

EDUCATION ENDOWMENT SCHEME

ANNUAL REPORT

FOR FINANCIAL YEAR 1996/97



MINISTRY OF EDUCATION

**EDUCATION ENDOWMENT SCHEME
ANNUAL REPORT FOR FINANCIAL YEAR 1996/97**

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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 second Edusave Advisory Council completed its two-year term on 31 December 1996. The third Edusave Advisory Council, consisting of five members from the business and education sectors, was appointed on 1 January 1997 for a two-year period.

The Edusave Endowment Fund received a Government contribution of \$0.5 billion from the Consolidated Revenue Account during the financial year (FY 96). 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 1997 was \$4.5 billion. The Government's target is to build up the capital sum to \$5.0 billion.

During the financial year, the Edusave Endowment Fund generated an interest income of \$160.03m. With the balance brought forward of \$94.92m, the total income available in the Income Account for FY 96 amounted to \$254.95m.

Of this amount, \$121.22m was disbursed during the period in the form of contributions to pupils' Edusave accounts, Edusave scholarships, Edusave grants, Edusave merit bursaries, Constituency Top-up bursaries and development and operating expenditures, and \$60.58m was committed for disbursement in 1997. The balance of \$73.15m was set aside for allocation in 1998.

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. In 1996, contributions are also made to Edusave accounts of eligible pupils in SPED schools. The contribution rate was \$160 in 1997 and \$130 in 1996. The total contributions disbursed in the financial year was \$63.53m. During the financial year, a total of \$14.98m was withdrawn for payment of 2nd-tier miscellaneous fees, school-based enrichment programmes and payment of tuition fees at the polytechnics and universities. This is almost double that of the \$7.18m withdrawn in the previous financial year. In the primary, secondary and Pre-U levels, 168,710 pupils out of 430,700 made withdrawals from their Edusave accounts, representing a pupil participation rate of 39.2%, compared to 33.4% in the previous financial year.

In addition to the Edusave funds in the pupils' accounts, Edusave grants were also allocated to all Government and Government-aided primary and secondary schools during the year to enable them to procure services and resources and introduce programmes that enhance the quality of teaching and learning. In 1996, SPED schools were also given Edusave grants pegged at \$50 per pupil. Edusave grants are further extended to independent schools, junior colleges/centralised institutes (JCs/CIs) and Institutes of Technical Education (ITE) at \$90, \$120, and \$100 per pupil respectively in 1997. Of the allocation of \$30.58m for the financial year, \$24.21m was spent, representing a utilisation rate of 79.2%.

The total value of Edusave scholarships awarded to pupils in primary, independent schools and Government and Government-aided secondary schools during the financial year was \$12.92m.

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 the Government and Government-aided secondary schools. In January 1997, 836 scholarships were awarded to secondary one pupils. Of these 655 were funded from Edusave funds and the remaining 181 from Voted Funds under the special programmes, ie Gifted Education Programme, Music Elective Programme and Art Elective Programme. In addition, 143 secondary one to four pupils were also awarded the Edusave (Independent Schools) Yearly Award in December 1996. This 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 \$4.32m.

For pupils in the Government and Government-aided secondary schools, 15,872 scholarships were awarded to secondary one to five pupils in December 1996 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 \$6.40m.

From 1996, scholarships are also awarded to the top 10% of pupils in primary 5 and 6 under the Edusave Scholarship for Primary School (ESPS) Scheme. Under the scheme, the top 5% of pupils in primary 5 and 6 received \$300 each while the next 5% of pupils received \$250 each. These scholarships amounted to \$2.19m.

Edusave Merit Bursaries (EMB) Scheme was introduced in 1995 to motivate pupils from the lower-middle and lower 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 \$3000 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. Pupils who have been awarded Edusave Scholarships are not eligible for the EMB.

In 1996, EMB was extended to students in JCs/CIs and ITE to give bright students from lower-middle and lower income families an incentive to perform well. The value of the EMB is \$300 for JCs/CIs and \$400 for ITE. Pupils who received MOE scholarships (Humanities, Pre-U or Language Elective Scholarships) are not eligible for the EMB.

In 1996, a total of 51,366 pupils were awarded the bursaries, representing 10.6% of total enrolment in primary and secondary schools, JCs/CIs and ITE. A sum of \$10.80m was disbursed by the People's Association for these awards.

In addition, Government has also pledged a dollar-for-dollar matching grant for constituency bursaries paid to pupils in schools and trainees in ITE in 1995 under the Constituency Top-up Bursary Scheme. The Constituency Top-up Bursary Scheme provides for a top-up from the Edusave Endowment Fund in the ratio of 1:1 to each Citizens' Consultative Committee (CCCs) subject to a cap of 10% of the total value of the EMB awarded in the previous year. A sum of \$0.48m was disbursed in FY96.

The development and operating cost of the Edusave Endowment Fund and Edusave Pupils Fund amounted to \$1.49m during the financial year.

As at 31 March 1997, the balance in the Edusave Endowment Fund was \$4.63 billion, including a balance of \$133.73m in the Income Account. Of this amount, \$60.58m was committed for disbursements in 1997, leaving a balance of \$73.15m for allocation in 1998.

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 96 bringing the capital sum of the Fund to \$4.5 billion as at 31 March 1997. The Government's target is to build up the capital sum to \$5.0 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 3.52% pa from 1 April 1996 to 30 June 1996, 3.48% pa from 1 July 1996 to 31 March 1997.

During the period under review, the Edusave Endowment Fund generated an interest income of \$160.03m. With the income brought forward of \$94.92m, the total income available was \$254.95m.

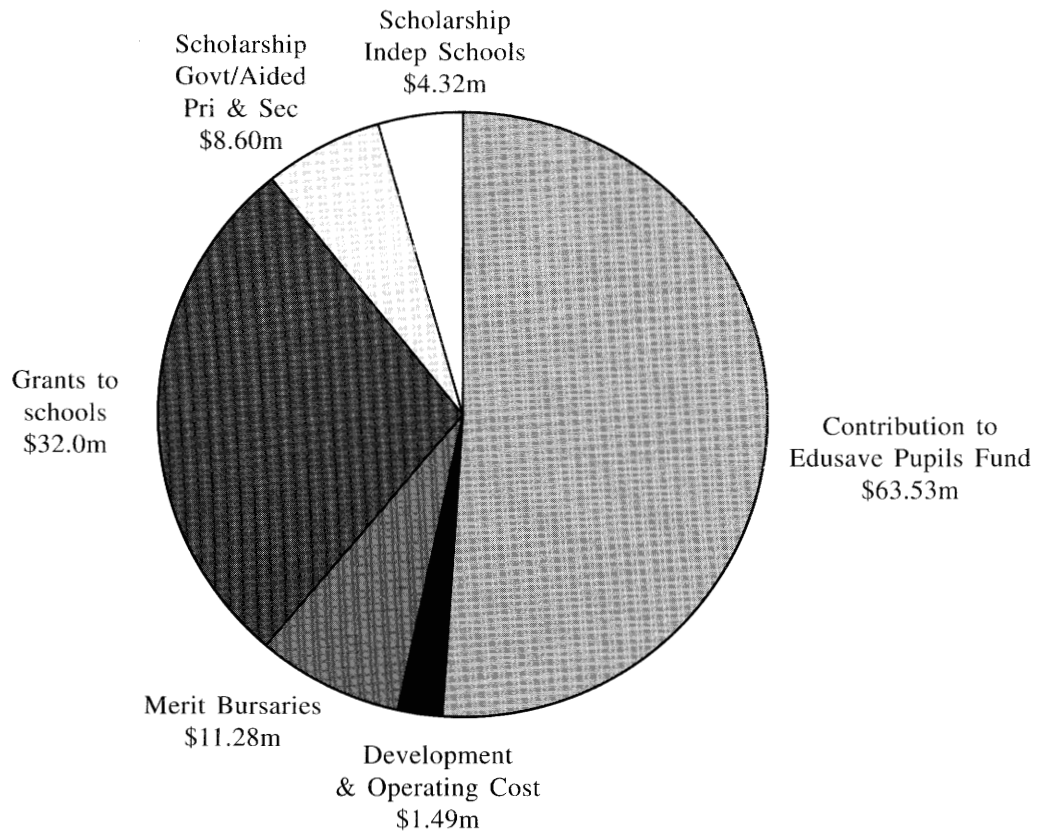
ALLOCATION OF INCOME

Of the total income of \$254.95m, \$121.22m was disbursed during the financial year as shown in the chart on the next page. Of the balance of \$133.73m, \$60.58m was committed for disbursement in 1997 leaving \$73.15m which was set aside for use in 1998.

BALANCE AS AT 31 MARCH 1997

As at 31 March 1997, the balance in the Edusave Endowment Fund was \$4.63 billion, comprising \$4.5 billion in the Capital Account and \$133.73 m in the Income Account.

DISBURSEMENTS OF INCOME FROM EDUSAVE ENDOWMENT FUND



Total Income Disbursed = \$121.22m

EDUSAVE PUPILS FUND

CONTRIBUTIONS IN 1997

The Edusave Pupils Fund comprises Edusave funds which are paid into the Edusave accounts of eligible pupils. The contribution rates for 1996 and 1997 are \$130 and \$160 respectively. In 1996, the Edusave Scheme is extended to disabled pupils in Government-supported special education schools. During the financial year, \$63.44m was paid into the accounts of 417,900 pupils in primary, SPED and secondary schools, and \$0.09m was paid into the accounts of 700 pupils in the Institute of Technical Education. The total contribution in FY 96 amounted to \$63.53m.

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 2nd-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 have been able to use the money to pay their university tuition fees.

ANALYSIS OF WITHDRAWALS

A total of \$14.98m was withdrawn from the Edusave accounts in FY 96. The bulk of the withdrawals amounting to \$14.36m were made by 168,710 pupils in primary, secondary schools and junior colleges/ centralised institutes. This represented a pupil participation rate of 39.2% and a fund utilisation rate of 22.9%, an increase compared to rates of 33.4% and 14.1% respectively in the previous financial year. Trainees in the Institute of Technical Education (ITE) withdrew a small sum of \$2,600 while polytechnic and university students withdrew \$0.61m for payment of tuition fees.

Of the \$14.36m withdrawn by pupils in school, \$1.15m (8.0%) was for payment of 2nd-tier miscellaneous fees, and the remaining \$13.21m (92.0%) 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	248,300	165,800	16,600	430,700
Total No. of accounts with withdrawals				
2nd-tier misc fees only	23,500	20,100	1600	45,200
Enrichment & ECA only	43,800	61,100	0	104,900
Both	7,400	11,200	10	18,610
Participation rate	74,700	92,400	1,610	168,710
	30.1%	55.7%	9.7%	39.2%
<u>Analysis of Amount Withdrawn</u>				
	\$	\$	\$	\$
2nd-tier misc fees	456,600	661,700	34,800	1,153,100
Enrichment & ECA	5,043,000	8,142,000	26,500	13,211,500
Total amount withdrawn	5,499,600	8,803,700	61,300	14,364,600
Total contribution	39,728,000	23,117,800	-	62,845,800
Utilisation rate	13.8%	38.1%	-	22.8%

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. The total utilisation rate of 22.8% represents the utilisation rate of primary and secondary schools, excluding those withdrawn by students in JCs/CIs.

Of the \$13.21m withdrawn for enrichment programmes, \$1.59m (12.1%) was spent on personal development programmes, \$2.33m (17.6%) on educational tours and camps, \$8.49m (64.3%) on academic enrichment programmes, \$0.49m (3.7%) on sports and games, and \$0.30m (2.3%) on aesthetic activities. Details are in Table 2.

TABLE 2: BREAKDOWN ON EDUSAVE FUNDS WITHDRAWN FOR ENRICHMENT PROGRAMMES

	Primary	Secondary	JC/CI	Total
	\$	\$	\$	\$
Personal development programmes	208,000	1,383,002	3,000	1,594,000
Educational tours/camps	698,000	1,613,000	22,000	2,333,000
Academic enrichment programmes	3,682,000	4,807,000	1,400	8,490,400
Sports and games	380,000	112,000	-	492,000
Aesthetic programmes	75,000	227,000	100	302,100
Total	5,043,000	8,142,000	26,500	13,211,500

The 168,710 pupils who made withdrawals during the financial year were spread over 360 schools, out of a total of 361 schools (99.7%). Only 1 primary school did not make use of Edusave funds for 2nd-tier miscellaneous fees and enrichment programmes. 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	29	5	12	46
Enrichment programmes only	3	8	-	11
Both	163	134	6	303
No. of schools with withdrawals	195	147	18	360
Total number of schools	196	147	18	361
Participation rate	99.5%	100.0%	100.0%	99.7%

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

Since the inception of Edusave Scheme in 1993, Edusave grants have been 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 for secondary schools is pegged at \$90 per pupil. In January 1996, Edusave grants were extended to all primary schools pegged at the rate of \$50 per pupil. In July 1996, SPED schools were also given Edusave grants pegged at the rate of \$50 per pupil. In January 1997, the grants were further extended to independent schools, JCs/CIs and ITE pegged at the rate of \$90, \$120 and \$100 per pupil respectively.

The grant allocated for FY 96 was \$30.58m, comprising of \$13.59m for 196 primary schools, \$0.15m for 15 SPED schools, \$15.63m for 139 secondary schools for the whole financial year; and \$0.26m for 8 independent schools, \$0.67m for 18 JCs/CIs, and \$0.28m for 13 technical institutes for the period January 1997 to March 1997.

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 \$32.00m.

UTILISATION OF GRANTS

Of the allocation of \$30.58m for FY 96, the schools spent a total of \$24.21m, representing an overall utilisation rate of 79.2 %. The utilisation rate for secondary schools had increased from 88.2% in FY 95 to 95.4 % in FY 96. The utilisation rate for primary schools for FY 96 had also increased from 12.6% in FY 95 to 67.6% in FY 96 out of the amount allocated during each of the financial year.

The bulk of the expenditure of \$18.69m (77.2%) was on enrichment programmes, while the remaining \$5.52m (22.8%) 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 Schools \$	Secondary Schools \$	SPED Schools \$	Indep Schools \$	JCs/CIs \$	ITE \$	Total \$
Resources and Equipment	2,405,900	3,064,270	0	53,290	1,790	0	5,525,250
Enrichment programmes	6,787,280	11,845,330	2,930	43,890	7,550	420	18,687,400
Total Expenditure	9,193,180	14,909,600	2,930	97,180	9,340	420	24,212,650
Allocation for FY 96	13,593,610	15,627,440	152,780	255,940	668,150	281,930	30,579,850
% of allocation spent	67.6%	95.4%	1.9%	38.0%	1.4%	0.1%	79.2%

During the financial year, 127 (91.4%) secondary schools had spent more than 50% of their grant allocation, compared to 85.8% of secondary schools in the previous financial period. 142 (72.4%) primary schools had spent more than 50% of their grant allocation during this financial year compared to 10.2% of primary schools in the last quarter of the previous financial period.

During the financial year, only 1 (6.3%) SPED school spent more than 25% of the grant allocation. For independent schools, JCs/CIs, ITE, the percentage of Edusave grants spent ranged from 0% - 25% during the last quarter of FY 96. Only 2 (25%) independent schools have spent more than 50% of their grant allocation during the period.

TABLE 5 PERCENTAGE OF EDUSAVE GRANTS SPENT BY SCHOOLS

Percentage of grant spent	Primary Schools	Secondary Schools	SPED Schools	Indep Schools	JCs/CIs	ITE
up to 25%	18	2	15	6	18	13
26% to 50%	36	10	1	0	0	0
51% to 75%	61	28	0	1	0	0
76% to 100%	55	39	0	0	0	0
above 100% *	26	60	0	1	0	0
Total	197	139	16	8	18	13

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 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 each 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.

1997 EESIS AWARDS

In 1997, 836 scholarships were awarded to secondary one pupils, a decrease of 69 scholarships (-7.6%) over the 905 scholarships awarded in 1996. Of these, 655 scholarships, amounting to \$1.00m were funded from Edusave funds while the remaining 181 were funded from Voted Funds. During the financial year, another \$3.10m was disbursed from Edusave Funds to 2,024 scholars in secondary 2-4.

EDUSAVE (INDEPENDENT SCHOOLS) YEARLY AWARD

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 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.

1996 YEARLY AWARDS

In December 1996, 143 secondary one to four pupils in the independent schools were given the Yearly Awards, amounting to \$0.22m.

EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED PRIMARY AND 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.

In 1996, Edusave Scholarships were extended to pupils in all Government and Government-aided primary schools to provide an incentive for the upper primary pupils to excel in their studies. Singaporean pupils in the top 10% at primary 5 and 6 levels in the Government and Government-aided primary schools are eligible for Edusave Scholarships under the Edusave Scholarships for Primary Schools (ESPS) Scheme. Pupils in the top 5% are awarded \$300 each while those in the next 5% receive \$250 each.

For both schemes, 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.

1996 ESSS AWARDS

A total of 15,872 pupils in secondary one to secondary five were awarded the ESSS. Out of the total number of awardees, 7,974 received the \$500 award and 7,898 pupils, the \$300 award. The total amount disbursed was \$6.36m.

The breakdown of the awards by stream shows that 6,827 (43.0%) awardees were from the Normal Stream, 8,061 (50.8%) from the Express Stream and 984 (6.2%) from the Special Stream. On the whole, 8.6% of 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.

1996 ESPS AWARDS

A total of 7,925 pupils in primary 5 and 6 were awarded the ESPS. Out of the total number of awardees, 4,064 received the \$300 award and 3,861 pupils, the \$250 award. The total amount paid out was \$2.18m.

The breakdown of the awards by stream shows that 1,505 (10.5%) awardees were from the EM1, 5,379 (9.0%) from the EM2 and 1,041 (9.5%) from the EM3. On the whole, 9.3% of primary five and six pupils in primary schools were awarded the ESPS. 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 7.

TABLE 6 : DISTRIBUTION OF 1996 ESSS AWARDEES

Stream	Top 5% \$500	Next 5% \$300	Total ¹	Awardees as % of pupils in stream ²
Normal	3,377	3,450	6,827	8.6%
Express	4,079	3,982	8,061	9.8%
Special	518	466	984	7.5%
Total	7,974	7,898	15,872	8.6%
Amount Paid	\$3,987,000	\$2,369,400	\$6,356,400	

Note:

- 1 A sum of \$6,400,400 was disbursed to People's Association in Nov 1996 for the ESSS awards, of which \$6,356,400 was disbursed to 15,872 pupils. The balance of \$44,000 was refunded to the Ministry in FY 97.
- 2 The percentage awarded (8.6%) is less than 10% because the top 10% includes non-Singaporeans who are not eligible for the scholarship.

TABLE 7 : DISTRIBUTION OF 1996 ESPS AWARDEES

Stream	Top 5% \$500	Next 5% \$250	Total ³	Awardees as % of pupils in stream ⁴
EM1	794	711	1,505	10.5%
EM2	2,709	2,670	5,379	9.0%
EM3	561	480	1,041	9.5%
Total	4,064	3,861	7,925	9.3%
Amount Paid	\$1,219,200	\$965,250	\$2,184,450	

Note:

- 3 A sum of \$2,194,150 was disbursed to People's Association in Nov 1996 for the ESPS awards, of which \$2,184,450 was disbursed to 7,925 pupils. The balance of \$9,700 was refunded to the Ministry in FY 97.
- 4 The percentage awarded (9.3%) 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 except those who are recipients of Edusave Scholarships.

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.

In 1996, EMB was extended to students in JCs/CIs and ITE to give bright students from lower-middle and lower income families an incentive to perform well. The eligibility criteria is similar to that in primary and secondary schools. The value of the EMB is \$300 for the JCs/CIs and \$400 for ITE. Pupils who received MOE scholarships (Humanities, Pre-U or Language Elective Scholarships) are not eligible for the EMB.

1996 EMB AWARDS

Based on 1996 year-end school examination results, 54,730 (21.8%) of Singaporean pupils in primary schools, 25,722 (14.0%) of those in secondary schools, 4,604 (21.1%) of those in JCs/CIs, and 1,881(22.2%) of those in ITE were invited to apply for the EMB awards. Of these pupils who are invited to apply, 29,714 (54.3%) of primary school pupils, 17,940 (69.7%) of secondary school pupils, 2,467 (53.6%) of pupils in JCs/CIs, and 1,245 (66.2%) of trainees in ITE were awarded the bursaries. The awardees constituted 11.0% of total enrolment in primary schools, 9.8% of those in secondary schools, 11.3% of those in JCs/CIs, and 14.7% of the trainees in ITE. The total amount disbursed during the year for 1996's EMB awards was \$10.80m. Details are shown in Table 8.

Constituency Top-up Bursaries

Government has pledged a dollar-for-dollar matching grant for constituency bursaries paid to pupils in schools and trainees in ITE in 1995 under the Constituency Top-up Bursary Scheme. The Constituency Top-up Bursary Scheme provides for a top-up from the Edusave Endowment Fund (EEF) in the ratio of 1:1 to each Citizens' Consultative Committee (CCCs) subject to a cap of 10% of the total value of the Edusave Merit Bursaries (EMB) awarded in the previous year. A sum of \$479,388 was disbursed through People's Association to the CCCs in FY 96.

From 1997, with the introduction of the Community Education Award Scheme (CEAS), the Constituency Top-up Bursary Scheme will be subsumed under it. The top-up from the EEF will be changed from 1:1 to 9:1 in the first year and 3:1 in subsequent years. The cap on the top up to each CCC will also be changed from 10% to 18% of the total value of the previous year's EMB awards in 1997. In subsequent years, the cap will be 15% of the total value of the previous year's EMB awards.

TABLE 8 : NUMBER OF EMB AWARDS BY LEVEL

Level	Total Pupil Enrolment ¹	No. of pupils invited to apply	% of pupils invited to apply ²	No. of pupils awarded	% of awardees out of pupils invited	% of awardees out of the total pupil population	Amount paid ³
	(a)	(b)	(c)=(b)/(a)	(d)	(e)=(d)/(b)	(f)=(d)/(a)	(f)
Primary	269,433	54,730	20.3%	29,714	54.3%	11.0%	\$5,080,350
Secondary	183,903	25,722	14.0%	17,940	69.7%	9.8%	\$4,485,000
JC/CI	21,858	4,604	21.1%	2,467	53.6%	11.3%	\$740,100
ITE	8,480	1,881	22.2%	1,245	66.2%	14.7%	\$498,000
Total	483,674	86,937	18.0%	51,366	59.1%	10.6%	\$10,803,450

1 Enrolment as at 15 Oct 96.

2 The percentage of pupils invited to apply for EMB is less than 25% because the top 25% includes non-Singaporeans who are not eligible for the bursary.

3 A sum of \$11,112,600 was disbursed to People's Association in Nov 1996 for the 1996's EMB awards, of which \$10,803,450 was disbursed to 51,366 pupils. The balance of \$309,150 was refunded to the Ministry in FY 97.

**REPORT ON THE AUDIT OF THE ACCOUNTS
OF THE EDUSAVE ENDOWMENT FUND
FOR THE YEAR ENDED 31 MARCH 1997**

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 1997 and the balance held by the Accountant-General as at 31 March 1997, 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 1997 were in accordance with the provisions of the Act.



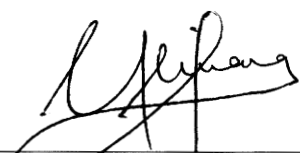
Foo, Kon & Tan
Certified Public Accountants
Singapore

03 SEP 1997

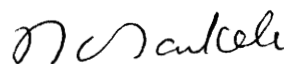
**EDUSAVE ENDOWMENT FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1997**

	<u>Note</u>	FY96 S\$	FY95 S\$
Receipts:			
Capital contributions	4	500,000,000	500,000,000
Income:			
Interest income	5	160,030,868	144,531,273
		160,030,868	144,531,273
Less Disbursements:			
Edusave Pupils Fund:			
Contributions to Edusave accounts	6	63,533,107	49,911,389
Development Expenditure	7	146,678	158,892
Operating Expenditure	7	719,063	591,826
Edusave Scholarships	8	12,918,396	10,421,014
Edusave Merit Bursaries	9	11,278,788	9,643,550
Edusave Grants	10	31,998,344	22,092,860
Edusave Endowment Fund			
Development Expenditure	11	-	560,720
Operating Expenditure	11	625,105	463,775
		121,219,481	93,844,026
Surplus for the year		38,811,387	50,687,247
Accumulated balance at beginning		4,094,915,335	3,544,228,088
Accumulated balance at end	12	4,633,726,722	4,094,915,335
Represented by:			
Balance held by the Accountant-General	13	4,633,098,713	4,094,566,053
Advance held by CPF Board	7	628,009	349,282
Total		4,633,726,722	4,094,915,335

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



MR CHIANG CHIE FOO
2ND 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 merit bursaries to full-time pupils in government, government-aided, independent schools, junior colleges/centralised institutes and Institute of Technical Education;
- (iv) the provision of grants to government, government-aided, independent and special education schools, junior colleges/centralised institutes and Institute of Technical Education to be used to enhance the quality of education; and
- (v) 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 1996 to 31 March 1997 (FY96).

4 CAPITAL CONTRIBUTIONS

	FY96	FY95
	\$	\$
Contributions from the Singapore	500,000,000	500,000,000
Government Consolidated Revenue Account	<u>500,000,000</u>	<u>500,000,000</u>

5 INCOME

The CPF interest rate is used to compute the interest income of the Fund. The rate was 3.52% pa from 1 April 1996 to 30 June 1996 and 3.48% pa from 1 July 1996 to 31 March 1997.

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 rate of contribution to each account was \$130 in 1996 and \$160 in 1997. The total contributions disbursed in FY96 was \$63,591,300, and \$58,193 was recovered with interest from those who dropped out of schools, giving a net total contributions of \$63,533,107 in FY96.

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 \$349,282. An advance of \$1,144,468 was disbursed to CPF Board in FY 96. The expenses billed by CPF Board for FY 96 was \$865,741 as shown below, leaving a balance of \$628,009 in the advance account.

	FY96 \$	FY95 \$
DEVELOPMENT COST		
System development:		
Computer services manpower cost	118,726	116,878
Computer processing charges	23,680	37,386
Total development cost	<u>142,406</u>	<u>154,264</u>
GST 3%	4,272	4,628
Total development cost (inclusive of GST)	<u>146,678</u>	<u>158,892</u>
OPERATING COST		
Computer services:		
Computer services manpower cost	26,252	34,905
Computer processing charges	377,950	303,123
	<u>404,202</u>	<u>338,028</u>
Administrative support:		
Manpower cost	111,356	100,850
Postage and courier	125,293	94,942
Printing and stationery	28,944	19,268
Contract services	23,694	17,677
Software and equipment maintenance	2,817	2,199
General expenses	1,813	1,624
	<u>293,917</u>	<u>236,560</u>
Total operating cost	698,119	574,588
GST 3%	20,944	17,238
Total operating cost (inclusive of GST)	<u>719,063</u>	<u>591,826</u>
Total development & operating cost	<u>865,741</u>	<u>750,718</u>
Advance held by CPF Board brought forward	349,282	268,259
Add : Advance disbursed	<u>1,144,468</u>	<u>831,741</u>
	1,493,750	1,100,000
Less : Total development & operating cost	<u>865,741</u>	<u>750,718</u>
Advance held by CPF Board carried forward	<u>628,009</u>	<u>349,282</u>

8 EDUSAVE SCHOLARSHIPS

From 1996, Edusave scholarships for Primary Schools was introduced to award pupils in primary 5 and 6.

	FY96 \$	FY95 \$
For Primary Schools	2,194,150	-
For Secondary Schools	6,400,400	6,026,100
For Independent Schools	4,323,846	4,394,914
	<u>12,918,396</u>	<u>10,421,014</u>

9 EDUSAVE MERIT BURSARIES

The Edusave Merit Bursaries Scheme was extended to junior colleges/ centralised institutes and Institute of Technical Education (ITE) in 1996. In FY96, a sum of \$11,278,788 (FY95 : \$9,643,550) was disbursed to People's Association. This sum comprises \$10,799,400 (FY95: \$9,643,550) disbursed during the financial year for the payment of Edusave Merit Bursary (EMB) awards of 1995 and 1996, and \$479,388 (FY95 : Nil) for the payment of Constituency Top-up Bursaries. For 1996's EMB awards, a sum of \$11,112,600 was disbursed to People's Association during the period January to December 96, out of which \$10,803,450 was disbursed to pupils and \$309,150 was refunded to the Ministry.

	FY96 \$	FY95 \$
Primary Schools	5,075,400	5,465,550
Secondary Schools	4,485,000	4,178,000
JCs/CIs	741,000	-
ITE	498,000	-
Constituency Top-Up Bursaries	479,388	-
	<u>11,278,788</u>	<u>9,643,550</u>

10 EDUSAVE GRANTS

Primary schools were given a grant at the rate of \$50 per pupil and secondary schools were given a grant at the rate of \$90 per pupil in 1996 and 1997. Grants were given to special education (SPED) schools for the first time in July 1996, at the rate of \$50 per pupil. In January 1997, the grants were also given to independent schools, junior colleges/centralised institutes (JCs/CIs) and Institute of Technical Education (ITE), at the rate of \$90 per pupil for independent schools, \$120 per pupil for JCs/CIs, and \$100 per pupil for ITE.

	FY96	FY95
	\$	\$
Primary schools		
(For January - June 96)	-	6,680,800
(For July - December 96)	6,793,119	-
(For January - June 97)	6,920,187	-
Secondary schools		
(For July to December 1995)	-	7,662,560
(For January to June 1996)	-	7,749,500
(For July to December 1996)	7,862,170	-
(For January to June 1997)	7,781,043	-
SPED schools		
(For January to December 1996)	151,500	-
(For January to June 1997)	78,300	-
Independent schools		
(For January to June 1997)	511,875	-
JCs/CIs		
(For January to June 1997)	1,336,300	-
ITE		
(For January to June 1997)	563,850	-
	<u>31,998,344</u>	<u>22,092,860</u>

11 ADMINISTRATIVE EXPENSES OF EDUSAVE ENDOWMENT FUND

	FY96	FY95
	\$	\$
<u>DEVELOPMENT COST</u>		
Upgrading of Mainframe Computer	-	560,720
<u>OPERATING COST</u>		
Computer Services Manpower Cost	429,847	287,741
Edusave Unit Manpower Cost	137,400	115,450
Printing and Stationery	7,511	12,186
Audit Charges	21,206	19,855
Key-punching services	11,209	18,523
General expenses	17,932	10,020
Total operating cost	<u>625,105</u>	<u>463,775</u>
Total development & operating cost	<u>625,105</u>	<u>1,024,495</u>

12 ACCUMULATED BALANCE

The accumulated balance of \$4,633,726,722 (FY95 : \$4,094,915,335) comprises \$4,500,000,000 (FY95 : \$4,000,000,000) in the Capital Account and \$133,726,722 (FY95: \$94,915,335) in the Income Account. Of the balance in the Income Account, \$60,580,000 (FY95 : \$47,100,000) was committed for disbursement in 1997 (FY95 : 1996), leaving an uncommitted balance of \$73,146,722 (FY95 : \$47,815,335) to be used in 1998 (FY95 : 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 1997

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 1997 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 1997 were in accordance with the provisions of the Act.



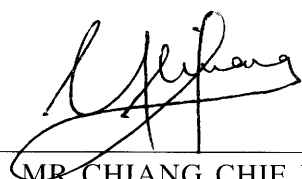
Foo, Kon & Tan
Certified Public Accountants
Singapore

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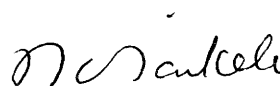
EDUSAVE PUPILS FUND
STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1997

	<u>Note</u>	FY96 S\$	FY95 S\$
Income from :			
Deposits with Monetary Authority of Singapore		4,525,034	2,861,302
Balances with commercial banks:			
Fixed Deposits		105,387	65,411
Overnight Deposits		1,919	576
Current Account		4,652	4,468
		<u>4,636,992</u>	<u>2,931,757</u>
Less:			
Interest credited to members' accounts	4	4,493,969	2,958,263
		143,023	(26,506)
Edusave contributions from the Edusave Endowment Fund		63,533,107	49,911,389
Interest credited to members' accounts		4,493,969	2,958,263
		<u>68,027,076</u>	<u>52,869,652</u>
Less:			
Withdrawal of deceased members' balances		17,290	7,079
Withdrawals for Educational Programmes	5	14,983,834	7,184,879
		<u>53,025,952</u>	<u>45,677,694</u>
Surplus for the year		53,168,975	45,651,188
Accumulated balance at beginning		137,602,879	91,951,691
Accumulated balance at end		<u>190,771,854</u>	<u>137,602,879</u>
Represented by :			
Deposits with Monetary Authority of Singapore		190,700,000	137,500,000
Cash at Bank		71,854	102,879
		<u>190,771,854</u>	<u>137,602,879</u>

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



MR CHIANG CHIE FOO
2ND 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 2nd-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 1996 to 31 March 1997 (FY96).

4 INTEREST CREDITED TO MEMBERS' ACCOUNTS

Interest credited to members' accounts was based on the CPF interest rate of 3.52% pa from 1 April 1996 to 30 June 1996 and 3.48% pa from 1 July 1996 to 31 March 1997.

5 WITHDRAWALS FOR EDUCATIONAL PROGRAMMES

	FY96	FY95
	\$	\$
2nd-tier miscellaneous fees	1,153,059	946,860
Enrichment programmes :		
Schools	13,211,507	6,070,704
Institute of Technical Education	2,625	1,940
	13,214,132	6,072,644
Tuition Fees For Tertiary Institutions	616,643	165,375
	14,983,834	7,184,879

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 second EAC which was appointed on 1 January 1995, had completed its two-year term on 31 December 1996. It consisted of five members who are prominent businessmen and experienced educationists. The members who served in the second Council were 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) 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
Principal, Deyi Secondary School (up to Dec 95)
Senior Inspector of Schools (from Jan 96); and
- 5) Mr Chia Boon Chai
Principal, Temasek Primary School

Two new principals were appointed to the third EAC to give more principals opportunity to serve in the Council. The third EAC was appointed on 1 January 1997 for a period of two years. It consists of the following five members:

- 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) Mr Patrick Sih Seah Yang
Principal, St. Stephen's Primary School; and
- 5) Miss Susan Leong Kum Mei
Principal, Outram Secondary School.