



# Annual Report



Resound Collective Limited  
January 2018 - March 2019



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# Annual Report of Resound Collective Limited

## Reporting Period:

1 January 2018 - 31 March 2019

## Previous Financial Year:

16 November 2016 (incorporation of RCL) – 31 December 2017

### COMPANY DETAILS

Resound Collective Limited  
(Company Limited by Guarantee)  
Date of incorporation: 16 November 2016  
Charity status approved: 27 March 2018

UEN: 201631412H

### REGISTERED ADDRESS

180 Paya Lebar Road #10-01  
Yi Guang Building  
Singapore 409032

### DIRECTORS

Beng Kian San Mervin – Chairman  
Ang Andrew  
Chan Yoong Han (Zeng Yonghan)  
Chua Sui Choo Anne  
Heng Wei Yang, Daniel (Wang Weiyang, Daniel) (joined 18 July 2018)

### ATTENDANCE AT BOARD MEETINGS

2/2 (100%)  
2/2 (100%)  
2/2 (100%)  
2/2 (100%)  
1/1 (100%)

### DIRECTORS' REMUNERATION

No directors receive any remuneration from the Company.

### COMPANY MEMBERS

Beng Kian San Mervin  
Chay Shin Leng Olive (Mrs. Olive Kan Ting Chiu)  
Ong Su Pin

### COMPANY SECRETARY

Soh Teck Kwan

### ARTISTIC COMMITTEE\*

Beng Kian San Mervin – Chairman  
Edward Tan  
Lee Shi Mei  
Loh Jun Hong  
Seah Huan Yuh  
Seow Yibin

### MANAGEMENT

Adrian Chiang – General Manager  
Linda Kan – Finance & Administration\*  
Olive Kan – Sponsorship & PR\*  
Samantha Marie Chan – Marketing Communications

\* Volunteers – no remuneration given

### BANKERS

OCBC Bank

### AUDITORS

Verity Partners  
180 Paya Lebar Road  
#07-07 Yi Guang Building  
Singapore 409032



# 1. Charity Objectives

## **The objectives of the Company, as stated in its Constitution, are:**

To promote the performance and enjoyment of music for chamber orchestra and small instrumental ensembles;

To increase public awareness, develop appreciation and encourage participation in the making of music for small ensembles; and

To provide opportunities to highly trained local musicians to further enhance musical skills.

## **The principal activities carried out by the company are:**

Presentation of concerts and other music-related events;

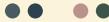
Formation of a chamber orchestra and other ensembles, and performing for the public at the highest artistic levels;

Raise funds through lawful means for the purposes of contributing to any development programmes; and

To do all such acts and lawful things as necessary for the advancement of the interests of music and musical performance.







## 2. Review of Activities

The primary activity of the Company is the presentation of concerts for small ensembles. For the reporting period, the major activities were:

**25 January 2018:**

*Something Old, Something New*

re:Sound with guest leader Ike See

**4 May 2018:**

*Baroque to Beethoven*

re:Sound with guest leader Pavlo Beznosiuk

**18 July 2018:**

*Up Close with Melvyn Tan*

chamber concert with Melvyn Tan (piano)

**14 September 2018:**

*Toy Toy Toy!*

re:Sound with guest artist Margaret Leng Tan (toy piano),  
Stephen Montague (composer/conductor)

**13 January 2019:**

*An Italian Extravaganza*

re:Sound with guest leader Enrico Onofri and guest soloist  
Chloe Chua (violin)

**10 March 2019:**

*Three by Three*

re:Sound with guests Ralf Gothoni (piano/conductor),  
Mark Gothoni (violin), Yuko Miyagawa (cello)

The concerts over the fifteen months covered a very wide repertoire, from Baroque through New Music, and the opportunity for our musicians to work with leading Singaporean and international artists. Of special note among the concerts was a 5pm matinee on 13 January 2019, which featured a shortened version of our evening concert. This was re:Sound's first matinee, which was designed to introduce young persons, including first-time concertgoers to classical music. The matinee attracted an audience of 85% of the house, and received enthusiastic response.

Attendance at our concerts has gradually grown from an average of 54% in 2017, to 60% in 2018, to 74.3% (January through March 2019). Given the increasing number of high quality arts events available in Singapore in recent years, the growth in our concert attendance is very heartening.



### 3.

## Milestones

### Board Resolutions

On 18 December 2018 the Directors resolved that the Financial Year for the Company should be 1 April - 31 March, to be in tandem with the fiscal year of the National Arts Council and Ministry of Culture, Community and Youth. Hence the reporting period for this Annual Report is 1 January 2018 - 31 March 2019.

### Cultural Matching Fund

This was the first year the company was eligible to apply for the MCCY's Cultural Matching Fund (CMF) grant. A matching grant of \$210,855 was applied for and awarded. This sum is to be drawn from 1 April 2018 to 31 March 2021.



### Charity Status

Resound Collective Limited was registered as a charity under the Charities Act, Singapore on 27 March 2018.



## Company Directors

The Company welcomed Daniel Heng as Director in July 2018. Daniel is a banker by profession, and an accomplished community orchestra musician (violinist), who has previously served as volunteer General Manager of the Braddell Heights Symphony Orchestra.

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## National Arts Council P&P Grant and Seed Grant

The company is grateful to have received support from the National Arts Council (NAC) via Presentation and Participation (P&P) Grants for its concerts since its inception. In 2018, the company applied for the NAC's Seed Grant. This application was successful, and the company will be supported under this scheme from 1 April 2019 through 31 March 2022.



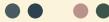
## 4. Commentary on Resound Collective Finances

### **Financial Position:**

The Company ended the financial year with total assets of \$264,825 compared to \$62,324 at the end of December 2017. This improvement was largely thanks to the Cultural Matching Fund grant of \$210,855.

### **Profit and Loss:**

The profit for the reporting period was \$197,195 compared to a loss of \$146,476 for the period 16 November 2016 (incorporation of RCL) until 31 December 2017. The profit includes the CMF grant of \$210,855.

**Income and Expenditure:**

Government grants from the National Arts Council (Presentation and Participation, or P&P grant), MCCY (Cultural Matching Fund grant), Tote Board Arts Fund and donations made up over 55% of income for the year. Although ticket sales have risen by over 60% compared to the previous year, they still account for less than 10% of income for the company, which is as expected, given the cost of production of orchestral concerts.

Over 62% of expenditure for the reporting period was on the hire of musicians and production manpower. The musicians hired by the company are trained to music conservatory or equivalent level, often with post-graduate music training, and remunerated for rehearsals and concert performance. As there are typically 30-40 musicians hired per concert, almost all local or PR, the cost of hiring orchestral musicians is the main expenditure for the company. This is consistent with the objectives of the company, as the musicians are central to the presentation and promotion of the music.

Other major expense areas are venue rental, production cost, marketing and advertising for concerts.

Thanks to the high level of voluntary management services provided by well-wishers, services and administration (accounting, audit, IT, management, etc) make up less than 10% of the expenses of the company

**Staff Remuneration:**

The Company has two staff (both part-time) engaged under service contracts. Remuneration for each of these staff is under S\$100,000 per annum.





## 5. Future Plans for the Company

### **Chamber Orchestra**

The chamber orchestra presented by the Company performs under the name “re:Sound”. Each concert season (July to June) there are an average of four concerts by re:Sound.

Return concerts with guest leaders Pavlo Beznosiuk and Ike See.

The first commissioned work by young Singaporean composer Jonathan Shin (2019), and a second commission by eminent local composer Tan Chan Boon (2020).

An all-Singaporean lineup of leader, guest soloists and composer for a Bicentennial celebration concert in October 2019.

Increased collaboration with a range of local musicians.

### **Formation of a String Quartet**

The Company will form a string quartet, which will broaden the range of music that it presents and enhance its outreach and education efforts. A string quartet is a more cost-effective vehicle to introduce classical music to schools, and to bring the joy of music to lesser-reached groups in the community. In addition, as full-time members of the Company, the quartet members will strengthen the musical core of the chamber orchestra.

### **Improving Company Governance and Processes**

Resound Collective is a young company and a new charity – this Annual Report is the first report as a registered charity. The Company has recently engaged Shared Services for Charities Limited (SSC) as a consultant to perform a Governance Review and to develop a Finance Manual. The Governance Review has been completed, and the development of the Finance Manual is on-going. In Financial Year 2019 the Company will engage a Human Resource consultant and other relevant professionals to further enhance its processes and document the relevant Manuals.



## 6. Acknowledgements

The Company wishes to recognise the contributions of the many parties who have made this endeavour possible:

The Musicians, who really are the “Collective” behind Resound Collective Limited;

The many Volunteers, who make things happen;

Our International Guest Artists, especially those who joined us when re:Sound was a very new, young orchestra, who have shared their artistry and experience so freely and contributed to the vibrancy of our concerts;

Our sponsors, supporters and donors.

### **Founding Donors** (\$20,000 and above)

Mr & Mrs Goh Yew Lin  
Mr Mervin Beng  
Ms Ong Su Pin  
Ms Vivien Goh

### **Concertmaster Chair Donor** (\$8,000 and above)

Mr & Mrs William & Mavis Tok

### **Principal Chair Donors** (\$4,000 and above)

Dr Chan Heng Chee (Oboe Principal)  
Holywell Foundation Limited  
Mrs Lee Li-Ming  
Ossia Music School Pte Ltd

### **Friends of re:Sound** (\$1,000 and above)

Mr Adrian Chiang	Ms Goh Lee Eng	Dr Ling Ai Ee	Mr & Mrs Tan Peng Chin
Ms Chew Seong Ling	Mr Han Jok Kwang	Dr & Mrs Low Sze Chuan	Mr Wong Hong Sze
Mdm Chung Sook Yee	Ivor and Nesta Freathy	Martina & P.L. Wan	Ms Yap Shu Mei
Creative Eateries Pte Ltd	(in memory)	Dr & Mrs Michael Chee	Mr Yeoh Cheng Kung
Mr David Mitchell	Dr Kenson Kwok	Mr Michael Tan Pei Jie	Anon.
Ms Elaine Teo	Mr Lee Ming San	Dr Peter Chew	
Geoffrey & Ai Ai Wong	Ms Leow Su Mei	Ms Ricca Liu	
Mr & Mrs Goh Kian Chee	Mr & Mrs Liao Chung Chi	Mdm Tan Choo Leng	

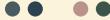
Ministry of Culture, Community & Youth (Cultural Matching Fund)

National Arts Council

Singapore Symphony Orchestra

Tote Board Arts Fund

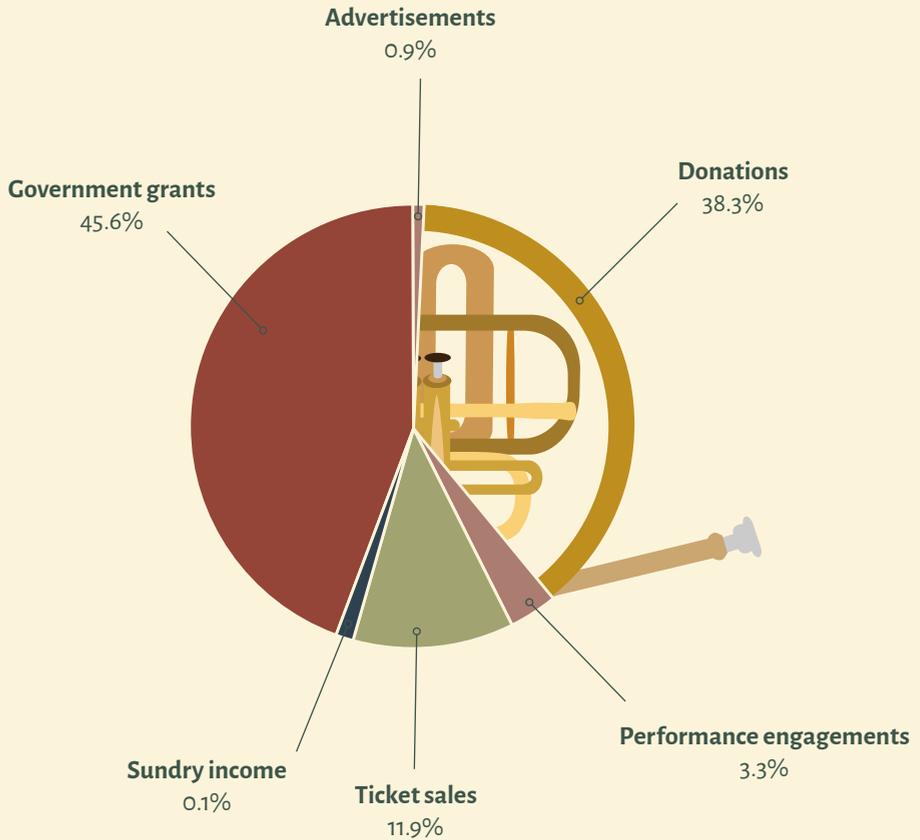
Yong Siew Toh Conservatory of Music

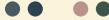


# 7. Finances at a Glance

## FY 2018 REVENUE

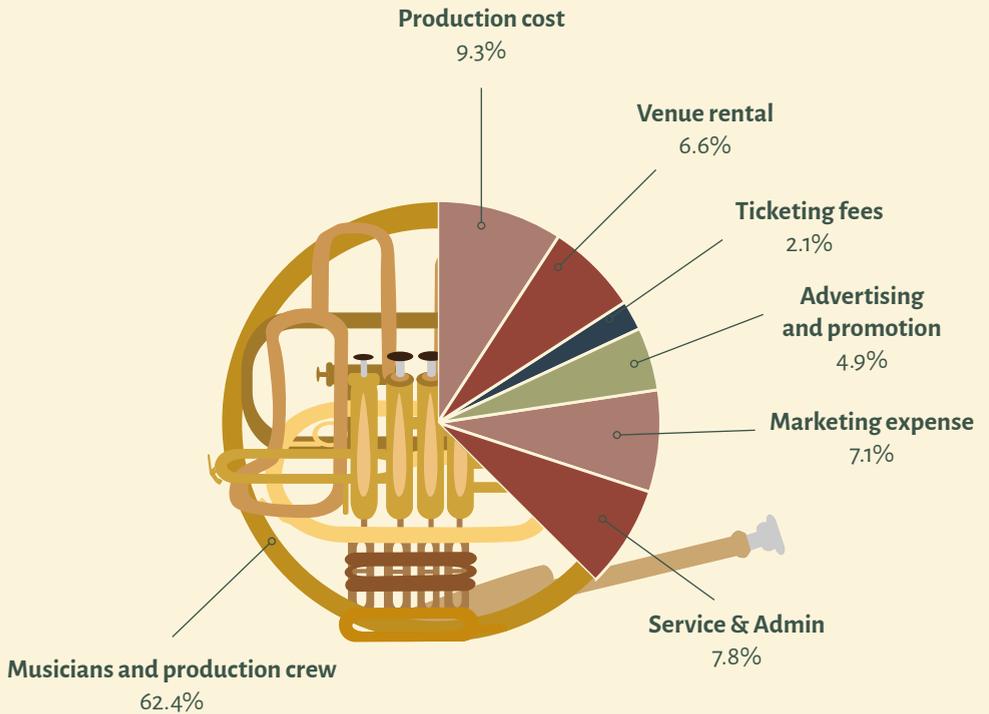
Income	Reporting Year (\$)	Previous Financial Year (\$)
Advertisements	6,000	2,400
Donations	269,999	30,547
Performance engagements	22,950	27,425
Ticket sales	83,612	50,002
Government grants	321,855	62,000
Sundry income	677	0





**FY 2018 EXPENDITURE**

<b>Expenditure</b>	<b>Reporting Year (\$)</b>	<b>Previous Financial Year (\$)</b>
Musicians and production crew	302,602	189,173
Production cost	44,991	29,462
Venue rental	31,790	27,137
Ticketing fees	10,219	5,613
Advertising and promotion	23,630	10,259
Marketing expense	34,346	19,982
Service & Admin	37,705	22,063





“.. fabulous orchestral playing, perfectly  
complementing the choir’s infectious enthusiasm”

ST Life!, re:Sound with the Nidaros Cathedral Men's and Boys' Choir,  
22 October 2017

“Beethoven with wit, freshness  
and sunshine”

ST Life! re:Sound with Lim Yan, 27 April 2017

“.. an emotionally-charged programme  
and impassioned playing”

Flying Inkpot review: The Red Violin with Kam Ning, 2 July 2017



“Sparkling evening of  
baroque delights”

ST Life! re:Sound with Enrico Onofri,  
13 January 2019

“.. every musical response and counter-response  
had something important and vital to say”

ST Life! re:Sound with Ike See, 25 January 2018



# 8. Annex

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)  
Registration No. 201631412H

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2019**

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)  
Registration No. 201631412H

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**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)  
Registration No. 201631412H

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2018 TO 31 MARCH 2019**

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT**

5. INDEPENDENT AUDITOR

The independent auditor, Verity Partners, has expressed its willingness to accept re-appointment.

6. AUTHORISATION OF FINANCIAL STATEMENTS

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



.....  
**BENG KIAN SAN MERVIN**  
Director



.....  
**HENG WEI YANG, DANIEL**  
(WANG WEIYANG, DANIEL)  
Director

**DATED: 31 AUGUST 2019**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RESOUND COLLECTIVE LIMITED  
Registration No. 201631412H

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of RESOUND COLLECTIVE LIMITED (the Company), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 1 January 2018 to 31 March 2019, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 22.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the financial period from 1 January 2018 to 31 March 2019.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Directors' Statement set out on pages 1 to 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RESOUND COLLECTIVE LIMITED  
Registration No. 201631412H**

**Other Information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Directors 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 Act, the Charities Act and Regulations and FRS, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RESOUND COLLECTIVE LIMITED  
Registration No. 201631412H**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
RESOUND COLLECTIVE LIMITED  
Registration No. 201631412H**

**Report on Other Legal and Regulatory Requirements**

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



**VERITY PARTNERS**  
Public Accountants and  
Chartered Accountants  
Singapore

**DATED: 31 AUGUST 2019**

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	At 31.03.2019 S\$	At 31.12.2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Other receivables and prepayments	5	23,128	15,913
Cash and cash equivalents		<u>241,697</u>	<u>46,411</u>
<b>TOTAL ASSETS</b>		<u><u>264,825</u></u>	<u><u>62,324</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Accumulated profits/(losses)		<u>50,719</u>	<u>(146,476)</u>
<b>Current liabilities</b>			
Accruals		12,106	6,800
Amount owing to a member	6	135,000	135,000
Amount owing to a director	6	<u>67,000</u>	<u>67,000</u>
		<u>214,106</u>	<u>208,800</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>264,825</u></u>	<u><u>62,324</u></u>

The accompanying notes form an integral part of the financial statements.

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD  
FROM 1 JANUARY 2018 TO 31 MARCH 2019**

	Note	01.01.2018 to 31.03.2019 S\$	16.11.2016 to 31.12.2017 S\$
REVENUE	7	382,561	110,374
OTHER OPERATING INCOME		<u>322,532</u>	<u>62,000</u>
		<u>705,093</u>	<u>172,374</u>
PURCHASES AND OTHER DIRECT COSTS		485,283	303,689
OTHER OPERATING EXPENSES		<u>22,615</u>	<u>15,161</u>
		<u>507,898</u>	<u>318,850</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	8	197,195	(146,476)
TAXATION	9	-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<u>197,195</u>	<u>(146,476)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>197,195</u>	<u>(146,476)</u>

The accompanying notes form an integral part of the financial statements.

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD  
FROM 1 JANUARY 2018 TO 31 MARCH 2019**

	Accumulated profits/(losses)	Total
	S\$	S\$
Balance at 1 January 2018	(146,476)	(146,476)
Total comprehensive income	197,195	197,195
Balance at 31 March 2019	<u>50,719</u>	<u>50,719</u>
	Accumulated losses	Total
	S\$	S\$
Balance at 16 November 2016	-	-
Total comprehensive income	(146,476)	(146,476)
Balance at 31 December 2017	<u>(146,476)</u>	<u>(146,476)</u>

The accompanying notes form an integral part of the financial statements.

**RESOUND COLLECTIVE LIMITED**  
**(Incorporated in the Republic of Singapore)**

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD**  
**FROM 1 JANUARY 2018 TO 31 MARCH 2019**

	At 31.03.2019 S\$	At 31.12.2017 S\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and others	695,920	168,536
Cash paid to suppliers	(500,634)	(324,125)
Net Cash From/(Used In) Operating Activities	195,286	(155,589)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from a director 10	-	67,000
Receipts from a member 10	-	135,000
Net Cash From Financing Activities	-	202,000
Net Increase In Cash And Cash Equivalents	195,286	46,411
<b>CASH AND CASH EQUIVALENTS</b>		
Opening balance	46,411	-
Closing balance	241,697	46,411

The accompanying notes form an integral part of the financial statements.

**RESOUND COLLECTIVE LIMITED**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

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

1. CHANGES IN ACCOUNTING YEAR END

In the Directors' Resolution In Writing dated 18 December 2018, it was resolved that the financial year-end of the Company be changed to 31 March of each year and the current financial period be from 1 January 2018 to 31 March 2019.

2. GENERAL

The financial statements were authorised for issue by the Board of Directors on 31 August 2019.

The Company is a limited by guarantee. The members of the Company guarantee to contribute a sum not exceeding \$5,000 to the assets of the Company in the event of its winding up.

The Company is registered as a Charity under the Charities Act, Chapter 37 since 27 March 2018.

The Company is incorporated and domiciled in the Republic of Singapore. The registered office is located at 180, Paya Lebar Road, #10-01, Yi Guang Building, Singapore 409032. The principal place of business is located at 1A, Victoria Park Road, Singapore 266479.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore (FRS).

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

**RESOUND COLLECTIVE LIMITED**  
(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation (continued)

- Level 2 fair value measurements are those from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

There are no area involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The adoption of the following new or revised FRS that are applicable in the current reporting relevant to the Company does not have material impact on the accounting policies and figures presented in the financial statements for the financial year ended 31 March 2019:

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers

**RESOUND COLLECTIVE LIMITED**  
**(Incorporated in the Republic of Singapore)**

**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation (continued)

As at the date of authorisation of the financial statements, the following new FRS that may be relevant to the Company was issued but not effective:

- FRS 116 Leases

Applies to annual periods beginning on or after 1 January 2019, with earlier application permitted if FRS 115 is adopted.

The adoption of this new standard in the next reporting period will not have material impact on the accounting policies and figures present in the financial Functional and presentation currency

3.2 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency.

3.3 Financial assets

Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The Company does not have any financial assets measured as FVOCI and FVPL as the end of the reporting period, and accordingly, the following policies are disclosed for financial assets measured at amortised cost only.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Financial assets (continued)

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

At subsequent measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Receivables

Receivables are measured at initial recognition at fair value and subsequently at amortised cost using the effective interest rate method less an allowance for expected credit losses.

The carrying amounts of current receivables approximate their fair values due to short-term nature of these balances.

3.5 Cash and cash equivalent

Cash and cash equivalents comprise of cash at bank.

The carrying amounts of cash and cash equivalents approximate their fair values due to short-term nature of these balances.

3.6 Financial liabilities

The Company classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss; and (b) financial liabilities at amortised cost.

Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are incurred for the purpose of short-term repurchasing (held for trading) or designated by management on initial recognition (designated under the fair value option). The Company does not have any financial liabilities classified at fair value through profit or loss at the end of the reporting period.

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest rate method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised. Net gains or losses on derivatives include exchange differences.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Payables

Payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The carrying amounts of current payables approximate their fair values due to short-term nature of these balances.

3.8 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Donations are recognised on receipts basis.

Revenue from sales of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied (i.e the time of transfer of the goods is at a point in time).

Revenue from rendering of services is recognised when the performance obligation is satisfied at a point in time.

3.9 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with conditions related to them and that the grants will be received.

Grants related to income are recognised in profit or loss over the periods necessary to match them with the related costs that they are intended to compensate. The timing of such recognition in profit or loss will depend on the fulfilment of any conditions or obligations attached to the grant.

Grant related to assets are offset against the carrying amount of the relevant assets in the statement of financial position. The profit or loss will be affected by a reduced depreciation charge systematically over the useful life of the related asset.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are taken to profit or loss on a straight-line basis over the period of the lease.

3.11 Preliminary expenses

Preliminary expenses are stated at cost and will be written off in the period they are incurred.

3.12 Taxation

*Prior to the Company registered as a charity*

The current taxation charged to profit or loss represents income tax at the current rate based on taxable income for the reporting period.

Deferred tax expense is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of taxation deferred on account of such temporary differences is reflected in the deferred taxation account. Currently, enacted tax rates are used in the determination of deferred income tax.

Deferred tax benefits are not recognised unless their realisation is probable.

*With effect from 27 March 2018*

The Company is registered as a charity under the Charities Act, Chapter 37, and is exempted from income tax under the Income Tax Act, Chapter 134.

4. PRINCIPAL ACTIVITIES

The principal activities of the Company are centered on music for chamber orchestra and small instrumental ensembles, and in organising the related concert performances, events and projects.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

5. OTHER RECEIVABLES AND PREPAYMENTS

	At 31.03.2019	At 31.12.2017
	S\$	S\$
Deposits	5,029	7,046
Grants receivable	12,880	2,800
Prepayments	5,088	5,029
Sundry receivables	131	1,038
	23,128	15,913

6. AMOUNT OWING TO A MEMBER/DIRECTOR

The amount owing to a member/director is non-trade related, unsecured, non-interest bearing and will be repayable on demand.

7. REVENUE

All revenue were generated from continuing activities and comprise:

	01.01.2018	16.11.2016
	to	to
	31.03.2019	31.12.2017
	S\$	S\$
Advertisements	6,000	2,400
Donations	269,999	30,547
Performance engagement and ticket sales	106,562	77,427
	382,561	110,374

During the reporting period, the Company did not conduct any fund raising appeal, which requires disclosure in accordance with Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

**8. PROFIT/(LOSS) BEFORE TAXATION**

	01.01.2018	16.11.2016
	to	to
	31.03.2019	31.12.2017
	S\$	S\$
This is determined after charging/(crediting):		
Government grants	(321,855)	(62,000)
Marketing expenses	34,346	19,982
Musicians and production crews	302,602	189,173
Preliminary expense	-	1,300
Production costs	44,991	29,462
Service fees	36,100	21,100
Venue rental	<u>31,790</u>	<u>27,137</u>

**9. TAXATION**

The income tax expense on the results for the reporting period varies from the amount of income tax determined by applying the Singapore standard rate of income tax of 17% (2017: 17%) to results before taxation due to the following factors:

	01.01.2018	16.11.2016
	to	to
	31.03.2019	31.12.2017
	S\$	S\$
Tax calculated at statutory tax rate	33,523	(24,901)
Income not subject to tax	(113,421)	-
Expenses not deductible for tax purposes	72,280	221
Deferred tax benefits not recognised	-	24,680
Tax losses forfeited	<u>7,618</u>	-
Income tax expense	<u>-</u>	<u>-</u>

The Company was registered as a charity on 27 March 2018, any unutilised tax losses after that date, will be forfeited.

2017: The Company had estimated tax losses totalling S\$144,000 available for offsetting against future taxable income subject to compliance with relevant provisions of the Income Tax Act and agreement by the Comptroller of Income Tax.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

10. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities:

	Amount owing to a member S\$	Amount owing to a director S\$	Total S\$
At 01.01.2018	135,000	67,000	202,000
Cash flows	-	-	-
At 31.03.2019	<u>135,000</u>	<u>67,000</u>	<u>202,000</u>
	Amount owing to a member S\$	Amount owing to a director S\$	Total S\$
At 16.11.2016	-	-	-
Cash flows	135,000	67,000	202,000
At 31.12.2017	<u>135,000</u>	<u>67,000</u>	<u>202,000</u>

11. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the reporting period, there were significant related party transactions, at terms agreed between the parties, as follows:

	At 31.03.2019 S\$	At 31.12.2017 S\$
Donations from directors	140,100	-
Donations from a member	20,000	-
Advances by a director	-	67,000
Advances by a member	-	<u>135,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

12. FINANCIAL INSTRUMENTS

Categories of financial instruments

The financial instruments as at the end of the reporting period were:

	At 31.03.2019	At 31.12.2017
	S\$	S\$
Financial assets measured at amortised cost	259,737	57,295
Financial liabilities measured at amortised cost	<u>214,106</u>	<u>208,800</u>

Financial risk management

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarised as follows:

12.1 Liquidity risk

Liquidity risk is the risk the Company is unable to meet its cash flow obligations as and when they fall due.

The Company monitors its cash flow actively. The management expects the cash flows generated from normal course of operations, together with continuing financial support from a director and a member, to be adequate to ensure liquidity.

Payables are non-interest bearing and are normally settled on cash terms.

12.2 Credit risk

Credit risk is the potential loss arising from any failure by the customers or debtors to fulfill their obligations as and when these obligations fall due.

As the Company does not hold any collateral, the carrying amounts of the financial assets represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Credit risk on bank deposits is limited as these balances are placed with a financial institution which is regulated. Other receivables that are neither past due nor impaired are creditworthy debtors with good collection track record with the Company. There is no other class of financial assets that is past due and/or impaired.

The management is of the opinion that there is no significant collection losses associated with its debtor balances as the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Receivables are non-interest bearing and are normally settled on cash terms.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 MARCH 2019**

12. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

12.2 Credit risk (continued)

Due to the nature of the Company's operations, information in relation to credit risk rating and/or grading are not disclosed as the effect to the financial statements is considered not significant.

13. RESERVES POLICY

The Company's reserves position at the end of the reporting period were:

	At 31.03.2019	At 31.12.2017	Increase / (Decrease)
	S\$	S\$	
Unrestricted funds	50,719	(146,476)	134.63%
Restricted/Designated Funds	-	-	0.00%
Total funds	<u>50,719</u>	<u>(146,476)</u>	
Ratio of unrestricted funds to annual operating expenditure	<u>0.10</u>	<u>Not applicable</u>	

The reserves that the Company has set aside provide financial stability and the means for the development of its principal activities. The Company reviews annually the amount of reserves that are required to ensure that they are adequate to fulfill their continuing obligations.

14. COMPARATIVE FIGURES

Except for the statement of financial position which is as at 31 December 2017, the comparative figures are for the financial period from 16 November 2016 (date of incorporation) to 31 December 2017. As a result of different reporting periods, the comparatives relating to the statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes are not comparable.

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**DETAILED PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL PERIOD  
FROM 1 JANUARY 2018 TO 31 MARCH 2019**

	01.01.2018 to 31.03.2019 S\$	16.11.2016 to 31.12.2017 S\$
<b>REVENUE</b>		
Advertisements	6,000	2,400
Donations	269,999	30,547
Performance engagements	22,950	27,425
Tickets sales	83,612	50,002
	<u>382,561</u>	<u>110,374</u>
Add:		
<b>OTHER OPERATING INCOME</b>		
Government grants	321,855	62,000
Sundry income	677	-
	<u>322,532</u>	<u>62,000</u>
	<u>705,093</u>	<u>172,374</u>
Less:		
<b>DIRECT COSTS</b>		
<b>Purchases and other direct costs</b>		
Advertisements and promotions	23,630	10,259
Insurance	1,605	963
Marketing expenses	34,346	19,982
Musicians and production crews	302,602	189,173
Production costs	44,991	29,462
Service fees	36,100	21,100
Ticketing	10,219	5,613
Venue rental	31,790	27,137
	<u>485,283</u>	<u>303,689</u>
<b>GROSS PROFIT</b>	219,810	(131,315)
Less: <b>OPERATING EXPENSES</b>		
<b>Other operating expenses</b>		
Bank charges	1,149	455
Entertainment and refreshments	2,118	312
General expenses	3,152	659
IT maintenance	4,223	3,750
Postage, courier, printing and stationery	2,273	1,075
Preliminary expenses	-	1,300
Professional fees	9,700	7,610
	<u>22,615</u>	<u>15,161</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<u>197,195</u>	<u>(146,476)</u>

This schedule does not form part of the financial statements.

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