

S. 59 of 2013

Presented to Parliament pursuant to Statute.

Ordered by Parliament to lie upon the Table:

02 September 2013

THE EDUCATION ENDOWMENT & SAVINGS SCHEMES

ANNUAL REPORT FOR FINANCIAL YEAR 2012/2013



Contents

page

THE EDUCATION ENDOWMENT AND SAVINGS SCHEMES ACT	3
EDUSAVE ADVISORY COUNCIL	4
EXECUTIVE SUMMARY	6
EDUSAVE ENDOWMENT FUND	8
EDUSAVE PUPILS FUND	9
EDUSAVE GRANTS	10
OPPORTUNITY FUND GRANTS	11
EDUSAVE SCHOLARSHIPS FOR GOVERNMENT AND GOVERNMENT-AIDED PRIMARY AND SECONDARY SCHOOLS	12
EDUSAVE SCHOLARSHIPS FOR INDEPENDENT SCHOOLS	13
EDUSAVE MERIT BURSARIES	15
GOOD PROGRESS AWARDS	17
EDUSAVE AWARDS FOR ACHIEVEMENT, GOOD LEADERSHIP AND SERVICE	19
EDUSAVE CHARACTER AWARDS	21
ACHIEVEMENT AWARDS FOR SPECIAL EDUCATION STUDENTS	23
POST-SECONDARY EDUCATION FUND	24
FINANCIAL STATEMENTS FOR EDUSAVE ENDOWMENT FUND	26
FINANCIAL STATEMENTS FOR EDUSAVE PUPILS FUND	44
FINANCIAL STATEMENTS FOR POST-SECONDARY EDUCATION FUND	55

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 and Edusave accounts will be transferred to their PSE accounts at the relevant age. 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 2012 comprised:

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 Zhenghua Primary School
	Mr Koh Chong Mong Principal Kent Ridge Secondary School

3 The current Council which was appointed in January 2013 comprises:

Chairman:	Mr Peter Lee Chief Financial Officer OSIM International Ltd
Members:	Assoc Prof Noor Aisha Bte Abdul Rahman Department of Malay Studies National University of Singapore
	Mr Siow Yuen Khong Alex Managing Director Health & Public Service, Singapore Accenture Pte Ltd
	Mr Leong Yew Hon Eric Principal Coral Primary School
	Ms Ho Susie Principal CHIJ St Joseph's Convent

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 and received a top-up of \$200 million in the financial year 2012.
- 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 3.43% per annum for the financial year.
- 3 During the financial year, the Fund received a total income of \$214.1 million of which \$187.1 million was disbursed. As at 31 March 2013, the balance in the Edusave Endowment Fund was \$6.0 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 Singaporean students which may be used to pay for approved fees and charges for 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, \$84.2 million was paid into the Edusave accounts, \$87.9 million withdrawn for approved fees and charges, and \$28.8 million transferred to the PSE Fund. As at 31 March 2013, the balance in the Edusave Pupils Fund was \$263.5 million.

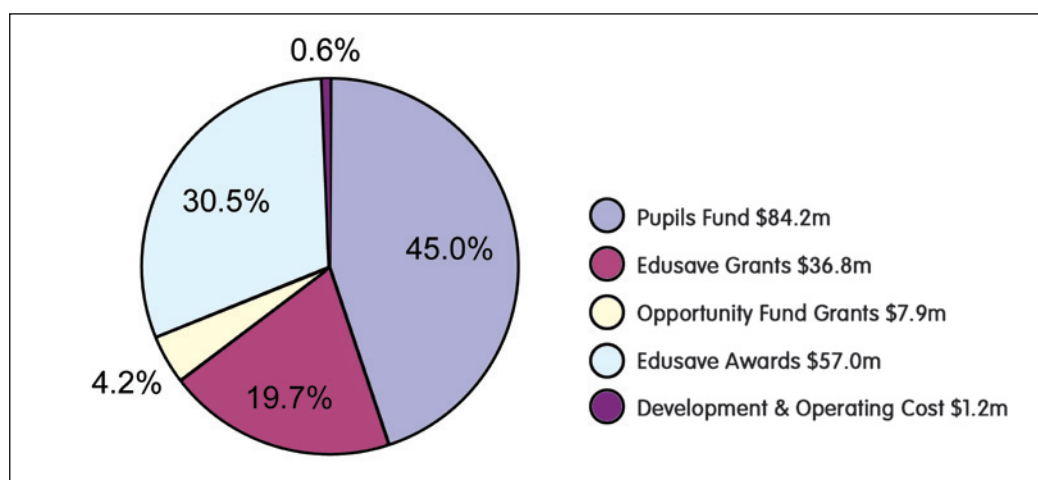
POST-SECONDARY EDUCATION FUND

- 6 The Post-Secondary Education (PSE) Fund was established in January 2008 to help parents save for their Singaporean children's post-secondary education by maintaining a PSE account for each child. The balances from the Child Development Accounts (CDA) and from the Edusave accounts are transferred to the PSE account at the relevant ages. 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 accounts may also receive other grants from the Government and the Fund may be used by the members or their siblings to pay for fees and charges in approved institutions.
- 7 During the financial year, the PSE Fund received \$28.8 million transferred from the Edusave accounts, and \$71.6 million paid to eligible national servicemen under the National Service Recognition Award Scheme. An amount of \$87.0 million was withdrawn for fees and charges at approved institutions during the financial year. Due to a policy change in 2013 to defer the transfer of CDA balances to the PSE Fund till 13 years of age, there was a net outflow of \$1.5 million during the financial year due to reversal of amounts transferred to the PSE Fund in the previous years. As at 31 March 2013, the balance in the PSE Fund was \$1.3 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. The Education Endowment Fund received a top-up of \$200 million in the financial year 2012, bringing the total capital sum to \$5.2 billion.
- 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 3.43% per annum for the financial year.
- 3 During the financial year, the Fund earned an interest income of \$204.8 million. It received another \$6.3 million from the recovery of unutilised Opportunity Fund grants which lapsed at the end of the 3-year cycle, and \$3.0 million Edusave grants which was recovered from schools which had excess reserves. The total income was \$214.1 million, of which \$187.1 million was disbursed during the financial year.
- 4 The income from the 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 Financial Year 2012



Total Amount Disbursed = \$187.1 m

- 5 As at 31 March 2013, the balance in the Edusave Endowment Fund was \$6.0 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 Singaporean 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 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 was 2.5% for financial year 2012. During the financial year, the Fund earned an interest income of \$6.2 million and \$5.5 million was paid to members, leaving a surplus of \$0.7 million.
- 2 In 2013, the contribution rates were maintained at \$200 for students at primary level and \$240 for those at secondary level. During the financial year, \$84.2 million was paid into the Edusave accounts of 387,022 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, \$87.9 million was withdrawn, of which \$27.6 million (31.4%) was for approved fees and \$60.3 million (68.6%) for enrichment programme charges. Another \$28.8 million was transferred to the PSE accounts of 46,736 members.
- 4 As at 31 March 2013, the balance in the Edusave Pupils Fund was \$263.5 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; the Government-supported special education schools and 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 2013, the grant rates were maintained at \$50 per student for primary level, \$90 for secondary level, \$120 for pre-university level and \$100 for ITE. During the financial year, \$36.8 million was disbursed and \$3.0 million recovered from schools which had excess reserves exceeding 2012 allocation as in Dec 2012. From 2013, schools can carry forward 6 months of the year's allocation. This will incentivise schools to use the grant to benefit current cohort of students.

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; 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 Opportunity fund grants for each 3-year cycle are disbursed in two tranches. In January 2013, the first tranche was disbursed for the first year based on the prevailing rates at that point. The rates were enhanced in March 2013 and the balance of the grants for the 3 years will be disbursed in July 2013. During the financial year, \$7.9 million was disbursed, and \$6.3 million recovered in December 2012 from schools which had balances from the previous 3-year allocation.

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	350
Secondary	500

- 3 In 2012, 7,555 Singaporean students were awarded the ESPS and 14,801 the ESSS at a total value of \$10.0 million. Table-2 shows the breakdown of awardees by level.

Table-2: Breakdown of Edusave Scholarship Awardees by Level

Level	No.	\$m
Primary	7,555	2.6
Secondary	14,801	7.4
Total	22,356	10.0

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 \$2,400 or the annual school fees less the 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 (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, \$18.9 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 Scheme and Level

Level	EESIS		ESIP		E(IS)YA		Total	
	No.	\$m	No.	\$m	No.	\$m	No.	\$m
Secondary	5,096	10.9	130	0.3	208	0.4	5,434	11.6
Pre-University	2,466	4.7	1,283	2.5	35	0.1	3,784	7.3
Total	7,562	15.6	1,413	2.8	243	0.5	9,218	18.9

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 meet the gross household income criterion are eligible for EMB unless they are recipients of Edusave scholarships or other Ministry of Education scholarship awards. In 2012, the gross household income limit was revised to \$5,000, and a per capita income criterion of \$1,250 introduced to benefit students from bigger households. 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 2012, 27,450 students were awarded the EMB at a total value of \$8.8 million. Table-5 shows the breakdown of awardees by level.

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

Level	No.	\$m
Primary	11,228	2.6
Secondary	11,465	4.0
Pre-University	1,764	0.7
Institute of Technical Education	2,993	1.5
Total	27,450	8.8

COMMUNITY EDUCATION AWARD SCHEME

- 4 Singaporean students in Government and Government-aided schools, junior colleges and centralised institute; independent schools and institutions and specialised schools who do not qualify for any Edusave scholarship, bursary or other awards 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 \$0.4 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 2012, 32,655 students were awarded the GPA at a total value of \$5.9 million. Of this, \$1.2 million was recovered from the People's Association for their share in FY10 and FY11, and \$0.04 million was recovered due to unclaimed awards. Table-7 shows the breakdown of awardees by level.

Table-7: Breakdown of Good Progress Awardees by Level

Level	No.	\$m
Primary	15,713	2.1
Secondary	13,104	2.6
Pre-University	1,997	0.5
Institute of Technical Education	1,841	0.7
Total	32,655	5.9

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 In 2012, the number of the school-based awards was increased from 5% to a maximum of 10% of the Singaporean students from primary four to six in each primary school, and at all levels in the other schools and institutions. The award value was also increased in line with the Ministry's emphasis on holistic education and non-academic achievements. 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	250
Secondary	350
Pre-University	400
Institute of Technical Education	500

- 3 In 2012, 32,117 students were awarded the EAGLES at a total value of \$10.6 million. Table-9 shows the breakdown of awardees by level.

Table-9: Breakdown of EAGLES Awardees by Level

Level	No.	\$m
Primary	10,943	2.7
Secondary	16,159	5.7
Pre-University	2,585	1.0
Institute of Technical Education	2,430	1.2
Total	32,117	10.6

EDUSAVE CHARACTER AWARDS

- 1 The Edusave Character Award (ECHA) was introduced in 2012 in line with the Ministry's emphasis on values-driven education. The awards 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 recognise students who demonstrate exemplary values and civic responsibility through their behaviour and actions.
- 2 The school-based awards are given to a maximum of 2% of the Singaporean students from all streams in each level. Table-10 shows the value of the awards by level.

Table-10: Value of ECHA by Level

Level	\$
Primary 1 to 3	200
Primary 4 to 6	350
Secondary	500
Pre-University	500
Institute of Technical Education	500

- 3 In 2012, 8,099 students were awarded the ECHA at a total value of \$3.2 million. Table-11 shows the breakdown of awardees by level.

Table-11: Breakdown of ECHA Awardees by Level

Level	No.	\$m
Primary	3,928	1.2
Secondary	3,198	1.6
Pre-University	485	0.2
Institute of Technical Education	488	0.2
Total	8,099	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 be used 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 students' speech development whilst other schools 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 2012, 2,107 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 child. Prior to 2012, the PSE Fund receives the balances transferred from the Child Development Accounts (CDA) of those who attained the age of 7 years. From 1 January 2013, the transfer was deferred till age 13 years to better support the development needs of children. For the transitional cohorts of children who were born between 2006 and 2012, the trustees may request to effect the transfer anytime in the years when the children are between 7 and 12 years old. 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 is 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 was 2.5% for financial year 2012. During the financial year, the Fund earned an interest income of \$30.9 million and \$31.0 million was paid to members, resulting in a deficit of \$0.1 million. The deficit was funded from the accumulated surplus.
- 3 During the financial year, the PSE Fund received \$0.4 million transferred from the CDA of 44 children and refunded \$1.9 million arising from appeals for reversal of previous years' CDA transfers from 429 children. Another \$0.2 million was contributed by eligible members with matching grants from the Government. It also received \$28.8 million transferred from the Edusave accounts of 46,736 members. Under the National Service Recognition Award (NSRA) scheme announced by the Government in August 2010, the first tranche of the NSRA payout is paid to the PSE accounts of national serviceman. During the financial year, \$71.6 million was paid to the PSE accounts of 22,717 eligible national servicemen.

- 4 The PSE Fund may be used by the account holders or their siblings to pay fees and charges for approved courses in the publicly-funded universities, polytechnics, diploma and degree 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 Institute 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, \$87.0 million was withdrawn by 197,333 members for fees and charges at approved institutions. A sum of \$0.02m was transferred to the Central Provident Fund-ordinary accounts of 6 members.
- 5 As at 31 March 2013, the balance in the PSE Fund was \$1.3 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 2013**

EDUSAVE ENDOWMENT FUND

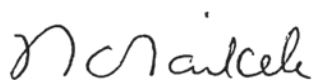
(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

Contents

	page
STATEMENT BY MANAGEMENT	28
INDEPENDENT AUDITOR'S REPORT	29
BALANCE SHEET	31
INCOME AND EXPENDITURE STATEMENT	32
NOTES TO THE FINANCIAL STATEMENTS	33

STATEMENT BY MANAGEMENT

In the opinion of Management, the accompanying financial statements as set out on pages 31 to 43 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 2013 and the income and expenditure for the financial year ended 31 March 2013.



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 22 May 2013



MS CHAN LAI FUNG

Permanent Secretary

MINISTRY OF EDUCATION

DATE: 22 May 2013

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF EDUSAVE ENDOWMENT FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2013, 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 31 to 43.

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

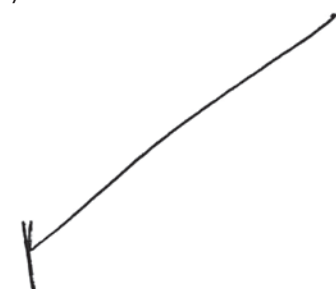
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2013 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2012 were audited by another auditor whose report dated 22 May 2012 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.



AUDIT ALLIANCE LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE

Date: 22 May 2013

BALANCE SHEET AS AT 31 MARCH 2013

	NOTE	31 March 2013 S\$	31 March 2012 S\$
Capital fund	4	5,200,000,000	5,000,000,000
Accumulated surplus		813,516,432	786,535,510
Total Fund and Surplus		6,013,516,432	5,786,535,510
Represented By:			
Balance held by Accountant-General	5	6,013,516,432	5,786,535,510
Total Assets		6,013,516,432	5,786,535,510

INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	FY 2012 S\$	FY 2011 S\$
INCOME			
Interest income	6	204,774,332	198,340,950
Recovery of unspent Opportunity Fund balances	7	6,343,274	1,700
Recovery of Edusave Grant Reserves	8	3,019,357	-
		214,136,963	198,342,650
EXPENDITURE			
Contribution to Edusave Accounts	9	84,214,898	86,969,894
Edusave Scholarships	10	28,914,801	33,837,967
Edusave Merit Bursaries	11	9,169,532	9,713,210
Good Progress Awards	12	4,635,675	6,100,550
Edusave Awards for Achievement, Good Leadership and Service	13	10,621,900	3,161,990
Edusave Character Awards	14	3,248,950	-
Achievement Awards for Special Education Students	15	434,260	387,220
Edusave Grants	16	36,840,035	37,507,760
Opportunity Fund Grants / (Refund)	17	7,927,270	(1,619,058)
Development expenditure	18	480,081	915,865
Operating expenditure	18	668,639	557,032
		187,156,041	177,532,430
Surplus for the year		26,980,922	20,810,220
Accumulated surplus brought forward		786,535,510	765,725,290
Accumulated surplus carried forward		813,516,432	786,535,510

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 schools, junior colleges and centralised institute; independent schools and institutions; specialised schools; Government-supported special education schools and Institute of Technical Education;
- (iii) the provision of Edusave scholarships, bursaries and awards to full-time pupils in Government, Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools; Government-supported special education schools and Institute 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 2012 relates to the financial year from 1 April 2012 to 31 March 2013. Correspondingly, FY 2011 relates to the financial year from 1 April 2011 to 31 March 2012.

4. Capital Fund

Capital Fund represents the contributions from the Consolidated Revenue Account of the Singapore Government. In FY 2012, the Government contributed another \$200 million to the Capital Fund.

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 FY 2008, the interest rate is pegged to 1% point above the 10-year Singapore Government Securities yield. Interest for FY 2012 was 3.43% per annum (FY 2011- 3.44%).

7. Recovery of Unspent Opportunity Fund balances

In January 2010, Opportunity Fund grants were disbursed to all eligible schools to be used up to December 2012. In December 2012, the unused balance of \$6,343,274 was received from schools as follows:

	FY 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	2,586,405	1,700
Special Education Schools	75,842	-
Secondary Schools	3,111,490	-
Independent and Specialised Schools	181,374	-
Junior Colleges/Centralised Institute	69,455	-
Independent Junior Colleges/Institution	51,483	-
Institute of Technical Education	267,225	-
Total amount recovered	6,343,274	1,700

8. Recovery of Edusave Grant Reserves

From 2012, excessive Edusave Grant reserves would be recovered from schools. In December 2012, Edusave Grants reserves exceeding 2012 allocation were recovered from schools as follows:

	FY 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	1,323,861	-
Secondary Schools	1,319,842	-
Junior Colleges/ Centralised Institute	375,654	-
	3,019,357	-

9. Contribution to Edusave Accounts

The contribution to Edusave accounts represents payments made to Singaporean pupils from the age of six onwards studying at primary or secondary level in prescribed schools. The rate of contribution to each account for 2013 was \$200 (2012: \$200) for primary level pupils and \$240 (2012: \$240) for secondary level pupils. During the financial year, contributions were paid into the Edusave accounts of 387,022 pupils (FY 2011- 426,163).

10. Edusave Scholarships

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

	FY 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	2,644,250	2,867,500
Secondary Schools	7,400,500	8,043,000
Independent Schools	18,875,751	22,934,267
	<hr/>	<hr/>
	28,920,501	33,844,767
Less:		
Refund of unclaimed scholarships	(5,700)	(6,800)
Total	28,914,801	33,837,967

The reduction in the disbursement for primary and secondary schools in FY 2012 was due to the revision of the award quantum to better align with the Ministry's emphasis on holistic education, values and broadening definitions of success. The reduction in the disbursement for independent schools was due to decline in the number of scholars who were given the awards before 2008 and were not subjected to the cap in scholarship value.

11. 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 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	2,539,250	2,475,700
Secondary Schools	4,012,750	3,975,300
Junior Colleges/ Centralised Institute	705,600	710,550
Institute of Technical Education	1,496,500	1,432,400
Community Education Award Scheme	397,182	904,610
Edusave Merit Bursaries [late cases]	26,500	215,050
	<hr/>	<hr/>
	9,177,782	9,713,610
Less:		
Refund of unclaimed bursaries	(8,250)	(400)
Total	9,169,532	9,713,210

The reduction in the disbursement in FY 2012 was due mainly to outstanding co-funding claims from People's Association for the Community Education Awards.

12. 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 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	2,065,300	2,167,900
Secondary Schools	2,620,850	2,744,600
Junior Colleges/ Centralised Institute	499,250	508,750
Institute of Technical Education	736,400	720,800
	<hr/>	<hr/>
	5,921,800	6,142,050
Less:		
Co-funding by People's Association	(1,243,025)	-
Refund of unclaimed awards	(43,100)	(41,500)
Total	4,635,675	6,100,550

The reduction in the disbursements for FY 2012 was due mainly to the co-funding for 2010 and 2011 received from People's Association in that financial year.

13. 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 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	2,735,750	879,600
Secondary Schools	5,655,650	1,782,200
Junior Colleges/ Centralised Institute	1,034,000	276,000
Institute of Technical Education	1,215,000	237,200
	<hr/>	<hr/>
	10,640,400	3,175,000
Less:		
Refund of unclaimed awards	(18,500)	(13,010)
Total	10,621,900	3,161,990

The increase in the disbursement for FY 2012 was due mainly to the revision to the scheme to increase the number of awardees and value of the awards in line with the Ministry's emphasis on holistic education.

14. Edusave Character Awards

These awards were introduced in 2012 in line with the Ministry's emphasis on values education. They are given to Singaporean pupils who demonstrate exemplary character and outstanding personal qualities through their behaviour and actions and were disbursed as follows:

	FY 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Primary Schools	1,163,450	-
Secondary Schools	1,599,000	-
Junior Colleges/ Centralised Institute	242,500	-
Institute of Technical Education	244,000	-
Total	3,248,950	-

15. 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.

	FY 2012	FY 2011
	<u>S\$</u>	<u>S\$</u>
Grants disbursed	485,500	494,900
Less:		
Refund of unspent grants	(51,240)	(107,680)
Total	434,260	387,220

The increase in the disbursement in FY 2012 was due to the larger number of SPED pupils granted the awards for their achievements and progress.

16. Edusave Grants

Edusave grants are given to Government, Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools; Government-supported special education schools and Institute 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 2012 <u>S\$</u>	FY 2011 <u>S\$</u>
Primary Schools		
- Payment in July	6,121,050	6,272,500
- Payment in January	6,297,200	6,415,750
Special Education Schools		
- Payment in July	140,985	150,645
- Payment in January	136,000	140,715
Secondary Schools		
- Payment in July	8,037,000	7,945,875
- Payment in January	8,280,765	8,556,750
Independent and Specialised Schools		
- Payment in July	773,290	771,435
- Payment in January	774,375	761,090
Junior Colleges/ Centralised Institute		
- Payment in July	1,488,120	1,627,200
- Payment in January	1,501,620	1,535,400
Independent Junior Colleges/ Institution		
- Payment in July	379,020	395,880
- Payment in January	388,560	391,020
Institute of Technical Education		
- Payment in July	1,217,050	1,279,850
- Payment in January	1,305,000	1,263,650
Total	36,840,035	37,507,760

17. Opportunity Fund Grants / (Refund)

Opportunity Fund grants are given to Government, Government-aided schools, junior colleges and centralised institute; independent schools and institutions; specialised schools; Government-supported special education schools and Institute 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 2010 enrolment to allow schools to have certainty of funding and to plan over a longer period. In July 2012, the grant amount for 2012 was recomputed based on enrolment in June 2012, and the difference due to variation in enrolment was refunded or topped up. In January 2013, 50% grant for 2013 was disbursed to schools. The grants paid/ (refunded) were as follows:

	FY 2012 <u>S\$</u>	FY 2011 <u>S\$</u>
Primary Schools		
- Payment/(Refund) in July	295,545	(676,130)
- Payment in January	2,611,593	4,180
Special Education Schools		
- Payment in July	1,694	8,916
- Payment in January	66,866	-
Secondary Schools		
- Payment/ (Refund) in July	405,032	(1,068,064)
- Payment in January	3,453,184	-
Independent and Specialised Schools		
- Payment in July	12,210	20,984
- Payment in January	166,730	-
Junior Colleges/ Centralised Institute		
- Payment/ (Refund) in July	14,912	(11,968)
- Payment in January	244,996	-
Independent Junior Colleges/ Institution		
- Payment in July	3,718	9,328
- Payment in January	58,278	-
Institute of Technical Education		
- (Refund)/ Payment in July	(7,968)	93,696
- Payment in January	600,480	-
Total	7,927,270	(1,619,058)

18. Development & Operating Expenditure

	FY 2012 S\$	FY 2011 S\$
a) Development Expenditure:		
- Edusave Awards Selection and Administration System	461,323	891,305
- Integrated Billing, Edusave and Collection System	18,758	24,560
Total development expenditure	480,081	915,865
b) Operating Expenditure:		
- System maintenance cost	102,141	125,400
- Edusave Pupils Fund agency charges	26,900	25,910
- Edusave Unit's manpower cost	293,860	216,352
- Printing and stationery	174,398	168,915
- Auditors' remuneration	33,170	17,120
- Training expenditure	28,890	-
- General expenses	9,280	3,335
Total operating expenditure	668,639	557,032
Total	1,148,720	1,472,897

The development expenditure for FY 2011 was higher due to the commissioning of a new Edusave Award Selection System. The increase in operating expenditure for FY 2012 was due mainly to increased headcount at the Edusave Unit and the cost of briefing and training schools on the changes to the Edusave Award Selection System.



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 2013**

EDUSAVE PUPILS FUND

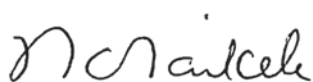
(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

Contents

	page
STATEMENT BY MANAGEMENT	46
INDEPENDENT AUDITOR'S REPORT	47
BALANCE SHEET	49
INCOME AND EXPENDITURE STATEMENT	50
MOVEMENT OF MEMBERS' ACCOUNTS	51
NOTES TO THE FINANCIAL STATEMENTS	52

STATEMENT BY MANAGEMENT

In the opinion of Management, the accompanying financial statements as set out on pages 49 to 54 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 2013, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2013.



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 22 May 2013



MS CHAN LAI FUNG

Permanent Secretary

MINISTRY OF EDUCATION

DATE: 22 May 2013

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF EDUSAVE PUPILS FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2013, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 49 to 54.

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

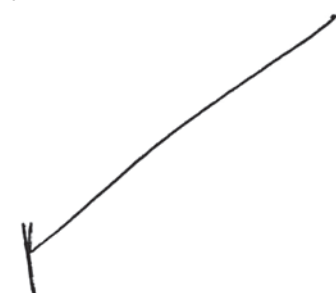
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2013 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2012 were audited by another auditor whose report dated 22 May 2012 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.



AUDIT ALLIANCE LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE
Date: 22 May 2013

BALANCE SHEET AS AT 31 MARCH 2013

	31 March 2013 <u>S\$</u>	31 March 2012 <u>S\$</u>
Members' accounts	250,644,317	277,745,667
Accumulated surplus	12,857,781	12,180,520
Total Fund and Surplus	263,502,098	289,926,187
Represented By:		
Deposits placed with the Monetary Authority of Singapore	263,390,571	289,753,124
Cash at bank	111,527	173,063
Total Assets	263,502,098	289,926,187

INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	FY 2012 S\$	FY 2011 S\$
INCOME			
Interest income:			
- Deposits placed with Monetary Authority of Singapore	4	6,165,225	6,487,811
- Cash at bank		94	180
		6,165,319	6,487,991
EXPENDITURE			
Interest credited to members' accounts	5	5,488,058	5,907,755
Surplus for the year		677,261	580,236
Accumulated surplus brought forward		12,180,520	11,600,284
Accumulated surplus carried forward		12,857,781	12,180,520

MOVEMENT OF MEMBERS' ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	FY 2012 S\$	FY 2011 S\$
RECEIPTS			
Interest credited to members' accounts	5	5,488,058	5,907,755
Contribution from the Edusave Endowment Fund	6	84,214,898	86,969,894
		89,702,956	92,877,649
PAYMENTS			
Withdrawals of deceased members' balances		45,328	40,969
Withdrawals for approved fees and programme charges	7	87,914,394	96,957,548
Transfer to Post-Secondary Education Accounts	8	28,844,584	28,970,692
		116,804,306	125,969,209
Net Decrease in members' accounts for the year		(27,101,350)	(33,091,560)
Members' Accounts at beginning of the year		277,745,667	310,837,227
Members' Accounts at end of the year		250,644,317	277,745,667

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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. 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 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 2012 relates to the financial year from 1 April 2012 to 31 March 2013. Correspondingly, FY 2011 relates to the financial year from 1 April 2011 to 31 March 2012.

4. Interest Income

This represents interest income earned and received from the balance placed with the Monetary Authority of Singapore. Interest rate for FY 2012 was 2.5% (FY 2011- 2.5%) per annum.

5. Interest Credited to Members' Accounts

This represents interest paid to members' accounts for unutilised credit balances calculated using CPF's ordinary account interest rate of 2.5% (FY 2011- 2.5%) per annum.

6. Contribution 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 at primary or secondary level in prescribed schools. The rate of contribution to each account for 2013 was \$200 (2012: \$200) for primary level pupils and \$240 (2012: \$240) for secondary level pupils. During the financial year, contributions were paid into the Edusave accounts of 387,022 pupils (FY 2011- 426,163).

7. Withdrawals for Approved Fees and Programme Charges

	FY 2012 S\$	FY 2011 S\$
Enrichment programme charges	60,320,112	70,744,500
Approved fees	27,594,282	26,213,048
	87,914,394	96,957,548

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 46,736 (FY 2011- 48,393) 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 2013**

POST-SECONDARY EDUCATION FUND

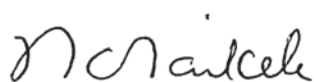
(A Fund established under the Education Endowment and Savings Schemes Act, Chapter 87A)

Contents

	page
STATEMENT BY MANAGEMENT	57
INDEPENDENT AUDITOR'S REPORT	58
BALANCE SHEET	60
INCOME AND EXPENDITURE STATEMENT	61
MOVEMENT OF MEMBERS' ACCOUNTS	62
NOTES TO THE FINANCIAL STATEMENTS	63

STATEMENT BY MANAGEMENT

In the opinion of Management, the accompanying financial statements as set out on pages 60 to 65 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 2013, and the income and expenditure and movement in members' accounts for the financial year ended 31 March 2013.



MRS WONG-HO SAI KEK

Deputy Director/Financial Systems & Operations

MINISTRY OF EDUCATION

DATE: 22 May 2013



MS CHAN LAI FUNG

Permanent Secretary

MINISTRY OF EDUCATION

DATE: 22 May 2013

INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF POST-SECONDARY EDUCATION FUND FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2013, and the income and expenditure statement and movement of members' accounts, for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 60 to 65.

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

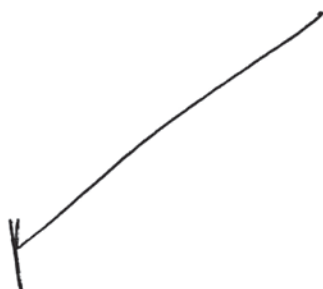
In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2013 and the results of the Fund for the financial year ended on that date.

Other Matters

The financial statements of the Fund for the financial year ended 31 March 2012 were audited by another auditor whose report dated 23 May 2012 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.



AUDIT ALLIANCE LLP
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS
SINGAPORE
Date: 22 May 2013

BALANCE SHEET AS AT 31 MARCH 2013

	31 March 2013 <u>S\$</u>	31 March 2012 <u>S\$</u>
Members' Accounts	1,284,890,352	1,242,137,045
Accumulated surplus	903,248	1,019,207
Total Fund and Surplus	1,285,793,600	1,243,156,252
Represented By:		
Deposits placed with the Central Provident Fund Board	1,270,612,998	1,220,753,150
Balance held by Accountant-General	15,180,602	22,403,102
Total Assets	1,285,793,600	1,243,156,252

INCOME AND EXPENDITURE STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	FY 2012 S\$	FY 2011 S\$
INCOME			
Interest income	4	30,945,702	29,007,999
EXPENDITURE			
Interest credited to members' accounts	5	31,061,661	28,791,976
(Deficit)/Surplus for the year		(115,959)	216,023
Accumulated surplus brought forward		1,019,207	803,184
Accumulated surplus carried forward		903,248	1,019,207

MOVEMENT OF MEMBERS' ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	FY 2012 S\$	FY 2011 S\$
RECEIPTS			
Interest credited to members' accounts	5	31,061,662	28,791,976
Balances transferred from			
- Child Development Accounts	6	(1,492,491)	28,984,899
- Edusave Pupils Fund Accounts	7	28,844,584	28,970,692
Contributions from members		170,927	142,729
Matching contributions from Government		(41,044)	971,875
Grants from Government	8	(2,500)	(6,350)
National Service Recognition Awards Grants	9	71,611,481	78,557,000
		130,152,619	166,412,821
PAYMENTS			
Withdrawals of deceased members' balances		353,488	340,500
Withdrawals for approved fees and programme charges	10	87,029,441	72,648,502
Transfer to Central Provident Fund ordinary accounts	11	16,383	15,262
		87,399,312	73,004,264
Net Increase in members' accounts for the year		42,753,307	93,408,557
Members' Accounts at beginning of the year		1,242,137,045	1,148,728,488
Members' Accounts at end of the year		1,284,890,352	1,242,137,045

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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 2012 relates to the financial year from 1 April 2012 to 31 March 2013. Correspondingly, FY 2011 relates to the financial year from 1 April 2011 to 31 March 2012.

4. Interest Income

This represents interest income earned from the balance placed with the Central Provident Fund Board. Interest rate for FY 2012 was 2.5% (FY 2011- 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 2011- 2.5%) per annum.

6. Transfer from Child Development Accounts (CDA)

Under Section 16A of the Act, the PSE Accounts will receive the balances transferred from the CDA when the CDA are closed. From 1 January 2013, the CDA balances of members would be transferred to their PSE Accounts in the year the children turn 13 years old. As a transitional arrangement, trustees of CDA children who were born between 2006 and 2012 may request for the CDA balances to be transferred to PSE Accounts anytime in the years when the members are between 7 and 12 years old. In FY 2012, the CDA balances of 44 (FY 2011- 18,189) children were transferred to their PSE Accounts.

7. Transfer from Edusave Pupils Fund Accounts

Under Section 16A of the Act, the PSE accounts will receive the balances transferred from the Edusave Accounts when the Edusave Accounts are closed. The Edusave balances of members would be transferred to their PSE Accounts when they attained the age of 16 years and are not studying in a prescribed school. In FY 2012, the Edusave balances of 46,736 (FY 2011- 48,393) members were transferred to their PSE Accounts.

8. Grants from Government

There were no top-up grants from Government in FY 2012 and FY 2011. However, there were appeals and reversals against the previous years' top-up. The value of the reversals exceeded that for top-up appeals in FY 2012 and FY 2011.

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 2012, 22,717 (FY 2011- 24,912) eligible servicemen received the NSRA in their PSE Accounts.

10. Withdrawals for Approved Fees and Programme Charges

	FY 2012 S\$	FY 2011 S\$
Fees:		
Tertiary Institutions	68,766,830	57,649,989
Institute of Technical Education	6,726,242	6,742,708
Special Education Schools	58,428	45,221
Workforce Skills Qualifications Continuing Education and Training Centres	1,832,253	933,833
	77,383,753	65,371,751
Enrichment Programmes Charges:		
Tertiary Institutions	10,786,066	7,381,921
Institute of Technical Education	2,934,967	2,479,260
Special Education Schools	108,655	253,090
	13,829,688	10,114,271
Gross Total Withdrawals	91,213,441	75,486,022
Less: Withdrawal Refunds	(4,184,000)	(2,837,520)
Net Total Withdrawals	87,029,441	72,648,502

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 2012, the balances of 6 (FY 2011- 3) members were transferred to their CPF ordinary accounts.