

# Bigger reserves for orchestra

Singapore Chinese Orchestra's \$10-million trust fund will merge with endowment fund

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**T**he Singapore Chinese Orchestra (SCO) will soon enjoy bigger reserves and greater say over the use of its funds, which will in turn allow it to stage more shows and reach a wider audience.

This change comes as its almost \$10-million trust fund created by the Tote Board in 1996 is being dissolved and merged with the group's endowment fund.

The board operates horse racing through the Singapore Turf Club and other forms of betting through Singapore Pools, and manages funding activities from the gaming surpluses.

Unlike a trust fund, which is governed by conditions prescribed by the donors,

an endowment fund is typically made up of direct donations and wholly managed by the organisation itself.

For the SCO, the transfer of money from its trust fund to endowment fund will grow the capital sum under its control to about \$40 million.

This move by SCO follows in the footsteps of the Singapore Symphonia Company, which was recently successful in its appeal to the High Court to dissolve a similar trust for the Singapore Symphony Orchestra (SSO).

The Tote Board had created a \$25-million trust fund for the SSO in 1989 to offer it long-term financial support. However, only the surplus above the \$25 million capital can be used to fund the SSO's operations; any loss or shortfall in the capital sum had to be made good first before income could be paid out to the orchestra.

The company's general manager Chng Kai Jin, 58, says the volatile market over the last 10 years meant that the SSO has not been able to receive regular income from the trust, and in some years, there was no income to withdraw.

For example, the 2008 financial crisis caused the trust value to dip below \$25



With more say over its funds, the Singapore Chinese Orchestra can stage more shows. PHOTO: SINGAPORE CHINESE ORCHESTRA

million, sparking a deficit for the SSO, which had budgeted for the income.

The Tote Board refused its request for a top-up but subsequently agreed to donate all the standing funds in the trust to the SSO's endowment fund.

The catch: There is no clause in the trust deed to dissolve the trust.

The company therefore made an appeal through the court to dissolve the trust by seeking a court declaration that the Tote Board and itself were the only beneficiaries under the trust.

The order was granted by Judicial Commissioner Edmund Leow as there was no other party entitled to any interest in the

trust and as the only two beneficiaries, they were entitled to dissolve it.

The \$25-million transfer to the SSO's endowment fund will more than double its kitty to \$56 million but Mr Chng says the orchestra "will not tap into its final reserve unless there are special reasons".

He adds: "With a sizeable endowment fund and a regular investment income, the SSO aspires to do more for local arts audiences by inviting more world-renowned artists here and by presenting more outreach and community events."

The judgment has spared the SCO and the Singapore Dance Theatre (SDT), the only other beneficiaries of similar trust

arrangements with the Tote Board and seeking similar changes, from submitting the same appeal to court.

Legal representatives for the two arts groups had provided submissions to assist the court in its deliberation of the SSO case. The SDT declines to say what it plans to do with its trust and how much money is in it.

On its new fund arrangement, the SCO's general manager Terence Ho, 44, says: "It will help us build up our reserves through strategic investments and give us more flexibility when it comes to budgeting for the long-term growth of the Chinese orchestra community in Singapore."

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