



Annual Report for the Year Ended 31 December 2018

OUR VISION

A compassionate and caring accountancy community that actively contributes towards the betterment of society.

OUR MISSION

To encourage open-heartedness by promoting strong social conscience and a spirit of inclusivity within the accountancy community.

OUR OBJECTIVES

ISCA Cares supports two charitable causes:

1. Education: To provide needy Singapore youths with academic potential access to quality accountancy education through financial and non-financial assistance.
2. Community: To harness the knowledge, skills and expertise of the accountancy community, for community development projects through collaborative programmes with appropriate partners.

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BOARD AND COMMITTEES

Board of Directors : **Ms Tan Hwee Hua @ Lim Hwee Hua** Chairman
Mr Max Loh Khum Whai Deputy Chairman
Mr Arumugam Ravinthran Treasurer
Mr Abdul Jabbar Bin Karam Din Board Member
Mr Lee Fook Chiew Board Member
Ms Noorhayati Binte Mohamed Kassim Board Member

Audit Committee : **Ms Noorhayati Binte Mohamed Kassim** Chairman
Mr Max Loh Khum Whai Member
Mr Abdul Jabbar Bin Karam Din Member

Banker : DBS Bank Ltd

Auditor : Baker Tilly TFW LLP

Related Party : Institute of Singapore Chartered Accountants (ISCA)
Mr Max Loh Khum Wai
Deputy Chairman of ISCA Cares
Council Member of ISCA
Mr Lee Fook Chiew
Board Member of ISCA Cares
CEO of ISCA

CORPORATE INFORMATION

Unique Entity Number	:	201532966C
Registered Address	:	60 Cecil Street, ISCA House, Singapore 049709
Constitution	:	Company Limited by Guarantee
IPC Period	:	24 December 2018 – 23 September 2021

POLICIES

Conflict of interest policy : All Board members and staff¹ of ISCA Cares shall provide a annual disclosure of their interests in all other organisations in which they are directors or have control or have substantial shareholding or monetary interest to the Board when they are newly appointed and whenever there are updates. Such disclosures shall be circulated to all Board members and any potential conflicts of interest documented.

Reserves Policy : The use of reserves shall be approved by the Board. The reserves can be used for funding of operating expenditure during financial crisis and ex-budgetary capital expenditure for ensuring business continuity.

The Charity seeks to maintain a reserve of one year's operating costs.

The Board will review the reserves policy and the amount of reserves annually.

GOVERNANCE

ISCA Cares Governance Evaluation Checklist for the period 1 January 2018 to 31 December 2018 can be viewed at the Charity Portal www.charities.gov.sg.

¹ In accordance with the Code of Governance for Charities and Institutions of a Public Character issued on April 2017, Staff is defined as paid or unpaid individuals who are involved in the day-to-day operations of the charity.

OUR PROGRAMMES

ISCA Cares Education Programme

Launched in 2016, the ISCA Cares Education Programme (“Programme”) aims to help needy youths who are financially challenged in attaining a quality accountancy education.

Under the Programme, donors’ contributions will go towards subsidising the tuition fees and basic living expenses of needy Singapore youths who have been admitted to or are pursuing an accountancy education in local polytechnics and universities. Beneficiaries’ family per capita income should fall below S\$625¹ to meet the eligibility criteria. The Programme complements existing government financial assistance schemes that support students from financially challenged backgrounds.

In 2018, 29 accountancy students from local polytechnics and universities received bursaries totaling over S\$85,000 under the Programme.

Beneficiaries will also stand to benefit from internship and mentorship opportunities provided by corporate and individual donors of ISCA Cares. Beyond financial assistance, ISCA Cares aims to provide guidance to our young beneficiaries through a mentoring programme to enable them to gain career and personal development guidance from a mentor and at the same time, acquire real-life experiences of a professional accountant. Internship opportunities will allow them to build relevant work skills and experience to enhance their employability upon graduation.



¹ **Per capita income of S\$625** is computed by dividing the gross household income by the number of members in the household. This is in line with the amount set by Ministry of Education, Singapore before the latest revision effective on 1 April 2018.

REVIEW OF YEAR 2018

Staffing

As at 31 December 2018, the ISCA Cares Secretariat Team comprised six volunteer staffs from the Institute of Singapore Chartered Accountants (ISCA).

Calendar of Events and Activities

ISCA Cares Board Meeting

There were two ISCA Cares Board meetings held during the year: 18 May and 13 November 2018.

	Designation	Attendance
Ms Tan Hwee Hua @ Lim Hwee Hua	Chairman	2 out of 2
Mr Max Loh Khum Whai	Deputy Chairman	2 out of 2
Mr Arumugam Ravinthran	Treasurer	1 out of 2
Mr Abdul Jabbar Bin Karam Din	Board Member	2 out of 2
Mr Lee Fook Chiew	Board Member	2 out of 2
Ms Noorhayati Binte Mohamed Kassim	Board Member	2 out of 2

ISCA Cares Audit Committee Meeting

There were two ISCA Cares Audit Committee meetings held during the year: 14 February and 4 September 2018.

	Designation	Attendance
Ms Noorhayati Binte Mohamed Kassim	Chairman	2 out of 2
Mr Max Loh Khum Whai	Committee Member	2 out of 2
Mr Abdul Jabbar Bin Karam Din	Committee Member	1 out of 2

Sale of ISCA Cares collaterals

ISCA Cares produced collaterals to raise funds for its Education programme. Collaterals produced are sold at ISCA House, Level 1 and ISCA Cares booth at ISCA events.

ISCA Cares Notebooks

ISCA life member, Mr John Loo expressed his interest to donate his drawings to ISCA Cares in 2017. The drawings were churned into notebook cover-designs and included in the notebooks were appreciation letters penned by ISCA Cares beneficiaries to thank donors for their kind support.

517 notebooks were sold in 2018 and this helped to raise S\$7,200 (net proceeds) for ISCA Cares





ISCA Cares Pouch



The pouch was designed by one of ISCA Cares Bursary recipient, *Liew Si Ying* to thank donors for their kind support. The pouches were first launched on 1 June at ISCA Practitioners Conference 2018 and it has been well received.


106 pouches were sold in 2018 and this helped to raise S\$864 (net proceeds) for ISCA Cares.



Booth at ISCA's Events

Period	Event/Activity	Details of Event and Activity
15 March 2018	ISCA Post-Budget Seminar	<p>The Post-Budget Seminar is an annual event to provide updates and analysis of the Singapore Budget on companies and individuals.</p> <p>ISCA Cares set up a booth to raise awareness of its cause and reached out to more than 800 participants who attended the seminar. Donations totaling S\$3,100 was raised at the event.</p> 
13 March and 9 October 2018	ISCA New Members Ceremony	<p>The ISCA New Members Ceremony is held bi-annually to welcome new ISCA members and recognise the achievements and efforts of newly-conferred Chartered Accountants of Singapore or CAs (Singapore).</p> <p>ISCA Cares booth was set up to reach out and create awareness of ISCA Cares to more than 300 new ISCA members who attended the ceremonies.</p> 
26 May 2018	ISCA Run 2018	<p>ISCA Run is an annual event organised by ISCA. ISCA Run was back for the fifth year and took on a similar approach in engaging ISCA members and the public to promote camaraderie among members, family bonding and healthy living.</p> <p>As part of ISCA's corporate social responsibility, ISCA Run served as a platform for ISCA members and the public to come together in support of ISCA's chosen beneficiary, ISCA Cares. The event took place at the Singapore Sport Hub with over 1,700 participants.</p> <p>An ISCA Cares booth was set up to raise awareness among participants and the public. Donations totaling S\$21,662 was raised through the event inclusive of S\$6,432 net proceeds from the Run.</p>

<p>1 June 2018</p>	<p>ISCA Practitioners Conference</p>	<p>An ISCA Cares booth was set up at The ISCA Practitioners Conference titled “Coming to the Fore - Inspiring Quality, Creating Value” to reach out to more than 400 participants who attended the seminar.</p> <p>Ms Indranee Rajah, Minister Prime Minister’s Office, Second Minister for Finance and Second Minister for Education, had visited the ISCA Cares booth to understand more about the work of ISCA Cares.</p> <p>The ISCA Cares pouches debuted at the ISCA Practitioners Conference.</p> 
<p>30 Aug 2018</p>	<p>ISCA TechCountx Conference</p>	<p>An inaugural technology conference to delve deeper into how technology has changed the business landscape, and how it has affected the role of an accountants.</p> <p>ISCA Cares was present to reach out to more than 400 participants who attended the seminar.</p> <p>Donations totaling S\$165 was raised at the event.</p>
<p>21 Sep 2018</p>	<p>International Accountants Day</p>	<p>ISCA Cares was one of the adopted charities by the International Accountants Day (IAD) event, jointly organised by CPA Australia, Singapore Accountancy Commission and ISCA.</p> <p>An ISCA Cares booth was set up at the Charity Corner of IAD to raise awareness. ISCA Cares volunteer staff and 6 beneficiaries helped out at the booth to create awareness of the charity among event participants and the public.</p> 

28 Sep 2018	ISCA PAIB Conference	<p>An ISCA Cares booth was set up at The ISCA PAIB Conference titled “Championing Growth in the Transformation Wave” to create and promote awareness of ISCA Cares.</p> <p>Donations totaling S\$650 was raised at the event.</p>
12 Oct 2018	ISCA Cares Bursary Award Ceremony	<p>In its third year, the ISCA Cares Education Programme disbursed over S\$85,000 to 29 beneficiaries at the ISCA Cares Education Programme’s award ceremony on 12 October.</p> <p>PwC Singapore, being one of the largest corporate donor since ISCA Cares’ incorporation, had extended its new office premises at Marina One for the Bursary Awards Ceremony 2018.</p> 
Jan – Dec 2018	ISCA Cares Donation System	<p>ISCA Cares worked with ISCA InfoComm Technology and Membership departments to develop the ISCA Cares Donation System which is embedded within the ISCA Membership Portal. The objective of the donation system was to provide an avenue for members to support ISCA Cares through a one-stop shop in the ISCA Membership portal.</p> <p>ISCA Cares received donations totaling over S\$139,752 from over 1,700 ISCA members through the ISCA Donation Portal for the financial year ended 31 December 2018.</p>

Major Donors

For the year ended 31 December 2018, ISCA Cares raised a total of S\$ \$205,710 in donations. Listed below are the top corporate, individual and monthly donors for the financial year ended 31 December 2018.

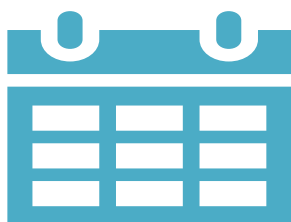


Corporate Donations (S\$1,000 and above)

• Anonymous	S\$20,000
• RSM Singapore	S\$10,000
• Institute of Singapore Chartered Accountants	S\$ 6,432
• Anonymous	S\$ 2,000
• Capen Marketing Pte Ltd	S\$ 1,000
• International Accountants Day	S\$ 1,000
• MOH Holdings Pte Ltd - Group Internal Audit	S\$ 1,000

Individual Donations (S\$1,000 and above)

• Sum Yee Loong	S\$12,000
• Lee Chia Sin	S\$10,000
• Anonymous	S\$ 5,000
• Anonymous	S\$ 2,000
• Anonymous	S\$ 2,000
• Anonymous	S\$ 2,000
• Lim Keng Tien, Agnes	S\$ 1,600
• Anonymous	S\$ 1,101
• Anonymous	S\$ 1,100
• Anonymous	S\$ 1,000
• Anonymous	S\$ 1,000
• Anonymous	S\$ 1,000
• Loo Say Lin	S\$ 1,000
• Luk Chiew Peng	S\$ 1,000
• Anonymous	S\$ 1,000
• Tan Lye Heng Paul	S\$ 1,000
• Tay Woon Teck	S\$ 1,000
• Anonymous	S\$ 1,000



Monthly Donations (Annual total of S\$1,000 and above)

• JBS Practice Public Accounting Corporation	S\$500/month
• BluTrust Chartered Accountants LLP	S\$400/month
• Kwan Mee Sin	S\$100/month

REVIEW OF FINANCIAL STATE AND EXPLANATION OF MAJOR FINANCIAL TRANSACTIONS

The Charity received donations amounting to S\$205,710 and recorded a net surplus and total comprehensive income of S\$115,752 for the financial year ended 31 December 2018.

OUR FUTURE PLANS AND COMMITMENTS

Education

For the Year 2019, ISCA Cares will continue to focus on education.

We will continue to raise funds to help needy accountancy students with their school fees and basic living expenses. We will also provide these youths with a holistic education that includes offering them mentorship and internship opportunities

Community

ISCA Cares will also continue to collaborate with the National Volunteer & Philanthropy Centre (NVPC) to provide skills-based volunteerism to charities on a as-needed basis. This will also provide an opportunity for retired ISCA members to keep themselves actively involved in the profession without the stress associated with a full-time career.

FINANCIAL STATEMENTS FOR THE YEAR

ISCA CARES LIMITED
(Co. Reg. No. 201532966C)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018**

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ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

DIRECTORS' STATEMENT

The directors hereby present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2018.

In the opinion of the directors:

- (i) the financial statements as set out on pages 17 to 28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Tan Hwee Hua @ Lim Hwee Hua
Max Loh Khum Whai
Arumugam Ravintran
Lee Fook Chiew
Noorhayati Binte Mohamed Kassim
Abdul Jabbar Bin Karam Din

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

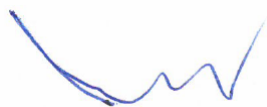
Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

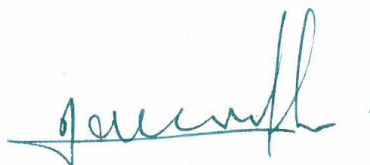
Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Tan Hwee Hua @ Lim Hwee Hua
Director



Arumugam Ravintran
Director

11 March 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ISCA Cares Limited (the "Company") as set out on pages 17 to 28, which comprise the balance sheet as at 31 December 2018, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations"), the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2018 and of the financial performance, changes in accumulated fund and cash flows of the Company for the year ended on that date.

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 comprises the Directors' Statement as set out on page 13 and the information included in the Annual Report 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.

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 on the other information obtained prior to the date of this auditor's report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

Report on the Audit of the Financial Statements (cont'd)

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 Charities Act and Regulations, the Act and FRSs, 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (i) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

11 March 2019

ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	Note	2018 \$	2017 \$
Income			
Donation income	4	205,710	327,748
Interest income		3,340	121
Other income	5	15,857	18,312
		<hr/> 224,907	346,181
Less expenditure			
Auditor's remuneration		5,000	5,000
Other expenses	6	104,155	112,973
		<hr/> 109,155	117,973
Net surplus and total comprehensive income for the financial year		<hr/> 115,752	228,208

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

ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

BALANCE SHEET

At 31 December 2018

	Note	2018 \$	2017 \$
Non-current asset			
Intangible asset	7	9,213	23,273
		<hr/>	
Current assets			
Cash and cash equivalents	8	526,100	399,494
Receivables	9	38,080	48,416
Inventories	10	3,634	1,187
		<hr/>	
Total current assets		567,814	449,097
		<hr/>	
Total assets		577,027	472,370
		<hr/>	
Current liabilities			
Accrued expenses		18,024	29,119
		<hr/>	
Net assets		559,003	443,251
		<hr/>	
Accumulated Fund		559,003	443,251
		<hr/>	

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

ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

STATEMENT OF CHANGES IN ACCMULATED FUND

For the financial year ended 31 December 2018

	\$
Balance at 1 January 2017	215,043
Net surplus and total comprehensive income for the financial year	228,208
Balance at 31 December 2017	<hr/> 443,251
Net surplus and total comprehensive income for the financial year	115,752
Balance at 31 December 2018	<hr/> 559,003 <hr/>

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

ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Net surplus for the financial year	115,752	228,208
Adjustments for:		
Amortisation of intangible asset	2,504	802
Interest income	(3,340)	(121)
Operating surplus before working capital changes	114,916	228,889
Receivables	11,693	(37,736)
Accrued expenses	461	(4,624)
Inventories	(2,447)	(1,187)
Cash generated from operating activities	124,623	185,342
Interest received	1,983	121
Net cash generated from operating activities	126,606	185,463
Net increase in cash and cash equivalents	126,606	185,463
Cash and cash equivalents at beginning of the financial year	399,494	214,031
Cash and cash equivalents at end of the financial year	526,100	399,494

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

ISCA CARES LIMITED

(A public company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

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

1. Corporate information

The Company (Co. Reg. No. 201532966C) is incorporated and domiciled in Singapore. The registered office and principal place of operations is at 60 Cecil Street, ISCA House, Singapore 049709.

The principal activities of the Company are:

- (a) To provide disadvantaged Singapore youths with academic potential, access to quality accountancy education through pecuniary and non-pecuniary assistance, so that they can maximise their potential.
- (b) To harness the knowledge, skills and expertise of the accountancy community and through collaborative programmes with appropriate partners, develop the community.

The Company is limited by its member's guarantee to contribute to the assets of the Company up to \$1 each member in the event of it being wound up.

The Company is an approved Institution of a Public Character.

The member of the Company is the trustee of the Institute of Singapore Chartered Accountants ("ISCA"). Accordingly, the Company is a wholly-owned subsidiary of ISCA.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore dollar ("S") which is the Company's functional currency, have been prepared in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting 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 income and expenditure during the financial year.

Use of estimates and judgements

These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity or areas where assumptions significant to the financial statements are disclosed in Note 3.

The carrying amounts of cash and cash equivalents and receivables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

b) Income

Revenue is recognised to the extent that the Company becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability. The Company assesses its revenue arrangements to determine if it is acting as a principal or an agent.

When the Company acts in the capacity of an agent rather than as a principal in a transaction, the revenue recognised is the net amount of commission made by the Company. Commission income is recognised upon delivery of the products to the customer.

Donations are recognised as and when they are received.

Income from sale of notebooks and pouches is recognised when the control of the products has been transferred upon the delivery of the products to the customer. No element of financing is deemed present as the sales are made on cash on delivery terms, which is consistent with market practise. A receivable is recognised when the products are delivered, as this is the point in time that the consideration is unconditional.

Net proceeds from sale of festive cookies is recognised when the control of the products has transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Interest income is recognised as the interest accrues based on the effective interest method.

c) Intangible asset

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in income and expenditure when the changes arise.

d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

e) Inventories

Inventories, comprising notebooks and pouches, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

2. Summary of significant accounting policies (cont'd)

f) Financial assets

The accounting policy for financial assets before 1 January 2018 are as follows:

The Company's only financial assets are "loans and receivables" which comprise receivables and cash and cash equivalents.

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in income or expenditure. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a receivable is uncollectible, it is written off against the allowance account for the receivables. Subsequent recoveries of amounts previously written off are credited in income or expenditure.

The accounting policy for financial assets from 1 January 2018 onwards are as follows:

Recognition and derecognition

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost, or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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

Subsequent measurement

Debt instruments include cash and cash equivalents and receivables. The subsequent measurement category is depending on the Company's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.

2. Summary of significant accounting policies (cont'd)

f) Financial assets (cont'd)

Subsequent measurement (cont'd)

Amortised cost (cont'd)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Company applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

g) Financial liabilities

Financial liabilities which comprise accrued operating expenses are initially recognised at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

A financial liability is derecognised when the obligation under the liability is extinguished.

2. Summary of significant accounting policies (cont'd)

h) Taxation

The Company has been registered as a Charity under the Singapore Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134.

3. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of asset within the next financial year, are discussed below.

Amortisation of intangible asset

The Company reviews the useful life of intangible asset at the balance sheet date in accordance with the accounting policy in Note 2(c). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful life differing from the management's current estimates. The net carrying amount of intangible asset at 31 December 2018 and the annual amortisation charge for the financial year ended 31 December 2018 are disclosed in Note 7. Any changes in the expected useful life of the asset would affect the net carrying amount of intangible asset, and the amortisation charge for the financial year.

4. Donation income

Donations received are both tax and non-tax deductible.

	2018	2017
	\$	\$
Tax deductible receipts	193,483	317,891
Non-tax deductible receipts	10,227	9,857
Donations in kind	2,000	-
	205,710	327,748

5. Other income

	2018	2017
	\$	\$
Income from sales of notebooks	10,340	14,381
Income from sales of pouches	1,590	-
Net proceeds from sales of festive cookies	3,927	3,931
	15,857	18,312

6. Other expenses

	2018	2017
	\$	\$
ISCA Cares Awards through Polytechnics	62,800	56,050
ISCA Cares Awards through Universities	22,329	44,255
ISCA Cares Awards to Beneficiaries	2,000	-
Awareness and promotion outreach	1,845	1,912
Amortisation of intangible assets (Note 7)	2,504	802
Cost of notebooks	3,140	4,894
Cost of pouches	726	-
Others	8,811	5,060
	104,155	112,973

7. Intangible asset

	Computer software \$
Cost	
At 1 January 2017	-
Additions	24,075
At 31 December 2017	<u>24,075</u>
Adjustment	(11,556)
At 31 December 2018	<u>12,519</u>
Accumulated amortisation	
At 1 January 2017	-
Amortisation charge for the financial year	802
At 31 December 2017	<u>802</u>
Amortisation charge for the financial year	2,504
At 31 December 2018	<u>3,306</u>
Carrying amount	
At 31 December 2017	<u>23,273</u>
At 31 December 2018	<u>9,213</u>

The cost of intangible asset of \$12,519 (2017: \$24,075) remains unpaid as at year end and recorded in accrued expenses.

8. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balance and fixed deposit.

	2018 \$	2017 \$
Interest-bearing accounts	526,050	399,444
Non-interest bearing accounts	50	50
	<u>526,100</u>	<u>399,494</u>

Included in interest-bearing accounts of the Company is fixed deposit amounting to \$451,875 (2017: Nil) which is placed with a bank and matures within 5 (2017: Nil) months from year end, an earn interest of 1.5% to 1.55% (2017: Nil) per annum.

9. Receivables

	2018 \$	2017 \$
Donation receivables		
- third party	10,170	5,000
- holding entity	26,553	43,416
Interest receivable		
- financial institution	1,357	-
	<u>38,080</u>	<u>48,416</u>

Donation receivable from third party relates to online donation via Giving.sg.

Donation receivable from holding entity relates to donation moneys received on behalf by the holding entity. Interest receivable from third party relates to interest receivable from fixed deposits placed with a financial institution.

10. Inventories

	2018	2017
	\$	\$
Notebooks	936	1,187
Pouches	2,698	-
	3,634	1,187

11. Significant related party transactions

In addition to information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and the holding entity, during the financial year on terms agreed by the parties concerned:

	2018	2017
	\$	\$
Donation income	6,432	6,576
Donation and collections received on behalf	151,352	72,495
Other income	5,818	4,516
Payment of expenses on behalf by the holding entity	2,088	-

The holding entity as part of supporting the Company contributed 2,335 hours (2017: 1,968 hours) to support the administration of the Charity for the financial year ended 31 December 2018.

12. Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts as of the balance sheet date are as follows:

	2018	2017
	\$	\$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	564,180	447,910
<i>Financial liabilities</i>		
At amortised cost	18,024	29,119

(b) Financial risk management

The Company's overall risk management is determined and carried out by the board of directors.

Credit risk

The Company's exposure to credit risk arises from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company places its cash and fixed deposit with the established financial institutions in Singapore.

At balance sheet date, there is no significant concentration of credit risk, except for cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each class of financial instruments on the balance sheet.

The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposures.

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Donation receivables from third party and holding entity

The Company assessed the latest performance and financial position of the counterparties and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Financial assets at amortised cost

Financial assets at amortised costs include receivables and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2018 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are not substantially dependent on changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

Liquidity and cash flow risk

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

13. Fair value

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their fair values.

14. Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The directors consider the accumulated fund as the capital of the Company and no changes were made to the Company's fund management objectives during the financial years ended 31 December 2018 and 31 December 2017.

15. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the board of directors dated 11 March 2019.



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