



ANNUAL REPORT
FOR FINANCIAL YEAR
2011/2012





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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 Council 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 Rajjal Principal Zhenghua 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 3.44% per annum for financial year 2011.
- 3 During the financial year, the Fund received a total income of \$198.3 million. An amount of \$177.5 million was disbursed. As at 31 March 2012, the balance in the Edusave Endowment Fund was \$5.8 billion which included \$0.8 billion in 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 and institutions, 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 programmes. 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.
- 5 During the financial year, \$86.9 million was paid into the Edusave accounts of 426,163 students. During the financial year, \$96.9 million was withdrawn for approved fees and charges, and \$29.0 million transferred to the PSE Fund. As at 31 March 2012, the balance in the Edusave Pupils Fund was \$289.9 million.

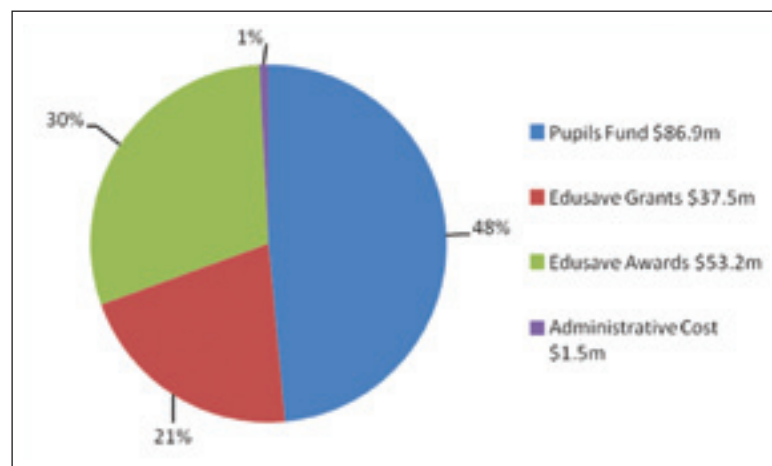
POST-SECONDARY EDUCATION FUND

- 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 \$29.0 million transferred from the CDA of 18,189 children and \$29.0 million from the Edusave accounts of 48,393 members. Under the National Service Recognition Award Scheme announced by the Government in August 2010, \$78.6 million was paid to the PSE accounts of 24,912 eligible National Servicemen during the financial year.
- 8 The PSE Fund may be used by the account holders or their siblings to pay for fees and charges in approved institutions. During the financial year, \$72.6 million was withdrawn for fees and charges at approved institutions. As at 31 March 2012, the balance in the PSE Fund was \$1.2 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 3.44% per annum for financial year 2011.
- 3 During the financial year, the Edusave Endowment Fund earned an interest income of \$198.3 million. The amount disbursed during the financial year was \$179.1 million. After off-setting the \$1.6 million recovered due to adjustment of Opportunity Fund grant, the net disbursement was \$177.5 million.
- 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 2011



Total Amount Disbursed = \$179.1 m

- 5 As at 31 March 2012, the balance in the Edusave Endowment Fund was \$5.8 billion which included \$0.8 billion in 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 and institutions, 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 FY2011 was 2.5%. During the financial year, the Fund earned an interest income of \$6.5 million and \$5.9 million was paid to members, leaving a surplus of \$0.6 million.
- 2 In 2012, the contribution rates were \$200 for students at primary level and \$240 for those at secondary level. During the financial year, \$86.9 million was paid into the Edusave accounts of 426,163 students.
- 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, \$96.9 million was withdrawn, of which \$26.2 million (27.0%) was for approved fees and \$70.7 million (73.0%) for enrichment programme charges. Another \$29.0 million was transferred to the PSE accounts of 48,393 members.
- 4 As at 31 March 2012, the balance in the Edusave Pupils Fund was \$289.9 million.

EDUSAVE GRANTS

- 1 Edusave grants are given to all the Government and Government-aided schools, junior colleges and centralised institute, independent schools and institutions, specialised schools and the Government-supported special education schools and the Institute 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 2012, 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, \$37.5 million was disbursed.

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 institutions, specialised schools and the Government-supported special education schools and Institute 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, the grant amount for 2011 and 2012 was recomputed based on enrolment in June 2011 and the difference of \$1.6 million was recovered.

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 2011, 7,648 Singaporean students were awarded the ESPS and 15,423 the ESSS at a total value of \$10.9 million. Table-2 shows the breakdown of awardees by level.

Table-2: Breakdown of Edusave Scholarship Awardees by Level

| Level | No. | \$m |
|------------------|---------------|-------------|
| Primary | 7,648 | 2.9 |
| Secondary | 15,423 | 8.0 |
| Total | 23,071 | 10.9 |

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 was in a Government or Government-aided school or junior college. For EESIS awarded from 2008, the annual quantum is \$2,400 or the annual school fees less the annual amount of school and standard miscellaneous fees payable by pupils in Government or Government-aided schools, whichever is lower. 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, \$22.9 million was disbursed to Edusave scholars in the independent schools and junior colleges. 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 | 4,566 | 10.7 | 219 | 0.5 | 200 | 0.4 | 4,985 | 11.6 |
| Junior College | 2,062 | 6.9 | 1,212 | 4.3 | 23 | 0.1 | 3,297 | 11.3 |
| Total | 6,628 | 17.6 | 1,431 | 4.8 | 223 | 0.5 | 8,282 | 22.9 |

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 institutions, specialised schools and Institute of Technical Education 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 |
| Institute of Technical Education | 500 |

- 3 In 2011, 26,949 students were awarded the EMB at a total value of \$8.6 million. Table-5 shows the breakdown of awardees by level.

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

| Level | No. | \$m |
|----------------------------------|---------------|------------|
| Primary | 10,941 | 2.5 |
| Secondary | 11,363 | 4.0 |
| Pre-University | 1,777 | 0.7 |
| Institute of Technical Education | 2,868 | 1.4 |
| Total | 26,949 | 8.6 |

COMMUNITY EDUCATION AWARD SCHEME

- 4 Singaporean students in Government and Government-aided schools, junior colleges and centralised institute, independent schools and institutions, specialised schools and Institute 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 \$0.9 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 institutions, specialised schools and Institute of Technical Education 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 |
| Institute of Technical Education | 400 |

- 3 In 2011, 34,089 students were awarded the GPA at a total value of \$6.1 million. Table-7 shows the breakdown of awardees by level.

Table-7: Breakdown of Good Progress Awardees by Level

| Level | No. | \$m |
|----------------------------------|---------------|------------|
| Primary | 16,533 | 2.2 |
| Secondary | 13,724 | 2.7 |
| Pre-University | 2,034 | 0.5 |
| Institute of Technical Education | 1,798 | 0.7 |
| Total | 34,089 | 6.1 |

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 institutions, specialised schools and Institute of Technical Education 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 at all levels in the other schools and institutions. 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 |
| Institute of Technical Education | 200 |

- 3 In 2011, 17,341 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 | 5,864 | 0.9 |
| Secondary | 8,911 | 1.8 |
| Pre-University | 1,380 | 0.3 |
| Institute of Technical Education | 1,186 | 0.2 |
| Total | 17,341 | 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 Singapore citizen student to disburse school-based AASPEDS each year.
- 2 The AASPEDS will be given to students who are Singapore citizens 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 2011, 1,922 students were awarded AASPEDS at a total value of \$0.4m.

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 FY2011 was 2.5%. During the financial year, the Fund earned an interest income of \$29.0 million and \$28.8 million was paid to members, leaving a surplus of \$0.2m.
- 3 During the financial year, the PSE Fund received \$29.0 million transferred from the CDA of 18,189 children, and another \$1.1 million contributed by eligible members with matching grants from the Government. It also received \$29.0 million transferred from the Edusave accounts of 48,393 members. 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 serviceman. During the financial year, \$78.6 million was paid to the PSE accounts of 24,912 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, \$72.6 million was withdrawn by 175,419 members for fees and charges at approved institutions.
- 5 As at 31 March 2012, the balance in the PSE Fund was \$1.2 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 2012

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 Management, the accompanying financial statements are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Edusave Endowment Fund as at 31 March 2012 and the income and expenditure for the financial year ended 31 March 2012.

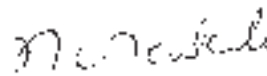


MS YEOH CHEE YAN

Permanent Secretary(Education Development)

MINISTRY OF EDUCATION

DATE: 22 May 2012



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 22 May 2012

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF EDUSAVE ENDOWMENT FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Report on the Financial Statements

We have audited the accompanying financial statements of the Edusave Endowment Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2012, and the income and expenditure statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 28 to 40.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Scheme Act, Chapter 87A (the "Act"), and for 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 statements and balance sheets and to maintain accountability of assets.

The Edusave Endowment 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.

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 about 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 judgement, 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 of financial statements that give a true and fair view 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, 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, the financial statements are properly drawn up in accordance with the provisions of the Act so as to present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2012 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2011 were audited by another auditor whose report dated 13 May 2011 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept, including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



LTC LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE
Date: 22 May 2012

BALANCE SHEET AS AT 31 MARCH 2012

| | NOTE | 31 March 2012 <u>₺</u> | 31 March 2011 <u>₺</u> |
|-------------------------------|------|---------------------------|---------------------------|
| Capital fund | 4 | 5,000,000,000 | 5,000,000,000 |
| Accumulated surplus | | 786,535,510 | 765,725,290 |
| Total Fund and Surplus | | 5,786,535,510 | 5,765,725,290 |

Represented By:

| | | | |
|------------------------------------|---|----------------------|----------------------|
| Balance held by Accountant-General | 5 | 5,786,535,510 | 5,765,725,290 |
| Total Assets | | 5,786,535,510 | 5,765,725,290 |

INCOME AND EXPENDITURE STATEMENT FOR FINANCIAL YEAR ENDED 31 MARCH 2012

| | NOTE | FY 2011 <u>₪</u> | FY 2010 <u>₪</u> |
|---|------|---------------------|---------------------|
| INCOME | | | |
| Interest income | 6 | 198,340,950 | 219,538,318 |
| Recovery of unspent Opportunity Fund balances | 7 | 1,700 | 18,141 |
| | | 198,342,650 | 219,556,459 |
| EXPENDITURE | | | |
| Edusave Pupils Fund | | | |
| - Contribution to Edusave Accounts | 8 | 86,969,894 | 142,093,218 |
| Edusave Scholarships | 9 | 33,837,967 | 33,427,772 |
| Edusave Merit Bursaries | 10 | 9,713,210 | 9,903,609 |
| Good Progress Awards | 11 | 6,100,550 | 6,194,950 |
| Edusave Awards for Achievement, Good Leadership and Service | 12 | 3,161,990 | 3,233,510 |
| Achievement Awards for Special Education Students | 13 | 387,220 | 278,920 |
| Edusave Grants | 14 | 37,507,760 | 38,504,436 |
| Opportunity Fund (Refund) / Grants | 15 | (1,619,058) | 21,203,091 |
| Edusave Grants for Information Communication Technology | 16 | - | 99,746,442 |
| Edusave Endowment Fund | | | |
| - Development expenditure | 17 | 915,865 | 279,992 |
| - Operating expenditure | 17 | 557,032 | 532,928 |
| | | 177,532,430 | 355,398,868 |
| Surplus / (Deficit) for the year | | 20,810,220 | (135,842,409) |
| Accumulated surplus brought forward | | 765,725,290 | 901,567,699 |
| Accumulated surplus carried forward | | 786,535,510 | 765,725,290 |

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 2012

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 and additional income to the Edusave Pupils Fund;
- (ii) the provision of Edusave grants to government, government-aided and independent schools and junior colleges/centralised institute, special education schools and Institutes of Technical Education;
- (iii) the provision of Edusave scholarships, bursaries and awards to full-time pupils in government, government-aided and independent schools and junior colleges/centralised institute and Institutes of Technical Education; and
- (iv) 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 2011 relates to the financial year from 1 April 2011 to 31 March 2012. Correspondingly, FY 2010 relates to the financial year from 1 April 2010 to 31 March 2011.

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 and received from balance placed with the Accountant-General. From FY2008, the interest rate is pegged to 1% point above the 10-year Singapore Government Securities yield. Interest for FY2011 was 3.44% per annum. (FY2010 : 3.72%)

7. Recovery of Unspent Opportunity Fund balances

There was no recovery of unspent opportunity fund balance in FY2011 except for an adjustment due to charging error.

| | FY 2011 | FY 2010 |
|---------------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 1,700 | 8,997 |
| Secondary Schools | - | 8,888 |
| Junior Colleges/Centralised Institute | - | 256 |
| Total amount recovered | 1,700 | 18,141 |

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 2012 was \$200 (2011 : \$200) for primary level pupils and \$240 (2011 : \$240) for secondary level pupils. In addition, all pupils eligible for Edusave contribution 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 426,163 pupils (FY2010 : 422,040).

9. Edusave Scholarships

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

| | FY 2011 | FY 2010 |
|----------------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,867,500 | 2,737,900 |
| Secondary Schools | 8,043,000 | 8,341,200 |
| Independent Schools | 22,934,267 | 22,357,472 |
| | <hr/> | <hr/> |
| | 33,844,767 | 33,436,572 |
| Less: | | |
| Refund of unclaimed scholarships | (6,800) | (8,800) |
| Total | 33,837,967 | 33,427,772 |

10. Edusave Merit Bursaries

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

| | FY 2011 | FY 2010 |
|--|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,475,700 | 2,885,800 |
| Secondary Schools | 3,975,300 | 4,316,450 |
| Junior Colleges/ Centralised Institute | 710,550 | 788,800 |
| Institutes of Technical Education | 1,432,400 | 1,247,500 |
| Community Education Award Scheme | 904,610 | 605,459 |
| Edusave Merit Bursaries [late cases] | 215,050 | 66,050 |
| | <hr/> | <hr/> |
| | 9,713,610 | 9,910,059 |
| Less: | | |
| Refund of unclaimed bursaries | (400) | (6,450) |
| Total | 9,713,210 | 9,903,609 |

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 2011 | FY 2010 |
|--|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Primary Schools | 2,167,900 | 2,217,700 |
| Secondary Schools | 2,744,600 | 2,778,300 |
| Junior Colleges/ Centralised Institute | 508,750 | 521,000 |
| Institutes of Technical Education | 720,800 | 720,800 |
| | <hr/> | <hr/> |
| | 6,142,050 | 6,237,800 |
| Less: | | |
| Refund of unclaimed awards | (41,500) | (42,850) |
| Total | 6,100,550 | 6,194,950 |

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 2011 | FY 2010 |
|--|------------------|------------------|
| | S\$ | S\$ |
| Primary Schools | 879,600 | 895,500 |
| Secondary Schools | 1,782,200 | 1,841,800 |
| Junior Colleges/ Centralised Institute | 276,000 | 278,600 |
| Institutes of Technical Education | 237,200 | 230,400 |
| | <hr/> | <hr/> |
| | 3,175,000 | 3,246,300 |
| Less: | | |
| Refund of unclaimed awards | (13,010) | (12,790) |
| Total | 3,161,990 | 3,233,510 |

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 \$387,220 was disbursed for the awards in FY 2011.

| | FY 2011 | FY 2010 |
|--------------------------|-------------------|-------------------|
| | <u>S\$</u> | <u>S\$</u> |
| Grants disbursed | 494,900 | 464,600 |
| Less: | | |
| Refund of unspent grants | (107,680) | (185,680) |
| Total | 387,220 | 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 academic level of the schools. The amounts disbursed during the financial year were as follows:

| | FY 2011 S\$ | FY 2010 S\$ |
|--|-------------------|-------------------|
| Primary Schools | | |
| - Payment in July | 6,272,500 | 6,288,125 |
| - Payment in January | 6,415,750 | 6,548,700 |
| Special Education Schools | | |
| - Payment in July | 150,645 | 136,300 |
| - Payment in January | 140,715 | 124,565 |
| Secondary Schools | | |
| - Payment in July | 7,945,875 | 8,662,860 |
| - Payment in January | 8,556,750 | 9,047,475 |
| Independent Schools | | |
| - Payment in July | 771,435 | 755,945 |
| - Payment in January | 761,090 | 736,595 |
| Junior Colleges/ Centralised Institute | | |
| - Payment in July | 1,627,200 | 1,461,480 |
| - Payment in January | 1,535,400 | 1,543,200 |
| Independent Junior Colleges/ Institution | | |
| - Payment in July | 395,880 | 376,920 |
| - Payment in January | 391,020 | 363,480 |
| Institutes of Technical Education | | |
| - Payment in July | 1,279,850 | 1,232,450 |
| - Payment in January | 1,263,650 | 1,248,050 |
| | 37,507,760 | 38,526,145 |
| Less: | | |
| Refund of balances from closed schools | - | (21,709) |
| Total | 37,507,760 | 38,504,436 |

15. Opportunity Fund (Refund) / Grants

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 disbursed 3-year grants based on June 2010 enrolment to allow schools to have certainty of funding and to plan over a longer period. In July 2011, the grant amount for 2011 and 2012 was recomputed based on enrolment in June 2011, and difference due to variation in enrolment was refunded or topped up. In January 2012, a grant for 2012 was disbursed to one new school. The grants disbursed / (refunded) were as follows:

| | FY 2011 <u>S\$</u> | FY 2010 <u>S\$</u> |
|--|-------------------------------------|-------------------------------------|
| Primary Schools | | |
| - (Refund) / Payment in July | (676,130) | 7,693,039 |
| - Payment in January | 4,180 | 3,458 |
| Special Education Schools | | |
| - Payment in July | 8,916 | 145,834 |
| - Payment in January | - | - |
| Secondary Schools | | |
| - (Refund) / Payment in July | (1,068,064) | 10,337,328 |
| - Payment in January | - | 9,920 |
| Independent Schools | | |
| - Payment in July | 20,984 | 452,400 |
| - Payment in January | - | - |
| Junior Colleges/ Centralised Institute | | |
| - (Refund) / Payment in July | (11,968) | 730,059 |
| - Payment in January | - | - |
| Independent Junior Colleges/ Institution | | |
| - Payment in July | 9,328 | 162,525 |
| - Payment in January | - | - |
| Institutes of Technical Education | | |
| - Payment in July | 93,696 | 1,668,528 |
| - Payment in January | - | - |
| Total | (1,619,058) | 21,203,091 |

16. Edusave Grant for Information Communication Technology

In FY 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. There was no disbursement of this grant in FY 2011.

| | FY 2011 | FY 2010 |
|--|-------------------|-------------------|
| | <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 2011 <u>S\$</u> | FY 2010 <u>S\$</u> |
|--|-----------------------|-----------------------|
| a) Development Expenditure | | |
| Edusave Awards Selection and Administration System | 891,305 | 268,869 |
| Integrated Billing, Edusave and Collection System | 24,560 | 11,123 |
| Total development expenditure | 915,865 | 279,992 |
| b) Operating Expenditure | | |
| System maintenance cost | 125,400 | 156,601 |
| Edusave Pupils Fund agency charges | 25,910 | 23,440 |
| Edusave Unit's manpower cost | 216,352 | 243,768 |
| Printing and stationery | 168,915 | 87,320 |
| Auditors' remuneration | 17,120 | 17,120 |
| General expenses | 3,335 | 4,679 |
| Total operating expenditure | 557,032 | 532,928 |
| Total | 1,472,897 | 812,920 |



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 2012**

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 Management, the accompanying financial statements are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Edusave Pupils Fund as at 31 March 2012, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2012.

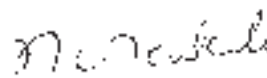


MS YEOH CHEE YAN

Permanent Secretary (Education Development)

MINISTRY OF EDUCATION

DATE: 22 May 2012



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 22 May 2012

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF EDUSAVE PUPILS FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Report on the Financial Statements

We have audited the accompanying financial statements of Edusave Pupils Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2012, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and other explanatory notes, as set out on pages 46 to 51.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Scheme Act, Chapter 87A (the "Act"), and for 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 statements, movement of members' accounts and balance sheets and to maintain accountability of assets.

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.

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 about 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 judgement, 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 of financial

statements that give a true and fair view 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, 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, the financial statements are properly drawn up in accordance with the provisions of the Act so as to present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2012 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2011 were audited by another auditor whose report dated 13 May 2011 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



LTC LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 22 May 2012

BALANCE SHEET AS AT 31 MARCH 2012

| | 31 March 2012 <u>S\$</u> | 31 March 2011 <u>S\$</u> |
|--|-----------------------------|-----------------------------|
| Members' accounts | 277,745,667 | 310,837,227 |
| Accumulated surplus | 12,180,520 | 11,600,284 |
| Total Fund and Surplus | 289,926,187 | 322,437,511 |
| Represented By: | | |
| Deposits placed with the Monetary Authority of Singapore | 289,753,124 | 322,315,372 |
| Cash at bank | 173,063 | 122,139 |
| Total Assets | 289,926,187 | 322,437,511 |

INCOME AND EXPENDITURE STATEMENT FOR FINANCIAL YEAR ENDED 31 MARCH 2012

| | NOTE | FY 2011 <u>S\$</u> | FY 2010 <u>S\$</u> |
|--|------|-----------------------|-----------------------|
| INCOME | | | |
| Interest income: | | | |
| - Deposits placed with Monetary Authority of Singapore | 4 | 6,487,811 | 6,130,014 |
| - Cash at bank | | 180 | 305 |
| | | 6,487,991 | 6,130,319 |
| EXPENDITURE | | | |
| Interest credited to members' accounts | 5 | 5,907,755 | 5,551,106 |
| Surplus for the year | | 580,236 | 579,213 |
| Accumulated surplus brought forward | | 11,600,284 | 11,021,071 |
| Accumulated surplus carried forward | | 12,180,520 | 11,600,284 |

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 2012

| | NOTE | FY 2011 <u>₹</u> | FY 2010 <u>₹</u> |
|---|------|---------------------|---------------------|
| RECEIPTS | | | |
| Interest credited to members' accounts | 5 | 5,907,755 | 5,551,106 |
| Contributions from the Edusave Endowment Fund | 6 | 86,969,894 | 142,093,218 |
| | | 92,877,649 | 147,644,324 |
| PAYMENTS | | | |
| Withdrawals of deceased members' balances | | 40,969 | 47,460 |
| Withdrawals for approved fees and programme charges | 7 | 96,957,548 | 88,378,760 |
| Transfer to Post-Secondary Education Accounts | 8 | 28,970,692 | 28,511,138 |
| | | 125,969,209 | 116,937,358 |
| Net (Decrease) / increase in members' accounts for the year | | (33,091,560) | 30,706,966 |
| Members' Accounts at beginning of the year | | 310,837,227 | 280,130,261 |
| Members' Accounts at end of the year | | 277,745,667 | 310,837,227 |

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 MARCH 2012

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 2011 relates to the financial year from 1 April 2011 to 31 March 2012. Correspondingly, FY 2010 relates to the financial year from 1 April 2010 to 31 March 2011.

4. Interest Income

This represents interest income earned and received from the balance placed with the Monetary Authority of Singapore. Interest rate for FY 2011 was 2.5 % (FY 2010 : 2.5%) per annum.

5. Interest Credited to Members' Accounts

This represents interest credited and paid to members' accounts for unutilised credit balances calculated using CPF's ordinary account interest rate of 2.5% (FY2010 : 2.5%) per annum.

6. Contributions from the Edusave Endowment Fund

The contribution to Edusave accounts represent monies received from the Edusave Endowment Fund for Singaporean pupils from the age of six onwards studying in prescribed schools. The rate of contribution to each account for 2012 was \$200 (2011 : \$200) for primary level pupils and \$240 (2011 : \$240) for secondary level pupils. In addition, all pupils eligible for Edusave contribution 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 426,163 pupils (FY2010 : 422,040).

7. Withdrawals for Approved Fees and Programme Charges

| | FY 2011 S\$ | FY 2010 S\$ |
|--------------------------------|-------------------|-------------------|
| Enrichment programmes charges | 70,744,500 | 61,695,007 |
| Second-tier miscellaneous fees | 26,213,048 | 26,683,753 |
| | 96,957,548 | 88,378,760 |

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 48,393 (FY2010 : 48,334) 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 2012**

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 Management, the accompanying financial statements are drawn up in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A so as to give a true and fair view of the state of affairs of the Post-Secondary Education Fund as at 31 March 2012, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2012.

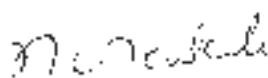


MS YEOH CHEE YAN

Permanent Secretary (Education Development)

MINISTRY OF EDUCATION

DATE: 23 May 2012



MRS WONG-HO SAI KEK

Deputy Director / Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 23 May 2012

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF POST-SECONDARY EDUCATION FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

Report on the Financial Statements

We have audited the accompanying financial statements of Post-Secondary Education Fund (the "Fund"), which comprise the balance sheet of the Fund as at 31 March 2012, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and other explanatory notes, as set out on pages 57 to 62.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Education Endowment and Savings Schemes Act, Chapter 87A (the "Act"), and for 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 statements, movement of members' accounts and balance sheets and to maintain accountability of assets.

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 about 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 judgement, 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 of financial statements that give a true and fair view 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, 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, the financial statements are properly drawn up in accordance with the provisions of the Act so as to present fairly, in all material respects, the state of affairs of the Fund as at 31 March 2012 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2011 were audited by another auditor whose report dated 13 May 2011 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept including records of all assets by the Fund have been properly kept in accordance with the provisions of the Act; and the receipts, expenditure and investment of monies and the acquisition and disposal of assets on account of the Fund during the financial year have been in accordance with the provisions of the Act.



LTC LLP

PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 23 May 2012

BALANCE SHEET AS AT 31 MARCH 2012

| | 31 March 2012 S\$ | 31 March 2011 S\$ |
|---|----------------------|----------------------|
| Members' Accounts | 1,242,137,045 | 1,148,728,488 |
| Accumulated surplus | 1,019,207 | 803,184 |
| Total Fund and Surplus | 1,243,156,252 | 1,149,531,672 |
| Represented By: | | |
| Deposits placed with the Central Provident Fund Board | 1,220,753,150 | 1,145,545,113 |
| Balance held by Accountant-General | 22,403,102 | 3,986,559 |
| Total Assets | 1,243,156,252 | 1,149,531,672 |

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 2012

| | NOTE | FY 2011 <u>₹</u> | FY 2010 <u>₹</u> |
|--|------|---------------------|---------------------|
| INCOME | | | |
| Interest income | 4 | 29,007,999 | 22,753,100 |
| EXPENDITURE | | | |
| Interest credited to members' accounts | 5 | 28,791,976 | 22,443,814 |
| Surplus for the year | | 216,023 | 309,286 |
| Accumulated surplus brought forward | | 803,184 | 493,898 |
| Accumulated surplus carried forward | | 1,019,207 | 803,184 |

MOVEMENT OF MEMBERS' ACCOUNTS FOR FINANCIAL YEAR ENDED 31 MARCH 2012

| | NOTE | FY 2011 <u>₹</u> | FY 2010 <u>₹</u> |
|--|------|----------------------|----------------------|
| RECEIPTS | | | |
| Interest credited to members' accounts | 5 | 28,791,976 | 22,443,814 |
| Balances transferred from | | | |
| - Child Development Accounts | 6 | 28,984,899 | 21,106,358 |
| - Edusave Pupils Fund Accounts | 7 | 28,970,692 | 28,511,138 |
| Contributions from members | | 142,729 | 151,278 |
| Matching contributions from Government | | 971,875 | 578,922 |
| Grants from Government | 8 | (6,350) | 221,168,050 |
| National Service Recognition Award Grants | 9 | 78,557,000 | 65,263,500 |
| | | 166,412,821 | 359,223,060 |
| PAYMENTS | | | |
| Withdrawals of deceased members' balances | | 340,500 | 245,576 |
| Withdrawals for approved fees and programme charges | 10 | 72,648,502 | 56,493,555 |
| Transfer to Central Provident Fund ordinary accounts | 11 | 15,262 | 2,151 |
| | | 73,004,264 | 56,741,282 |
| Net Increase in members' accounts for the year | | 93,408,557 | 302,481,778 |
| Members' Accounts at beginning of the year | | 1,148,728,488 | 846,246,710 |
| Members' Accounts at end of the year | | 1,242,137,045 | 1,148,728,488 |

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 2012

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 Child 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 2011 relates to the financial year from 1 April 2011 to 31 March 2012. Correspondingly, FY 2010 relates to the financial year from 1 April 2010 to 31 March 2011.

4. Interest Income

This represents interest income earned from the balance placed with the Central Provident Fund Board. Interest rate for FY 2011 was 2.5 % (FY2010: 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% (FY2010 : 2.5%) per annum.

6. Transfer from Child 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 2011, the CDA balances of 18,189 (FY2010 : 9,055) 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 2011, the Edusave balances of 48,393 (FY2010 : 48,334) members were transferred to their PSE Accounts.

8. Grants from Government

In FY 2011, there were appeals and reversals against the previous years' top-up. The value of the reversals exceeded that for top-up appeals. In FY 2010, the top-up was given to 632,094 eligible 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. In FY 2011, 24,912 (FY2010 : 20,806) eligible servicemen received the NSRA in their PSE Accounts.

10. Withdrawals for Approved Fees and Programme Charges

| | FY 2011 <u>S\$</u> | FY 2010 <u>S\$</u> |
|---|-----------------------|-----------------------|
| Fees: | | |
| Tertiary Institutions | 57,649,989 | 45,376,563 |
| Institutes of Technical Education | 6,742,708 | 5,680,812 |
| Special Education Schools | 45,221 | 52,096 |
| Workforce Skills Qualifications Continuing Education and Training Centres | 933,833 | 292,006 |
| | 65,371,751 | 51,401,477 |
| Enrichment Programmes Charges: | | |
| Tertiary Institutions | 7,381,921 | 5,459,625 |
| Institutes of Technical Education | 2,479,260 | 1,580,434 |
| Special Education Schools | 253,090 | 248,696 |
| | 10,114,271 | 7,288,755 |
| Gross Total Withdrawals | 75,486,022 | 58,690,232 |
| Less Withdrawal Refunds | (2,837,520) | (2,196,677) |
| Net Total Withdrawals | 72,648,502 | 56,493,555 |

11. Transfer to Central Provident Fund Ordinary Accounts

Under Section 16E of the Act, a PSE Account member can apply to transfer his account balance to his CPF ordinary account when he attains the age of 21 years. In FY 2011, the account balances of 3 (FY2010 : 4) members were transferred to their respective CPF ordinary accounts.