



EDUCATION ENDOWMENT SCHEME ANNUAL REPORT

FOR FINANCIAL YEAR 2005/2006



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THE EDUCATION ENDOWMENT SCHEME

MISSION

To enhance the quality of education in Singapore and motivate students to excel

OBJECTIVE

To maximise educational opportunities for all Singaporeans



EDUSAVE ADVISORY COUNCIL

- 1 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. Each Council is appointed for a 2-year term and comprises members who are prominent businessmen and experienced educationists.
- 2 The Council appointed in January 2005 comprises:

Chairman	<p>Mr Kua Hong Pak Managing Director / Group CEO ComfortDelGro Corporation Ltd</p>
Member	<p>Assoc Prof Shaharuddin Bin Maaruf Head Department of Malay Studies National University of Singapore</p>
Member	<p>Mr Barry Sim Senior Vice-President (Investment) EDB Venture Management Pte Ltd</p>
Member	<p>Dr Foong Wai Keong President & CEO Ecquaria Technologies Pte Ltd</p>
Member	<p>Mdm Kit Gek Wah Principal Guangyang Primary School</p>
Member	<p>Mdm Jennifer Chong Principal St Anthony's Canossian Secondary School</p>



EXECUTIVE SUMMARY

EDUSAVE ENDOWMENT FUND

- 1 During the Financial Year (FY) 2005, the Edusave Endowment Fund generated an interest income of \$226.5m. Coupled with the \$662.9m balance brought forward from FY 2004, the total income available for FY 2005 amounted to \$889.4m.
- 2 Of this amount, \$164.0m was disbursed in the form of contributions to students' Edusave accounts, Edusave grants, Edusave awards, Community Education Awards and development and operating expenditure. As at 31 March 2006, the balance in the Edusave Endowment Fund was \$5.7 billion which includes a balance of \$725.4m in the Income Account.

EDUSAVE PUPILS FUND

- 3 The Edusave Pupils Fund is used by students in the Government and Government-aided primary and secondary schools, junior colleges and centralised institute, independent schools, Government-supported special education schools, institutes of technical education, polytechnics and universities to pay for approved fees and school-based enrichment programme charges. The amount disbursed to the Edusave Pupils Fund in the financial year was \$80.4m. In Oct 2005, the Government also made a special top-up of \$100 into each eligible Edusave account amounting to \$45.0m. A total amount of \$79.4m was withdrawn by students in FY 2005. This represents an increase of 11.0% over the \$71.5m withdrawn in FY 2004.

EDUSAVE GRANTS

- 4 Edusave grants are given to all Government and Government-aided primary and secondary schools, junior colleges and centralised institute, independent schools, Government-supported special education schools and institutes of technical education to enable them to procure resources and equipment and introduce programmes that would enhance the quality of teaching and learning. The amount disbursed in the financial year was \$39.5m. The total expenditure was \$37.1m. This represents a utilisation rate of 93.9%.

EDUSAVE AWARDS

- 5 Edusave awards are given to motivate students to excel both academically as well as in non-academic areas. An amount of \$40.8m was disbursed during the financial year.

DEVELOPMENT AND OPERATING COST

- 6 The development and operating cost of the Edusave Endowment Fund and Edusave Pupils Fund amounted to \$3.3m during the financial year.

EDUSAVE ENDOWMENT FUND

- 1 The Education Endowment Scheme, commonly known as the Edusave Scheme, was established in January 1993. The Edusave Scheme is governed by the Education Endowment Scheme Act (CAP 87A). The Edusave Endowment Fund and Edusave Pupils Fund are established under the Act.
- 2 The Edusave Endowment Fund was created on 1 January 1993 by a transfer of funds from the Government's Consolidated Revenue Account. It reached the targeted capital sum of \$5 billion in August 1997.

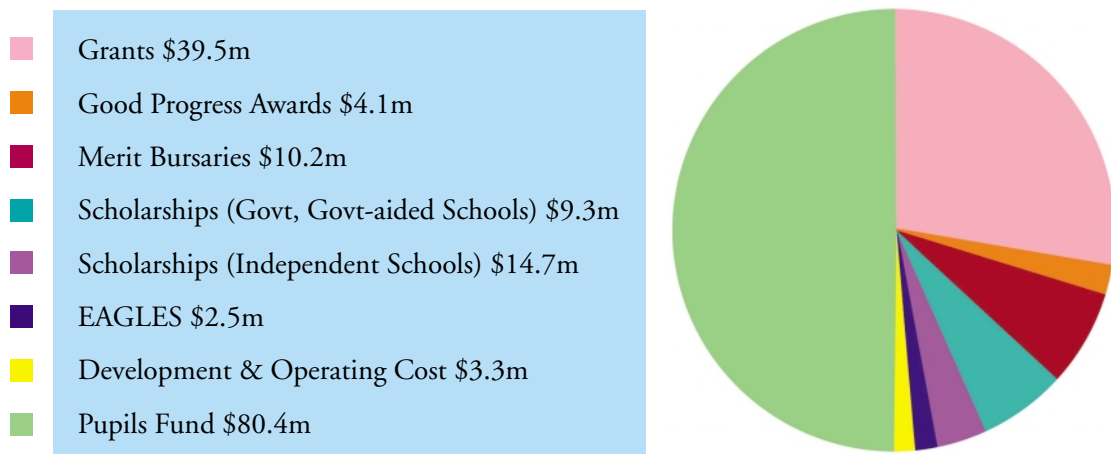
INCOME FROM THE EDUSAVE ENDOWMENT FUND

- 3 The Edusave Endowment Fund is invested by the Government and earns a fixed interest income pegged to the CPF rate of interest for Special Accounts. The interest earned each year is used to finance the outlay under the Edusave Scheme in the next year. The interest rate was 4.0% per annum from 1 April 2005 to 31 March 2006.
- 4 During the period under review, the Edusave Endowment Fund earned an interest income of \$226.5m. Of this, \$164.0m was disbursed, leaving a surplus of \$62.5m. This brings the accumulated surplus to \$725.4m.

DISBURSEMENT OF INCOME

- 5 The amount disbursed is distributed as shown in the chart below:

Chart1: Distribution of amount disbursed in FY2005



Total Amount Disbursed = S\$164.0m

BALANCE AS AT 31 MARCH 2006

- 6 As at 31 March 2006, the balance in the Edusave Endowment Fund was \$5.7 billion, comprising \$5.0 billion in the Capital Account and \$725.4m in the Income Account.



EDUSAVE PUPILS FUND

- 1 The Edusave Pupils Fund comprises contributions paid into the Edusave accounts of eligible students in Government and Government-aided primary and secondary schools, independent schools, Government-supported special education (SPED) schools, and institutes of technical education (ITE). The contribution rate was \$160 per student from 1997 to 2004. From 2005, the contribution rate was raised to \$170 for students in primary schools and SPED schools and \$200 for those in secondary schools and ITE.

ADMINISTRATION OF EDUSAVE PUPILS FUND

- 2 The Central Provident Fund Board (CPF Board) is responsible for administering the Edusave Pupils Fund. Prior to Jan 2006, the Board also maintained the detailed accounts of all members. From Jan 2006, the Ministry has taken over the maintenance of detailed accounts of members who are below 21 years of age and are not studying in tertiary institutions whilst the Board keeps the Consolidated Total for them. The change is to improve operational efficiency and does not affect the administration of the Edusave Pupils Fund which continues to be the sole responsibility of CPF Board.

APPROVED USES

- 3 A student can use the money in his Edusave account to pay for enrichment programmes organised by his school such as co-curricular activities, music and dance, educational tours, sports and games, etc. He can also use the money to pay for his second-tier miscellaneous fees and autonomous school additional miscellaneous fees if he is in a Government or Government-aided school. Those in independent schools can use the money to pay for the portion of school fees in excess of the school and standard miscellaneous fees of a Government or Government-aided secondary school. Those in Government-supported SPED schools and ITE can also use the money to pay for their approved fees and enrichment programmes.
- 4 Students in polytechnics and universities can use the accumulated balance in their Edusave accounts to pay for their tuition fees.

CONTRIBUTIONS AND WITHDRAWALS

- 5 During the financial year, \$80.4m was paid into the accounts of 439,316 students in Government and Government-aided primary and secondary schools, independent schools, SPED schools and ITE.
- 6 A total amount of \$79.4m was withdrawn from the accounts in FY 2005 which is an increase of 11.0% over the \$71.5m withdrawn in FY 2004. Of this, \$71.5m was withdrawn by 472,246 students in Government and Government-aided schools, SPED schools and independent schools which is 92.2% of the students with Edusave Accounts. The details are in Table-1.

Table-1: Student Participation Rate for Edusave Pupils Fund Withdrawals by Level

Level	Primary	Secondary	Junior College/ Centralised Institute	Total
Total no. of accounts	272,836	210,810	28,791	512,437
Total no. of accounts with withdrawals:	245,580	205,178	21,488	472,246
2nd-tier Misc Fees only	50,656	15,705	6,543	72,904
Enrichment Programmes only	48,241	50,959	5,702	104,902
Both	146,683	138,514	9,243	294,440
Participation Rate	90.0%	97.3%	74.6%	92.2%

- 7 The \$71.5m withdrawn by students in schools represents a fund utilisation rate of 89.2% which is an increase of 10.0% over the 79.2% utilised in the previous financial year. Of the amount withdrawn, \$26.2m (36.6%) was used to pay for second-tier miscellaneous fees, and the remaining \$45.3m (63.4%) for enrichment programmes. The details are in Table-2.

Table-2: Utilisation Rate for Edusave Pupils Fund by Level

Level	Primary	Secondary	Junior College/ Centralised Institute	Total
	\$	\$	\$	\$
Total Contributions	43,691,010	36,461,170	-(1)	80,152,180
Total Amount Withdrawn	25,446,297	42,295,901	3,790,791	71,532,989
Amount Withdrawn				
2nd-tier Misc Fees	11,297,591	13,167,868	1,695,713	26,161,172
Enrichment Programmes	14,148,706	29,128,033	2,095,078	45,371,817
Utilisation rate	58.2%	116.0% ⁽²⁾	-(3)	89.2% ⁽⁴⁾

⁽¹⁾ Students at pre-university level do not receive Edusave contributions.

⁽²⁾ Students made use of the balances brought forward from previous years.

⁽³⁾ There is no utilisation rate computed for pre-university level as the students do not receive contributions.

⁽⁴⁾ The utilisation rate of 89.2% is based on the contributions made in FY 2005 and includes the withdrawals made by students at pre-university level.

- 8 Students in the Government and Government-aided schools spent \$57.2m on various enrichment programmes in FY 2005. Of this amount spent, \$42.1m (73.6%) was withdrawn from their Edusave accounts. The details are in Table-3.

Table-3: Breakdown of Expenditure by Type of Enrichment Programmes and Level

Programme	Primary	Secondary	Junior College/ Centralised Institute	Total
	\$	\$	\$	\$
Personal Development Programmes	10,063,800	19,653,600	1,085,500	30,802,900
Local Tours	178,600	239,900	–	418,500
Overseas Tours	1,322,000	4,354,100	1,525,400	7,201,500
Sports and Games	1,111,200	1,645,700	156,600	2,913,500
Other Programmes	6,347,000	8,816,600	652,500	15,816,100
Total	19,022,600	34,709,900	3,420,000	57,152,500



EDUSAVE GRANTS

- 1 Edusave grants are given to all Government and Government-aided primary and secondary schools, junior colleges, centralised institute, independent schools, Government-supported SPED schools and ITE. The schools use the grants to procure resources and equipment, and introduce programmes that enhance the quality of teaching and learning.

AMOUNT DISBURSED

- 2 The total amount of Edusave grants disbursed to schools during the financial year was \$39.5m as shown in Table-4.

Table-4: Breakdown on Disbursement of Edusave Grants by Level

Level	Grant per Student	Amount Disbursed
Primary 1 to 6	\$ 50	\$14.4m
Secondary 1 to 5	\$ 90	\$19.1m
Junior College/Centralised Institute	\$120	\$ 3.5m
Special Education	\$ 50	\$ 0.2m
Institute of Technical Education	\$100	\$ 2.3m
Total	–	\$ 39.5m

UTILISATION OF GRANTS

- 3 In FY 2005, the total amount of grants spent by all schools was \$37.1m. Enrichment programmes accounted for \$36.2m (97.6%) of the expenditure and resources and equipment accounted for the balance of \$0.9m (2.4%). The breakdown on usage of Edusave Grants by level is shown in Table-5.

Table-5: Breakdown on Usage of Edusave Grants by School Type

Expenditure	Primary School	Secondary School	Independent School	Junior College/ Centralised Institute	Independent JC	Special Education School	Institute of Technical Education	Total
Grants Disbursed in FY 2005	\$ 14,376,200	\$ 17,945,820	\$ 1,220,580	\$ 3,103,380	\$ 395,100	\$ 239,200	\$ 2,260,610	\$ 39,540,890
Total Expenditure	13,610,782	16,581,413	1,316,536	2,878,713	535,762	233,924	1,895,004	37,052,134
Resources and Equipment	358,864	203,604	102,513	82,466	0	38,762	124,532	910,741
Enrichment Programmes	13,251,918	16,377,809	1,214,023	2,796,247	535,762	195,162	1,770,472	36,141,393
Utilisation Rate	94.7%	92.4%	107.9% ⁽¹⁾	92.8%	135.6% ⁽¹⁾	97.8%	83.8%	93.7%

⁽¹⁾ Schools made use of the balances brought forward from previous years.

EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED PRIMARY AND SECONDARY SCHOOLS

- 1 Edusave scholarships are given to encourage Singaporean students to excel in their studies. Singaporean students in the top 10% of each level in the Government and Government-aided primary (Primary 5 and 6 only) and secondary schools are eligible for Edusave Scholarships under the Edusave Scholarships for Primary Schools (ESPS) and Secondary Schools (ESSS) Schemes respectively.
- 2 For both schemes, school principals select awardees from any stream (Normal/ Express/ Special) in each level, based on the students' academic performance and subject to good conduct. Table-6 shows the criteria and value of the scholarships.

Table-6: Criteria and Award Values

Scholarship	Value
<u>ESPS</u>	
Top 5%	\$ 300
Next 5%	\$ 250
<u>ESSS</u>	
Top 5%	\$ 500
Next 5%	\$ 300

2005 EDUSAVE SCHOLARSHIPS FOR PRIMARY SCHOOLS (ESPS)

- 3 A total of 8,736 students in Primary 5 and 6 were awarded the ESPS. Of these 4,358 received the \$300 award and 4,378 students the \$250 award. The total amount paid was \$2.4m.
- 4 The breakdown of the awards by stream in Table-7 shows that 7,855 (89.9%) awardees were from EM1/EM2, 881 (10.1%) from EM3. On the whole, 8.6% of Primary 5 and 6 students were awarded the ESPS. The percentage awarded is less than 10% because the top 10% includes non-Singaporeans who are not eligible for the scholarship.



Table-7: Distribution of 2005 ESPS Awardees by Stream

Stream	Top 5% \$300	Next 5% \$250	No. of Awardees	Percentage of Students in Stream
EM1/EM2	3,862	3,993	7,855	8.5%
EM3	496	385	881	9.8%
Total	4,358	4,378	8,736	8.6%
Amount Paid	\$1,307,400	\$1,094,500	\$2,401,900	

2005 EDUSAVE SCHOLARSHIPS FOR SECONDARY SCHOOLS (ESSS)

- 5 A total of 17,351 students in Secondary 1 to 5 were awarded the ESSS. Of these, 8,606 received the \$500 award and 8,745 students the \$300 award. The total amount paid was \$6.9m.
- 6 The breakdown of the awards by stream in Table-8 shows that 7,874 (45.4%) awardees were from the Normal Stream, 8,714 (50.2%) from the Express Stream and 763 (4.4%) from the Special Stream. On the whole, 8.1% of students in secondary schools were awarded the ESSS. The percentage awarded is less than 10% because the top 10% includes non-Singaporeans who are not eligible for the scholarship.

Table-8: Distribution of 2005 ESSS Awardees by Stream

Stream	Top 5% \$500	Next 5% \$300	No. of Awardees	Percentage of Students in Stream
Normal	3,969	3,905	7,874	9.0%
Express	4,260	4,454	8,714	8.1%
Special	377	386	763	4.2%
Total	8,606	8,745	17,351	8.1%
Amount Paid	\$4,303,000	\$2,623,500	\$6,926,500	



EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS

- 1 Edusave scholarships are given to Singaporean students studying in independent schools. The Edusave Entrance Scholarships for Independent Schools (EESIS) are awarded to students in the top one-third of total Secondary 1 Singaporean students enrolled in the independent schools. Selection is based on the students' PSLE results. The annual quantum of the scholarship is the school fees charged by the independent schools less the amount of school and standard miscellaneous fees that students in Government and Government-aided secondary schools and junior colleges have to pay. The scholarship is tenable for the duration of the student's education in the independent school.
- 2 With the implementation of Integrated Programme, a new Edusave Scholarships for Integrated Programme Schools (ESIP) was introduced in 2004 for students who join the Integrated Programme at entry points beyond Secondary 1. The selection is based on either the students' PSLE results or their Integrated Programme Scholarships Test results. The value of the ESIP is the same as the annual value of the EESIS. The scholarship is tenable for duration of the Integrated Programme course.
- 3 Under the Edusave Endowment Scheme (Edusave Scholarships) Regulations, EESIS and ESIP awardees who are in special programmes, ie. the Gifted Education Programme, Music Elective Programme and Art Elective Programme, have their awards funded from Voted Funds. They receive subsidies for their school fees from Voted Funds to the same value as the EESIS or ESIP.
- 4 In addition to the EESIS and ESIP, students in independent schools may also be awarded the Edusave (Independent Schools) Yearly Award (E(IS)YA) if they are among the top 5% students in each independent school and are not EESIS and ESIP holders. The (E(IS)YA) are meant to reward students who were not selected for the EESIS or ESIP awards for excellent academic performance achieved in the year. Selection for the E(IS)YA is based on the students' school examination results for that year. The value of E(IS)YA is the same as the annual value of the EESIS.

2006 EESIS, ESIP AND 2005 E(IS)YA

- 5 In 2006, 1,123 EESIS awards were given to secondary one students in independent schools. Of these, 1,053 scholarships amounting to \$2.4m were funded from Edusave Funds while the remaining 70 scholarships amounting to \$0.2m were funded from Voted Funds. Another \$10.1m was disbursed from Edusave Funds to 4,380 EESIS scholars in Secondary 2 to 4 and Pre-U1.

- 6 A total of 876 students in independent schools were awarded the ESIP in 2006. Of these, 822 scholarships amounting to \$1.7m were funded from Edusave Funds while the remaining 54 scholarships amounting to \$0.1m were funded from Voted Funds.
- 7 In December 2005, 243 Secondary 1 to 4 students in the independent schools were given the E(IS)YA, amounting to \$0.5m. Table-9 shows the breakdown on EESIS, ESIP and E(IS)YA by type of scholarships.

Table-9: Breakdown by Type of Scholarships

Scholarships	No. of Awardees	Amount Paid
<u>EESIS</u>		
Secondary 1 ⁽¹⁾	1,053	\$ 2.4m
Secondary 2 to 4 ⁽¹⁾	3,538	\$ 7.8m
Pre-U 1 ⁽²⁾	842	\$ 2.3m
<u>ESIP</u>		
Secondary 3	108	\$ 0.3m
Secondary 4	162	\$ 0.4m
Pre-U 1 ⁽²⁾	552	\$ 1.0m
<u>E(IS)YA</u>	243	\$ 0.5m
Total	6,498	\$ 14.7m

⁽¹⁾ Include back-payment (\$722,094) to 434 ex-Gifted Education Programme students who are EESIS awardees in year 2005.

⁽²⁾ This is the first year that EESIS and ESIP are awarded to students at Pre-U level.

EDUSAVE MERIT BURSARIES

- 1 The Edusave Merit Bursaries (EMB) Scheme aims to give Singaporean students from modest home background an incentive to perform well in all Government and Government-aided primary and secondary schools, junior colleges, centralised institute and ITE.
- 2 Table-10 shows the value of award by level.

Table-10: Value of EMB by Level

Level	Value
Primary 1 to 3	\$150
Primary 4 to 6	\$200
Secondary 1 to 5	\$250
Junior College/Centralised Institute	\$300
Institute of Technical Education	\$400

- 3 Singaporean students 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 EMB. Recipients of Edusave Scholarships or other Ministry of Education's scholarships are not eligible for EMB. Selection is based on the students' academic performance and is subject to their good conduct.

2005 EDUSAVE MERIT BURSARIES (EMB)

- 4 A total of 39,263 students were awarded the EMB in 2005. The breakdown of awardees by level in Table-11 shows that 19,660 awardees were from primary schools, 14,511 from secondary schools, 2,433 from junior colleges and centralised institute, and the remaining 2,659 from ITE. The total amount disbursed for EMB was \$8.8m.

Table-11: Breakdown on Number of EMB Awardees by Level

School	No. of Awardees	% of Awardees Out of The Total Student Population	Amount Paid
Primary	19,660	6.8%	\$3,435,700
Secondary	14,511	6.8%	\$3,618,900
Junior College/Centralised Institute	2,433	8.4%	\$727,800
Institute of Technical Education	2,659	12.0%	\$1,060,400
Total	39,263	7.8%	\$8,842,800

COMMUNITY EDUCATION AWARD SCHEME (CEAS)

- 5 Under CEAS, Edusave Endowment Fund provides a matching grant for the Constituency Bursaries paid to students in schools and ITE based on a ratio of 3:1, subject to a cap of 15% of the total value of the EMB disbursed in the previous year.
- 6 An amount of \$1.3m was disbursed through the People's Association to the Citizens' Consultative Committees in FY 2005.



GOOD PROGRESS AWARDS

- 1 The Good Progress Awards (GPA) are given to Singaporean students in Government and Government-aided primary (except those in Primary 1) and secondary schools, junior colleges, centralised institute and ITE who have made significant improvement in their academic performance and are not recipients of Edusave scholarships or bursaries. The GPA is co-funded by the People's Association which bears 10% of the amount paid.
- 2 The awards are given to a maximum of 10% of students per level per stream in every school. Selection is by comparing the year-end school examination results against those of the previous year. Students in Primary 1 are excluded from the scheme as there is no basis for comparison of progress. Table-12 shows the value of the award by level.

Table-12: Value of GPA by Level

Level	Value
Primary 2 to 3	\$ 50
Primary 4 to 6	\$ 100
Secondary 1 to 5	\$ 150
Junior College/Centralised Institute	\$ 200
Institute of Technical Education	\$ 300

2005 GOOD PROGRESS AWARDS (GPA)

- 3 A total of 36,835 students were awarded the GPA in 2005. The breakdown of awardees by level in Table-13 shows 19,284 awardees were from primary schools, 14,001 from secondary schools, 2,079 from junior colleges and centralised institute, and the remaining 1,471 from ITE. The total value of GPA was \$4.5m. Of this, \$0.4m was recovered from the People's Association for their share in the two previous financial years, and \$0.02m was recovered due to unclaimed awards.

Table-13: Breakdown on Number of GPA by Level

Awardees	Primary	Secondary	Junior College/ Centralised Institute	Institute of Technical Education	Total
No. of awardees	19,284	14,001	2,079	1,471	36,835
% of awardees out of the total student population	7.8% ⁽¹⁾	6.6%	7.2%	6.6%	7.2%
Amount paid	\$1, 551,400	\$2,104,200	\$416,800	\$441,600	\$4,514,000

⁽¹⁾ For primary schools, Primary 1 students are excluded.



EDUSAVE AWARDS FOR ACHIEVEMENT, GOOD LEADERSHIP AND SERVICE

- 1 The Edusave Awards for Achievement, Good Leadership and Service (EAGLES) were given to students to encourage them to excel in non-academic areas. The awards recognise students' leadership quality, service to community and schools, and excellence in non-academic activities.
- 2 The awards are given to a maximum of 5% of the Singaporean students from Primary 4 to 6 in each primary school and 5% of the total number of Singaporean students in each secondary school, independent school, junior college, centralised institute and ITE. Recipients of Edusave scholarships and bursaries are also eligible for this award. Table-14 shows the value of the award by level.

Table-14: Value of EAGLES by Level

Level	Value
Primary 4 to 6	\$120
Secondary 1 to 5	\$150
Junior College/Centralised Institute	\$150
Institute of Technical Education	\$150

2005 EDUSAVE AWARDS FOR ACHIEVEMENT, GOOD LEADERSHIP AND SERVICE (EAGLES)

- 3 18,066 students were awarded the EAGLES during FY 2005. The breakdown of awardees by level in Table-15 shows 6,435 awardees were from primary schools, 9,563 from secondary schools, 1,284 from junior colleges and centralised institute, and 784 from ITE. The total amount disbursed for the awards was \$2.5m.

Table-15: Breakdown on EAGLES by Category and Level

Level	Achievement	Good Leadership	Community Service	Total
Primary	3,567	1,657	1,211	6,435
Secondary	3,606	4,652	1,305	9,563
Junior College / Centralised Institute	540	551	193	1,284
Institute of Technical Education	401	368	15	784
Total	8,114	7,228	2,724	18,066
Amount paid	\$1,110,090	\$1,034,490	\$372,270	\$2,516,850



FINANCIAL STATEMENTS
EDUSAVE ENDOWMENT FUND

FOR THE YEAR ENDED 31 MARCH 2006

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REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS OF EDUSAVE ENDOWMENT FUND

We have audited the financial statements of Edusave Endowment Fund for the financial year ended 31 March 2006 as set out on pages 27 to 35. These financial statements are the responsibility of the Ministry of Education. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Edusave Endowment Fund's policy is to prepare the financial statements on the cash receipts and disbursements basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

In our opinion:

- (a) the financial statements of Edusave Endowment Fund are properly drawn up in accordance with the provisions of the Education Endowment Scheme Act, Chapter 87A (the "Act"), and on the basis sets out in the preceding paragraph, present fairly, in all material respects, the state of affairs of the Edusave Endowment Fund as at 31 March 2006 and the income and expenditure of the Edusave Endowment Fund for the year ended on that date;
- (b) the accounting and other records required by the Act to be kept by the Edusave Endowment Fund have been properly kept in accordance with the provisions of the Act; and
- (c) the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Edusave Endowment Fund have been in accordance with the provisions of the Act.

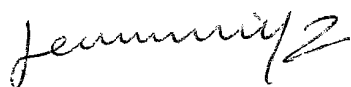


Foo Kon Tan Grant Thornton
Certified Public Accountants
Singapore, 17 May 2006



BALANCE SHEET

	Note	31 March 2006 \$	31 March 2005 \$
Capital fund	4	5,000,000,000	5,000,000,000
Accumulated surplus		725,367,260	662,875,500
Total equity and liabilities		5,725,367,260	5,662,875,500
Represented By:			
Balance held by Accountant-General	5	5,725,367,260	5,662,779,096
Balance held by Central Provident Fund Board	6	-	96,404
Total assets		5,725,367,260	5,662,875,500

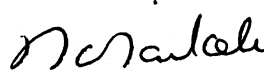


MRS TAN CHING YEE

Second Permanent Secretary

MINISTRY OF EDUCATION

17 May 2006



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

17 May 2006

INCOME AND EXPENDITURE STATEMENT

	Note	Year ended 31 March 2006 \$	Year ended 31 March 2005 \$
INCOME			
Interest income	7	226,515,020	223,366,691
EXPENDITURE			
Edusave Pupils Fund			
- Contribution to Edusave accounts	8	80,440,781	81,479,000
- Development expenditure	9	61,787	21,223
- Operating expenditure	9	491,228	333,180
Edusave Scholarships	10	24,026,454	17,884,611
Edusave Merit Bursaries	11	10,155,706	9,597,107
Good Progress Awards	12	4,069,955	3,776,045
EAGLES	13	2,513,820	2,504,410
Edusave Grants	14	39,468,621	39,557,820
Edusave Endowment Fund			
- Development expenditure	15	2,267,766	240,137
- Operating expenditure	15	527,142	783,870
		164,023,260	156,177,403
Surplus for the year		62,491,760	67,189,288
Accumulated Surplus brought forward		662,875,500	595,686,212
Accumulated Surplus carried forward		725,367,260	662,875,500



NOTES TO THE FINANCIAL STATEMENTS

1 Principal Activities

The Edusave Endowment Fund (the “Fund”) was established on 1 January 1993 under the Education Endowment Scheme Act, Chapter 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 and independent schools, junior colleges/centralised institute and Institutes of Technical Education;
- (iv) the provision of grants to government, government-aided, independent and special education schools, junior colleges/centralised institute and Institutes of Technical Education to enhance the quality of education;
- (v) the provision of Good Progress Awards to full-time pupils in government, government-aided and independent schools, junior colleges/centralised institute and Institutes of Technical Education;
- (vi) the provision of Edusave Awards for Achievement, Good Leadership and Service (“EAGLES”) to full-time pupils in government, government-aided and independent schools, junior colleges/centralised institute and Institutes of Technical Education and
- (vii) such other purposes authorised under the Act, including administrative expenses.

2 Basis of Preparation

The financial statements, expressed in Singapore dollars, are prepared on a cash basis. On this basis revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

3 Financial Year

FY 2005 relates to the financial year from 1 April 2005 to 31 March 2006. Correspondingly, FY 2004 relates to the financial year from 1 April 2004 to 31 March 2005.

4 Capital Fund

Capital Fund represents the contributions from the Consolidated Revenue Account of the Singapore Government.

5 Balance Held by Accountant-General

Monies for the Edusave Endowment Fund are placed with the Accountant-General in an interest-bearing account (see Note 7) until disbursed in accordance with the Education Endowment Scheme Act (see Note 1).

6 Balance Held by Central Provident Fund Board

	FY 2005	FY 2004
	\$	\$
Balance at beginning of the year	96,404	328,987
Advances made in the year	456,611	121,820
	<u>553,015</u>	<u>450,807</u>
Less:		
Development & operating expenditure relating to Edusave Pupils Fund (Note 9)	(553,015)	(354,403)
Balance at end of the year	-	96,404

This represents monies advanced to Central Provident Fund Board (“CPF Board”) for expenses associated with administering the Edusave Pupils Fund.

7 Interest Income

This represents interest income earned from balance placed with the Accountant-General. Interest is pegged at the CPF Special Account rate. Interest for the financial year was 4.0% per annum. (FY 2004 - 4.0%)

8 Contribution to Edusave Accounts

The contribution to Edusave accounts represents payments made to Singaporean pupils between the ages of six and sixteen, studying in prescribed schools. The rate of contribution to each account was \$170 for primary school pupils and \$200 for secondary school pupils (FY 2004 - \$170 for primary school pupils and \$200 for secondary school pupils). The total number of pupils who received these contributions was 439,316 (FY2004 – 447,357) and contributions recovered with interest from pupils who did not attend school or have been found to be ineligible were \$1,099 (FY 2004 - \$1,120). An additional amount of \$320 (FY 2004 - \$4,770) was disbursed to pupils who became eligible for both current and previous years’ contributions.

9 Development & Operating Expenditure – Edusave Pupils Fund

This relates to charges incurred by CPF Board for administering the Edusave Pupils Fund.

	FY 2005	FY 2004
(a) Development Expenditure	\$	\$
System development		
Manpower cost	55,752	15,077
Processing charges (program testing)	6,035	6,146
Total development expenditure	61,787	21,223
(b) Operating Expenditure		
Computer services:		
Manpower cost	39,023	44,703
Processing charges	203,654	125,961
	242,677	170,664
Administrative support		
Manpower cost	224,019	155,658
Printing and stationery	2,793	2,639
Software and equipment maintenance	3,260	2,638
General expenses	18,479	1,581
	248,551	162,516
	491,228	333,180
Total expenditure (Note 6)	553,015	354,403

10 Edusave Scholarships

The scholarships are disbursed as follows:

	FY 2005	FY 2004
	\$	\$
Primary schools	2,402,000	2,411,200
Secondary schools	6,926,500	7,034,400
Independent schools	14,704,854	8,455,061
	24,033,354	17,900,661
Less:		
Refund of unclaimed scholarship awards	(6,900)	(16,050)
Total	24,026,454	17,884,611

11 Edusave Merit Bursaries

These bursaries are given to pupils from lower and lower-middle income families to motivate them to do better in schools and are disbursed as follows:

	FY 2005	FY 2004
	\$	\$
Primary schools	3,435,700	3,703,000
Secondary schools	3,618,900	3,760,500
Junior colleges/Centralised institute	727,800	658,700
Institutes of Technical Education	1,060,400	910,000
Community Education Award Scheme	1,316,856	658,707
	10,159,656	9,690,907
Less:		
Refund of unclaimed Merit Bursaries	(3,950)	(93,800)
Total	10,155,706	9,597,107

12 Good Progress Awards

These awards are given as rewards to pupils who have made significant improvements in their academic performance and are disbursed as follows:

	FY 2005	FY 2004
	\$	\$
Primary schools	1,551,400	1,509,700
Secondary schools	2,104,200	1,972,950
Junior colleges/Centralised institute	416,800	359,600
Institutes of Technical Education	441,600	357,000
	4,514,000	4,199,250
Less:		
Funding by People's Association	(419,995)	(404,705)
Refund of unclaimed Good Progress Awards	(24,050)	(18,500)
Total	4,069,955	3,776,045

Funding by the People's Association received in the current financial year relates to the co-funding for Good Progress Awards disbursed in FY 2004.

13 EAGLES

These awards are given to pupils for achievements, good leadership and service and are disbursed as follows:

	FY 2005	FY 2004
	\$	\$
Primary schools	772,200	788,040
Secondary schools	1,434,450	1,428,150
Junior colleges/Centralised institute	192,600	163,500
Institutes of Technical Education	117,600	130,800
	2,516,850	2,510,490
Less:		
Refund of unclaimed EAGLES	(3,030)	(6,080)
Total	2,513,820	2,504,410

14 Edusave Grants

During the financial year, grants paid to primary schools and special education schools were at the rate of \$50 (FY 2004 - \$50) per pupil, secondary and independent schools at the rate of \$90 (FY 2004 - \$90) per pupil, junior colleges/centralised institute at the rate of \$120 (FY 2004 - \$120) per pupil and Institutes of Technical Education at the rate of \$100 (FY 2004 - \$100) per pupil.

	FY 2005	FY 2004
	\$	\$
Primary schools		
- Payment in July	7,196,300	7,365,050
- Payment in January	7,179,900	7,319,450
Secondary schools		
- Payment in July	8,570,430	8,723,700
- Payment in January	9,375,390	9,466,020
Special education schools		
- Payment in July	125,075	114,900
- Payment in January	114,125	112,525
Independent schools		
- Payment in July	610,245	699,750
- Payment in January	610,335	597,915
Junior colleges/Centralised institute		
- Payment in July	1,445,640	1,349,580
- Payment in January	1,657,740	1,590,240
Institutes of Technical Education		
- Payment in September	707,520	536,110
- Payment in January	1,553,090	1,452,780
Independent Junior College		
- Payment in July	234,480	-
- Payment in January	160,620	229,800
	39,540,890	39,557,820
Less:		
Refund of balances from schools closed	(72,269)	-
Total	39,468,621	39,557,820

15 Development & Operating Expenditure – Edusave Endowment Fund

	FY 2005	FY 2004
	\$	\$
(a) Development Expenditure		
Edusave Scholarship Bursary	21,890	21,420
Enhancement of Edusave Awards Selection System	596,635	218,717
iBENS	1,649,241	-
	2,267,766	240,137
(b) Operating Expenditure		
Computer services:		
- Manpower cost	21,105	26,176
- Processing charges	23,505	80,250
Edusave unit manpower cost	222,024	211,764
Printing and stationery	105,620	327,836
Auditors' remuneration	29,925	28,350
Data entry services	62,720	49,421
Edusave awards briefing cost	1,664	1,272
POSB administration cost	51,731	55,161
General expenses	8,848	3,640
	527,142	783,870
Total	2,794,908	1,024,007



FINANCIAL STATEMENTS
EDUSAVE PUPILS FUND

FOR THE YEAR ENDED 31 MARCH 2006

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REPORT OF THE AUDITORS ON THE FINANCIAL STATEMENTS OF EDUSAVE PUPILS FUND

We have audited the financial statements of Edusave Pupils Fund for the financial year ended 31 March 2006 as set out on pages 39 to 43. These financial statements are the responsibility of the Ministry of Education. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Edusave Pupils Fund's policy is to prepare the financial statements on the cash receipts and disbursement basis. On this basis, revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

In our opinion:

- (a) the financial statements of Edusave Pupils Fund are properly drawn up in accordance with the provisions of the Education Endowment Scheme Act, Chapter 87A (the "Act"), and on the basis sets out in the preceding paragraph, present fairly, in all material respects, the state of affairs of the Edusave Pupils Fund as at 31 March 2006 and the income and expenditure of the Edusave Pupils Fund for the year ended on that date;
- (b) the accounting and other records required by the Act to be kept by the Edusave Pupils Fund have been properly kept in accordance with the provisions of the Act; and
- (c) the receipts, expenditure and investment of monies and the acquisition and disposal of assets by the Edusave Pupils Fund have been in accordance with the provisions of the Act.



Foo Kon Tan Grant Thornton

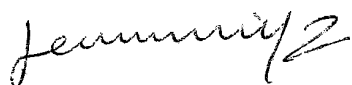
Certified Public Accountants

Singapore, 17 May 2006



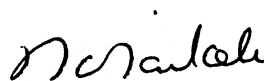
BALANCE SHEET

	31 March 2006	31 March 2005
	\$	\$
Members' Accounts	362,843,164	322,070,720
Accumulated Surplus	7,037,458	5,590,263
Total equity and liabilities	369,880,622	327,660,983
Represented By:		
Deposits placed with the Monetary Authority of Singapore	-	327,470,000
Short Term Fund / Overnight Funds	369,700,000	-
Cash at bank	180,622	190,983
Total assets	369,880,622	327,660,983



MRS TAN CHING YEE
Second Permanent Secretary

MINISTRY OF EDUCATION
17 May 2006



MRS WONG-HO SAI KEK
*Deputy Director/Financial Systems &
Operations*

MINISTRY OF EDUCATION
17 May 2006

INCOME AND EXPENDITURE STATEMENT

	Note	FY 2005 \$	FY 2004 \$
INCOME			
Interest income:			
- Deposits placed with Monetary Authority of Singapore		8,041,225	7,655,649
- Deposits from Overnight / Term Fund		1,066,805	-
- Cash at banks		9,049	10,379
	4	9,117,079	7,666,028
EXPENDITURE			
Interest credited to members' accounts	5	7,669,884	7,309,804
Surplus for the year		1,447,195	356,224
Accumulated surplus brought forward		5,590,263	5,234,039
Accumulated surplus carried forward		7,037,458	5,590,263

MOVEMENT OF MEMBERS' ACCOUNT

		FY 2005	FY 2004
	Note	\$	\$
CONTRIBUTIONS			
Interest credited to members' accounts	5	7,669,884	7,309,804
Edusave contributions from the Edusave Endowment Fund	6	80,440,781	81,479,000
Edusave Top-Up by the government	7	44,755,100	-
		132,865,765	88,788,804
PAYMENTS			
Withdrawals of deceased members' balances		82,109	80,562
Withdrawals for educational programmes	8	79,373,336	71,486,845
Transfer to Central Provident Fund ordinary account of Members	9	12,637,876	15,631,702
		92,093,321	87,199,109
Net Increase in members' account for the year		40,772,444	1,589,695
Members' Account at beginning of the year		322,070,720	320,481,025
Members' Account at end of the year		362,843,164	322,070,720



NOTES TO THE FINANCIAL STATEMENTS

1 Principal Activities

The Edusave Pupils Fund (the “Fund”) was established on 1 January 1993 under the Education Endowment Scheme Act, Chapter 87A and is administered by the Central Provident Fund (“CPF”) Board in accordance with Section 7 of the Act.

In accordance with Section 8 of the Act, every child who is a citizen of Singapore and satisfies such other requirements as may be prescribed shall become a member of the Edusave Pupils Fund.

The Edusave Pupils Fund receives contributions from the Edusave Endowment Fund which are credited to the Edusave accounts of eligible Singaporean pupils. In addition, interest is paid on the amount standing to their credit in the Edusave accounts at an interest rate prescribed by the Minister of Education. The monies can be withdrawn for use on enrichment programmes organised by schools, payment of second-tier miscellaneous fees, autonomous school fees, tertiary tuition fees and other approved fees and such other purposes authorised under the Act.

2 Basis of Preparation

The financial statements, expressed in Singapore dollars, are prepared on a cash basis. On this basis revenue is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred.

3 Financial Year

FY 2005 relates to the financial year from 1 April 2005 to 31 March 2006. Correspondingly, FY 2004 relates to the financial year from 1 April 2004 to 31 March 2005.

4 Interest Income

This represents interest income earned from the balance placed with the Monetary Authority of Singapore and financial institutions. Interest rate for FY 2005 was 2.5% to 3.6% (FY 2004 - 2.5%) per annum.

5 Interest Credited to Members’ Accounts

This represents interest credited to members’ accounts for unutilised credit balances calculated using CPF’s ordinary account interest rates of 2.5% (FY 2004 - 2.5%) per annum.

6 Edusave Contributions from the Edusave Endowment Fund

The contribution to Edusave accounts represents monies received from the Edusave Endowment Fund for Singaporean pupils between the ages of six and sixteen, studying in prescribed schools. The rate of contribution to each account was \$170 (FY 2004: \$170) for primary school pupils and \$200 (FY 2004: \$200) for secondary school pupils. The total number of pupils who received these contributions was 439,316 (FY2004 – 447,357) and contributions recovered with interest from pupils who did not attend school or have been found to be ineligible were \$1,099 (FY 2004 - \$1,120). An additional amount of \$320 (FY 2004 - \$4,770) was disbursed to pupils who became eligible for both current and previous years' contributions.

7 Edusave Top-Up by the Government

For FY 2005, the government had made a special one-off contribution of \$100 into the Edusave accounts of Singaporean students below 16 years of age as at 1st January 2005, who were studying in primary schools, secondary schools, special education schools or ITE. This amounted to \$44,755,100.

8 Withdrawals for Education Programmes

	FY 2005	FY 2004
	\$	\$
Enrichment programmes:		
- Schools	45,371,817	39,560,203
- Institutes of Technical Education	229,794	137,594
Second-tier miscellaneous fees	26,161,172	24,821,625
Tuition fees for tertiary institutions	7,610,553	6,967,423
	79,373,336	71,486,845

9 Transfer to Central Provident Fund Ordinary Account of Members

In accordance with Section 13 of the Education Endowment Scheme Act, Chapter 87A, unutilised balances standing to the credit of members of Edusave Pupils Fund shall be transferred to CPF ordinary account upon attaining 21 years of age.