

EVERY CHILD IS A LEADER

Be A Leader Of **Care**

Be A Leader Of **Courage**

Be A Leader Of **Character**



THE EDUCATION ENDOWMENT & SAVINGS SCHEMES

Annual Report For Financial Year 2010/2011



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THE EDUCATION ENDOWMENT AND SAVINGS SCHEMES ACT

- 1 The Education Endowment Scheme Act (CAP 87A) was enacted in January 1993 to establish the Education Endowment Scheme, commonly known as the Edusave Scheme. The Edusave Endowment Fund and Edusave Pupils Fund were established under this Scheme. The Edusave Scheme is to enhance the quality of education in Singapore and to level up educational opportunities for all Singaporean students. Income generated by the Edusave Endowment Fund is used to fund contributions to the Edusave Pupils Fund and other programmes to motivate students to excel in both academic and non-academic areas. An Edusave Pupils Fund account, commonly known as “Edusave account”, would be opened automatically for each eligible Singaporean student.
- 2 In January 2008, the Act was amended to incorporate the Post-Secondary Education (PSE) Scheme to promote savings for post-secondary education and the title was changed to Education Endowment and Savings Schemes Act. The PSE Fund was established under this Scheme. Under the Scheme, balances in the Child Development Accounts will be transferred to their PSE accounts in the year when the children attain the age of 7 years. From April 2008, the balances in the Edusave accounts are also transferred to the PSE accounts when the Edusave members attain the age of 16 years and are not studying in a prescribed school. The PSE Fund may also receive other grants from the Government.

EDUSAVE ADVISORY COUNCIL

- 1 The Edusave Advisory Council was established under Section 10(1) of the Education Endowment and Savings Schemes Act (CAP 87A, 2009 Revised Edition) 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 members of the Council which completed its 2-year term in December 2010 comprised:

| | |
|-----------|---|
| Chairman: | Dr Foong Wai Keong President & CEO Ecquaria Technologies Pte Ltd |
| Members: | Assoc Prof Ramanathan Subramaniam Associate Dean (Educational Research) National Institute of Education Nanyang Technological University |
| | Asst Prof Noor Aisha Bte Abdul Rahman Department of Malay Studies National University of Singapore |
| | Ms Chandrika d/o Gopal Principal Jiemin Primary School |
| | Mr Adrian Lim Principal Ngee Ann Secondary School |

3 The current Council which was appointed in January 2011 comprises:

| | |
|-----------|---|
| Chairman: | Dr Foong Wai Keong President & CEO Ecquaria Technologies Pte Ltd |
| Members: | Assoc Prof Noor Aisha Bte Abdul Rahman Department of Malay Studies National University of Singapore |
| | Mr Peter Lee Financial Controller OSIM International Ltd |
| | Mdm Rita Rajlal Principal Concord Primary School |
| | Mr Koh Chong Mong Principal Kent Ridge Secondary School |

EXECUTIVE SUMMARY

EDUSAVE ENDOWMENT FUND

- 1 The Edusave Endowment Fund was established in 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.
- 2 The Edusave Endowment Fund is invested by the Government and the interest rate is pegged to the 12-month average yield of 10-year Singapore Government Securities plus one percentage point. The interest earned each year is used to fund the disbursements under the Edusave Scheme in the next year. The interest rate was 3.72% per annum for financial year 2010.
- 3 During the financial year, the Fund received a total income of \$219.5 million. An amount of \$355.4 million was disbursed which included \$135.9 million from the accumulated surplus. As at 31 March 2011, the balance in the Edusave Endowment Fund was \$5.8 billion which included \$0.8 billion accumulated surplus.

EDUSAVE PUPILS FUND

- 4 The Edusave Pupils Fund was established in January 1993. It comprises annual contributions and one-off grants paid into the Edusave accounts of eligible students at primary and secondary levels in the Government and Government-aided schools, independent schools, specialised schools and the Government-supported special education schools. The students may use their Edusave accounts to pay for approved fees and school-based enrichment programme charges. From April 2008, the Edusave balances of members who have attained the age of 16 years and are not studying in a prescribed school are transferred to their PSE accounts.
- 5 During the financial year, \$142.1 million was paid into the Edusave accounts of 422,040 students. Excluding the one-off grant of \$52.9 million paid in March 2011, the annual contribution was \$89.2 million. During the financial year, \$88.4 million was withdrawn for approved fees and charges, and \$28.5 million transferred to the Post-Secondary Education (PSE) Fund. As at 31 March 2011, the balance in the Edusave Pupils Fund was \$322.4 million.

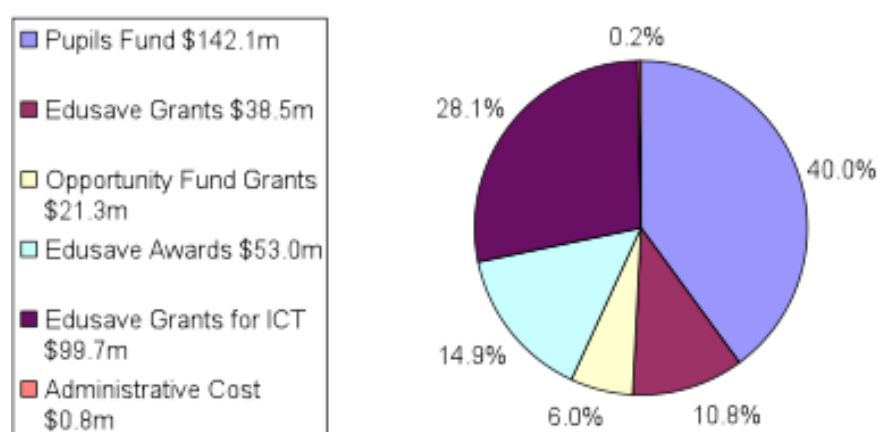
POST-SECONDARY EDUCATION FUND

- 6 The Post-Secondary Education (PSE) Fund was established in January 2008 to help parents save for their Singaporean children's post-secondary education. The PSE Fund receives the balances transferred from the Child Development Accounts (CDA) of those who attain the age of 7 years. Children eligible for co-savings arrangements under the Child Development Co-Savings Act can continue to contribute to their PSE accounts and receive matching grants from the Government until the prescribed contribution cap is reached, or when the children turn 18 years, whichever is earlier. The PSE Fund also receives the balances transferred from the Edusave accounts of members who attain the age of 16 years and are not studying in a prescribed school. The PSE Fund may also receive other grants from the Government.
- 7 During the financial year, the PSE Fund received \$21.1 million transferred from the CDA of 9,055 children and \$28.5 million from the Edusave accounts of 48,334 members. Another \$221.2 million was paid to the PSE accounts of 632,094 eligible Singaporeans between the ages of 7 and 20 years under the 2010 Government top-up. Under the National Service Recognition Award Scheme announced by the Government in August 2010, \$65.3 million was paid to the PSE accounts of 20,806 eligible National Servicemen during the financial year.
- 8 The PSE Fund may be used by the account holders or their siblings to pay for approved fees and charges in approved institutions. During the financial year, \$56.5 million was withdrawn for fees and charges at approved institutions. As at 31 March 2011, the balance in the PSE Fund was \$1.1 billion.

EDUSAVE ENDOWMENT FUND

- 1 The Edusave Endowment Fund was established in 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.
- 2 The Edusave Endowment Fund is invested by the Government and the interest rate is pegged to the 12-month average yield of 10-year Singapore Government Securities plus one percentage point. The interest earned each year is used to fund the disbursements under the Edusave Scheme in the next year. The interest rate was 3.72% per annum for financial year 2010.
- 3 During the financial year, the Edusave Endowment Fund earned an interest income of \$219.5 million. The amount disbursed during the financial year was \$355.4 million which included \$135.9 million from the accumulated surplus.
- 4 The income from the Edusave Endowment Fund is used to fund contributions and one-off grants to the Edusave accounts of eligible students, Edusave grants and Opportunity Fund grants to schools and institutions, Edusave awards to students and administrative cost. Chart-1 shows the distribution of the amount disbursed during the financial year.

Chart-1: Distribution of Amount Disbursed in FY 2010



Total Amount Disbursed = \$355.4 m

- 5 As at 31 March 2011, the balance in the Edusave Endowment Fund was \$5.8 billion which included \$0.8 billion accumulated surplus.

EDUSAVE PUPILS FUND

- 1 The Edusave Pupils Fund was established in January 1993. It comprises annual contributions and one-off grants paid into the Edusave accounts of eligible students at primary and secondary levels in the Government and Government-aided schools, independent schools, specialised schools and the Government-supported special education schools. The Edusave Pupils Fund scheme is administered by the Ministry of Education and the Edusave Pupils Fund is invested by the Central Provident Fund Board. The Edusave Pupils Fund earns an interest rate pegged to the Central Provident Fund ordinary account rate, and interest earned is used to pay members at the same rate. The interest rate for FY2010 was 2.5%. During the financial year, the Fund earned an interest income of \$6.1 million and \$5.5 million was paid to members, leaving a surplus of \$0.6 million.
- 2 In 2011, the contribution rates were \$200 for students at primary level and \$240 for those at secondary level. In March 2011, the Government gave a one-off grant of \$130 to the Edusave account of each eligible student. During the financial year, \$142.1 million was paid into the Edusave accounts of 442,040 students. Excluding the one-off grant of \$52.9 million, the annual contribution was \$89.2 million.
- 3 The students may use their Edusave accounts to pay for approved fees and school-based enrichment programme charges. From April 2008, the Edusave balances of members who have attained the age of 16 years and are not studying in a prescribed school are transferred to their Post-Secondary Education (PSE) accounts. During the financial year, \$88.4 million was withdrawn, of which \$26.7 million (30.2%) was for approved fees and \$61.7 million (69.8%) for enrichment programme charges. Another \$28.5 million was transferred to the PSE accounts of 48,334 members.
- 4 As at 31 March 2011, the balance in the Edusave Pupils Fund was \$332.4 million.

EDUSAVE GRANTS

- 1 Edusave grants are given to all the Government and Government-aided schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and the Government-supported special education schools and institutes of technical education (ITE). The schools and institutions use the grants to procure resources and equipment or to subsidise programmes that enhance the quality of teaching and learning.
- 2 In 2011, the grant rates were \$50 per student for primary level, \$90 for secondary level, \$120 for pre-university level and \$100 for ITE. During the financial year, \$38.5 million was disbursed.

EDUSAVE GRANT FOR INFORMATION COMMUNICATION TECHNOLOGY

- 1 Edusave Grant for Information Communication Technology (ICT) is given to all the Government and Government-aided schools, junior colleges and centralised institute and independent schools and colleges to procure ICT equipment and enrich the learning experience of students. The schools and colleges use the grants to procure additional computing devices to meet the desired computing device norms, provide mobile devices such as notebooks and netbooks to enable students to learn beyond the classroom, and upgrade the current computing equipment to a higher configuration to allow teachers and students to access new media rich learning applications.
- 2 The one-off grant rates were \$158 per student for primary level, and \$258 for secondary and pre-university levels. During the financial year, \$99.7m was disbursed to be used over 5 academic years.

OPPORTUNITY FUND GRANTS

- 1 Opportunity Fund grants are given to all the Government and Government-aided schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and the Government-supported special education schools and institutes of technical education (ITE). The schools and institutions use the grants to level up co-curricular development opportunities for Singaporean students from lower income households.
- 2 In 2009, the grants were disbursed in two instalments in January and July for use in that year, and balances were recovered in December. From 2010, to give schools greater flexibility in planning and certainty of funding, grants were disbursed to be used over 3 academic years. In line with the intent of the scheme, the allocation framework was also refined to give schools a higher rate if they have more than 10% of students who are beneficiaries of financial assistance schemes.
- 3 The annualised grant rates for 2010 to 2012 were \$19 per student for primary level, \$32 for secondary level in non-independent schools and the specialised schools, \$20 for secondary level in independent schools, \$22 for pre-university level and \$32 for ITE. During the financial year, \$21.3 million was disbursed to the schools and institutions.

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 primary five and six and all the secondary levels in the Government and Government-aided schools are eligible for Edusave Scholarships for Primary Schools (ESPS) and Secondary Schools (ESSS) Schemes respectively.
- 2 For both schemes, the scholarships are school-based. School principals select awardees from all streams in each level based on the students' academic performance and subject to good conduct. Table-1 shows the breakdown of the scholarship value by level:

Table-1: Value of Edusave Scholarships by Level

| Level | \$ |
|------------------|-----|
| Primary | |
| Top 5% | 400 |
| Next 5% | 350 |
| Secondary | |
| Top 5% | 650 |
| Next 5% | 400 |

- 3 In 2010, 7,305 Singaporean students were awarded the ESPS and 15,998 the ESSS at a total value of \$11.1 million. Table-2 shows the breakdown of awardees by level:

Table-2: Breakdown of Edusave Scholarship Awardees by Level

| Level | No. | \$m |
|------------------|---------------|-------------|
| Primary | 7,305 | 2.7 |
| Secondary | 15,998 | 8.4 |
| Total | 23,303 | 11.1 |

EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS

- 1 Edusave scholarships are also 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 Singaporean students enrolled in secondary one in the independent schools. Selection is based on the Primary School Leaving Examination results. For EESIS awarded up to 2007, the annual quantum of the award was the school fees charged by the independent school less the amount of school and standard miscellaneous fees that the awardee would have to pay if he were in a Government or Government-aided school or junior college. For EESIS awarded from 2008, the annual quantum is capped at \$2,400 less the school and standard miscellaneous fees that an awardee would have to pay if he were in a Government or Government-aided secondary school or junior college. The scholarship is tenable for the duration of the scholar's education in the independent school.
- 2 The Edusave Scholarships for Integrated Programme Schools (ESIP) are for students who join the Integrated Programme at entry points beyond secondary one. The selection is based on either the Primary School Leaving Examination or the Integrated Programme Scholarship Test results. The quantum of the ESIP is the same as that for the EESIS, and capped for ESIP awarded from 2008. The scholarship is tenable for the duration of the scholar's Integrated Programme course.
- 3 Students in independent schools who are not EESIS and ESIP holders are eligible for the Edusave (Independent Schools) Yearly Award (E(IS)YA) if they are among the top 5% students in each level in the school. The value of E(IS)YA is the same as the annual value of the EESIS, and capped for awards given out from 2008.

- 4 During the financial year, \$22.3 million was disbursed to 8,653 Edusave scholars in the independent schools and junior colleges. Another \$1.1 million was disbursed from Voted Fund for 530 independent school Edusave scholars who were in the Gifted Education, Music Elective or Arts Elective Special Programmes. Table-3 shows the breakdown of awardees by scheme and level:

Table-3: Breakdown of Edusave Scholarship Awardees by Level

| Level | EESIS | | ESIP | | E(IS)YA | | Total | |
|-----------------------|--------------|-------------|--------------|------------|------------|------------|--------------|-------------|
| | No. | \$m | No. | \$m | No. | \$m | No. | \$m |
| Secondary | 5,037 | 10.6 | 172 | 0.3 | 197 | 0.4 | 5,406 | 11.3 |
| Junior College | 2,095 | 6.9 | 1,133 | 4.0 | 19 | 0.1 | 3,247 | 11.0 |
| Total | 7,132 | 17.5 | 1,305 | 4.3 | 216 | 0.5 | 8,653 | 22.3 |

EDUSAVE MERIT BURSARIES

- 1 The Edusave Merit Bursaries (EMB) Scheme aims to give Singaporean students from modest home background in all the Government and Government-aided schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and institutes of technical education (ITE) an incentive to perform well.
- 2 The EMB scheme is school-based. All Singaporean students who are in the top 25% within each level and stream and whose gross monthly household income is less than \$4,000 are eligible for EMB unless they are recipients of Edusave scholarships or other Ministry of Education scholarship awards. School principals select eligible students from all streams in each level based on academic performance and subject to good conduct, and invite them to apply for the award if they meet the household income criterion. Table-4 shows the breakdown of the bursary value by level:

Table-4: Value of Edusave Merit Bursaries by Level

| Level | \$ |
|--|-----|
| Primary 1 to 3 | 200 |
| Primary 4 to 6 | 250 |
| Secondary | 350 |
| Pre-University | 400 |
| Institutes of Technical Education | 500 |

- 3 In 2010, 29,574 students were awarded the EMB at a total value of \$9.3 million. Table-5 shows the breakdown of awardees by level:

Table-5: Breakdown of Edusave Merit Bursary Awardees by Level

| Level | No. | \$m |
|-----------------------------------|---------------|------------|
| Primary | 12,774 | 2.9 |
| Secondary | 12,333 | 4.3 |
| Pre-University | 1,972 | 0.8 |
| Institutes of Technical Education | 2,495 | 1.3 |
| Total | 29,574 | 9.3 |

COMMUNITY EDUCATION AWARD SCHEME

- 4 Singaporean students in Government and Government-aided schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and institutes of technical education who do not qualify for any Edusave scholarship, bursary or other award and are in need of financial assistance for their education may apply for Constituency Bursaries established by the Citizens' Consultative Committees under the Community Education Award Scheme. Under this Scheme, the Edusave Endowment Fund provides a matching grant of 3:1 for the Constituency Bursaries paid to the students, subject to a cap of 15% of the total value of the EMB disbursed in the previous year.
- 5 During the financial year, an amount of \$0.6 million was disbursed through the People's Association to the Citizens' Consultative Committees as matching grants for the Constituency Bursaries.

GOOD PROGRESS AWARDS

- 1 The Good Progress Awards (GPA) are given to Singaporean students in the Government and Government-aided primary (except those in primary one) and secondary schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and institutes of technical education (ITE) who have made significant improvement in their academic performance. Students who are recipients of Edusave scholarships or bursaries or other Ministry of Education scholarships or bursaries are not eligible for this award. The GPA is co-funded by the People's Association which bears 10% of the amount paid.
- 2 The school-based awards are given to a maximum of 10% of students from all streams in each level. Selection is by comparing the year-end school examination results against those of the previous year. Table-6 shows the breakdown of award value by level:

Table-6: Value of Good Progress Awards by Level

| Level | \$ |
|-----------------------------------|-----|
| Primary 2 to 3 | 100 |
| Primary 4 to 6 | 150 |
| Secondary | 200 |
| Pre-University | 250 |
| Institutes of Technical Education | 400 |

- 3 In 2010, 34,696 students were awarded the GPA at a total value of \$6.2 million. Table-7 shows the breakdown of awardees by level:

Table-7: Breakdown of Good Progress Awardees by Level

| Level | No. | \$m |
|-----------------------------------|---------------|------------|
| Primary | 16,919 | 2.2 |
| Secondary | 13,891 | 2.8 |
| Pre-University | 2,084 | 0.5 |
| Institutes of Technical Education | 1,802 | 0.7 |
| Total | 34,696 | 6.2 |

EDUSAVE AWARDS FOR ACHIEVEMENT, GOOD LEADERSHIP AND SERVICE

- 1 The Edusave Awards for Achievement, Good Leadership and Service (EAGLES) are given to Singaporean students in the Government and Government-aided schools, junior colleges and centralised institute, independent schools and colleges, specialised schools and institutes of technical education (ITE) 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 school-based awards are given to a maximum of 5% of the Singaporean students from primary four to six in each primary school and 5% of the total number of Singaporean students in each secondary school, junior college and centralised institute, and ITE. Students who are recipients of Edusave scholarships or bursaries or other Ministry of Education scholarships or bursaries are also eligible for this award. Table-8 shows the value of the awards by level:

Table-8: Value of EAGLES by Level

| Level | \$ |
|--|-----|
| Primary 4 to 6 | 150 |
| Secondary | 200 |
| Pre-University | 200 |
| Institutes of Technical Education | 200 |

- 3 In 2010, 17,724 students were awarded the EAGLES at a total value of \$3.2 million. Table-9 shows the breakdown of awardees by level:

Table-9: Breakdown of EAGLES Awardees by Level

| Level | No. | \$m |
|-----------------------------------|---------------|------------|
| Primary | 5,970 | 0.9 |
| Secondary | 9,209 | 1.8 |
| Pre-University | 1,393 | 0.3 |
| Institutes of Technical Education | 1,152 | 0.2 |
| Total | 17,724 | 3.2 |

ACHIEVEMENT AWARDS FOR SPECIAL EDUCATION STUDENTS

- 1 The Achievement Awards for Special Education Students (AASPEDS) was implemented in 2010 to recognise the achievements and progress of Singaporean students in the Government-supported special education schools and to motivate them to excel. An annual lump sum grant is given to each special education school based on \$100 per Singaporean citizen student to disburse school-based AASPEDS each year.
- 2 The AASPEDS will be given to Singaporean students who meet the school-based criteria for the awards. The school-based criteria would help schools to select students who best meet their school and student profiles. For example, schools for the hearing impaired could focus on the child's speech development. Other schools might focus on the students' development of vocational skills. Schools could also give awards based on their students' contribution to the school community, in areas such as leadership, exemplary behaviour, achievements in co-curricular activities or national events for persons with disabilities.
- 3 In 2010, 1,524 students were awarded AASPEDS at a total value of \$0.3m.

POST-SECONDARY EDUCATION FUND

- 1 The Post-Secondary Education (PSE) Fund was established in January 2008 to help parents save for their Singaporean children's post-secondary education by maintaining a PSE account for each eligible child. The PSE Fund receives the balances transferred from the Child Development Accounts (CDA) of those who attain the age of 7 years. Children eligible for co-savings arrangement under the Child Development Co-Savings Act can continue to contribute to their PSE accounts and receive matching grants from the Government until the prescribed contribution cap is reached, or when the children turn 18 years, whichever is earlier. The PSE Fund also receives the balances transferred from the Edusave accounts of members who attain the age of 16 years and are not studying in a prescribed school. The PSE Fund may also receive other grants from the Government.
- 2 The PSE Scheme is administered by the Ministry of Education and the PSE Fund invested by the Central Provident Fund Board. The PSE Fund earns an interest rate pegged to the Central Provident Fund ordinary account rate, and interest earned is used to pay members at the same rate. The interest rate for FY2010 was 2.5%. During the financial year, the Fund earned an interest income of \$22.7 million and \$22.4 million was paid to members, leaving a surplus of \$0.3m.
- 3 During the financial year, the PSE Fund received \$21.1 million transferred from the CDA of 9,055 children, and another \$0.2 million contributed by eligible members with matching grants from the Government. It also received \$28.5 million transferred from the Edusave accounts of 48,334 members. Another \$221.2 million was paid to 632,094 eligible Singaporeans between the ages of 7 and 20 years under the 2010 Government top-up. Under the National Service Recognition Award (NSRA) scheme announced by the Government in August 2010, the first tranche of the NSRA payout would be paid to the PSE accounts of national servicemen. During the financial year, \$65.3 million was paid to the PSE accounts of 20,806 eligible national servicemen.

4. The PSE fund may be used by the account holders or their siblings for approved courses in the publicly-funded universities, polytechnics, and diploma programmes in LaSalle-SIA and Nanyang Academy of Fine Arts which are subsidised by the Ministry of Education, and approved degree programmes of institutions conferring local degrees. Students in institutes of technical education may also use their PSE fund or those of their siblings for approved fees and charges. The PSE Fund may also be used for approved courses conducted by training agencies accredited by the Workforce Development Agency. During the financial year, \$56.5 million was withdrawn by 82,612 members for fees and charges at approved institutions.
5. As at 31 March 2011, the balance in the PSE Fund was \$1.1 billion.



EDUSAVE ENDOWMENT FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

**FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED**

31 MARCH 2011

EDUSAVE ENDOWMENT FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

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STATEMENT BY MANAGEMENT

In the opinion of the Management, the accompanying financial statements are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act so as to give a true and fair view of the state of affairs of the Edusave Endowment Fund for the financial year ended 31 March 2011.



MS YEOH CHEE YAN

Second Permanent Secretary

MINISTRY OF EDUCATION

DATE: 13 May 2011



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 13 May 2011

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF EDUSAVE ENDOWMENT FUND

We have audited the accompanying financial statements of the Edusave Endowment Fund, which comprise the balance sheet as at 31 March 2011, and the income and expenditure statement and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"). This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure accounts and balance sheets and to maintain accountability of assets.
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of Edusave Endowment Fund are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Edusave Endowment Fund as at 31 March 2011 and the results of the Edusave Endowment Fund for the year ended on that date; and
- (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.

geetha A & Associates

GEETHA A & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 13 May 2011

BALANCE SHEET AS AT 31 MARCH 2011

| | NOTES | 31 March 2011 S\$ | 31 March 2010 S\$ |
|-------------------------------|-------|----------------------|----------------------|
| Capital fund | 4 | 5,000,000,000 | 5,000,000,000 |
| Accumulated surplus | | 765,725,290 | 901,567,699 |
| Total Fund and Surplus | | 5,765,725,290 | 5,901,567,699 |

Represented By:

| | | | |
|------------------------------------|---|----------------------|----------------------|
| Balance held by Accountant-General | 5 | 5,765,725,290 | 5,901,567,699 |
| Total Assets | | 5,765,725,290 | 5,901,567,699 |

INCOME AND EXPENDITURE STATEMENT FOR FINANCIAL YEAR ENDED 31 MARCH 2011

| | NOTE | FY 2010 S\$ | FY 2009 S\$ |
|---|------|--------------------|--------------------|
| INCOME | | | |
| Interest income | 6 | 219,538,318 | 233,824,597 |
| Recovery of unspent Opportunity Fund balances | 7 | 18,141 | 6,882,116 |
| | | 219,556,459 | 240,706,713 |
| EXPENDITURE | | | |
| Edusave Pupils Fund | | | |
| - Contribution to Edusave Accounts | 8 | 142,093,218 | 126,601,903 |
| Edusave Scholarships | 9 | 33,427,772 | 34,080,330 |
| Edusave Merit Bursaries | 10 | 9,903,609 | 10,958,167 |
| Good Progress Awards | 11 | 6,194,950 | 5,185,245 |
| Edusave Awards for Achievement, Good Leadership and Service | 12 | 3,233,510 | 3,258,780 |
| Achievement Awards for Special Education Students | 13 | 278,920 | - |
| Edusave Grants | 14 | 38,504,436 | 50,018,690 |
| Opportunity Fund Grants | 15 | 21,203,091 | 27,968,421 |
| Edusave Grants for Information Communication Technology | 16 | 99,746,442 | - |
| Edusave Endowment Fund | | | |
| - Development expenditure | 17 | 279,992 | 97,324 |
| - Operating expenditure | 17 | 532,928 | 580,211 |
| | | 355,398,868 | 258,749,071 |
| Deficit for the year | | (135,842,409) | (18,042,358) |
| Accumulated surplus brought forward | | 901,567,699 | 919,610,057 |
| Accumulated surplus carried forward | | 765,725,290 | 901,567,699 |

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

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 MARCH 2011

1. Principal Activities

The Edusave Endowment Fund was established on 1 January 1993 under the Education Endowment and Savings Schemes 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 in government, government-aided and independent schools and junior colleges;
- (iii) the provision of merit bursaries to full-time pupils in government, government-aided and independent schools and junior colleges/centralised institute, and institutes of technical education;
- (iv) the provision of grants to government, government-aided and independent schools and junior colleges/centralised institute, special education schools and institutes of technical education;
- (v) the provision of good progress awards to full-time pupils in government, government-aided and independent schools and junior colleges/centralised institute and institutes of technical education;
- (vi) the provision of Edusave awards for achievement, good leadership and service to full-time pupils in government, government-aided and independent schools and junior colleges/centralised institute and institutes of technical education and
- (vii) the provision of achievement awards to full-time pupils in special education schools; and
- (viii) 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 2010 relates to the financial year from 1 April 2010 to 31 March 2011. Correspondingly, FY 2009 relates to the financial year from 1 April 2009 to 31 March 2010.

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 until disbursed in accordance with the Education Endowment and Savings Schemes Act.

6. Interest Income

This represents interest income earned from the balance placed with the Accountant-General. From FY 2008, the interest rate is pegged to 1% point above the 10-year Singapore Government Securities yield. Interest for the financial year was 3.72% per annum. (FY 2009 : 3.95%)

7. Recovery of Unspent Opportunity Fund balances

The amounts recovered in FY 2010 were less than those in the previous financial year because in 2010, grants were disbursed to schools to be used over 3 years to allow schools to have certainty of funding and to plan over a longer period. The recovery of balances in FY2010 was due to adjustments.

| | FY 2010 | FY 2009 |
|---|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 8,997 | 2,264,098 |
| Special Education Schools | - | 41,278 |
| Secondary Schools | 8,888 | 3,938,399 |
| Independent Secondary Schools | - | 82,850 |
| Junior Colleges/Centralised Institute | 256 | 231,027 |
| Independent Junior Colleges/Institution | - | 27,744 |
| Institutes of Technical Education | - | 296,720 |
| Total amount recovered | 18,141 | 6,882,116 |

8. Contribution to Edusave Accounts

The contribution to Edusave accounts represents payments made to Singaporean pupils from the age of six onwards studying in prescribed schools. The rate of contribution to each account for 2011 was \$200 (FY 2009 : \$200) for primary level pupils and \$240 (FY 2009 : \$240) for secondary level pupils. In addition, all pupils eligible for Edusave contributions in 2011 were given a one-off top-up of \$130 each in March 2011. During the financial year, contributions were paid into the Edusave accounts of 422,040 pupils (FY 2009 : 449,389).

9. Edusave Scholarships

The scholarships are given to encourage Singaporean pupils to excel in their studies and were disbursed as follows:

| | FY 2010 | FY 2009 |
|----------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,737,900 | 2,875,450 |
| Secondary Schools | 8,341,200 | 8,575,150 |
| Independent Schools | 22,357,472 | 22,635,080 |
| | <hr/> | <hr/> |
| | 33,436,572 | 34,085,680 |
| Less: | | |
| Refund of unclaimed scholarships | (8,800) | (5,350) |
| Total | 33,427,772 | 34,080,330 |

10. Edusave Merit Bursaries

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

| | FY 2010 | FY 2009 |
|---------------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,885,800 | 3,280,800 |
| Secondary Schools | 4,316,450 | 4,604,250 |
| Junior Colleges/Centralised Institute | 788,800 | 844,000 |
| Institutes of Technical Education | 1,247,500 | 1,408,000 |
| Community Education Award Scheme | 605,459 | 806,817 |
| Edusave merit bursaries [2009] | 66,050 | 16,900 |
| | <hr/> | <hr/> |
| | 9,910,059 | 10,960,767 |
| Less: | | |
| Refund of unclaimed Merit Bursaries | (6,450) | (2,600) |
| Total | 9,903,609 | 10,958,167 |

11. Good Progress Awards

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

| | FY 2010 | FY 2009 |
|---------------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,217,700 | 2,249,200 |
| Secondary Schools | 2,778,300 | 2,785,200 |
| Junior Colleges/Centralised Institute | 521,000 | 521,750 |
| Institutes of Technical Education | 720,800 | 720,400 |
| | <hr/> | <hr/> |
| | 6,237,800 | 6,276,550 |
| Less: | | |
| Funding by People's Association | - | (1,065,305) |
| Refund of unclaimed awards | (42,850) | (26,000) |
| Total | 6,194,950 | 5,185,245 |

Note: Funding by People's Association for FY2010 is nil because payment was received in FY 2009 for its share of the Good Progress Awards disbursed in both 2008 and 2009.

12. Edusave Awards for Achievement, Good Leadership and Service

These awards are given to Singaporean pupils for their leadership quality, service to the community and schools, and achievements in non-academic areas and were disbursed as follows:

| | FY 2010 | FY 2009 |
|---------------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary schools | 895,500 | 880,800 |
| Secondary schools | 1,841,800 | 1,878,600 |
| Junior Colleges/Centralised Institute | 278,600 | 280,200 |
| Institutes of Technical Education | 230,400 | 227,400 |
| | <hr/> | <hr/> |
| | 3,246,300 | 3,267,000 |
| Less: | | |
| Refund of unclaimed awards | (12,790) | (8,220) |
| Total | 3,233,510 | 3,258,780 |

13. Achievement Awards for Special Education Students

From 2010, grants were disbursed to Government-supported special education schools to fund awards for Singaporean pupils to recognise their achievements and progress and to motivate them to excel. The grants for the awards were computed based on the total Singapore Citizen enrolment aged 6 and above for each special education school and unspent grants were recovered at the end of the year. A total of \$278,920 was disbursed for the awards in FY 2010.

| | FY 2010 | FY 2009 |
|--------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Grants disbursed | 464,600 | - |
| Less: | | - |
| Refund of unspent grants | (185,680) | - |
| Total awarded | 278,920 | - |

14. Edusave Grants

Edusave grants are given to government, government-aided and independent schools and junior colleges/centralised institute, special education schools and institutes of technical education to be used to advance teaching and learning. They are disbursed to schools in January and July each year at rates based on the level of the schools. The amounts disbursed in FY 2010 were less than those in the previous financial year because of the one-off top-up of \$20 per student given to all schools in July 2009. The amounts disbursed during the financial year were as follows:

| | FY 2010 <u>S\$</u> | FY 2009 <u>S\$</u> |
|--|-------------------------------------|-------------------------------------|
| Primary Schools | | |
| - Payment in July | 6,288,125 | 11,942,565 |
| - Payment in January | 6,548,700 | 6,801,225 |
| Special Education Schools | | |
| - Payment in July | 136,300 | 245,555 |
| - Payment in January | 124,565 | 124,800 |
| Secondary Schools | | |
| - Payment in July | 8,662,860 | 12,986,540 |
| - Payment in January | 9,047,475 | 9,019,620 |
| Independent Schools | | |
| - Payment in July | 755,945 | 1,047,110 |
| - Payment in January | 736,595 | 726,365 |
| Junior Colleges/ Centralised Institute | | |
| - Payment in July | 1,461,480 | 1,936,320 |
| - Payment in January | 1,543,200 | 1,645,800 |
| Independent Junior Colleges/ Institution | | |
| - Payment in July | 376,920 | 653,440 |
| - Payment in January | 363,480 | 353,400 |
| Institutes of Technical Education | | |
| - Payment in July | 1,232,450 | 1,321,900 |
| - Payment in January | 1,248,050 | 1,214,050 |
| | 38,526,145 | 50,018,690 |
| Less: | | |
| Refund of balances from closed schools | (21,709) | - |
| Total | 38,504,436 | 50,018,690 |

15. Opportunity Fund

Opportunity Fund grants are given to government, government-aided and independent schools and junior colleges, institution and centralised institute, special education schools and institutes of technical education to be used to level up co-curricular development opportunities for Singaporean pupils from low income households. In 2010, the Ministry decided to disburse 3-year grants to allow schools to have certainty of funding and to plan over a longer period. The grants were disbursed in January and July 2010. In January 2011, grants were disbursed to 2 new schools. The grants disbursed were as follows:

| | FY 2010 <u>S\$</u> | FY 2009 <u>S\$</u> |
|--|-------------------------------------|-------------------------------------|
| Primary Schools | | |
| - Payment in July | 7,693,039 | 2,100,002 |
| - Payment in January | 3,458 | 7,945,115 |
| Special Education Schools | | |
| - Payment in July | 145,834 | 37,036 |
| - Payment in January | - | 133,180 |
| Secondary Schools | | |
| - Payment in July | 10,337,328 | 3,013,648 |
| - Payment in January | 9,920 | 10,821,192 |
| Independent Schools | | |
| - Payment in July | 452,400 | 100,168 |
| - Payment in January | - | 458,724 |
| Junior Colleges/ Centralised Institute | | |
| - Payment in July | 730,059 | 163,190 |
| - Payment in January | - | 731,379 |
| Independent Junior Colleges/ Institution | | |
| - Payment in July | 162,525 | 67,732 |
| - Payment in January | - | 158,367 |
| Institutes of Technical Education | | |
| - Payment in July | 1,668,528 | 596,512 |
| - Payment in January | - | 1,642,176 |
| Total | 21,203,091 | 27,968,421 |

16. Edusave Grant for Information Communication Technology

In July 2010, a one-off Edusave Grant for information communication technology was disbursed to government, government-aided and independent schools and junior colleges, institution and centralised institute. The objective of the grant is to enhance teaching and learning through the use of information communication technology in schools. Schools can use the grant to upgrade or procure additional information technology equipment such as notebooks and netbooks to broaden the experiences of our students. The grants disbursed were as follows:

| | FY 2010 | FY 2009 |
|---|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 41,165,478 | - |
| Secondary Schools | 50,568,516 | - |
| Independent Schools | 3,899,412 | - |
| Junior Colleges/Centralised Institute | 3,296,208 | - |
| Independent Junior Colleges/Institution | 816,828 | - |
| Total | 99,746,442 | - |

17. Development & Operating Expenditure

| | FY 2010 <u>S\$</u> | FY 2009 <u>S\$</u> |
|--|-----------------------|-----------------------|
| a) Development Expenditure | | |
| Edusave Awards Selection and Administration System | 268,869 | 61,024 |
| Integrated Billing, Edusave and Collection System | 11,123 | 36,300 |
| Total development expenditure | 279,992 | 97,324 |
| b) Operating Expenditure | | |
| System maintenance cost | 156,601 | 162,417 |
| Edusave Pupils Fund agency charges | 23,440 | 22,961 |
| Edusave unit manpower cost | 243,768 | 179,208 |
| Printing and stationery | 87,320 | 191,681 |
| Auditors' remuneration | 17,120 | 17,120 |
| General expenses | 4,679 | 6,824 |
| Total operating expenditure | 532,928 | 580,211 |
| Total | 812,920 | 677,535 |



EDUSAVE PUPILS FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED

31 MARCH 2011

EDUSAVE PUPILS FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

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STATEMENT BY MANAGEMENT

In the opinion of the Management, the accompanying financial statements are drawn up in accordance with the provisions in the Education Endowment and Savings Schemes Act so as to give a true and fair view of the state of affairs of the Edusave Pupils Fund for the financial year ended 31 March 2011.



MS YEOH CHEE YAN

Second Permanent Secretary

MINISTRY OF EDUCATION

DATE: 13 May 2011



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 13 May 2011

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF EDUSAVE PUPILS FUND

We have audited the accompanying financial statements of the Edusave Pupils Fund, which comprise the balance sheet as at 31 March 2011, and the income and expenditure statement and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"). This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure accounts and balance sheets and to maintain accountability of assets.
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

The Edusave Pupils 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of Edusave Pupils Fund are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Edusave Pupils Fund as at 31 March 2011 and the results of the Edusave Pupils Fund for the year ended on that date; and
- (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.

geetha A & Associates

GEETHA A & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 13 May 2011

BALANCE SHEET AS AT 31 MARCH 2011

| | 31 March 2011 <u>S\$</u> | 31 March 2010 <u>S\$</u> |
|---|-----------------------------|-----------------------------|
| Members' accounts | 310,837,227 | 280,130,261 |
| Accumulated surplus | 11,600,284 | 11,021,071 |
| Total Fund and Surplus | 322,437,511 | 291,151,332 |
| Represented By: | | |
| Deposits placed with the Monetary Authority of Singapore | 322,315,372 | 291,018,431 |
| Cash at bank | 122,139 | 132,901 |
| Total Assets | 322,437,511 | 291,151,332 |

INCOME AND EXPENDITURE STATEMENT FOR FINANCIAL YEAR ENDED 31 MARCH 2011

| | NOTES | FY 2010 <u>S\$</u> | FY 2009 <u>S\$</u> |
|--|-------|-----------------------|-----------------------|
| INCOME | | | |
| Interest income: | | | |
| - Deposits placed with Monetary Authority of Singapore | 4 | 6,130,014 | 5,949,860 |
| - Cash at bank | | 305 | 439 |
| | | 6,130,319 | 5,950,299 |
| EXPENDITURE | | | |
| Interest credited to members' accounts | | 5,551,106 | 5,432,234 |
| Surplus for the year | | 579,213 | 518,065 |
| Accumulated surplus brought forward | | 11,021,071 | 10,503,006 |
| Accumulated surplus carried forward | | 11,600,284 | 11,021,071 |

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

MOVEMENT OF MEMBERS' ACCOUNTS FOR FINANCIAL YEAR ENDED 31 MARCH 2011

| | NOTES | FY 2010 <u>S\$</u> | FY 2009 <u>S\$</u> |
|--|-------|-----------------------|-----------------------|
| RECEIPTS | | | |
| Interest credited to members' accounts | 5 | 5,551,106 | 5,432,234 |
| Contributions from the Edusave Endowment Fund | 6 | 142,093,218 | 126,601,903 |
| | | 147,644,324 | 132,034,137 |
| PAYMENTS | | | |
| Withdrawals of deceased members' balances | | 47,460 | 40,993 |
| Withdrawals for approved fees and programme charges | 7 | 88,378,760 | 80,865,148 |
| Transfer to Post-Secondary Education Accounts | 8 | 28,511,138 | 23,308,231 |
| | | 116,937,358 | 104,214,372 |
| Net Increase in members' accounts for the year | | 30,706,966 | 27,819,765 |
| Members' Accounts at beginning of the year | | 280,130,261 | 252,310,496 |
| Members' Accounts at end of the year | | 310,837,227 | 280,130,261 |

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 MARCH 2011

1. Principal Activities

The Edusave Pupils Fund was established on 1 January 1993 under the Education Endowment and Savings Schemes 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 for Education. The monies can be withdrawn for use on enrichment programmes organised by schools, payment of second-tier miscellaneous fees, autonomous schools 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 2010 relates to the financial year from 1 April 2010 to 31 March 2011. Correspondingly, FY 2009 relates to the financial year from 1 April 2009 to 31 March 2010.

4. Interest Income

This represents interest income earned from the balance placed with the Monetary Authority of Singapore. Interest rate for FY 2010 was 2.5 % (FY 2009 : 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 rate of 2.5% (FY 2009 : 2.5%) per annum.

6. Contributions from the Edusave Endowment Fund

The contributions to Edusave accounts represent monies received from the Edusave Endowment Fund for Singaporean pupils from the age of six studying in prescribed schools. The rate of contribution to each account was \$200 for 2011 (FY 2009 : \$200) for primary level pupils and \$240 (FY 2009 : \$240) for secondary level pupils. In addition, all pupils eligible for Edusave contributions in 2011 were given a one-off top-up of \$130 each in March 2011 to enrich their learning experiences. During the financial year, contributions were paid into the Edusave accounts of 422,040 pupils (FY2009 : 449,389).

7. Withdrawals for Approved Fees and Programme Charges

| | FY 2010 S\$ | FY 2009 S\$ |
|--------------------------------|-------------------|-------------------|
| Enrichment programme charges | 61,695,007 | 54,130,026 |
| Second-tier miscellaneous fees | 26,683,753 | 26,735,122 |
| | 88,378,760 | 80,865,148 |

8. Transfer to Post-Secondary Education Accounts

Under Section 16A of the Act, Edusave balances of members who have attained the age of 16 years and are not studying in a prescribed school would be transferred to their Post-Secondary Education Accounts. During the financial year, the Edusave balances of 48,334 (FY 2009 : 48,007) members were transferred to their Post-Secondary Education Accounts.



POST-SECONDARY EDUCATION FUND

(A Fund established under the Education Endowment and
Savings Schemes Act, Chapter 87A)

**FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED
31 MARCH 2011**

POST-SECONDARY EDUCATION FUND

(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

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STATEMENT BY MANAGEMENT

In the opinion of the Management, the accompanying financial statements are drawn up in accordance with the provisions in the Education Endowment and Savings Schemes Act so as to give a true and fair view of the state of affairs of the Post-Secondary Education Fund for the financial year ended 31 March 2011.



MS YEOH CHEE YAN

Second Permanent Secretary

MINISTRY OF EDUCATION

DATE: 13 May 2011



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 13 May 2011

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF POST-SECONDARY EDUCATION FUND

We have audited the accompanying financial statements of the Post-Secondary Education Fund, which comprise the balance sheet as at 31 March 2011, and the income and expenditure statement and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"). This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income and expenditure accounts and balance sheets and to maintain accountability of assets.
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

The Post-Secondary Education 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the financial statements of Post-Secondary Education Fund are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Post-Secondary Education Fund as at 31 March 2011 and the results of the Post-Secondary Education Fund for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Post-Secondary Education 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 Post-Secondary Education Fund have been in accordance with the provisions of the Act.

geetha A & Associates

GEETHA A & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 13 May 2011

BALANCE SHEET AS AT 31 MARCH 2011

| | 31 March 2011 <u>S\$</u> | 31 March 2010 <u>S\$</u> |
|--|-----------------------------|-----------------------------|
| Members' accounts | 1,148,728,488 | 846,246,710 |
| Accumulated surplus | 803,184 | 493,898 |
| Total Fund and Surplus | 1,149,531,672 | 846,740,608 |
| Represented By: | | |
| Deposits placed with the Monetary Authority of Singapore | 1,145,545,113 | 840,190,060 |
| Balance held by Accountant-General | 3,986,559 | 6,550,548 |
| Total Assets | 1,149,531,672 | 846,740,608 |

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

INCOME AND EXPENDITURE STATEMENT FOR FINANCIAL YEAR ENDED 31 MARCH 2011

| | NOTE | FY 2010 S\$ | FY 2009 S\$ |
|--|------|----------------|----------------|
| INCOME | | | |
| Interest income | 4 | 22,753,100 | 19,500,894 |
| EXPENDITURE | | | |
| Interest credited to members' accounts | | 22,443,814 | 19,254,120 |
| Surplus for the year | | 309,286 | 246,774 |
| Accumulated surplus brought forward | | 493,898 | 247,124 |
| Accumulated surplus carried forward | | 803,184 | 493,898 |

MOVEMENT OF MEMBERS' ACCOUNTS FOR FINANCIAL YEAR ENDED 31 MARCH 2011

| | NOTES | FY 2010 S\$ | FY 2009 S\$ |
|--|-------|----------------------|--------------------|
| RECEIPTS | | | |
| Interest credited to members' accounts | 5 | 22,443,814 | 19,254,120 |
| Balances transferred from | | | |
| - Children Development Accounts | 6 | 21,106,358 | 21,263,026 |
| - Edusave Pupils Fund Accounts | 7 | 28,511,138 | 23,308,231 |
| Contributions from eligible members | | 151,278 | 97,325 |
| Matching contributions from Government | | 578,922 | 175,570 |
| Grants from Government | 8 | 221,168,050 | 919,850 |
| National Service Recognition Awards | 9 | 65,263,500 | - |
| | | 359,223,060 | 65,018,122 |
| PAYMENTS | | | |
| Withdrawals of deceased members' balances | | 245,576 | 235,388 |
| Withdrawals for approved fees and programme charges | 10 | 56,493,555 | 40,585,347 |
| Transfer to Central Provident Fund ordinary accounts | 11 | 2,151 | 47,342 |
| | | 56,741,282 | 40,868,077 |
| Net Increase in members' accounts for the year | | 302,481,778 | 24,150,045 |
| Members' Accounts at beginning of the year | | 846,246,710 | 822,096,665 |
| Members' Accounts at end of the year | | 1,148,728,488 | 846,246,710 |

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

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 MARCH 2011

1. Principal Activities

The Post-Secondary Education (PSE) Fund was established on 1 January 2008 under the Education Endowment and Savings Schemes Act, Chapter 87A. In accordance with Section 16B 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 PSE Fund. The PSE Fund receives monies from the following sources:

- Balance transferred from Children Development Accounts
- Contributions from eligible members
- Matching contributions from Government
- Balance transferred from Edusave Accounts
- Grants from Government
- National Service Recognition Awards
- Interest income earned by the PSE Fund

Interest is paid on the amount standing to the credit of members at interest rates prescribed by the Minister for Education. The monies can be withdrawn to pay for approved fees and charges in approved institutions 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 2010 relates to the financial year from 1 April 2010 to 31 March 2011. Correspondingly, FY 2009 relates to the financial year from 1 April 2009 to 31 March 2010.

4. Interest Income

This represents interest income earned from the balance placed with the Monetary Authority of Singapore. Interest rate for FY 2010 was 2.5 % (FY 2009 : 2.5 %) per annum.

5. Interest Credited to Members' Accounts

This represents interest credited to members' accounts for unutilized credit balances calculated using CPF's ordinary account interest rate of 2.5% (FY 2009 : 2.5%) per annum.

6. Transfer from Children Development Accounts (CDA)

Under Section 16A of the Act, CDA balances would be transferred to their PSE Accounts in the year the children turn 7 years old. In FY 2010, the CDA balances of 9,055 (FY 2009 : 8,861) children were transferred to their PSE Accounts.

7. Transfer from Edusave Pupils Fund Accounts

Under Section 16A of the Act, Edusave balances of members who have attained the age of 16 years and are not studying in a prescribed school would be transferred to their PSE Accounts. In FY 2010, the Edusave balances of 48,334 (FY 2009 : 48,007) members were transferred to their PSE Accounts.

8. Grants from Government

The Government granted a top up to the PSE accounts of Singaporeans between the ages of 7 and 20 years in 2009 and 2010. In FY 2010, the top-up was given to 632,094 eligible Singaporeans. In FY 2009, the top-up was given to 3,489 eligible new Singaporeans.

9. National Service Recognition Awards

The first tranche of the National Service Recognition Awards (NSRA) for Singapore Citizens is deposited into the PSE Accounts of eligible servicemen upon the completion of their full time National Service. During the financial year, 20,806 eligible servicemen received the NSRA in their PSE Accounts.

10. Withdrawals for Approved Fees and Programme Charges

| | FY 2010 S\$ | FY 2009 S\$ |
|--|-------------------|-------------------|
| Fees: | | |
| Tertiary Institutions | 45,376,563 | 32,524,204 |
| Institutes of Technical Education | 5,680,812 | 4,525,461 |
| Special Education Schools | 52,096 | 94,442 |
| Workforce Skills Qualifications Continuing Education and Training Centres | 292,006 | 70,334 |
| | 51,401,477 | 37,214,441 |
| Enrichment Programmes Charges: | | |
| Tertiary Institutions | 5,459,625 | 3,994,793 |
| Institutes of Technical Education | 1,580,434 | 986,429 |
| Special Education Schools | 248,696 | 279,907 |
| | 7,288,755 | 5,261,129 |
| Gross Total Withdrawals | 58,690,232 | 42,475,570 |
| Less Withdrawals Refunded | (2,196,677) | (1,890,223) |
| Net Total Withdrawals | 56,493,555 | 40,585,347 |

11. Transfer to Central Provident Fund (CPF) Ordinary Accounts

Under Section 16E of the Act, a PSE member can apply to transfer the balance to his CPF ordinary account when he attains the age of 21 years. In FY 2010, the account balances of 4 (FY 2009 : 42) members were transferred to their respective CPF ordinary accounts.