrawn in the previous financial year. In the primary, secondary and Pre-U levels, 138,700 pupils out of 415,700 made withdrawals from their Edusave accounts, representing a pupil participation rate of 33.4%, compared to 25.3% in the previous financial year.

In addition to the Edusave funds paid into the pupils' accounts, an Edusave grant of \$90 per pupil 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. From 1996, Edusave grants are extended to all primary schools at \$50 per pupil. Of the allocation of \$18.66m for the financial year, \$13.93m was spent, representing a utilisation rate of 74.7%.

The Edusave Scheme is extended to disabled pupils in Government-supported special education schools in 1996 with a contribution of \$130 into the Edusave accounts of eligible pupils and a grant to special education schools pegged at \$50 per pupil. The funds will be disbursed in August 1996.

The total value of Edusave scholarships awarded to pupils in independent schools and Government and Government-aided secondary schools during the financial year was \$10.42m.

Under the Edusave Entrance Scholarships for Independent Schools (EESIS) 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 fees of each independent school less the school and standard miscellaneous fees in a Government or Government-aided secondary school. In January 1996, 905 scholarships were awarded to secondary one pupils. Of these, 710 were funded from Edusave funds and the remaining 195 from Voted Funds under the special programmes, ie Gifted Education Programme, Music Elective Programme and Art Elective Programme. In addition, 205 secondary 1 to 4 pupils were also awarded the Edusave (Independent Schools) Yearly Award in December 1995. The annual award is given to the top 5% of pupils in each independent school based on the school examination results, and who are not EESIS holders. The total value of scholarships paid to independent school pupils from Edusave funds was \$4.39m.

For pupils in the Government and Government-aided secondary schools, 15,175 scholarships were awarded to secondary 1 to 5 pupils in December 1995 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 \$6.03m.

The Edusave Merit Bursaries (EMB) Scheme was introduced in 1995 to motivate pupils from the low and lower-middle income families to do better in schools. Singaporean pupils in all primary and secondary schools who are within the top 25% of each level and stream and whose gross monthly household income is below \$3,000 are eligible to apply for the bursary. The value of the EMB is \$150 for primary 1 to 3, \$200 for primary 4 to 6 and \$250 for secondary 1 to 5. Secondary pupils who have been awarded Edusave Scholarships are not eligible for the EMB. In 1995, a total of 47,744 pupils were awarded the bursaries, representing 11.6% of all Singaporean pupils in primary and secondary schools. A sum of \$9.64m was disbursed to Peoples Association for the payment of the EMB awards.

The development and operating cost of the Edusave Endowment Fund and Edusave Pupils Fund amounted to \$1.78m during the financial year.

As at 31 March 1996, the balance in the Edusave Endowment Fund was \$4.09 billion, including a balance of \$94.92m in the Income Account. Of this amount, \$47.10m was committed for disbursements in 1996, leaving a balance of \$47.82m for allocation in 1997.

EDUSAVE ENDOWMENT FUND

TRANSFERS FROM CONSOLIDATED REVENUE ACCOUNT

The Edusave Endowment Fund was created on 1 January 1993 by the transfer of funds from the Consolidated Revenue Account. The Government contributed an additional \$0.5 billion in FY 95 bringing the capital sum of the Fund to \$4.0 billion as at 31 March 1996. The Government's target is to build up the capital sum to \$5 billion.

INCOME FROM THE EDUSAVE ENDOWMENT FUND

The Edusave Endowment Fund is invested by the Government and earns a fixed interest income pegged to the CPF rate of interest. The interest earned each year is used to finance the outlay under the Edusave Scheme. The interest rate was 3.10% pa from 1 April to 30 June 1995, 3.82% pa from 1 July to 31 December 1995 and 3.52% pa from 1 January to 31 March 1996.

During the period under review, the Edusave Endowment Fund generated an interest income of \$144.53m. With the income brought forward of \$44.23m, the total income available was \$188.76m.

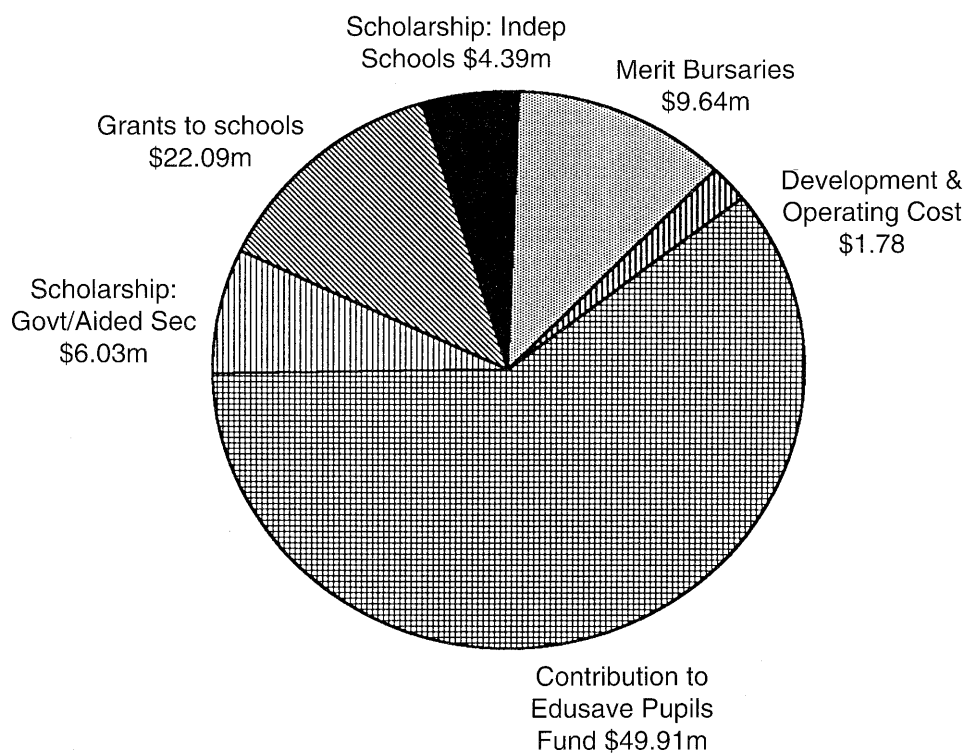
ALLOCATION OF INCOME

Of the total income of \$188.76m, \$93.84m was disbursed during the financial year as shown in the chart on the next page. Of the balance of \$94.92m, \$47.10m was committed for disbursement in 1996 leaving \$47.82m which was set aside for use in 1997.

BALANCE AS AT 31 MARCH 1996

As at 31 March 1996, the balance in the Edusave Endowment Fund was \$4.09 billion, comprising \$4 billion in the Capital Account and \$94.92m in the Income Account.

DISBURSEMENTS OF INCOME FROM EDUSAVE ENDOWMENT FUND



Total Income Disbursed = \$93.84m

EDUSAVE PUPILS FUND

CONTRIBUTIONS IN 1996

The Edusave Pupils Fund comprises Edusave funds which are paid into the Edusave accounts of eligible pupils. The contribution rates for 1995 and 1996 were \$110 and \$130 respectively. During the financial year, \$49.81m was paid into the accounts of 415,700 pupils in primary and secondary schools, and \$0.10m was paid into the accounts of 900 pupils in the Institute of Technical Education. The total contribution in FY 95 amounted to \$49.91m.

The Edusave Scheme is extended to disabled pupils in Government-supported special education schools in 1996. Eligible pupils will receive an Edusave contribution of \$130. The amount committed for disbursement in 1996 is \$0.43m.

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, the money can be used to pay the portion of school fees in excess of the dollar value of the school and standard miscellaneous fees of a Government or Government-aided secondary school. Pupils in autonomous schools can also use the fund to pay the autonomous school additional miscellaneous fees.

Polytechnic students can withdraw the accumulated balance in their Edusave funds to pay their polytechnic tuition fees. From academic year 1996/97, university students who have accumulated Edusave funds will also be able to use the money to pay their university tuition fees.

ANALYSIS OF WITHDRAWALS

A total of \$7.18m was withdrawn from the Edusave accounts in FY 95. The bulk of the withdrawals amounting to \$7.02m were made by 138,700 pupils in primary, secondary schools and junior colleges/ centralised institutes. This represents a pupil participation rate of 33.4% and a fund utilisation rate of 14.1%, an increase compared to rates of 25.3% and 8.9% respectively in the previous financial year. Trainees in the Institute of Technical Education (ITE) withdrew a small sum of \$1,900 while polytechnic students withdrew \$0.17m for payment of tuition fees.

Of the \$7.02m withdrawn by school pupils, \$0.95m (13.5%) was for payment of second-tier miscellaneous fees, and the remaining \$6.07m (86.5%) was for enrichment programmes. Please see Table 1.

TABLE 1: ANALYSIS OF WITHDRAWALS BY PUPILS IN SCHOOLS

	Primary	Secondary	JC/CI	Total
<u>Pupil Participation Rate</u>				
Total no. of accounts	238,900	162,600	14,200	415,700
Total no. of accounts with withdrawals				
2nd-tier misc fees only	19,900	15,900	500	36,300
Enrichment & ECA only	32,900	56,000	100	89,000
Both	4,800	8,600	0	13,400
Participation rate	57,600 24.1%	80,500 49.5%	600 4.2%	138,700 33.4%
<u>Analysis of Amount Withdrawn</u>	\$	\$	\$	\$
2nd-tier misc fees	436,700	500,100	10,100	946,900
Enrichment & ECA	2,342,300	3,722,000	6,400	6,070,700
Total amount withdrawn	2,779,000	4,222,100	16,500	7,017,600
Total contribution	31,057,000	18,752,200	-	49,809,200
Utilisation rate	8.9%	22.5%	-	14.1%

Note: Students in JC/CI do not receive Edusave contributions. Hence the amount withdrawn is from the accumulated balance in their Edusave accounts brought forward from secondary schools.

Of the \$6.07m withdrawn for enrichment programmes, \$3.14m (51.7%) was spent on academic enrichment programmes, \$1.17m(19.3%) on educational tours and camps, \$1.04m (17.1%) on personal development programmes, \$0.46m (7.6%) on aesthetic activities and \$0.26m (4.3%) on sports and games. Details are in Table 2.

TABLE 2: BREAKDOWN ON EDUSAVE FUNDS WITHDRAWN FOR ENRICHMENT PROGRAMMES

	Primary	Secondary	JC/CI	Total
	\$	\$	\$	\$
Personal development programmes	125,700	912,600	-	1,038,300
Educational tours/camps	356,000	817,000	-	1,173,000
Academic enrichment programmes	1,502,600	1,631,100	6,400	3,140,100
Sports and games	88,300	75,500	-	263,800
Aesthetic programmes	169,700	285,800	-	455,500
Total	2,342,300	3,722,000	6,400	6,070,700

The 138,700 pupils who made withdrawals during the financial year were spread over 357 schools, out of a total of 364 schools (98.1%). The 7 schools which did not have withdrawals were mainly new schools. Please see Table 3.

TABLE 3: NUMBER OF SCHOOLS WITH WITHDRAWALS FROM EDUSAVE ACCOUNTS

	Primary	Secondary	JC/CI	Total
<u>Number of schools with withdrawals for:</u>				
2nd-tier misc. fees only	124	66	16	206
Enrichment programmes only	1	4	-	5
Both	68	76	2	146
No. of schools with withdrawals	193	146	18	357
Total number of schools	197	149	18	364
Participation rate	98.0%	98.0%	100.0%	98.1%

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 GRANTS

AMOUNT ALLOCATED

Edusave grants are given to all Government and Government-aided schools to enable them to procure services and resources and introduce programmes that enhance the quality of teaching and learning. The grant for secondary schools is pegged at \$90 per pupil. Edusave grants were extended to all primary schools in January 1996, at the rate of \$50 per pupil.

The grant allocated for FY 95 was \$18.66m, comprising \$3.34m for 197 primary schools for the period January to March 1996, and \$15.32m for 141 secondary schools for the period April 1995 to March 1996.

Edusave grants will be extended to 15 special education schools in 1996 at the rate of \$50 per pupil. The amount committed for disbursement in 1996 is \$0.17m.

AMOUNT DISBURSED

The Edusave grants were disbursed to schools in two half-yearly instalments, in January and July each year. The total amount of Edusave grants disbursed to schools during the financial year was \$22.09m.

UTILISATION OF GRANTS

Of the allocation of \$18.66m for FY 95, the schools spent a total of \$13.93m, representing an overall utilisation rate of 74.7%. The utilisation rate for secondary schools had increased from 75.9% in FY 94 to 88.2% in FY 95.

The bulk of the expenditure of \$10.26m (73.7%) was on enrichment programmes, while the remaining \$3.67m (26.3%) was spent on resources and equipment. Table 4 shows a breakdown of the expenditure.

TABLE 4: BREAKDOWN ON THE USE OF EDUSAVE GRANTS

Categories of expenditure	Primary \$m	Secondary \$m	Total \$m
Resources and equipment	0.12	3.55	3.67
Enrichment programmes	0.30	9.96	10.26
Total Expenditure	0.42	13.51	13.93
Allocation for FY 95	3.34	15.32	18.66
% of allocation spent	12.6%	88.2%	74.7%

During the financial year, 121 (85.8%) secondary schools spent more than 50% of their grant allocation, compared to 78% of secondary schools in the previous financial period. For first quarter of 1996, 20 (10.2%) primary schools spent more than 25% of the grant allocation. Table 5 shows the percentage of Edusave Grant spent by primary and secondary schools in FY 95.

TABLE 5: PERCENTAGE OF EDUSAVE GRANTS SPENT BY SCHOOLS

Percentage of grant spent	Primary Schools	Secondary Schools
up to 25%	177	5
26% to 50%	15	15
51% to 75%	3	33
76% to 100%	1	44
above 100% *	1	44
Total	197	141

Note: *Unspent balances brought forward were utilised.

EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS

EDUSAVE ENTRANCE SCHOLARSHIP FOR INDEPENDENT SCHOOLS (EESIS)

VALUE AND TENURE OF AWARD

Under the Edusave Entrance Scholarship for Independent Schools (EESIS) Scheme, scholarships are awarded to pupils in the top 25% of secondary one (S1) Singaporean pupils enrolled in the independent schools and who are not in any of the Ministry's special programmes. Selection is based on the pupils' 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 value of each EESIS awarded therefore ranges from \$1,056 to \$2,256 per annum, depending on the school fees charged by the independent school. The scholarship is tenable for the full 4 years of the pupil's secondary education in the independent school.

EESIS FOR PUPILS IN SPECIAL PROGRAMMES

Under the Edusave Endowment Scheme (Edusave Scholarships) Regulations, the EESIS of pupils in the special programmes, ie the Gifted Education Programme, Music Elective Programme and Art Elective Programme, are funded from Voted Fund and not from Edusave Endowment Fund, because pupils in these special programmes are subsidised in their school fees from Voted Funds to the same value as the EESIS. This enables more pupils who are not in these special programmes to qualify for EESIS from Edusave Funds.

1996 EESIS AWARDS

In 1996, 905 scholarships were awarded to secondary one pupils, an increase of 85 scholarships (10%) over the 820 scholarships awarded in 1995. Of these, 710 scholarships, amounting to \$1.06m were funded from Edusave funds while the remaining 195 were funded from Voted Funds. During the financial year, another \$3.06m was disbursed from Edusave Funds to 1,811 scholars in secondary 2-4.

EDUSAVE (INDEPENDENT SCHOOLS) YEARLY AWARDS

In addition to the EESIS, pupils in independent schools may also be awarded the Edusave (Independent Schools) Yearly Award if they are among the top 5% pupils in each independent school and who are not already EESIS holders. The Yearly Awards are meant to reward pupils who were not selected for the 4-year EESIS 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 EESIS.

1995 YEARLY AWARDS

The Yearly Award was extended to all secondary levels in 1995. In December 1995, 205 secondary one to four pupils in the independent schools were given the Yearly Awards, amounting to \$0.27m.

EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED SECONDARY SCHOOLS

Singaporean pupils in the top 10% of each level in the 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% are awarded \$500 each while those in the next 5% receive \$300 each. School Principals are given the flexibility to select awardees from any stream (Normal/ Express/ Special) in each level. Selection is based on the annual academic performance.

1995 ESSS AWARDS

The ESSS was extended to all secondary levels in 1995. A total of 15,175 pupils in secondary 1 to 5 were awarded the ESSS. Of these, 7,368 pupils received the \$500 award and 7,807, the \$300 award. The total amount disbursed was \$6.03m.

The breakdown of the awards by stream shows that 6,265 (41%) awardees were from the Normal Stream, 8,056 (53%) from the Express Stream and 854 (6%) from the Special Stream. On the whole, 8.9% of the pupils in secondary schools were awarded the ESSS. This is slightly below the target of 10% because non-Singaporean pupils in the top 10% are not eligible for the scholarship. Please see Table 6.

TABLE 6 : DISTRIBUTION OF 1995 ESSS AWARDEES

Stream	Top 5% \$500	Next 5% \$300	Total	Awardees as % of pupils in stream
Normal	2,928	3,337	6,265	8.1%
Express	3,997	4,059	8,056	10.2%
Special	443	411	854	6.3%
Total	7,368	7,807	15,175	8.9%
Amount Paid	\$3,684,000	\$2,342,100	\$6,026,100	

Note: The percentage awarded (8.9%) is less than 10% because the top 10% includes non-Singaporeans who are not eligible for the scholarship.

EDUSAVE MERIT BURSARIES

The Edusave Merit Bursaries (EMB) Scheme was introduced in 1995 to help lower-middle and lower income Singaporeans level up by motivating their children to do better in schools. Singaporean pupils in all primary and secondary schools who are in the top 25% within each level and stream, and whose gross monthly household income is less than \$3,000, are eligible for the EMB awards.

The value of the yearly award is \$150 for Primary 1 to 3, \$200 for Primary 4 to 6 and \$250 for Secondary 1 to 5. Secondary pupils who receive the Edusave Scholarships for Secondary Schools (ESSS), Edusave Entrance Scholarship for Independent Schools (EESIS) and Edusave (Independent School) Yearly Awards (E(IS)YA) are not eligible for the EMB.

1995 EMB AWARDS

Based on 1995 year-end school examination results, 59,825 (24.5%) of Singaporean pupils in primary schools and 25,014 (14.9%) of those in secondary schools were invited to apply for the EMB awards. The top 10% of the secondary pupils who were awarded the Edusave Scholarships for Secondary Schools were not eligible for the bursaries. Of these, 31,054 (51.9%) of primary and 16,690 (66.5%) of secondary school pupils were awarded the bursaries. The awardees constituted 12.7% of Singaporean pupils in primary schools, and 9.9% of those in secondary schools. The total amount disbursed was \$9.63m. Details are shown in Table 7.

TABLE 7 : NUMBER OF EMB AWARDS BY STREAM

Level	Stream	No. of Singaporean pupils ¹	No. and (%) invited to apply	No. and (%) awarded	Amount paid ²
Primary 1-4	-	165,937	40,883 (24.6%)	20,179 (12.2%)	\$3,278,900
Primary 5-6	EM1	12,538	3,958 (31.6%)	1,796 (14.5%)	\$359,200
	EM2	54,928	13,427 (24.4%)	7,968 (14.5%)	\$1,593,600
	EM3	10,846	1,557 (14.4%)	1,111 (10.2%)	\$222,200
Sub-total: Primary		244,249	59,825 (24.5%)	31,054 (12.7%)	\$5,453,900
Secondary	Special/ Express	94,461	13,654 (14.5%)	8,251 (8.7%)	\$2,062,750
	Normal	73,623	11,360 (15.4%)	8,439 (11.5%)	\$2,109,750
Sub-total: Secondary		168,084	25,014 (14.9%)	16,690 (9.9%)	\$4,172,500
Total		412,333	84,839 (20.6%)	47,744 (11.6%)	\$9,626,400

¹ Enrolment as at 31 Oct 95.

² A sum of \$9,643,550 was disbursed to People' Association in Nov 1995 for the EMB awards, of which \$9,626,400 was disbursed to 47,744 pupils. The balance of \$17,150 was refunded to the Ministry in FY 96.

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

FOR THE YEAR ENDED 31 MARCH 1996

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 1996 and the balance held by the Accountant-General as at 31 March 1996, 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 1996 were in accordance with the provisions of the Act.

6 SEP 1996




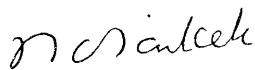
Foo, Kon & Tan
Certified Public Accountants
Singapore

**EDUSAVE ENDOWMENT FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1996**

	Note	FY95 S\$	FY94 S\$
Receipts:			
Capital contributions	4	500,000,000	1,000,000,000
Income:			
Interest income	5	144,531,273	80,432,598
		144,531,273	80,432,598
Less Disbursements:			
Edusave Pupils Fund:			
Contributions to Edusave accounts	6	49,911,389	41,189,170
Development Expenditure	7	158,892	106,295
Operating Expenditure	7	591,826	364,639
Edusave Scholarships	8	10,421,014	6,561,497
Edusave Merit Bursaries	9	9,643,550	-
Grants to Government and Government-Aided Schools	10	22,092,860	25,157,898
Edusave Endowment Fund:			
Development Expenditure	11	560,720	-
Operating Expenditure	11	463,775	372,690
		93,844,026	73,752,189
Surplus for the year		50,687,247	6,680,409
Accumulated balance at beginning		3,544,228,088	2,537,547,679
Accumulated balance at end	12	4,094,915,335	3,544,228,088
Represented by:			
Balance held by the Accountant-General	13	4,094,566,053	3,543,959,829
Advance held by CPF Board	7	349,282	268,259
Total		4,094,915,335	3,544,228,088

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:

- (i) the provision of contributions to the Edusave Pupils Fund;
- (ii) the provision of scholarships to full-time pupils at prescribed schools;
- (iii) the provision of grants to Government and Government-aided schools to be used to enhance the quality of education; and
- (iv) 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 1995 to 31 March 1996 (FY95).

4 CAPITAL CONTRIBUTIONS

	FY95	FY94
	\$	\$
Contributions from the Singapore		
Government Consolidated Revenue Account	500,000,000	1,000,000,000
	<u>500,000,000</u>	<u>1,000,000,000</u>

5 INCOME

The CPF interest rate is used to compute the interest income of the Fund. The rate was 3.10% pa from 1 April 1995 to 30 June 1995, 3.82% pa from 1 July 1995 to 31 December 1995. From 1 January 1996 to 31 March 1996, the rate was 3.52% pa.

6 CONTRIBUTIONS TO EDUSAVE PUPILS FUND

The rate of contribution to each account was \$110 in 1995 and \$130 in 1996. The total contributions disbursed in FY95 was \$49,921,550, and \$10,161 was recovered with interest from those who dropped out of schools, giving a net total contributions of \$49,911,389 in FY95.

7 **ADMINISTRATIVE EXPENSES OF EDUSAVE PUPILS FUND**

Charges by Central Provident Fund (CPF) Board for administering the Edusave Pupils Fund are paid out of the Edusave Endowment Fund in compliance with Section 17 of the Education Endowment Scheme Act (CAP 87A). An advance is paid to CPF Board to meet these administrative expenses. The balance of the advance brought forward from the previous financial year was \$268,259. An advance of \$831,741 was disbursed to CPF Board in FY 95. The expenses billed by CPF Board for FY 95 was \$750,718 as shown below, leaving a balance of \$349,282 in the advance account.

	FY95	FY94
	\$	\$
<u>DEVELOPMENT COST</u>		
System development:		
Computer services manpower cost	116,878	74,250
Computer processing charges	37,386	28,949
	<u>154,264</u>	<u>103,199</u>
Total development cost		
GST 3%	4,628	3,096
	<u>158,892</u>	<u>106,295</u>
<u>OPERATING COST</u>		
Computer services:		
Computer services manpower cost	34,905	33,860
Computer processing charges	303,123	130,587
	<u>338,028</u>	<u>164,447</u>
Administrative support:		
Manpower cost	100,850	83,407
Postage and courier	94,942	81,632
Printing and stationery	19,268	3,979
Contract services	17,677	15,376
Software and equipment maintenance	2,199	2,566
General expenses	1,624	2,611
	<u>236,560</u>	<u>189,571</u>
Total operating cost	574,588	354,018
GST 3%	17,238	10,621
	<u>591,826</u>	<u>364,639</u>
Total development & operating cost	<u>750,718</u>	<u>470,934</u>
Advance held by CPF Board brought forward	268,259	304,965
Add: Advance disbursed	831,741	434,228
	<u>1,100,000</u>	<u>739,193</u>
Less: Total development & operating cost	750,718	470,934
Advance held by CPF Board carried forward	<u>349,282</u>	<u>268,259</u>

8 **EDUSAVE SCHOLARSHIPS**

	FY95	FY94
	\$	\$
For Independent Schools	4,394,914	3,194,697
For Secondary Schools	6,026,100	3,366,800
	<u>10,421,014</u>	<u>6,561,497</u>

9 **EDUSAVE MERIT BURSARIES**

The Edusave Merit Bursaries Scheme was introduced in 1995. A sum of \$9,643,550 was disbursed to Peoples' Association for the payment of EMB awards, of which \$9,626,400 was disbursed to 47,744 pupils. The balance of \$17,150 was refunded to the Ministry in FY 96.

10 **GRANTS TO GOVERNMENT AND GOVERNMENT-AIDED SCHOOLS**

Secondary schools were given a grant at the rate of \$90 per pupil in 1995 and 1996. Grants were given to primary schools for the first time in January 1996, at the rate of \$50 per pupil. Since 1995, grants have been released to schools in two instalments in January and July each year.

	FY95	FY94
	\$	\$
Reimbursement of schools' imprests	—	11,518,662
Allocation for first half of 1995	—	7,558,700
Release of unspent grants brought forward from 1993 and 1994	—	6,080,536
Grants to primary schools (For January - June 1996)	6,680,800	—
Grants to secondary schools (For July to December 1995)	7,662,560	—
(For January to June 1996)	7,749,500	—
	<u>22,092,860</u>	<u>25,157,898</u>

11 **ADMINISTRATIVE EXPENSES OF EDUSAVE ENDOWMENT FUND**

	FY95	FY94
	\$	\$
<u>DEVELOPMENT COST</u>		
Upgrading of mainframe computer	560,720	—
<u>OPERATING COST</u>		
Computer services manpower cost	287,741	250,250
Edusave unit manpower cost	115,450	85,892
Printing and stationery	12,186	3,069
Audit fees	19,855	19,842
Key-punching services	18,523	8,677
General expenses	10,020	4,960
Total operating cost	463,775	372,690
Total development & operating cost	1,024,495	372,690

12 **ACCUMULATED BALANCE**

The accumulated balance of \$4,094,915,335 comprised \$4,000,000,000 in the Capital Account and \$94,915,335 in the Income Account. Of the balance in the Income Account, \$47,100,000 was committed for disbursement in 1996, leaving an uncommitted balance of \$47,815,335 to be used in 1997.

13 **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).

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

FOR THE YEAR ENDED 31 MARCH 1996

The accounts of the Edusave Pupils Fund have been examined in accordance with the provisions of the Education Endowment Schemem 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 1996 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 1996 were in accordance with the provisions of the Act.

6 SEP 1996




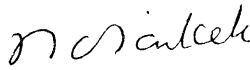
Foo, Kon & Tan
Certified Public Accountants
Singapore

**EDUSAVE PUPILS FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1996**

	<u>Note</u>	FY95 S\$	FY94 S\$
Income from :			
Deposits with Monetary Authority of Singapore		2,861,302	150,609
Balances with commercial banks:			
Fixed Deposits		65,411	1,571,341
Overnight Deposits		576	25,898
Current Account		4,468	2,107
Less:		2,931,757	1,749,955
Interest credited to members' accounts	4	2,958,263	1,193,907
		(26,506)	556,048
Edusave contributions from the Edusave Endowment Fund		49,911,389	41,189,170
Interest credited to members' accounts		2,958,263	1,193,907
		52,869,652	42,383,077
Less:			
Withdrawal of deceased members' balances		7,079	-
Withdrawals for educational programmes	5	7,184,879	3,694,742
		45,677,694	38,688,335
Surplus for the year		45,651,188	39,244,383
Accumulated balance at beginning		91,951,691	52,707,308
Accumulated balance at end		137,602,879	91,951,691
Represented by :			
Deposits with Monetary Authority of Singapore		137,500,000	80,800,000
Balances with commercial banks :			
Fixed Deposits		-	11,000,000
Overnight Deposits		-	-
Cash at Bank		102,879	151,691
		137,602,879	91,951,691

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 for use on enrichment programmes organised by schools, and payment of second-tier miscellaneous fees, tertiary tuition fees and other approved fees.

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 1995 to 31 March 1996 (FY95).

4 INTEREST CREDITED TO MEMBERS' ACCOUNTS

Interest credited to members' accounts was based on the CPF interest rate of 3.10% pa from 1 April 1995 to 30 June 1995, 3.82% pa from 1 July 1995 to 31 December 1995 and 3.52% pa from 1 January 1996 to 31 March 1996.

5 WITHDRAWALS FOR EDUCATIONAL PROGRAMMES

	FY95	FY94
	S\$	S\$
Second-tier miscellaneous fees	946,860	773,613
Enrichment programmes :		
Schools	6,070,704	2,891,823
Institute of Technical Education	1,940	4,360
	6,072,644	2,896,183
Tuition Fees For Tertiary Institutions	165,375	24,946
	7,184,879	3,694,742

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 current Edusave Advisory Council was appointed on 1 January 1995 for two years. It comprises five members who are prominent businessmen and experienced educationists. They are:

- 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) Assoc Professor S. Gopinathan
Dean, School of Education and
Head, Centre of Applied Research in Education,
National Institute of Education;
- 4) Mrs Goh Hwee Choo
Senior Inspector of Schools
- 5) Mr Chia Boon Chai
Principal, Temasek Primary School