

**RAINBOW CENTRE, SINGAPORE
(Formerly known as Rainbow Centre)
(UEN: S92SS0061A)
(IPC No: IPC000298)
AND ITS INTER-RELATED PARTIES**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012**

RAINBOW CENTRE, SINGAPORE
(Formerly known as Rainbow Centre)
(UEN: S92SS0061A)
(IPC No: IPC000298)
AND ITS INTER-RELATED PARTIES

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STATEMENT BY BOARD OF GOVERNANCE

In the opinion of the Board of Governance, the accompanying financial statements set out on pages 4 to 50 are properly drawn up so as to give a true and fair view of the state of affairs of the Group and of the Association as at 31 March 2012 and of the results, changes in general and specific funds and cash flows of the Group for the year ended on that date.

On behalf of the Board,



MR YEW TENG LEONG
President



MR PEK CHOON LEE
Assistant Treasurer

Singapore, 10 September 2012

RAINBOW CENTRE, SINGAPORE
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AND ITS INTER-RELATED PARTIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RAINBOW CENTRE, SINGAPORE

Report on the Financial Statements

We have audited the accompanying financial statements of Rainbow Centre, Singapore (the "Association") and its inter-related parties (the "Group"), which comprise the balance sheets of the Group and of the Association as at 31 March 2012, and the consolidated income and expenditure statement, consolidated statement of comprehensive income, consolidated statement of changes in general and specific funds and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Governance's Responsibility for the Financial Statements

The Board of Governance of Rainbow Centre, Singapore is responsible for the preparation of financial statements that give a true and fair view in accordance with the Singapore Financial Reporting Standards 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.

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 Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Board of Governance, 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RAINBOW CENTRE, SINGAPORE**

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Association are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Association as at 31 March 2012 and the results, changes in general and specific funds and cash flows of the Group for the financial year ended on that date.

Report on the Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act.



KRESTON DAVID YEUNG PAC
Public Accountants and
Certified Public Accountants

Singapore, 10 SEP 2012



RAINBOW CENTRE, SINGAPORE
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BALANCE SHEETS

As at 31 March 2012

	Note	GROUP		ASSOCIATION	
		2012 S\$	2011 S\$	2012 S\$	2011 S\$
ASSETS					
Non-current asset					
Property, plant and equipment	3	14,504,023	15,492,129	35,755	31,025
Current assets					
Inventories	4	28,462	32,539	-	-
Training fee receivables	5	39,717	23,220	39,717	23,220
Deposits, prepayments and other receivables	6	475,290	387,453	8,922	28,404
Amount due from National Council of Social Services	7	-	51,734	-	-
Amounts due from inter-related parties	8	-	-	-	18,507
Structured deposit	9	2,642,425	2,256,000	965,500	912,000
Cash and bank balances	10	14,010,298	11,813,113	3,370,732	2,897,015
Total current assets		17,196,192	14,564,059	4,384,871	3,879,146
TOTAL ASSETS		31,700,215	30,056,188	4,420,626	3,910,171
FUNDS AND LIABILITIES					
Funds					
Accumulated surplus		11,375,587	9,176,935	332,182	341,566
Restricted/Specific funds	11	5,558,282	4,900,208	4,084,855	3,521,397
Other funds					
Building redevelopment funds	12	13,824,524	14,778,065	-	-
Deferred capital donation/grant	13	377,061	590,718	-	-
Total funds		31,135,454	29,445,926	4,417,037	3,862,963
Current liabilities					
Other payables and accruals	14	532,460	483,167	3,589	32,383
Amount due to Ministry of Community Development, Youth and Sports	15	-	41,060	-	-
Amount due to National Council of Social Services	7	22,142	-	-	-
MOE dues account	16	-	73,911	-	-
MOE edusave grant	17	10,159	12,124	-	-
Amounts due to inter-related parties	8	-	-	-	14,825
Total liabilities		564,761	610,262	3,589	47,208
TOTAL FUNDS AND LIABILITIES		31,700,215	30,056,188	4,420,626	3,910,171

The notes set out on pages 9 to 50 form an integral part of and should be read in conjunction with this set of financial statements.

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CONSOLIDATED INCOME AND EXPENDITURE STATEMENT
For the year ended 31 March 2012

	Note	2012 S\$	2011 S\$
INCOME			
Programme and training fee	18	2,085,772	1,783,080
Funding and grants	19	18,724,184	17,471,438
Income from donations and fundraising activities	20	1,276,051	1,071,770
Miscellaneous income	21	432,533	445,702
		<u>22,518,540</u>	<u>20,771,990</u>
Less : EXPENDITURE			
Direct operating costs, excluding staff costs	22	1,384,301	1,245,284
Indirect operating costs, excluding staff costs	23	1,438,123	1,334,122
Client transport cost		744,790	750,121
Staff salaries	24	15,610,419	15,138,873
Staff benefit and welfare	25	261,443	122,030
Other expenditures	26	418,535	469,105
		<u>(19,857,611)</u>	<u>(19,059,535)</u>
Operating surplus for the year		2,660,929	1,712,455
Add : Underfunding by MCYS/NCSS in prior years		320,872	820,588
		<u>2,981,801</u>	<u>2,533,043</u>
Net movement in funds		<u>(609,896)</u>	<u>(306,197)</u>
Net surplus for the year		<u>2,371,905</u>	<u>2,226,846</u>

The notes set out on pages 9 to 50 form an integral part of and should be read in conjunction with this set of financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	Note	2012 S\$	2011 S\$
Net surplus for the year		2,371,905	2,226,846
Other comprehensive income			
- Net surplus in restricted/specific funds	11	658,074	516,712
- Net deficit in building redevelopment funds	12	(953,541)	(912,630)
- Net deficit in deferred capital donation/grant	13	<u>(213,657)</u>	<u>(81,398)</u>
Total comprehensive income for the year		<u>1,862,781</u>	<u>1,749,530</u>

The notes set out on pages 9 to 50 form an integral part of and should be read in conjunction with this set of financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS
For the year ended 31 March 2012

	Accumulated Surplus S\$	Restricted/ Specific Funds S\$	Building Redevelopment Funds S\$	Deferred Capital Donation/Grant S\$	Total S\$
Balance as at 01.04.2010	7,129,730	4,383,496	15,690,695	672,116	27,876,037
Total comprehensive income for the year	2,226,846	516,712	(912,630)	(81,398)	1,749,530
Transfer of funds	(179,641)	-	-	-	(179,641)
Balance as at 31.03.2011/01.04.2011	9,176,935	4,900,208	14,778,065	590,718	29,445,926
Total comprehensive income for the year	2,371,905	658,074	(953,541)	(213,657)	1,862,781
Transfer of funds	(173,253)	-	-	-	(173,253)
Balance as at 31.03.2012	11,375,587	5,558,282	13,824,524	377,061	31,135,454
		(Note 11)	(Note 12)	(Note 13)	

The notes set out on pages 9 to 50 form an integral part of and should be read in conjunction with this set of financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2012

	Note	2012 S\$	2011 S\$
Cash flows from operating activities			
Net surplus for the year		2,371,905	2,226,846
Adjustments for: -			
- Amortisation of deferred capital donation/grant		(310,861)	(337,536)
- Depreciation of property, plant and equipment		404,960	375,105
- Interest income		(66,360)	(33,460)
- Fair value loss on structured deposit written back		(94,000)	-
- Fair value loss on structured deposit		107,575	94,000
Operating surplus before working capital changes		2,413,219	2,324,955
Decrease/(Increase) in inventories		4,077	(4,503)
Decrease/(Increase) in receivables		39,700	(228,605)
Decrease in amount due from/(to) NCSS		155,983	(75,824)
(Decrease)/Increase in amount due to MCYS		(41,060)	41,060
Decrease in MOE edusave grant		-	(8,931)
Decrease in MOE due account		(73,911)	-
Increase in trade and other payables		47,328	76,383
Net cash generated from operations		2,545,336	2,124,535
Increase in funds		889,860	931,966
Net cash generated from operating activities		3,435,196	3,056,501
Cash flows from investing activities			
(Decrease)/Increase in pledged deposits		(792)	11,196
Purchase of property, plant and equipment		(504,977)	(418,622)
Structured deposits		(400,000)	(2,350,000)
Interest received		59,114	32,981
Fund transferred to BSS Building Fund		(38,339)	-
Net cash used in investing activities		(884,994)	(2,724,445)
Cash flows from financing activities			
(Repayment to)/Advance from NCSS		(218,895)	48,492
Repayment to MOE		-	(24,475)
Net cash (used in)/generated from financing activities		(218,895)	24,017
Net increase in cash and cash equivalents		2,331,307	356,073
Cash and cash equivalents at beginning of year		12,015,655	11,659,582
Cash and cash equivalents at end of year	10	14,346,962	12,015,655

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Rainbow Centre, Singapore (the “Association”) is registered in the Republic of Singapore under the Societies Act. The principal activities of Rainbow Centre, Singapore are to provide early intervention and special education for children with Down Syndrome, cerebral palsy, autism, multiple disabilities and other developmental disabilities. It also provides education and support to parents of persons with special needs, and a training and consultancy unit to train professionals for children with special needs locally and in the region.

The Rainbow Centre, Singapore Training and Consultancy (RCTC) is set-up by Rainbow Centre, Singapore to provide training and professional support to early childhood educators, special needs professionals and parents of children with special needs.

With the transfer of funding of the Early Intervention Programme for Infants and Young Children (EIPIC) from the Ministry of Education (MOE) to the Ministry of Community Development, Youth and Sports (MCYS), and the introduction of Means Testing for EIPIC, the EIPIC Fund has been set up to raise funds to cover the operating cost of the programme at Margaret Drive and Yishun Park (formerly at Balestier). The aim of the EIPIC fund is to ensure that the programme is sustainable.

The Family Support Group (FSG) is a programme aimed to provide peer emotional support for caregivers and family members to manage and cope in the care of their disabled dependents. It also aims to impart family life education and skills to the families.

Rainbow Centre, Singapore Head Office provides leadership, management, professional support, and control of all the programmes under it. It is also one of the key players in the early intervention and special education sectors.

Rainbow Centre, Singapore has been granted the Institution of Public Character (IPC) status to issue tax-exempt receipts for donations to Rainbow Centre, Singapore.

The registered office of Rainbow Centre, Singapore is located at 501 Margaret Drive, Singapore 149306.

The following School/Programme/Fund are under the umbrella of Rainbow Centre, Singapore.

Name of School/Programme/Fund	Location
<u>School</u>	
Rainbow Centre	
- Yishun Park School	15 Yishun Street 61, Singapore 768548
- Margaret Drive School	501 Margaret Drive, Singapore 149306

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

1. GENERAL (Continued)

Name of School/Programme/Fund	Location
<u>Programmes</u>	
Rainbow Centre Early Intervention Programme	
- Yishun Park School	15 Yishun Street 61, Singapore 768548
- Margaret Drive School	501 Margaret Drive, Singapore 149306
<u>Funds</u>	
Balestier Special School Building Fund	15 Yishun Street 61, Singapore 768548
Margaret Drive Special School Building Fund	501 Margaret Drive, Singapore 149306

The financial statements of the Group and the Association for the year ended 31 March 2012 are authorised for issue in accordance with a resolution of the Board of Governance on

The financial statements of Group and the Association are expressed in Singapore dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Group have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 April 2011. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Board of Governance’s best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Critical assumption used and accounting estimates in applying accounting policies

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on straight-line basis over their estimated useful lives. Board of Governance estimates the useful lives of these property, plant and equipment to be within 4 to 5 years. The carrying amounts of the Group's property, plant and equipment at 31 March 2012 was S\$14,504,023. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

Critical judgements made in applying accounting policies

In the process of applying the Group's accounting policies, the Board of Governance had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Allowance for bad and doubtful debts

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of other receivables. Allowances are applied to other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of other receivables and doubtful debt expenses in the period in which such estimate has been changed.

Impairment of property, plant and equipment

The Group assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Property, Plant and Equipment and Depreciation (Continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

Depreciation is calculated on the straight-line method so as to write off the costs of the property, plant and equipment over their estimated useful lives as follows:-

Leasehold building	4%
Motor vehicle	20%
Furniture and fittings	25%
Office equipments	25%
Computers	25%
Teaching aids and other equipments	25%
Renovations and improvement	20%
Playground equipment	25%

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

d) Inventories

Inventories are stated at the lower of the cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is the estimated selling price less anticipated cost of disposal after making allowance for damaged, obsolete and slow moving items.

e) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Financial Assets (Continued)**

Subsequent measurement

The subsequent measurement of financial assets depends of their classification as follows:-

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in income and expenditure statement. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in income and expenditure statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Financial Assets (Continued)**

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in income and expenditure statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

f) **Impairment of Financial Assets**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in income and expenditure statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost (Continued)

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure statement.

g) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand and at bank and fixed deposits which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

h) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Group.

i) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure statement when the liabilities are derecognised, and through the amortisation process.

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial Liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure statement.

j) Deferred Revenue

Amounts billed in advance for service contracts are reflected in the balance sheet as deferred revenue. They are transferred to income on a straight-line basis over the year of the individual service.

k) Designated Donations from Outside Parties

Donations from outside parties which are designated for construction of school building are credited to MDSS Building Fund or BSS Building Fund. These funds are transferred to redevelopment costs as and when they incurred. Costs will be transferred to Rainbow Centre – Margaret Drive School or Rainbow Centre – Yishun Park School upon completion.

l) Government Grants

A government grant is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

Grants received from Ministry of Education (MOE) and Ministry of Community Development, Youth and Sports (MCYS) which are for the purpose to build a special education school and an early intervention centre respectively and the grants are to be credited to a designated fund account. This grant is released to the income and expenditure statement over the estimated useful live of the related building on a straight line basis. This is reflected as a reduction of the depreciation charge in the income and expenditure statement.

m) Capital Donation/Grant

Donations and grants received for the purchase of capital assets are accounted for in the respective capital fund accounts. Amounts utilised for the purchase of property, plant and equipment are transferred to Deferred Capital Donations/Grant account and amortised over the useful lives of the related assets to match the depreciation of the assets purchased with the related donation/grant.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Recognition of Income

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable.

Income is recognised on the following basis: -

- i) Donations are accounted for on an accrual basis when monies are received or pledged and when the collection is certain. Donation raised by Community Chest is recorded under the “Donations raised by Community Chest” Account.
- ii) Grants to fund operating expenses and income from services rendered are taken up on an accrual basis. Based on the funding principles, accruals are made for any over/underfunding payable/receivable to/from the Government, Ministry of Education, Ministry of Community Development, Youth and Sports (MCYS) and National Council of Social Service.
- iii) School programme fees are recognised on an accrual basis.
- iv) Interest income is recognised as the interest accrues based on effective interest method unless collectability is in doubt.
- v) Sale of goods are recognised when goods are sold.

o) Employee Benefits

As required by law, the Group makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

p) Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the end of the reporting period.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

r) Impairment of Non-Financial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses are recognised in the income and expenditure statement in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Impairment of Non-Financial Assets (Continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

t) Key Management Personnel

Key management personnel of the Association are those having authority and responsibility for planning, directing and controlling the activities of the Association. The Executive Director, Principals and Vice Principals are considered as the key management personnel.

u) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating lease. Operating lease payments are recognised as an expense in the income and expenditure statement on a straight-line basis over the lease term. Rentals are charged to the income and expenditure statement in the accounting period in which they are incurred.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

v) **Related Parties**

A related party is defined as follows:-

- a) A person or a close member of that person's family is related to the Group and the Association if that person:
 - i) Has control or joint control over the Association;
 - ii) Has significant influence over the Association; or
 - iii) Is a member of the key management personnel of the Group or the Association or of a parent of the Association.
- b) An entity is related to the Group and the Association if any of the following conditions applies:
 - i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association;
 - vi) The entity is controlled or jointly controlled by a person identified in (a);
 - vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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3. PROPERTY, PLANT AND EQUIPMENT

GROUP	Leasehold Building S\$	Motor Vehicle S\$	Furniture and Fittings S\$	Office Equipments S\$	Teaching Aids and Other Equipment S\$	Computer S\$	Renovation Improvement S\$	Playground Equipments S\$	Total S\$
Cost									
At 01.04.2010	20,182,457	109,290	1,906,228	447,032	724,694	380,743	598,869	-	24,349,313
Additions	790	-	33,246	27,867	16,167	91,332	164,369	84,851	418,622
Disposals	-	-	(386,314)	(173,458)	(585,069)	(3,000)	-	-	(1,147,841)
At 31.03.2011/01.04.2011	20,183,247	109,290	1,553,160	301,441	155,792	469,075	763,238	84,851	23,620,094
Additions	-	-	53,230	34,979	-	321,678	95,090	-	504,977
Disposals/Written off	-	-	(5,590)	(37,935)	-	(182,952)	(251,794)	-	(478,271)
At 31.03.2012	20,183,247	109,290	1,600,800	298,485	155,792	607,801	606,534	84,851	23,646,800
Accumulated Depreciation									
At 01.04.2010	4,946,778	78,900	1,150,334	337,959	668,289	281,171	365,523	-	7,828,954
Charge for the year	807,330	10,880	358,934	48,983	29,838	71,163	98,512	21,213	1,446,853
Disposals	-	-	(386,314)	(173,459)	(585,069)	(3,000)	-	-	(1,147,842)
At 31.03.2011/01.04.2011	5,754,108	89,780	1,122,954	213,483	113,058	349,334	464,035	21,213	8,127,965
Charge for the year	807,330	6,504	336,664	54,910	21,757	135,075	109,630	21,213	1,493,083
Disposals/Written off	-	-	(5,590)	(37,935)	-	(182,952)	(251,794)	-	(478,271)
At 31.03.2012	6,561,438	96,284	1,454,028	230,458	134,815	301,457	321,871	42,426	9,142,777
Net Book Value									
At 31.03.2012	13,621,809	13,006	146,772	68,027	20,977	306,344	284,663	42,425	14,504,023
At 31.03.2011	14,429,139	19,510	430,206	87,958	42,734	119,741	299,203	63,638	15,492,129

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3. PROPERTY, PLANT AND EQUIPMENT (Continued)

	2012 S\$	2011 S\$
Depreciation of property, plant and equipment	1,493,083	1,446,853
Less: Amortisation of building re-development fund (Note 12)	<u>(1,088,123)</u>	<u>(1,071,748)</u>
	<u>404,960</u>	<u>375,105</u>

	Furniture and Fittings S\$	Motor Vehicle S\$	Office Equipments S\$	Total S\$
<u>ASSOCIATION</u>				
Cost				
At 01.04.2010	16,517	32,518	37,839	86,874
Additions	2,950	-	2,601	5,551
At 31.03.2011/01.04.2011	19,467	32,518	40,440	92,425
Additions	7,498	-	14,036	21,534
At 31.03.2012	<u>26,965</u>	<u>32,518</u>	<u>54,476</u>	<u>113,959</u>
Accumulated Depreciation				
At 01.04.2010	11,323	6,504	30,533	48,360
Charge for the year	2,469	6,504	4,067	13,040
At 31.03.2011/01.04.2011	13,792	13,008	34,600	61,400
Charge for the year	3,721	6,504	6,579	16,804
At 31.03.2012	<u>17,513</u>	<u>19,512</u>	<u>41,179</u>	<u>78,204</u>
Net Book Value				
At 31.03.2012	9,452	13,006	13,297	35,755
At 31.03.2011	<u>5,675</u>	<u>19,510</u>	<u>5,840</u>	<u>31,025</u>

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4. INVENTORIES

	Group		Association	
	2012	2011	2012	2011
	S\$	S\$	S\$	S\$
Inventories, at cost	33,332	40,835	4,870	8,296
Less: Allowance for obsolete inventories	(4,870)	(8,296)	(4,870)	(8,296)
	<u>28,462</u>	<u>32,539</u>	<u>-</u>	<u>-</u>
Movements in allowance for obsolete inventories are as follows:-				
Balance at beginning of year	8,296	9,510	8,296	9,510
Less: Allowance no longer required	(3,426)	(1,214)	(3,426)	(1,214)
	<u>4,870</u>	<u>8,296</u>	<u>4,870</u>	<u>8,296</u>

5. TRAINING FEE RECEIVABLES

The training fee receivables are non-interest bearing and the analysis of their aging at the end of reporting period is as follows:-

	Group and Association	
	2012	2011
	S\$	S\$
Not past due	28,750	13,723
Past due:-		
1 - 30 days	4,667	-
31 to 60 days	2,400	8,497
61 to 90 days	-	1,000
More than 90 days	3,900	-
	<u>39,717</u>	<u>23,220</u>

The receivables are past due at the end of the reporting period but not impaired amounting to S\$10,967 (2011: S\$9,497).

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6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2012	Group 2011	2012	Association 2011
	S\$	S\$	S\$	S\$
Interest receivables	12,136	8,706	8,650	1,404
Prepayments	25,830	40,838	272	27,000
School programme fee receivables	56,448	26,424	-	-
Deposits	53,490	64,671	-	-
Receivable from Standard Chartered Bank	126,451	120,054	-	-
Receivable from NCSS Ministry of Education	6,326	-	-	-
Totalisator Board	142,810	87,471	-	-
Other receivables	31,524	25,242	-	-
	20,275	14,047	-	-
	<u>475,290</u>	<u>387,453</u>	<u>8,922</u>	<u>28,404</u>

7. AMOUNT DUE FROM/(TO) NATIONAL COUNCIL OF SOCIAL SERVICE (NCSS)

	2012	Group 2011
	S\$	S\$
Balance at beginning of year	51,734	(112,386)
Less: Amount received for underfunding in prior years	(259,429)	(103,074)
Less: Overfunding for current year	(22,142)	(266,005)
Add: Overfunding written back	(4,842)	-
Add: Underfunding in prior years	241,037	510,284
Add: Repayment for overfunding in prior years	(28,500)	22,915
Balance at end of year	<u>(22,142)</u>	<u>51,734</u>

The status of under funding due was calculated based on the funding principle of and subject to the finalisation by NCSS. The details are as follows:

	2012	Group 2011
	S\$	S\$
31 March 2010 (This has been finalised by NCSS)	-	317,739
31 March 2011	<u>(22,142)</u>	<u>(266,005)</u>
	<u>(22,142)</u>	<u>51,734</u>

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8. AMOUNTS DUE FROM/(TO) INTER-RELATED PARTIES

Inter-related parties refer to those entities that under the umbrella of the Association.

	2012 S\$	Association 2011 S\$
Amount due from inter-related parties:-		
Rainbow Centre - Yishun Park School	-	18,507
Amount due to inter-related parties:-		
Rainbow Centre Early Intervention Programme (Margaret Drive School)	-	4,012
Rainbow Centre Early Intervention Programme (Yishun Park)	-	2,753
Rainbow Centre - Margaret Drive School	-	8,060
	-	14,825
Amount due from Rainbow Centre-Yishun Park School comprises of:-		
Advances	-	18,507
Amount due to Rainbow Centre Early Intervention programme (Margaret Drive) comprises of:-		
Advances	-	(4,012)
Amount due to Rainbow Centre Early Intervention programme (Yishun Park) comprises of:-		
Advances	-	(2,753)
Amount due to Rainbow Centre - Margaret Drive School comprises of:-		
Advances	-	(8,060)

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9. STRUCTURED DEPOSIT

	2012 S\$	Group 2011 S\$	2012 S\$	Association 2011 S\$
Structured deposit at beginning of year	2,256,000	-	912,000	-
Addition for the year	2,750,000	2,350,000	1,000,000	950,000
Matured during the year	(2,350,000)	-	(950,000)	-
Fair value loss on structured deposit written back	94,000	-	38,000	-
Fair value loss on structured deposit for the year	<u>(107,575)</u>	<u>(94,000)</u>	<u>(34,500)</u>	<u>(38,000)</u>
	<u>2,642,425</u>	<u>2,256,000</u>	<u>965,500</u>	<u>912,000</u>

The structured deposit is carried at fair value through profit or loss. This one-year structured deposit earned interest at 1% (2011: 1%) per annum and principal amount is 100% guaranteed.

The value of structured deposit is on the basis of indicative valuation prices by financial institutions. The underlying models and calculations have not been disclosed to the Group and the Association. The Group and the Association is unable to measure the derivative on the structure products separately either at acquisition or at a subsequent date and as such the entire hybrid (combined) instrument was designated at fair value through profit or loss.

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10. CASH AND CASH EQUIVALENTS

	2012	Group 2011	2012	Association 2011
	S\$	S\$	S\$	S\$
Fixed deposits	2,902,994	6,866,300	-	1,702,878
Cash and bank balances	<u>11,107,304</u>	<u>4,946,813</u>	<u>3,370,732</u>	<u>1,194,137</u>
	<u>14,010,298</u>	<u>11,813,113</u>	<u>3,370,732</u>	<u>2,897,015</u>
Transfer of funds:-				
Balance at beginning of year	326,832	147,191	-	-
Add: Additions for the year	<u>134,914</u>	<u>179,641</u>	<u>-</u>	<u>-</u>
	461,746	326,832	-	-
Less: Pledged deposit	<u>(125,082)</u>	<u>(124,290)</u>	<u>-</u>	<u>-</u>
	<u>336,664</u>	<u>202,542</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>14,346,962</u>	<u>12,015,655</u>		

Fixed deposits earned interest at the rate ranging from 0.25% to 0.80% (2011: 0.15% to 1.06%) per annum and mature within 1 month to 14 months (2011: 1 month to 24 months).

The Rainbow Centre – Yishun Park School has banker guarantees amounting to S\$125,082 (2011: S\$124,290) as security deposit in favour of the Singapore Land Authority.

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11. RESTRICTED/SPECIFIC FUNDS

	----- Group ----->												
	Rainbow Centre												
	Family Support Group Fund	Parent Training Fund	Project Wheels Fund	Rainbow Centre Training and Consultancy Programme Fund	Scholarship Funds	Building Redevelopment Fund	My PAL Programme Fund	World Autism Awareness Day	Parental Involvement Fund	Anniversary Celebration Fund	Dental Clinic Fund	Subtotal	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	c/f	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Balance as at 01.04.2010	1,626,266	47,753	10,577	8,198	1,378,100	29,645	6,042	-	-	-	-	37,649	3,144,230
Addition for the year	446,857	2,239	-	-	226,486	118,631	-	40,000	16,200	-	-	1,005	851,418
Utilised during for the year	(39,735)	(7,888)	-	(5,667)	(322,050)	(55,770)	-	(2,200)	(997)	-	-	(695)	(435,002)
Amount released to set-off against depreciation on related assets (Note 21)	-	-	-	-	-	-	(2,014)	-	-	-	-	-	(2,014)
Other comprehensive income	407,122	(5,649)	-	(5,667)	(95,564)	62,861	(2,014)	37,800	15,203	-	-	310	414,402
Balance as at 31.03.2011/01.04.2011	2,033,388	42,104	10,577	2,531	1,282,536	92,506	4,028	37,800	15,203	-	-	37,959	3,558,632
Additions for the year	868,196	3,610	-	-	337,002	-	-	-	10,200	15,000	10,860	3,170	1,248,038
Utilised during the year	(106,249)	(11,736)	-	-	(481,099)	(59,270)	-	(5,105)	(15,160)	-	(53)	(361)	(679,033)
Amount released to set-off against depreciation on related assets (Note 21)	-	-	-	-	-	-	(2,014)	-	-	-	-	-	(2,014)
Other comprehensive income	761,947	(8,126)	-	-	(144,097)	(59,270)	(2,014)	(5,105)	(4,960)	15,000	10,807	2,809	566,991
Balance as at 31.03.2012	2,795,335	33,978	10,577	2,531	1,138,439	33,236	2,014	32,695	10,243	15,000	10,807	40,768	4,125,623

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

	----- Group ----->												
	Subtotal	Opportunity	Other	Programme	Pupil	Resource	Staff	Teaching/	Curriculum	Tote	Traiblazer	The Pupils	Subtotal
	b/f	Fund	Designated	Development	Welfare	Library	Tranining	Education	Enhancement	Board IT/	Special	Achievements	
	S\$	S\$	Donation	Fund	Fund	Fund	Fund	Aids Fund	Fund	AV/Library	School	Awards	c/f
	S\$	S\$	Fund	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance as at 01.04.2010	3,144,230	18,790	227,445	295,043	56,505	24,343	506,143	26,364	93,476	(27,855)	2,897	-	4,367,381
Addition for the year	851,418	24,795	242,981	-	2,731	611	266,235	2,226	125,000	27,855	34,063	25,000	1,602,915
Utilised during for the year	(435,002)	(35,949)	(229,574)	(106,816)	(188)	(1,225)	(157,151)	(7,937)	(88,676)	(17,630)	(28,331)	(25,000)	(1,133,479)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	-	-	-	-	-	-	-	-	(2,014)
Other comprehensive income	414,402	(11,154)	13,407	(106,816)	2,543	(614)	109,084	(5,711)	36,324	10,225	5,732	-	467,422
Balance as at 31.03.2011/01.04.2011	3,558,632	7,636	240,852	188,227	59,048	23,729	615,227	20,653	129,800	(17,630)	8,629	-	4,834,803
Additions for the year	1,248,038	1,596	125,725	-	19,429	-	266,888	50	110,000	34,956	21,765	26,100	1,854,547
Utilised during the year	(679,033)	(22,444)	(115,916)	-	(2,210)	(1,654)	(333,978)	(2,679)	(108,831)	(90,400)	(21,739)	(26,100)	(1,404,984)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	-	-	-	-	-	-	-	-	(2,014)
Other comprehensive income	566,991	(20,848)	9,809	-	17,219	(1,654)	(67,090)	(2,629)	1,169	(55,444)	26	-	447,549
Balance as at 31.03.2012	4,125,623	(13,212)	250,661	188,227	76,267	22,075	548,137	18,024	130,969	(73,074)	8,655	-	5,282,352

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NOTES TO FINANCIAL STATEMENTS – 31 MARCH 2012

11. RESTRICTED/SPECIFIC FUNDS (Continued)

	<----- Group ----->											
	Subtotal	Outcome- Based Funding Agreement (OFA)	High Needs Grant	MOE/NAC Tote Board Arts Grant Fund	Financial Assistance Scheme	MOE and OFF Top-up Fund	Mini Mart Project Fund	SCTL Curriculum Education Aids Fund	Sports Education Programme (SEP)	MOE Achievement Awards Grant	Talent Development Fund	Subtotal c/f
	\$S	\$S	\$S	\$S	\$S	\$S	\$S	\$S	\$S	\$S	\$S	\$S
Balance as at 01.04.2010	4,367,381	-	-	-	-	-	12,661	-	-	-	-	4,380,042
Addition for the year	1,602,915	31,900	-	-	-	-	5,183	56,934	19,499	-	-	1,716,431
Utilised during for the year	(1,133,479)	(31,176)	-	-	-	-	(771)	(13,130)	(19,499)	-	-	(1,198,055)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	-	-	-	-	-	-	-	(2,014)
Other comprehensive income	467,422	724	-	-	-	-	4,412	43,804	-	-	-	516,362
Balance as at 31.03.2011/01.04.2011	4,834,803	724	-	-	-	-	17,073	43,804	-	-	-	4,896,404
Additions for the year	1,828,447	20,000	398,354	-	25,048	15,000	5,000	12,652	15,000	21,000	600	2,341,101
Utilised during the year	(1,378,884)	(10,724)	(182,471)	(1,168)	(3,435)	(15,000)	(6,385)	(56,456)	(5,140)	(21,000)	-	(1,680,663)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	-	-	-	-	-	-	-	(2,014)
Other comprehensive income	447,549	9,276	215,883	(1,168)	21,613	-	(1,385)	(43,804)	9,860	-	600	658,424
Balance as at 31.03.2012	5,282,352	10,000	215,883	(1,168)	21,613	-	15,688	-	9,860	-	600	5,554,828

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

	<----- Group ----->				
	Subtotal	Hydrotherapy	Special	Therapy	Total
	b/f	Fund	Assistance	Equipment	
	S\$	S\$	to Clients	Fund	S\$
	S\$	S\$	Fund	S\$	S\$
Balance as at 01.04.2010	4,380,042	547	2,907	-	4,383,496
Addition for the year	1,716,431	-	-	350	1,716,781
Utilised during for the year	(1,198,055)	-	-	-	(1,198,055)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	(2,014)
Other comprehensive income	516,362	-	-	350	516,712
Balance as at 31.03.2011/01.04.2011	4,896,404	547	2,907	350	4,900,208
Additions for the year	2,341,101	-	1,200	-	2,342,301
Utilised during the year	(1,680,663)	-	(1,200)	(350)	(1,682,213)
Amount released to set-off against depreciation on related assets (Note 21)	(2,014)	-	-	-	(2,014)
Other comprehensive income	658,424	-	-	(350)	658,074
Balance as at 31.03.2012	5,554,828	547	2,907	-	5,558,282

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

	----- Association ----->													
	Family Support Group		Parent Training Fund	Project Wheels Fund	Rainbow Centre Training and Consultancy Programme		Scholarship Funds	Building Redevelopment Fund	My PAL Programme Fund	World Autism Awareness Day	OFA Training Grant Fund	Parental Involvement Fund	Anniversary Celebration Fund	Total
	EIPIC Fund S\$	Group Fund S\$	Fund S\$	Fund S\$	Fund S\$	Fund S\$	Funds S\$	Fund S\$	Fund S\$	Day S\$	Fund S\$	Fund S\$	Fund S\$	S\$
Balance as at 01.04.2010	1,626,266	47,753	10,577	8,198	1,378,100	29,645	6,042	-	-	-	-	-	-	3,106,581
Addition for the year	446,857	2,239	-	-	226,486	118,631	-	40,000	16,200	1,900	-	-	-	852,313
Utilised during for the year	(39,735)	(7,888)	-	(5,667)	(322,050)	(55,770)	-	(2,200)	(997)	(1,176)	-	-	-	(435,483)
Amount released to set-off against depreciation on related assets	-	-	-	-	-	-	(2,014)	-	-	-	-	-	-	(2,014)
Other comprehensive income	407,122	(5,649)	-	(5,667)	(95,564)	62,861	(2,014)	37,800	15,203	724	-	-	-	414,816
Balance as at 31.03.2011/01.04.2011	2,033,388	42,104	10,577	2,531	1,282,536	92,506	4,028	37,800	15,203	724	-	-	-	3,521,397
Additions for the year	868,196	3,610	-	-	337,002	-	-	-	10,200	-	15,000	10,860	-	1,244,868
Utilised during for the year	(106,249)	(11,736)	-	-	(481,099)	(59,270)	-	(5,105)	(15,160)	(724)	-	(53)	-	(679,396)
Amount released to set-off against depreciation on related assets	-	-	-	-	-	-	(2,014)	-	-	-	-	-	-	(2,014)
Other comprehensive income	761,947	(8,126)	-	-	(144,097)	(59,270)	(2,014)	(5,105)	(4,960)	(724)	15,000	10,807	-	563,458
Balance as at 31.03.2012	2,795,335	33,978	10,577	2,531	1,138,439	33,236	2,014	32,695	10,243	-	15,000	10,807	-	4,084,855

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

a) EIPIC FUND

EIPIC Fund designated for Early Intervention Programme for Infants and Young Children (EIPIC) is used to defray operational costs of the programme at Margaret Drive and Yishun Park School. The aim of EIPIC Fund is to ensure that the programme is sustainable.

b) FAMILY SUPPORT GROUP FUND

Family Support Group Fund designated for Family Support Group is used to defray operational costs of providing peer emotional support for caregivers and family members to manage and cope in the care of their disabled dependents. It also aims to impart family life education and skills to the families.

c) PARENT TRAINING FUND

Parent Training Fund designated for parent training is used to defray operational costs of providing training to parents of children with special needs. The funding by National Council of Social Service was discontinued since 31 March 2002.

d) PROJECT WHEELS FUND

Project Wheels Fund is set up from a fundraising event by a group of donors for the purpose of supporting wheelchairs for students to develop independence in their mobility hence enhancing the quality of their lives.

e) RAINBOW CENTRE TRAINING AND CONSULTANCY PROGRAMME FUND

Rainbow Centre, Singapore Training and Consultancy (RCTC) Programme Fund is used to defray the operational costs of training and consultancy programmes. RCTC was initiated to provide on-site intervention and consultation in addition to professional training and support to preschool educators, special needs professionals and parents of children with special needs. Funding comes from National Council of Social Service (NCSS), income from training and consultation fees and designated donations.

Since 1 April 2002, RCTC received NCSS grant funding to help defray 50% of the budgeted expenses. The approved amount for FY 2011/2012 was S\$NIL (2011: FY 2010/2011 was S\$55,307).

However, with effect from 1 April 2011, NCSS ceased their funding to RCTC on the basis that they do not fund training programme.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

f) SCHOLARSHIP FUNDS

Scholarship Funds from Lee Foundation and Toh Kian Chui Foundation are set up to sponsor selected scholars to pursue the course of Master of Science (Speech and Language Pathology).

g) BUILDING REDEVELOPMENT FUND

	Group and Association	
	2012	2011
	S\$	S\$
Balance at beginning of the year	4,028	6,042
Less: Amounts released to set-off against depreciation on related assets (Note 21)	<u>(2,014)</u>	<u>(2,014)</u>
Balance at end of the year	<u>2,014</u>	<u>4,028</u>

h) MY PAL PROGRAMME FUND

My PAL Programmed Fund designated for My PAL for support and inclusion of children with special needs project is used to defray operational costs for the purpose of the project.

i) WORLD AUTISM AWARDENESS DAY FUND

The World Autism Awareness Day fund is used to defray operational costs for Rainbow Centre, Singapore's participation in the annual event.

j) PARENTAL INVOLVEMENT FUND

Parental Involvement fund designated for parents and their families to enable needy parents to access to the training and activities to manage their child with professionals on their child's programme.

k) ANNIVERSARY CELEBRATION FUND

Anniversary Celebration fund is set up to defray the costs of expenses related to the 20th anniversary events organized in 2012 to celebrate and commemorate the 20th anniversary of Rainbow Centre. Proceeds raised from the anniversary events are designated for the Rainbow Centre EIPIC fund to support the Early Intervention Programme for Infants and Young Children in Rainbow Centre.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

l) DENTAL CLINIC FUND

Dental Clinic Fund is designated for purchasing of dental aids, equipments and materials for screening and dental treatment services for students.

m) OPPORTUNITY FUND

Opportunity Fund is a one-off grant to Government and Government-Aided Schools and Colleges, Independent Schools, ITE and Special Education (SPED) Schools to set up the fund to level up co-curricular development opportunities for Singapore Citizen students from lower income households.

n) OTHER DESIGNATED DONATION FUND

Other Designated Donation Fund represents designated donations received for specific purposes.

o) PROGRAMME DEVELOPMENT FUND

Programme Development Fund is designated for funding of programme development.

p) PUPIL WELFARE FUND

Pupil Welfare Fund is to provide financial subsidy to needy students for the purchase of special training aids and other pupil welfare assistance.

q) RESOURCE LIBRARY FUND

Resource Library Fund is designated for purchases of publications, videotapes, audio and visual materials, books and professional journals related to children with special needs and special education.

r) STAFF TRAINING FUND

Staff Training Fund is the funding from MOE and NCSS for staff training/development. It is specifically for training purpose.

s) TEACHING/EDUCATION AIDS FUND

Teaching/Education Aids Fund is designated for the purchases of teaching aids and equipments (e.g. Rifton chairs) for use by students during class and therapy sessions.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

t) CURRICULUM ENHANCEMENT FUND

The Curriculum Enhancement Fund for SPED schools has been set up to promote and sustain school-based initiatives in enhancing the quality of the school curricula and co-curricula. The Fund is to be used for school-based initiatives or activities related to curricula and co-curricula development and reform according to the CEF guidelines by MOE.

u) TOTE-BOARD – IT/AV/LIBRARY FUND

Singapore Totalisator (TOTE) Board Computer/AV/Library Grant Scheme for SPED Schools is provided for special education schools to purchase items related to teaching and learning according to the guidelines.

v) TRAILBLAZER SPECIAL SCHOOL FUND

The Trailblazer Special School Fund aims to help special school students from low-income families for transport, textbooks, stationery, uniforms, meals and medicine so that they remain in school and receive critical intervention services despite the economic downturn.

w) THE PUPILS ACHIEVEMENTS AWARDS FUND

The Achievement Awards for Special Education School (AASPEDS) grant is given to all special schools by the Ministry of Education. This is an annual grant given to recognise and encourage students in special schools for their achievements and progress.

The AASPEDS grant is given to students in the special schools who are Singapore citizens with good conduct and who meet the school-based criteria for the awards. Each school will set their own criteria as well as their own types of awards for their students.

x) OUTCOME – BASED FUNDING AGREEMENT (OFA) INCENTIVES

The outcome – based funding agreement (OFA) is a one-off grant given by NCSS as an incentive grant to build the competencies of staff towards achieving the desired clients' outcomes under Comchest funded programmes. RAINBOW CENTRE, SINGAPORE received the grant for our diligence in capturing and reporting our programmes' indicators and outcome information in a timely manner throughout financial year 2009.

y) HIGH NEEDS GRANT

The high needs grant has been set up to provide SPED schools with additional resources to support students with exceptionally high needs as in students with challenging behaviour that disrupts the whole class.

This grant is intended for hiring of additional teacher aides to support those targeted students at ratio of 1 teacher aide for every 2 students.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

z) MOE/NAC TOTE BOARD-ARTS GRANT FUND

The grant is used for subsidising performances and Arts Education Programmes approved by the National Arts Council (NAC). It is 70% co-funding, capped at S\$2,250 for calendar year 2010 (prorated for 9 months); and capped at S\$3,000 per annum for calendar year 2011 and 2012.

aa) SPED FINANCIAL ASSISTANCE SCHEME (FAS)

The SPED FAS was rolled out to SPED schools in May 2011 to provide a basic level of financial support for SPED students from low income families.

The main eligibility criteria for this scheme are the gross monthly income ceiling has to be below \$2,500 for the families or a per capita income (PCI) of \$625 per month and Singapore citizen.

The students under the scheme will be given subsidy for school fees, uniforms and textbooks.

Special Schools will have to submit claims for reimbursement up to \$40 for students in PPMD and \$65 for students in STEP programme.

ab) ONE-OFF TOP-UP FOR FINANCIAL ASSISTANCE

This additional assistance is given to the SPED schools with the same purpose of providing financial assistance to students in SPED. This would be ring-fenced for discretionary financial assistance purpose to help students. The SMC of the schools will be the party accountable for the disbursement of the top-up fund.

This one-time top-up fund is used to subsidize those needy students who do not meet the criteria for MOE SPED FAS but are eligible for SPED schools' own financial subsidy scheme.

ac) MINIMART PROJECT FUND

Minimart project fund is set up for the purpose of imparting prevocational skills to students from the School for Multiple Disabilities. The end in mind is to grow it into a social enterprise and so we could employ our graduated students in jobs such as cashier, packer or graphic designer. The product assortment will comprise of students' work which further promote talent development and skills building. The mode of sale is direct selling through corporations and educational institutions.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

ad) SCTL CURRICULUM INNOVATION FUND

Curriculum innovation and special projects fund has been set up to encourage special schools to identify professional development or activities that would meet their needs. This fund is jointly administered by the MOE-NCSS Steering Committee For Teaching and Learning (SCTL). The fund aims to build special school's capability in the area of curriculum design/development, pedagogy and innovative ideas in teaching and learning to better meet the learning needs of children with special needs. It encourages special schools to take initiative in and ownership of key areas which innovation is required.

ae) SPORT EDUCATION PROGRAMME (SEP)

The SEP was set up to advocate the importance of Sports Education, encourage sports participation in special schools and increase sporting opportunities for children school going age. A panel (rep from MOE, Singapore Sports Council (SSC), sports educators and practisioners) will choose quality sports programmes to be endorsed under SEP. The SEP funds can only be used for programmes that are endorsed by SSC. The funds provided are based on a co sharing scheme in which schools will co pay 50% of fees up to a maximum of \$10 000 a year. Schools can use other funds to pay for the 50%.

af) MOE ACHIEVEMENT AWARDS GRANT

MOE achievement awards grant is given to all special schools by MOE. This is an annual grant given to recognise and encourage students in special school for their achievements and progress.

ag) TALENT DEVELOPMENT FUND

As part of the talent development initiative to develop the full potential of our students, talent development fund was set up. Some students are talented in music, some in art and craft, others in sport. This fund is aimed to provide financial support to send students for training to further develop their talents. It can also be used to fund projects in areas related to the students talents and interest. The source of funding could be donations or through sale of products developed by the students.

ah) HYDROTHERAPY FUND

Hydrotherapy Fund is set up for the purpose of providing hydrotherapy sessions for children from the Programme.

ai) SPECIAL ASSISTANCE TO CLIENTS FUND

Special Assistance to Clients Fund is set up for the purpose of offering financial assistance and transport fees to needy students.

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11. RESTRICTED/SPECIFIC FUNDS (Continued)

aj) THERAPY EQUIPMENT FUND

Therapy Equipment Fund is designated to purchase therapy and educational equipment.

12. BUILDING REDEVELOPMENT FUNDS

	2012	Group 2011
	S\$	S\$
Balance at beginning of year	14,778,065	15,690,695
Add: Additions for the year	134,582	159,118
Less: Amortisation for the year (Note 3)	(1,088,123)	(1,071,748)
Other comprehensive income	(953,541)	(912,630)
Balance at end of year	13,824,524	14,778,065

This Fund is used for acquisition of the following plant and equipment:-

Computer	56,477	56,478
Furniture and fittings	1,251,591	1,212,099
Leasehold building	20,183,247	20,183,247
Office equipment	185,022	185,022
Renovation and improvement	499,902	404,811
Teaching aids and other equipment	332,148	332,148
	22,508,387	22,373,805

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13. DEFERRED CAPITAL DONATION/GRANT

	2012	Group 2011
	S\$	S\$
Balance at beginning of year	590,718	672,116
Add: Additions for the year	97,426	256,137
Less: Amortisation for the year (Note 21)	(311,083)	(337,535)
Other comprehensive income	(213,657)	(81,398)
Balance at end of year	377,061	590,718

14. OTHER PAYABLES AND ACCRUALS

	2012	Group 2011	2012	Association 2011
	S\$	S\$	S\$	S\$
Other payables	33,326	74,678	1,761	27,915
Accruals	303,094	290,102	1,828	1,218
Deferred revenue	-	3,250	-	3,250
School programme fee received in advance	14,356	14,506	-	-
Gratuity to foreign staff	66,459	60,185	-	-
School fee deposit	38,430	-	-	-
Deposit received for rental of equipment	545	545	-	-
Other capital funds received in advance	74,430	39,181	-	-
Deposit received for library toys	720	720	-	-
Financial assistance to clients received in advance	1,100	-	-	-
	532,460	483,167	3,589	32,383

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15. AMOUNT DUE TO MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND SPORTS (MCYS)

The amount represents advances funding the year ended 31.03.2011.

16. MOE DUES ACCOUNT

This represents amount due to MOE for salary paid to MOE teaching staff.

	2012 S\$	Group 2011 S\$
Balance at beginning of year	73,911	73,911
Less: Repayment during the year	<u>(73,911)</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>73,911</u>

17. MOE EDUSAVE GRANT

MOE Edusave Grant represents Edusave Fund received from MOE, which is based on the number of eligible students for funding enrichment programmes and related expenditure.

	2012 S\$	Group 2011 S\$
Balance at beginning of year	12,124	27,402
Add: Additions during the year	33,785	82,251
Less: Utilised during the year	<u>(35,750)</u>	<u>(97,529)</u>
Balance at end of year	<u>10,159</u>	<u>12,124</u>

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18. PROGRAMME AND TRAINING FEE

	2012	Group 2011
	S\$	S\$
School programme fees	1,759,605	1,627,587
Training fees	311,866	153,205
Workshop	11,685	253
Income from programme activities	2,616	2,035
	<u>2,085,772</u>	<u>1,783,080</u>

19. FUNDING AND GRANTS

Grant from National Council of Social Service (NCSS)	4,634,895	4,158,925
Grant from Ministry of Community Development, Youth and Sports (MCYS) - include TOL	2,927,421	2,438,830
MOE Capitation Grant	10,351,054	10,031,409
Grant from MOE-temporary occupation licence	777,008	772,541
NCSS special assistance to clients	-	7,715
Other government grant (include jobs credit scheme)	33,806	62,018
	<u>18,724,184</u>	<u>17,471,438</u>

20. INCOME FROM DONATIONS AND FUNDRAISING ACTIVITIES

	2012	Group 2011
	S\$	S\$
Donations	809,141	1,058,033
Income from fundraising activities	466,910	13,737
	<u>1,276,051</u>	<u>1,071,770</u>

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21. MISCELLANEOUS INCOME

	2012	Group 2011
	S\$	S\$
Membership fee	748	1,064
Interest income	66,360	33,460
Other income	40,911	70,840
Amortisation of deferred capital donation/grant (Note 13)	311,083	337,535
Amortisation of plant and equipment (Note 11)	2,014	2,014
Transfer fund surplus at year end	11,417	789
	<u>432,533</u>	<u>445,702</u>

22. DIRECT OPERATING COSTS, EXCLUDING STAFF COSTS

	2012	Group 2011
	S\$	S\$
Communications	35,985	19,154
Consultation and supervision service	4,800	-
Equipment	100,510	76,501
General expenses	909	685
Goods and services tax expenses	-	127
Insurance	54,515	54,102
IT expendibles	13,393	5,056
Licence and permit	29	618
Maintenance	283,565	318,621
Newspaper subscriptions	32	50
Others and costs of sales	4,787	12,151
Printing, stationery and postages	11,071	13,830
Programme activities, functions and events expenses	160,214	121,728
Rental of equipment	60,352	31,895
School functions	(253)	-
Special assistance to client	35,455	448
Specific expenditure against donation	66,499	177,041
Supplies and materials/programme activities	218,427	85,755
Tokens of appreciation	1,154	777
Transportation	8,767	8,003
Upkeep of vehicles	1,402	1,374
Utilities	317,766	314,316
Others	4,922	3,052
	<u>1,384,301</u>	<u>1,245,284</u>

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23. INDIRECT OPERATING COSTS, EXCLUDING STAFF COSTS

	2012	Group 2011
	S\$	S\$
Auditor's remuneration	8,133	8,654
Bank charges	845	1,418
Cost of fundraising activities	80,586	1,689
Headquarters allocation from NCSS	417,984	394,594
OD project	16,250	8,750
Professional and other services	28,059	33,016
Recruitment	6,842	8,182
Share of headquarter's expenses*	11,998	8,000
Temporary occupation licence	867,426	862,552
Others	-	7,267
	<u>1,438,123</u>	<u>1,334,122</u>

* Certain common operating expenses relating to Rainbow Centre Headquarters were shared by the Programme, Rainbow Centre – Yishun Park School, Rainbow Centre – Margaret Drive School, Rainbow Centre Early Intervention Programme (Margaret Drive), Rainbow Centre Early Intervention Programme (Yishun Park), Rainbow Centre Training and Consultancy and Family Support Group.

24. STAFF SALARIES

	2012	Group 2011
	S\$	S\$
Staff salaries and other costs	14,900,622	14,311,244
Share of parent trainer expenditure on manpower	663,702	767,947
Gratuity to foreign staff	47,678	59,682
EOM interest/penalties	(1,583)	-
	<u>15,610,419</u>	<u>15,138,873</u>

There is NIL (2011: 1) key management personnel with emoluments below S\$50,000, 2 (2011: 2) key management personnel with emoluments above S\$50,000 but less than S\$100,000, 2 (2011: 1) key management personnel with emoluments above S\$100,000 but less than S\$150,000 and 1 (2011: 1) key management personnel with emoluments above S\$150,000 but less than S\$200,000.

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25. STAFF BENEFIT AND WELFARE

	2012	Group 2011
	S\$	S\$
Staff welfare	112,133	92,403
Staff training	149,310	29,627
	<u>261,443</u>	<u>122,030</u>

26. OTHER EXPENDITURES

Fair value loss on structured deposits written back	(94,000)	-
Fair value loss on structured deposits	107,575	94,000
Depreciation of property, plant and equipment	404,960	375,105
	<u>418,535</u>	<u>469,105</u>

27. TAXATION

The Association has been registered as a charity under the Charities Act and is also granted a Institution of Public Character (IPC) under section 37(2) (c) of the Income Tax Act, for a period of three years with effect from 1 January 2012 to 31 December 2014. The IPC number is IPC000298.

The Schools and the Programmes are exempted from income tax under the provision of the Singapore Income Tax Act, Cap. 134. Accordingly, no provision for tax liability has been made in the financial statements for the year.

28. TAX EXEMPT DONATIONS

The Association issued tax exempt receipts for donations amounting to S\$1,081,939 (2011: S\$750,058) during the financial year.

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29. RELATED PARTY TRANSACTIONS

In addition to the related party information shown elsewhere in financial statements, the following significant transactions between the Association and related parties took place during the financial year at terms agreed between the parties:-

	2012	Association 2011
	S\$	S\$
<u>Collection</u>		
Collection on behalf by the Association	63,225	74,703
Collection on behalf by the inter-related parties	<u>33,163</u>	<u>5,571</u>
<u>Payment</u>		
Payment on behalf by the Association	2,262,696	1,662,007
Payment on behalf by the inter-related parties	<u>11,757</u>	<u>14,448</u>

30. OPERATING LEASE COMMITMENTS

The Group leases the land under operating lease. Land rental expenses for the financial year was S\$798,737 (2011: S\$794,244). Future minimum rentals under non-cancellable lease are as follows as of 31 March:-

	2012	2011
	S\$	S\$
Amount payable:-		
Within 1 year	811,848	311,520
After 1 year but not more than 5 years	<u>690,310</u>	<u>376,420</u>

The leases do not include contingent rentals.

31. CONFLICT OF INTEREST POLICY

The Association has adopted a policy requiring all Board Members, all employees and assigned volunteers to declare on annual basis that they do not have any personal or private business or associates that might be a conflict to their functions or employment with the Association.

It is also the practice of the Association to disallow joint business ventures with any member, staff or volunteer of the Association.

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32. FINANCIAL RISK MANAGEMENT POLICIES

Financial Risk Management Objectives and Policies

The Group is exposed to foreign currency risk, credit risk, interest rate risk and liquidity risk which arise in the normal course of its operations. The Group does not use derivative financial instruments to minimise its financial risk exposures. As at 31 March 2012, the Group does not hold or issue derivative financial instruments for trading purposes.

Foreign Currency Risk

The Group is not significantly exposed to foreign currency risk as most of its transactions are denominated in Singapore dollar.

Credit Risk

The Group has no significant concentrations of credit risk. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Association does not expect to incur material credit losses on its financial assets.

Cash and cash equivalents are deposited in the financial institution with high rating.

Interest Rate Risk

The Group's income is substantially independent of changes in market interest rates. The Group has no significant interest-bearing financial assets and financial liabilities except for the fixed deposits placed with financial institution as disclosed in Note 9.

Liquidity Risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the Board of Governance to finance the Group's operations and mitigate the effect of any unexpected fluctuations in cash flows.

The maturity profile of the Group's financial liabilities is within 12 months from the end of the reporting period.

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33. RESERVE POLICY

The purpose of maintaining reserves is to ensure the sustainability of the Group's and the Association's programmes and continuity of its services to its beneficiaries in the contingency that it incurs an operating deficit in any year.

For this purpose, the Group and the Association aim to build up reserves that are equivalent to 3 years of its operating expenses less regular grants that it can expect to receive from the government and NCSS.

The Group and the Association may drawdown its reserves only with the approval of the Board of Governance.

34. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of reporting period:-

	2012	Group 2011	2012	Association 2011
	S\$	S\$	S\$	S\$
Assets				
Financial assets				
Financial assets designated as fair value through profit or loss:-				
Structured deposit	2,642,425	2,256,000	965,500	912,000
Loans and receivables: -				
Training fee receivables	39,717	23,220	39,717	23,220
Other receivables	449,460	346,615	8,650	1,404
Amount due from National Council of Social Services (NCSS)	-	51,734	-	-
Amounts due from inter-related parties	-	-	-	18,507
Cash and cash equivalents	<u>14,010,298</u>	<u>11,813,113</u>	<u>3,370,732</u>	<u>2,897,015</u>
Total financial assets	17,141,900	14,490,682	4,384,599	3,852,146
Total non-financial assets	<u>14,558,315</u>	<u>15,565,506</u>	<u>36,027</u>	<u>58,025</u>
Total assets	<u>31,700,215</u>	<u>30,056,188</u>	<u>4,420,626</u>	<u>3,910,171</u>

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34. CATEGORIES OF FINANCIAL INSTRUMENTS (Continued)

	2012 S\$	Group 2011 S\$	2012 S\$	Association 2011 S\$
Liabilities				
Financial liabilities				
At amortised cost:-				
Other payables and accruals	532,460	479,917	3,589	29,133
Amount due to National Council of Social Services (NCSS)	22,142	-	-	-
Amount due to Ministry of Community Development, Youth and Sports (MCYS)	-	41,060	-	-
MOE dues account	-	73,911	-	-
MOE Edusave Grant	10,159	12,124	-	-
Amount due to inter-related parties	-	-	-	14,825
Total financial liabilities	564,761	607,012	3,589	43,958
Total non-financial liabilities	-	3,250	-	3,250
Total liabilities	564,761	610,262	3,589	47,208

35. FAIR VALUES

Fair value of financial instruments that are carried at fair value

The Group and the Association classify fair value measurement using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchies have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
- Level 3 – Inputs for the asset or liability that is not based on observable market data (unobservable inputs)

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35. FAIR VALUES (Continued)

The structured deposit of the Group and the Association at fair value of S\$2,642,425 (2011: S\$2,256,000) and S\$965,500 (2011: S\$912,000) respectively are based on indicative valuation prices by financial institutions which are included in Level 2.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets (other than fair value through profit or loss instrument) and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

36. NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2012. The Group does not expect that adoption of these accounting standards or interpretations will have a material impact on the Group's financial statements.

37. CHANGED NAME OF ASSOCIATION

During the year, the Association has changed its name to Rainbow Centre, Singapore.