ISCA INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

# DEEPLY COMMITTED, FULLY ENGAGED

ANNUAL REPORT 2020 / 2021

# CONTENTS



DEEPLY COMMITTED,

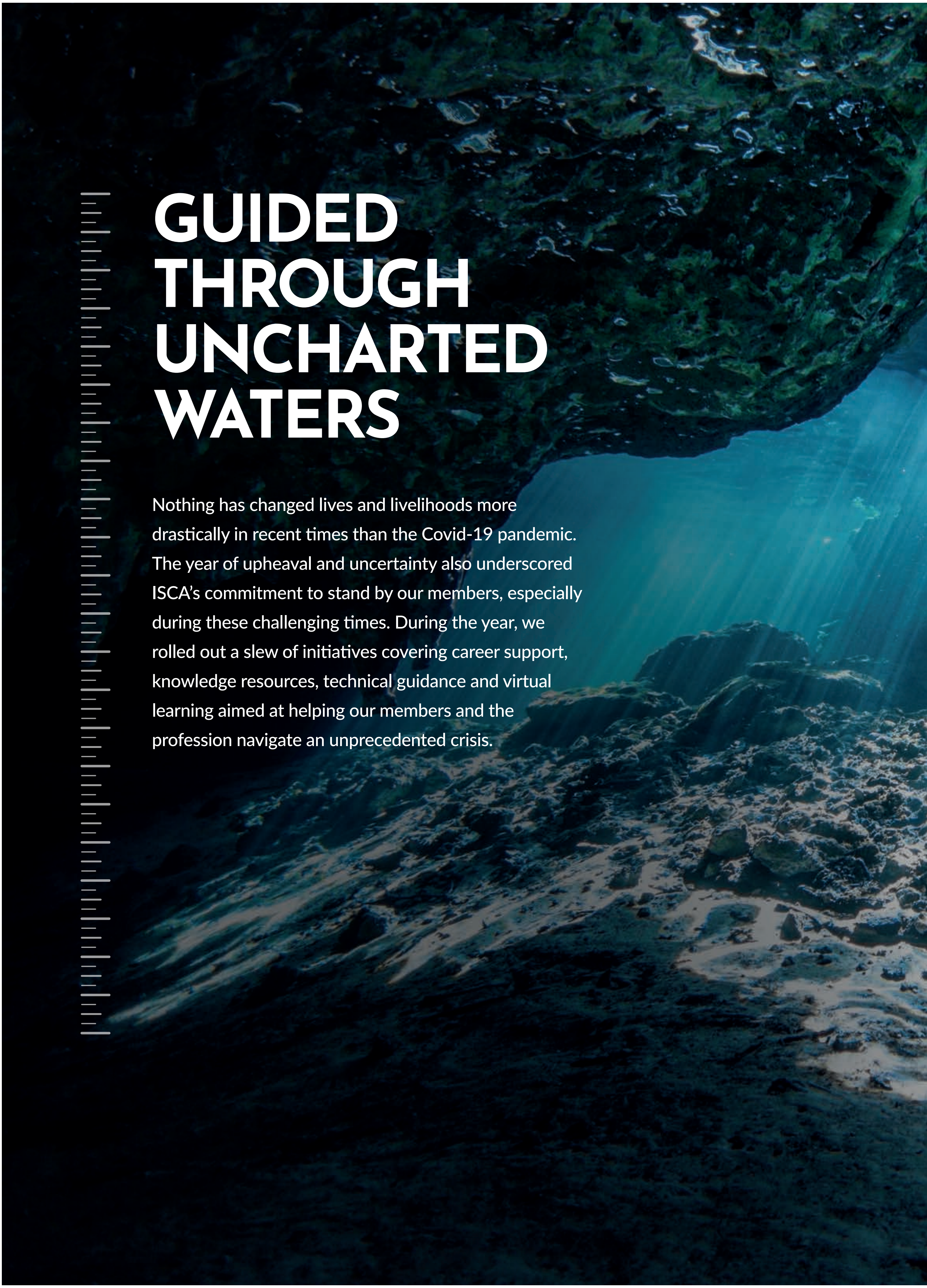
# DEEPLY COMMITTED, FULLY ENGAGED

**ISCA'S COMMITMENT TO THE PROFESSION RUNS DEEP**

For centuries, the undersea world has captivated many intrepid explorers, be it for recreational, commercial or scientific reasons.

The ocean represents a universe waiting to be explored, but it requires careful preparation and specialised capabilities to venture into an environment that is as fascinating as it is mysterious and uncertain. Furthermore, humans are not anatomically suited for conditions below the sea's surface, and therefore have to rely on proven tools, technologies and techniques to adapt to potential hazards and extreme environments underwater.

In the same way that certified divemasters train aspiring divers and prepare them for the underwater world, ISCA equips members to be future-ready by providing the resources they need to navigate the increasingly complex and volatile business environment.



# GUIDED THROUGH UNCHARTED WATERS

Nothing has changed lives and livelihoods more drastically in recent times than the Covid-19 pandemic. The year of upheaval and uncertainty also underscored ISCA's commitment to stand by our members, especially during these challenging times. During the year, we rolled out a slew of initiatives covering career support, knowledge resources, technical guidance and virtual learning aimed at helping our members and the profession navigate an unprecedented crisis.

# EQUIPPED TO THRIVE

While navigating the new normal, ISCA members have the advantage of being guided by the national accountancy body. They can tap ISCA's professional development offerings to develop future-ready skills and reach out to ISCA's community of more than 32,000 members for support and collaboration.

As members continue to forge ahead in their careers even amid choppy waters, their skills, professional network and values of professionalism, expertise and integrity enable them to thrive as they head towards new horizons.

# READY TO MAKE A DIFFERENCE

Amid the chaos arising from the pandemic, new opportunities have emerged. The need for accountancy professionals to make a difference has become more critical than ever.

Supported by the national accountancy body, and equipped with the relevant skills, training and resources, ISCA members are ready to make a difference to businesses and the community in the post-Covid-19 world.

# DIVE LOG

Divers keep a dive log so that they can look back on their memorable diving experiences. The dive log also enables them to track their progress over time. Here is ISCA's "dive log" of significant moments in 2020.

## SINGAPORE ACCOUNTANCY AND AUDIT CONVENTION (SAAC) SERIES

In 2020, amid social distancing requirements, the conferences were brought to participants virtually. The borderless virtual platform was also an opportunity for ISCA to reach a wider audience and profile our conferences in the SAAC series internationally.

The Budget 2020 seminar had close to 700 sign-ups and featured discussions on the Singapore Budget and tax developments that would impact companies and individuals. The Professional Accountants in Business (PAIB) Conference, titled "Gearing Up to Reboot in a New World" drew more than 1,000 participants. Experts shared their views on rebounding from Covid-19 as well as reiterated the changing role of the accountancy profession amid digital transformation.

The ISCA Practitioners Conference attracted more than 800 participants. Themed "Strategising for a Resilient Tomorrow", it focused on how audit firms could find clarity as the world navigates the challenges of the pandemic and faces an uncertain 2021. The conference covered the impact of Covid-19 on financial reporting and audit and how the profession could approach the upcoming audits with professional judgement, scepticism and vigilance. It also brought to the forefront other topics such as ACRA's findings from its Practice Monitoring Programme, the new quality management standards, interest rate benchmark reform and the future of standard-setting in auditing.

## COMPLIANCE CERTIFICATES

ISCA introduced Compliance Certificates to enable finance and accountancy professionals who are involved with or are taking on compliance related


*Ms Indranee Rajah, Minister in the Prime Minister's Office and Second Minister for Finance & National Development, was the guest of honour at the PAIB Virtual Conference.*

# DIVE LOG

processes to upgrade their skills in 2020. For a start, we have launched the ISCA PDPA Compliance Certificate. The certificate courses are modular and have been developed based on the job roles and competencies required. With the certificates, ISCA aims to bridge the skills gap of accountancy professionals and enable them to upskill in areas that are in demand. Future courses include Information Systems and Risk Management, which are expected to be ready in 2021.

## PROFESSIONAL ACCOMPLISHMENT DIGITAL BADGES

In an increasingly digital world, there are significant changes in how learning is recognised, accredited and validated. Digital badges are a part of these changes. Many of our members have gained qualifications and credentials in fields that are in demand, through various ISCA Continuing Professional Education (CPE) certification courses and specialisation pathways. To enable our members to showcase their professional achievements, ISCA issued Professional Accomplishment digital badges in batches in 2020 to members who have completed the following Professional Qualification programmes and CPE certification courses: ISCA Financial Forensic Professional (FFP) credential, ISCA Financial Forensic Qualification, ISCA Infrastructure and Project Finance Professional (ISCA IPFP) credential, ISCA-SUSS Certificate in Business Analytics, and Practical Audit Workshop. Going forward, digital badges will be issued to more Professional Qualification programmes and CPE certification courses.

## REPORT ON REDEFINING THE FINANCE FUNCTION WITH JOB REDESIGN

ISCA collaborated with the Lee Kuan Yew Centre for Innovative Cities at the Singapore University of Technology and Design, and Ernst & Young on the report "Redefining the Finance Function with Job Redesign", which aimed to raise awareness of the imminent impact of technological changes among finance professionals. The report also served as a guide for companies as they re-calibrated job roles in the finance function while undergoing business transformation to adapt to the changing business environment. The report, which was unveiled at the PAIB Conference in August 2020, was especially salient amid the Covid-19 global pandemic, which accelerated the pace of digital transformation.


*The study mapped out how companies could redesign their finance function amid digital transformation.*

The report mentioned that technologies like robotic process automation, artificial intelligence, advanced analytics/big data and blockchain would enhance decision making and effectiveness of finance functions at all levels within the next three to five years, during which more than half of the 11 job roles in the finance function would be moderately to highly changed by technology.
And while those in the two most junior roles – Accounts Executive/Accounts Assistant in the Financial Accounting (FA) track and the Accounting Executive in the Management Accounting (MA) track – were likely to be displaced by technology, there were job transition pathways for them within and beyond the accountancy profession.

## ISCA JOURNAL WINS AWARD

The ***IS C**hartered **A**ccountant Journal* received international recognition at the 32nd Annual Awards for Publication Excellence (APEX 2020), where it won the Grand Award. APEX, which began in 1988, is a prestigious international competition open to communicators in corporate, non-profit and independent settings. While the IS Chartered Accountant Journal received the APEX Awards of Excellence in 2016 and 2017, this is the first time it has won the Grand Award. The win is a testament of the quality of the ISCA Journal and further elevates the ISCA brand.

### MEMBERSHIP MILESTONE BADGES


### PROFESSIONAL ACCOMPLISHMENT BADGES


*ISCA members can acquire the Professional Accomplishment digital badges by completing ISCA CPE Certification courses and specialisation pathways. They can also display digital badges which highlight their membership milestones.*


*The findings of the "Auditor Independence When Providing Non-Assurance Services" survey were unveiled by Mr Tan Seng Choon, Chairman of ISCA Ethics Committee at the ISCA Practitioners Conference.*

## SURVEY REPORT ON AUDITOR INDEPENDENCE WHEN PROVIDING NON-ASSURANCE SERVICES

The ISCA Ethics Committee (ISCA EC) had received feedback that there were diversities in interpretations and practices in applying certain Non-Assurance Services (NAS) and fee-related provisions in ISCA's EP 100 Code of Professional Conduct and Ethics.

To consider inputs across all stakeholders, ISCA EC formed a working group (ISCA NAS WG) to look into the local concerns in applying NAS and fee-related provisions in ISCA's EP 100 and to recommend practices that are relevant and practical to strengthen auditor independence. The recommendations, which were unveiled at ISCA's Practitioners Conference on 22 October 2020, were broadly welcomed by audit committee members who responded to an online survey sent out by ISCA on the proposed practices.

One such recommendation is to obtain approval from those charged with governance before an audit firm can be appointed to carry out NAS. Another key recommendation is to develop a concept of "audit-related services" and that such "audit-related services" should be excluded from the computation of the proportion of NAS to audit fee, to better reflect the NAS that could potentially affect auditor independence.

The recommendations were also submitted to the International Ethics Standards Board for Accountants (IESBA) for consideration in its revision of the International Code of Ethics for Professional Accountants.

## PROFESSIONAL BUSINESS ACCOUNTANT PROGRAMME

ISCA's Professional Business Accountant (PBA) programme, launched in late 2019, rolled out its full suite of 22 modules and a facilitated half-day workshop, comprising 31 CPE hours, in the third quarter of 2020. The programme's online learning modules gives busy accountants and finance professionals the flexibility of attaining new skill sets at their own pace and to learn safely from home.

The programme, which is aligned to the ISCA PAIB framework and tailored for associate members focuses on five areas to help accountants succeed in the workforce of the future: Future Finance, Business Acumen, Professional Values and Ethics, Technical Excellence and Leadership and Personal Empowerment. Upon completion, participants will be awarded the Professional Certificate in Business Accounting, which leads to an enhanced Associate membership pathway. ISCA Associate members who have successfully completed the PBA Programme will be conferred the ISCA PBA designation, on fulfilling three years of post-qualification relevant working experience and other eligibility requirements.

## RESOURCES TO SUPPORT MEMBERS THROUGH COVID-19

To support our members affected by the Covid-19 pandemic, ISCA provided a support package valued at up to $3.6 million. This included a Continuing Professional Development (CPD) support scheme whereby each ISCA member received a $100 CPE voucher to offset their course fees. Members facing financial hardship could also apply for reduction or deferment of membership and training fees.

The Institute also rolled out a slew of initiatives in 2020 to support the profession. These initiatives are in three broad categories: Career Support, Resources and Virtual Learning Support.

The Institute launched a career microsite, which housed a career portal and relevant government career schemes for accountancy and finance professionals. We also collaborated with Workforce Singapore to co-organise a virtual career fair for accounting and finance professionals between 18 and 31 May 2020. Spanning two weeks, the fair attracted more than 11,000 visitors and more than 2,500 job applications.

We also created a virtual Covid-19 resource centre for accountancy and finance professionals. Under the Covid-19 resource centre, users can find a wealth of relevant information. An example is the Covid-19 Navigator, a summary of the assistance schemes and resources from the government and ISCA to support individuals and businesses affected by the Covid-19 pandemic. The resource centre includes technical guidance and Frequently Asked Questions (FAQs) on accounting and auditing issues arising from the Covid-19 situation, as well as government announcements and news on the economy. It also includes links to e-learning resources and assistance schemes for ISCA members.

To ensure members have access to professional development resources during the period of social distancing, ISCA curated live webinars and e-learning modules under its eLearning Space. In 2020, there were more than 500 webinars in various topics, in addition to more than 400 courses in ISCA's eLearning library. In addition, there were more than 50 free webinars for ISCA members.

# MESSAGE FROM EXPEDITION LEADER

Dear members,

The past year has been an extraordinary one, with upheaval and uncertainty affecting not just Singapore but also the entire world. The theme of this annual report, deep-sea diving, reflects these circumstances. The territory ahead is uncharted, with many unknowns and uncertainties in the new normal. On the flip side, this also means there are many opportunities yet to be discovered. Our annual report's title – Deeply Committed, Fully Engaged – thus reflects ISCA's member-focused approach in responding to matters arising from the pandemic and supporting the profession through the crisis.

Like all other professions, the accountancy profession has also had to grapple with the impact of Covid-19. If anything, this baptism of fire has further deepened ISCA's commitment to the profession. In the past year, the Institute provided various resources to support our members, and we will continue to aid our members in weathering the storm.

## SUPPORT FOR MEMBERS

Our efforts have focused on the biggest areas of concern among our members: jobs and careers for accountancy professionals and business continuity for accounting firms. We rolled out a range of initiatives to help members cushion the impact brought about by the pandemic, and to help small and medium practices (SMPs) in their transformation efforts to remain resilient and adaptable.

In 2020, to help our members through this crisis, we rolled out a financial assistance package worth up to $3.6 million. This included arrangements for members facing financial hardship to reduce their membership fees and defer payment for training fees. ISCA's online Covid-19 Resource Centre, which curates content related to Covid-19 for accountancy and finance professionals, has been well-received by the community. The resource centre includes resources such as the Covid-19 Navigator, which is a summary guide on the support schemes from the government and the Institute, as well as technical guidance on accounting and auditing issues arising from Covid-19.

The Institute has also strengthened our career support for members. Our job matching scheme for ISCA members connects employers with suitable candidates who are Chartered Accountants. Our Career Portal and the inaugural Virtual Career Fair for accountancy and finance professionals that we co-organised with Workforce Singapore, have had a positive reception.

## WEATHERING THE STORM

The Institute's early investment in infrastructure upgrading and digitalisation has paid off. With the onset of the Covid-19 pandemic, this ensured a seamless transition to remote working and conduct of virtual events. Our training courses, which have moved from physical classrooms to virtual classrooms and webinars, have garnered a warm reception from participants, and we will continue to enhance the virtual learning experience for participants.

We are looking forward to a fully virtual Singapore Accountancy and Audit Convention (SAAC) series in 2021. The virtual format enables the Institute to reach a wider audience. As the pandemic continues to reshape the profession, we will continue to work closely with standard setters, regulators and the industry to shape professional standards and promote best practices to support the accountancy profession. Members can also look forward to a series of webinars on emerging issues and technical topics.

At the same time, the Institute will continue to enhance professional recognition of the ISCA membership and the Chartered Accountant brand. In this time of crisis, ensuring the financial health of businesses is critical for their survival, and Chartered Accountants are well-positioned to help businesses through the challenges. To promote this message, ISCA has partnered with other member bodies of Chartered Accountants Worldwide (CAW) to produce a global brand campaign that will be localised and adapted for each market. The campaign will be targeted at business decision makers, employers, and students. Along the same vein, ISCA will also produce a series of member profile stories to highlight the unique strengths and qualities of Chartered Accountants and promote the Chartered Accountant brand.

To keep members abreast of developments that impact the profession, ISCA is also producing research reports on trends that will define the future of the accountancy profession. These topics include exploring potential shifts in the labour market in light of Covid-19, and the usage and impact of artificial intelligence in the finance function. With these reports, we aim to equip members with the information they need to be prepared for the future and make strategic shifts to their skill sets and career direction in tandem with the changing needs of businesses.

In addition, the Institute will produce country reports highlighting emerging or in-demand services in ASEAN, which complement the Institute's efforts in supporting members in their internationalisation journey. These country-specific reports will provide members with the information they need to explore business opportunities in the region.

# MESSAGE FROM EXPEDITION LEADER

## SEIZING NEW OPPORTUNITIES

The impact of the pandemic will continue to be felt in 2021, and beyond. To help members and SMPs emerge stronger from the crisis, ISCA is digging deep into our reserves and sparing no effort to support the profession. We are prepared to set aside more funds to support our members if required.

In 2021, we have prepared a second tranche of financial support to members. Worth $8 million, the ISCA Support Fund comprises a unique and holistic set of initiatives, catering to the differing needs of SMPs and accountancy professionals amid the current economic climate. The fund aims to help accounting firms and accountancy professionals make deeper and more strategic shifts so that they can emerge stronger and seize the opportunities arising in the New Normal. Broadly, the ISCA Support Fund has three strategic thrusts – Support Businesses, Sustain Livelihoods of Accountancy Professionals and Safeguard Professional Credentials.

### Support Businesses

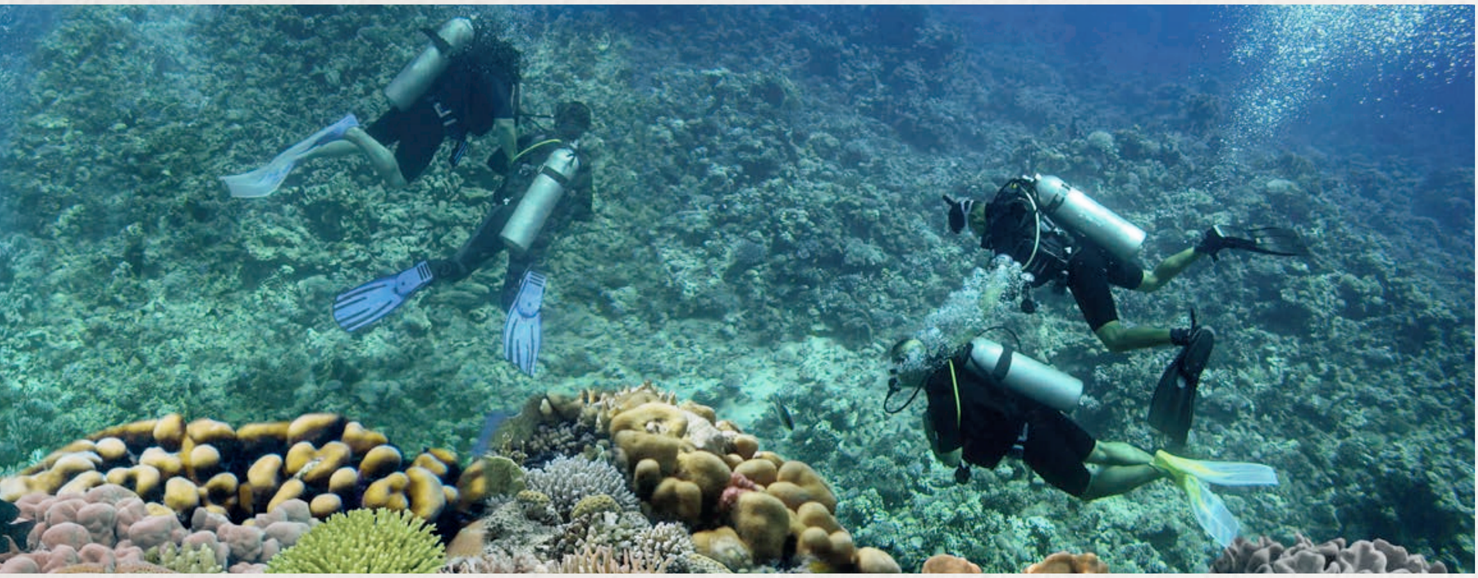
With the support of Enterprise Singapore's (ESG) SG Together Enhancing Enterprise Resilience (STEER) programme, $3 million will go towards accelerating the digital transformation and upskilling efforts of SMPs. The fund will support SMPs in the three pillars of business sustenance, business growth and capability upgrading. Eligible SMPs can receive up to $10,000 each to fund their Business Growth and Capability Upgrading initiatives. With cashflow being a priority for businesses in the post-Covid-19 operating environment, the Support Fund will provide a working capital grant of $5,000 each for SMPs with cashflow issues.

### Sustain Livelihoods of Accountancy Professionals

The Support Fund is aimed at positioning the profession for the future. There are long-term structural changes to the economic environment arising from Covid-19, and the profession will need to adapt and transform itself so that it is ready when recovery takes place. The ISCA Support Fund includes $3 million in CPE vouchers for members to offset their training fees. This means each member will receive $100 CPE Voucher to upskill and reskill.

### Safeguard Professional Credentials

We have also set aside $2 million for membership fee waivers for members facing financial hardship. Each member in financial hardship will also receive 20 hours of complimentary CPE training, enabling them to acquire new skills that will enhance their employability. In view of the challenging economic conditions, ISCA has also relaxed its eligibility criteria for membership fee waivers. By giving members in financial hardship waivers to their membership fee, this will enable them to retain their internationally-recognised professional credential, which is important in maintaining their employability in an especially competitive job market.



Besides the ISCA Support Fund, to support members in upskilling, ISCA has been rolling out specialisation programmes and certifications, as well as CPE courses and e-learning modules in trending or high-growth areas, such as digital finance, business analytics, financial forensics, project finance and infrastructure.

To prepare our members for the next-generation workforce, in 2020, ISCA launched the first of the Institute's Compliance Certificate series – the Personal Data Protection Act (PDPA) Compliance Certificate. This will be followed with the Information Systems Risk Management Certificate in the second quarter of 2021. The Institute is also expanding its range of digital finance-themed courses. In particular, we are developing a course in data storytelling and visualisation and will launch a new data analytics course in the second quarter of 2021.

The pandemic has also shone a light on the importance of mental wellness. The economic climate, with its ambiguity and volatility, as well as new work practices that keep many of us isolated and working at a more intense pace, can pose challenges for many of us. To address this, we organised an ISCA Career Pathway talk last year on "Navigating your Career in the Midst of a Crisis", where the panellists shared ways to manage one's mental health, including stress management tips and the importance of social connection. In June last year, to support members in coping with stress from the Covid-19 situation, we also held a free webinar on managing one's emotions and enhancing one's well-being. At the national level, there are also various schemes and helplines that offer mental health support. On our end, ISCA will continue to identify appropriate initiatives to raise awareness and support our members in maintaining mental wellness. This is a difficult time for everyone. I encourage members who are facing difficulties to reach out for help.

## EMERGING STRONGER

The changes to business practices brought about by Covid-19 and the pandemic's effects on digitalisation will only continue unabated, and the accountancy profession must adapt and embrace this new reality.

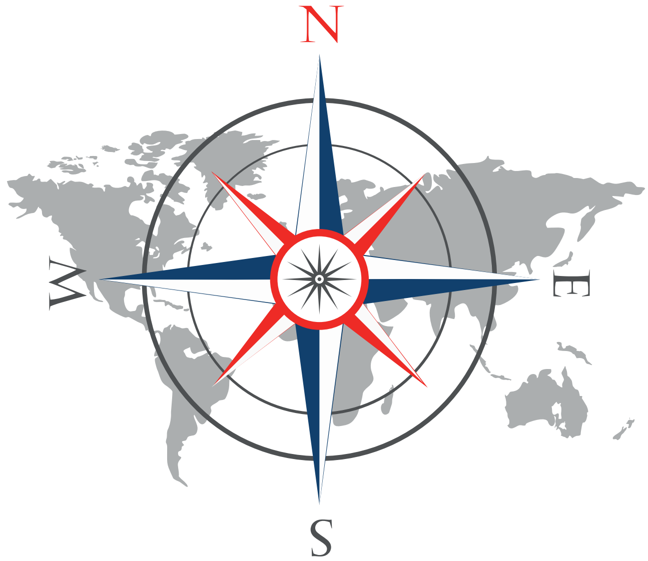
This is a time for the profession to stay grounded in our values of professionalism, expertise and integrity, while being flexible in our response to changing circumstances. Only then can we develop into a more resilient profession that is poised for a brighter future. The profession will outlast Covid-19. There are signs of economic recovery in Singapore, especially with coronavirus immunisations underway. The profession is well-placed to benefit from the eventual economic recovery.

On that note, I would like to thank my fellow Council members and our committee members for their hard work and support, as well as for being so generous with their time even though they have their own jobs and businesses to look after. I also thank the team at ISCA for working with me to overcome the challenges we have faced in the past year. Last but not least, I would like to express my gratitude to our members for their continued support.

The journey ahead may be fraught with uncertainty as we dive into uncharted waters. I urge our members not to stop; stand tall and just keep going even when the going gets tough. Rest assured, we will be with you every step of the way.

**Kon Yin Tong**
President

# EXPEDITION MAP

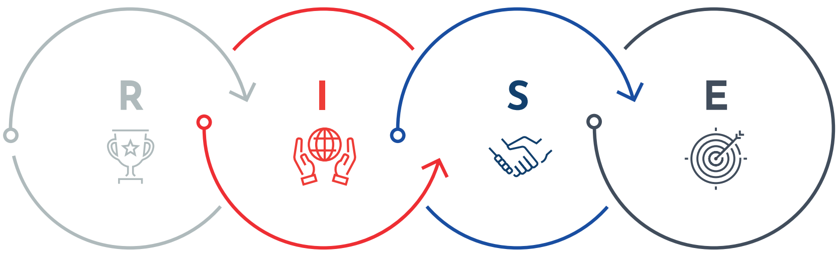



**ISCA** has refreshed its vision and mission with effect from 2021.

## OUR VISION

Be a world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy

## OUR MISSION STATEMENTS




**R**epresent our members on matters affecting and of interest to the profession

**I**nfluence the development of the accountancy profession and ecosystem positively

**S**erve the public interest by helping to instil sound values and ensuring right ethical standards among our members and the profession

**E**nable our members to achieve their professional aspirations


STRATEGIC PRIORITIES
Share Business Insights and Uphold Technical Excellence
Be a Major Influencer of Key Components in the Ecosystem
Serve Public Interest by Upholding Professional Conduct and Ethical Standards
Elevate the ISCA Brand
Enable Members to Achieve Professional Aspirations
Raise ISCA's global prominence

# DIVER STATISTICS


## AGE GROUPS

| <31 | 31-40 | 41-50 | 51-60 | >60 |
|---|---|---|---|---|
| 16% | 32% | 30% | 14% | 8% |
| 5,148 | 10,688 | 9,775 | 4,575 | 2,711 |

## MEMBERSHIP CLASS

| | |
|---|---|
| 25,049 | CA (Singapore)** |
| 1,149 | Fellow CA (Singapore)** |
| 827 | Members-In-Retirement |
| 127 | ISCA Professional Business Accountants |
| 129 | Affiliates |
| 833 | CA (Singapore) who are public accountants |
| 253 | Fellow CA (Singapore) who are public accountants |
| 811 | Life Members# |
| 2,002 | Associates |
| 33 | Associate (Specialist)* |
| 1,684 | Youth Associates |

* Associate members who were admitted under a Specialisation pathway
** Excludes public accountants
\# Includes 101 members who are public accountants. These members are either Fellow CA (Singapore) or CA (Singapore)

## MEMBERSHIP STATISTICS BY PROFESSION

| | | |
|---|---|---|
| 5,156 | 16% | Professional Accountants in Practice |
| 19,912 | 61% | Professional Accountants in Business |
| 1,820 | 5% | Public Sector |
| 500 | 2% | Not-For-Profit |
| 677 | 2% | Academia |
| 1,684 | 5% | Undergraduates |
| 3,148 | 9% | Others |

# DIVING COMMUNITY

# DIVING COMMUNITY

By charting previously unexplored areas, mankind has been able to discover new marine species, while identifying vulnerable species. These expeditions to unexplored waters however are not without challenges and require the coordination and cooperation of various parties across domains and borders to achieve success.

Similarly, driving the accountancy profession forward and strengthening the resilience of the sector requires ISCA to work closely and effectively with various stakeholders. This includes our members, as well as partners from the industry and government.

## GOVERNMENT BODIES

ISCA recognises the importance of establishing good relationships with key stakeholders.

The Institute works with government agencies like the Ministry of Finance (MOF), Accounting and Corporate Regulatory Authority (ACRA), Accounting Standards Council (ASC), Enterprise Singapore (ESG), Infocomm Media Development Authority (IMDA), Monetary Authority of Singapore (MAS), Singapore Accountancy Commission (SAC), SkillsFuture Singapore (SSG) and Workforce Singapore (WSG) to spearhead initiatives that contribute to the development of the accountancy profession. We also conduct regular exchange sessions with government agencies to advocate and represent the profession's interests and discuss issues relating to the accountancy profession.

As with past years, in 2020 we also organised the ISCA Pre-Budget Roundtable and various focus group discussions, which brought together leaders of trade associations and accounting firms to discuss ideas and provide recommendations to the Ministry of Finance in its preparation of the Singapore Budget.

## INDUSTRY PARTNERS

ISCA is committed to working with industry partners — including professional bodies, business organisations and academic institutions — to represent the profession's interests and discuss issues regarding, and of interest to, the accountancy sector.

Deeper engagement with international partners and the global accountancy community helps solidify ISCA's reputation as a world class accountancy body and raises our international standing and prominence. Beyond Singapore, ISCA is an active member of several prominent international accounting organisations and groupings such as the International Federation of Accountants (IFAC), Chartered Accountants Worldwide (CAW), and Jeju Group. ISCA is also an active participant at the United Nations Conference on Trade and Development (UNCTAD) - International Standards of Accounting and Reporting (ISAR). We also actively advocate the views of our members and the Singapore accountancy profession on matters affecting and of interest to them to international standard setting boards, such as International Auditing and Assurance Standards Board (IAASB), International Accounting Standards Board (IASB), IESBA and International Panel on Education (IPAE).

These relationships have helped ISCA to stay plugged into the global conversations surrounding issues that impact or are of interest to the global accountancy profession. At the same time, we advocate for our members and the Singapore accountancy profession on global platforms.


*Centred on the theme 'Deepening Capabilities: A Continuous Process', the ISCA Pre-Budget Roundtable 2020 featured a distinguished panel of industry leaders who discussed issues on enhancing enterprise and worker capabilities and ease of doing business.*

## MEMBERS

We count more than 32,000 accountancy professionals as our members. Recognised and trusted for their professionalism, expertise and integrity, our members work in diverse roles across various industries worldwide.

As a membership organisation, empowering members to achieve their aspirations has always been one of our top priorities. By equipping our members with the relevant skill sets and technical know-how, we help our members enhance their employability and expand their career options.

Through our wide range of continuing professional education offerings and educational resources, our members can upskill and reskill in high-growth areas. In recent years, these areas have included business analytics, financial forensics, project and infrastructure finance and infrastructure, coding and financial modelling.

In addition, our engagement with key stakeholders as well as our advocacy for the profession contribute towards the enhancement of the eco-system. This benefits our members and the profession.

Our members are at the heart of what we do and we will continue to focus on delivering value to them.

# DIVER CREDENTIALS

# DIVER CREDENTIALS

Diving certifications are issued by diver training agencies, and divers carry a qualification record or certification card which may be required when booking a dive trip, hiring scuba equipment, filling diving cylinders and more.

In honing their diving skills and clocking diving experience, divers acquire a wide spectrum of knowledge areas, while developing their physical fitness. The level of their diving certification determines the depth they can go to and the amount of autonomy they can have on their diving expeditions. As they grow in their knowledge, skills and experience, divers can advance to the next level of certification, progressing from being recreational divers to obtaining professional certificates.

Similarly, ISCA's specialisation pathways enable our members to acquire new skills and achieve success in various areas that are in demand. With the economic downturn resulting from the pandemic, and the sea change in the economy brought about by digital transformation, upskilling and reskilling are crucial. ISCA's specialisation qualifications and certifications support the upskilling needs of the profession.

Recognising the importance of upskilling and reskilling, ISCA works with SkillsFuture Singapore (SSG), WSG and SAC as well as other partners in the accountancy ecosystem to refresh the Skills Framework for Accountancy. The refreshed Framework features ten career tracks, including Enterprise Risk Management, Financial Forensics, Mergers & Acquisitions and Restructuring & Insolvency. Infrastructure advisory is featured as a high growth practice area in the Skills Framework. Data analytics, which enables efficiencies and delivery of real-time insights for management decisions, is another skill that is in high demand among employers and is relevant for professional accountants across different career tracks.

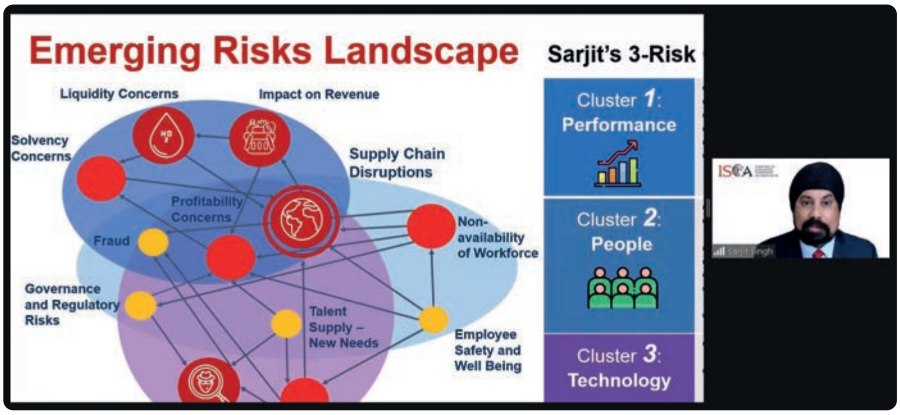
## FORENSIC ACCOUNTING

The global economic slowdown brought about by the Covid-19 pandemic has placed an immense strain on organisations and individuals. Under immense business pressure, individuals and business partners may rationalise that certain illegal activities and actions might be justified when opportunity arises, thus increasing the risk of white-collar crime.

Financial forensic professionals play a big role in combating white-collar crime. ISCA's Financial Forensic Accounting Qualification, developed in 2018, upskills financial forensic professionals in forensic accounting methodology and investigation approaches, digital forensics, financial crime compliance and professional requirements. Essential laws and regulations in Singapore's context have been woven into each module, differentiating the qualification from others in the market.

Since its launch in March 2018, the ISCA FFA Qualification has admitted close to 300 candidates and produced about 100 graduates, while the ISCA FFP credential has been conferred on more than 100 ISCA members.

# DIVER CREDENTIALS




*ISCA launched a series of webinars to help candidates and graduates of its qualification programmes stay up to date on industry trends. One of them featured Mr Sarjit Singh, Chairman of Kreston Ardent CAtrust PAC, who shared his insights on the emerging risks landscape.*

## INFRASTRUCTURE & PROJECT FINANCE

Demand for urban infrastructure and services is expected to grow strongly in Asia. ISCA launched the ISCA IPFQ in 2019 to meet the sector's training needs for infrastructure and project finance professionals. Supported by Infrastructure Asia, the ISCA IPFQ is developed by ISCA in collaboration with EY Singapore. The ISCA IPFQ syllabus and contents cover topics in four key areas of work in the infrastructure value chain, including financial modelling, Public-Private-Partnership contracts, project financing risks and considerations. The course is facilitated by experienced infrastructure advisory practitioners.

Upon completion of all the modules and attaining at least three years of recent and relevant work experience in infrastructure and project finance-related fields, individuals can apply for ISCA membership and the conferment of the ISCA IPFP Credential. This Credential is the first in Asia to be conferred by a professional body. Since its launch in 2019, the ISCA IPFQ has admitted more than 20 candidates.

## BUSINESS ANALYTICS

Data analytics continue to be highly relevant to professional accountants as the accountancy landscape transforms with the digitalisation of the economy. Leveraging data analytics, accountants, with their core competencies in financial and management reporting, will be able to take on the role of a business partner by providing useful insights from data.

The ISCA-SUSS Business Analytics Certification Programme, offered in partnership with Singapore University of Social Sciences (SUSS), provides candidates with business analytics skills such as data mining, data visualisation and predictive modelling. Under the Programme, individuals can achieve the ISCA-SUSS jointly branded Certificate in Business Analytics and progress on to the Specialist Certificate in Business Analytics for in-depth applied skills and knowledge in business analytics techniques.

There have been five intakes of candidates since the programme was launched in 2018, and over 300 candidates to date. The programme has conferred the ISCA-SUSS Specialist Certificate in Business Analytics on 7 individuals, with the first batch of candidates receiving the certificate in 2020; while more than 150 individuals have been awarded the ISCA-SUSS Certificate in Business Analytics.

## ACCELERATED PATHWAY TO CIA DESIGNATION

Together with the Institute of Internal Auditors (IIA Global) and the Institute of Internal Auditors Singapore, ISCA offered its members a limited-time opportunity in 2020 to earn the Certified Internal Auditor (CIA) designation via an accelerated route. Under this collaboration, ISCA members can earn the CIA designation, which is the only globally-accepted designation for internal auditors by sitting for a one-part CIA Challenge exam instead of the standard three-paper exam. A total of 246 ISCA members applied to sit for the exam to earn the designation in 2020.

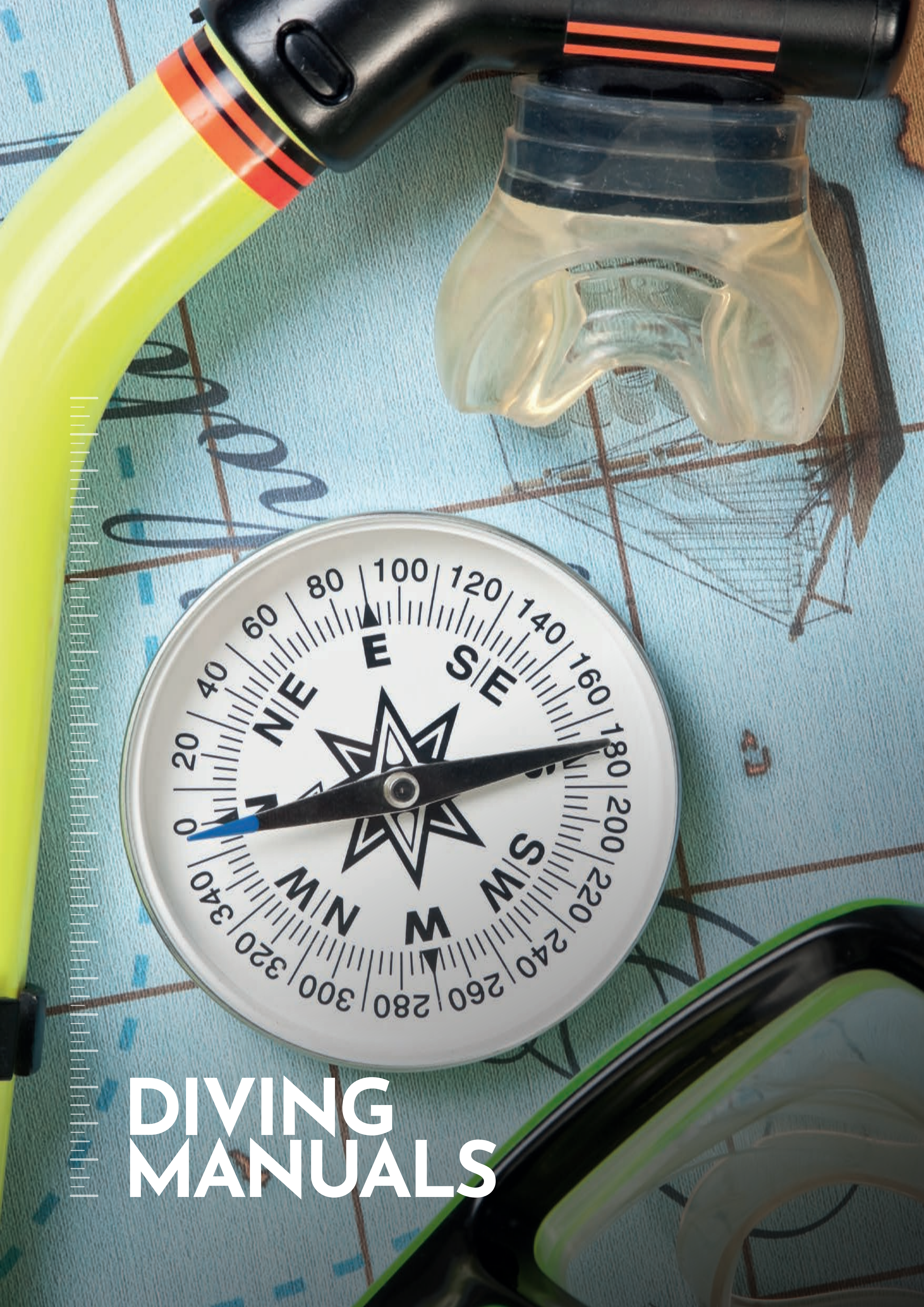
## DIGITAL BADGES AND CHARTERED ACCOUNTANTS WORLDWIDE NETWORK MEMBER LOGO

ISCA launched the ISCA Membership Milestone Digital Badges and Chartered Accountants Worldwide Network Member Logo in October 2019 to provide an innovative and visible way for members to showcase their membership, accreditation and qualifications in their professional field.

For a start, the ISCA Membership Milestone digital badges were issued to members who have been with the Institute for 10, 20, 30 and 40 years in recognition of their membership milestones and loyalty. Since then, the response has been encouraging as close to 90% of eligible members have claimed the membership milestone badges. This is higher than the industry benchmark of 65% of badges claimed on digital badging platforms.

In July 2020, ISCA rolled out the second phase of digital badges for Professional Accomplishment for a range of ISCA CPE Certification courses and specialisation pathways. Members have claimed badges for ISCA Financial Forensic Professional (FFP) credential, ISCA Financial Forensic Qualification, ISCA Infrastructure and Project Finance Professional (ISCA IPFP) credential, ISCA-SUSS Certificate in Business Analytics, and Practical Audit Workshop. Subsequently, digital badges will be issued to more Professional Qualification programmes and CPE certification courses.

In addition to digital badges, ISCA has worked with CAW, a network of leading chartered accountancy bodies to create a Network Member Logo for chartered accountants. More than 2000 CA (Singapore) members have since downloaded the Logo for use on their email signature, social media profile or website.




# DIVING MANUALS

# DIVING MANUALS

In 1960, Jacques Piccard and United States Navy Lieutenant Donald Walsh descended in Trieste to the deepest known point on Earth - the Challenger Deep in the Mariana Trench, successfully making the deepest dive in history of 10,915m below sea level.

While the aquatic realms offer abundant opportunities for exploration and adventure, for an underwater expedition to be successfully and safely executed, divers need to be well-prepared and fully trained on the standards and procedures for conducting diving operations. This is where diving manuals, which provide standards and guidance on safe diving practices, come in useful. Divers refer to these manuals so that they can adopt best practices in carrying out diving operations and handling of diving equipment.

Similarly, accountancy professionals turn to technical guidance to deal with topical issues and keep up to date on the latest standards and developments. As the national accountancy body, ISCA continues to promote technical excellence by supporting the profession through our technical guidance and knowledge resources on matters related to financial reporting, auditing and assurance, sustainability reporting as well as ethics. These technical guidance and knowledge resources facilitate the implementation and application of financial reporting, auditing and assurance as well as ethics standards, and help entities on their sustainability journey.

**Accounting guidance on cryptoassets – from a holder's perspective**

The use of cryptoassets has grown more complex and entities that transact in cryptoassets will need to ensure that the related accounting and disclosures in the financial statements are appropriate and adequate to meet the informational needs of stakeholders. However, cryptoassets are not explicitly within the scope of any existing accounting standard. To fill this gap, ISCA issued Financial Reporting Guidance (FRG) 2 in March 2020, to provide guidance on the most relevant accounting standard(s) which could be used in the accounting of the various categories of cryptoassets (namely, cryptocurrencies, utility tokens, asset tokens and security tokens). Cognizant that there may be cryptoassets which have terms and conditions and/or characteristics that may not fit the general definitions of the categories of cryptoassets covered in FRG 2, FRG 2 highlighted the importance of understanding the facts and circumstances of each individual case and the use of judgement with emphasis placed on the substance of the transaction over its form in determining the appropriate accounting of cryptoassets.

### ISCA Financial Statements Review Committee (FSRC) Live Webinar 2020

The Institute continued its collaboration with ACRA on its Financial Reporting Surveillance Programme (FRSP), now in its sixth year. The FRSP guides companies to meet the requirements in the accounting standards, which in turn provides investors with reliable and meaningful financial statements for decision-making.

In September 2020, ISCA in collaboration with ACRA, organised a webinar to share findings from the third FRSP report issued in July 2020 and also observations from FSRC. During the webinar, participants also learnt about common pitfalls in valuations and how to identify red flags in financial statements.

## ETHICS

### Adoption of Restructured Code and Inducements Provisions in Singapore

ISCA revised its Ethics Pronouncement (EP) 100 *Code of Professional Conduct and Ethics* in August 2020 to adopt the final pronouncements relating to the Restructured Code and Revisions to the Code Pertaining to the Offering and Accepting of Inducements issued by the IESBA.

New additions include an enhanced conceptual framework, more robust safeguards provisions to address threats to fundamental principles, strengthened provisions pertaining to the offering or accepting of inducements and application guidance on professional judgement and professional scepticism. The revised code is effective as of 1 March 2021.

### EP 100 IG 4 – Clarification on Financial Institutions Considered as Public Interest Entities

ISCA issued EP 100 Implementation Guidance (IG) 4 – *Clarification on Financial Institutions Considered as Public Interest Entities* on 14 October 2020 to clarify the scope of entities that falls within the definition of financial institutions in EP 100 (Revised on 14 August 2020). In EP 100 (Revised on 14 August 2020), the definition of public interest entities (PIEs) includes all listed entities, entities in the process of issuing debt or equity instruments for trading on Singapore Exchange, financial institutions, large charities and large institutions of a public character. Professional firms auditing PIEs are subject to higher independence requirements, such as stricter rotation requirements and prohibition from providing certain non-assurance services, to ensure a high level of audit quality and integrity of the audited financial statements.

## ADVOCATING FOR THE PROFESSION

ISCA provided views to several consultation papers issued by international standard-setters such as the IASB, IAASB and IESBA as well as to the following public consultations held by our local regulators.

### SGX RegCo on Enhancements to Regulatory Regime

In January 2020, SGX RegCo conducted a public consultation on proposed enhancements to the regulatory regime. In January 2021, the enhancements were published. The requirement for all issuers to appoint an auditor registered with ACRA would ensure that their audits are regulated by ACRA and minimise the effects of jurisdictional differences, an enhancement consistent with what ISCA had advocated.

As part of the enhancements, SGX RegCo also added Listing Rule 705(3A) which requires issuers reporting under SFRS(I) to apply SFRS(I) 1-34 *Interim Financial Reporting* in their interim financial statements. This provides a good framework for comprehensive disclosures and enhances comparability of issuers' interim financial statements on an international level. SGX RegCo also highlighted that ISCA would be issuing a new technical guidance to aid issuers on the compliance with the new Listing Rule 705(3A). The said technical guidance, Exposure Draft Financial Reporting Guidance 3 (ED FRC) was issued in February 2021 for public consultation.

### ACRA's Proposed Amendments to the Companies Act

ACRA conducted a public consultation in July 2020 on proposed amendments to the Companies Act. ISCA supported the proposal for micro non-publicly accountable companies to be allowed to prepare reduced or simplified financial statements to reduce their compliance burden. We provided feedback that there is a need for a separate financial reporting framework for this proposal to be executed effectively. We shared ISCA's Micro Accounting Model, a self-contained financial reporting framework, developed to facilitate micro entities' preparation of reliable financial statements using accounting principles consistent with the IFRSs.

# DIVING MANUALS

### SGX RegCo on Enhancements to Enforcement and Whistleblowing Frameworks

Whistleblowing policies and practices are critical elements of issuers' internal control system and corporate governance. As such, ISCA agreed with SGX RegCo that issuers should disclose how they have complied with best practices on whistleblowing. We highlighted the need for more guidance surrounding the design of the whistleblower mechanism to ensure effectiveness.

ISCA proposed two additional best practices on channels for whistleblower to report anonymously and on disclosure of issuers' commitment to timely investigations and more transparent reporting. With regard to anonymous reporting, we shared that current technology allows for both anonymous reporting and two-way communication. Hence SGX RegCo could consider requiring issuers to provide an option for whistleblower to report anonymously as long as two-way communication is enabled for the whistleblower to provide further information for investigation.

## SUSTAINABILITY REPORTING

### ISCA Sustainability Reporting E-Learn – Relevance of Sustainability Reporting to the Accountant

As sustainability considerations grow in prominence globally, ISCA developed a Sustainability Reporting E-Learn, with the support of its Corporate Reporting Committee, to highlight the relevance of sustainability reporting to the accountant. The E-Learn provides an introduction to sustainability and sustainability reporting and their importance to organisations. It provides insights into how sustainability is relevant to the accountant's role, including the Chief Financial Officer's responsibility as steward of capital, by illustrating that sustainability has financial consequences despite being non-financial in nature.

### Proposed Non-authoritative Guidance on Extended External Reporting (EER) Assurance

The IAASB issued a Consultation Paper for non-authoritative guidance to address the challenges that practitioners face in applying ISAE 3000 (Revised) in EER assurance engagements. EER encapsulates various forms of reporting, including sustainability reporting.

ISCA organised a focus group to engage key stakeholders and obtain the perspectives of both practitioners and preparers. The Institute's comment letter highlighted that while the proposed guidance provided useful application materials, it is lengthy and challenging to read. As such, important considerations, such as assurance over qualitative information which forms the bulk of EER reports, should be presented more prominently in a concise separate document.

Since qualitative information could be vague or inherently subjective, we also highlighted that there are practical challenges in determining subject matter information in an EER report that are suitable for assurance. We suggested the inclusion of further guidance, with illustrative examples as appropriate.

### Proposed Sustainability Standards Board (SSB) by the IFRS Foundation

The IFRS Foundation published a Consultation Paper (CP) that included a proposed SSB to improve the consistency and comparability in sustainability reporting. ISCA has responded to the CP in support of this initiative.

We emphasised the need for a set of universally adopted standards to avoid further fragmentation in sustainability reporting approaches. To achieve this, we recommended a participatory approach to the standard setting process by engaging all major regions like the ASEAN to ensure that key stakeholder needs are considered.

We also highlighted the need for any newly developed sustainability reporting standards to go beyond climate-related disclosures and address other environmental, social and governance concerns.

## AUDIT QUALITY AND BEST PRACTICES

### ISCA Audit Manuals

The *ISCA Audit Manual for Standalone Entities* (ISCA AMSE), first issued in October 2016 and updated annually, helps audit professionals understand the requirements of Singapore Standards on Auditing and apply them during the audit process. Developed to meet the needs of SMPs in Singapore, the audit programmes and working paper templates aim to improve efficiency and effectiveness of audits.

The *ISCA Audit Manual for Group Entities* (ISCA AMGE), an illustrative guide to assist audit professionals in carrying out group audits, was first issued in October 2018. It is intended to help audit professionals understand and effectively apply SSA 600 *Special Considerations — Audits of Group Financial Statements (Including the Work of Component Auditors) in group audits*.

### Illustrative Financial Statements

ISCA's *Illustrative Financial Statements* helps SMPs and their SME clients understand and apply required disclosures. The 2019 edition was issued in January 2020, before Covid-19 became a global pandemic with significant impact to business activities and economic conditions. As such, ISCA produced an addendum to the IFS 2019 to provide guidance to entities with a 31 December 2019 financial reporting date on the subsequent events disclosures that may be required arising from the Covid-19 outbreak. This addendum provides considerations and illustrations of disclosures when an entity determines the Covid-19 events to be material non-adjusting events.

IFS 2020, which includes disclosure requirements that should be considered when reporting on the financial effects of Covid-19 in financial statements, was issued in January 2021.


*The 2020 edition of the Illustrative Financial Statements includes disclosure requirements that should be considered when reporting on the financial effects of Covid-19 in the financial statements.*

# CATERING TO DIVERSE DIVER SEGMENTS

# CATERING TO DIVERSE DIVER SEGMENTS


Within the realm of professional diving, there are diverse categories of divers. For instance, technical divers are highly skilled and known to dive in challenging conditions such as in deep cave tunnels or shipwreck interiors. Rescue divers are the lifeguards of the underwater world and dive in response to emergency situations usually involving other scuba divers. Scientific divers study scientistic data found underwater, and are scientists as much as they are divers, being trained in both professions. Each type of diver requires specialised training that is unique to their role.

Within the accountancy profession, accountancy professionals also take on diverse roles in different industries. In delivering our initiatives, ISCA takes into account each membership segment's unique needs. Beyond the existing membership base, we are also focussed on developing the accountancy talent pipeline. Our initiatives tailored for each membership segment contribute to the development of a diverse and future-ready accountancy profession.

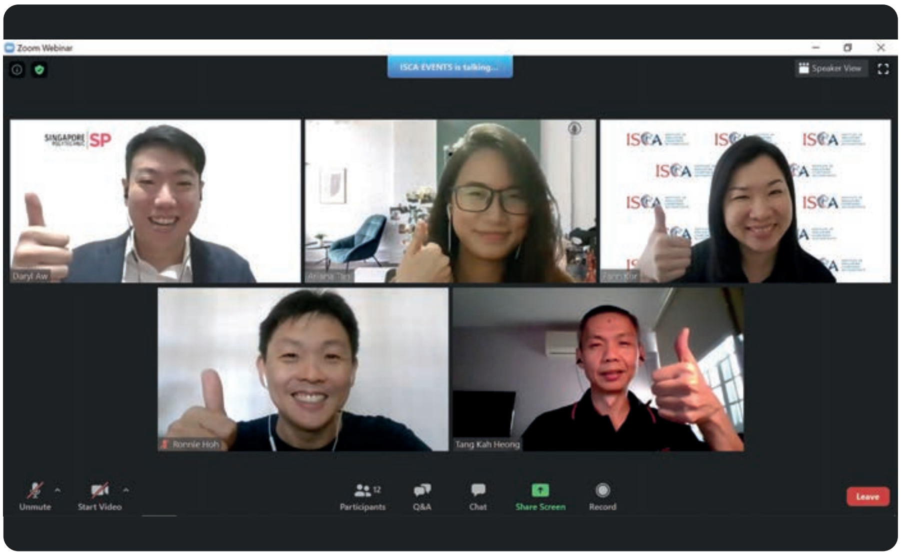
## QUALITY ASSURANCE

### SMP Programme and Virtual SMP Centre

Pushing forward to build digital capabilities has become even more critical in the current pandemic, as technology plays a key role in business continuity and successful post-crisis recovery. With the support of Enterprise Singapore's Local Enterprise and Association Development (LEAD) Programme, ISCA launched the SMP Programme in 2020 to drive digitalisation, upskilling and diversification, and internationalisation among small and medium-sized audit practices (SMPs) in Singapore.

The programme complements ISCA's existing initiatives to support the audit profession, such as the virtual SMP Centre, which supports SMPs on their digitalisation journey. In addition to the existing funding schemes, ISCA also works closely with government agencies to help SMPs defray costs in their adoption of digital solutions. Under the SMP Programme and virtual SMP Centre, other initiatives to promote digital transformation of firms to increase

# CATERING TO DIVERSE DIVER SEGMENTS




*As part of the SMP Programme, "tech talks" were held regularly to support members in staying up-to-date with sector-specific digital tools and learning about the opportunities from applying such technologies to their work.*


*Participants were updated on new trends and developments in AML/CFT and received tips to enhance their AML/CFT policies and procedures at ISCA's virtual sharing session.*

agility and innovation, and to open up opportunities for SMPs to venture into new markets will be launched over the next two years.

The Tech Talk series, organised under the SMP programme, invited technology firms to discuss how sector-specific tools can address pain points that the profession faces. The talks also shared how these technologies can lead to more efficient and effective work processes, enhance audit quality and service delivery to companies, and facilitate greater collaboration and engagement within teams and with clients. Topics under the Tech Talk series included new trends and developments in AML/CFT, data automation and analytics-driven audit solutions.

## Ongoing Initiatives to Enhance Audit Quality

***Quality Assurance Review***

ISCA's Quality Assurance Review (QAR) is a voluntary programme that aims to help public accountants raise the quality of their audit practices and audit engagements. The programme involves a review of signed-off engagement files, firm-level quality control system and/or policies, procedures and controls on anti-money laundering and countering the financing of terrorism (AML/CFT). The programme also suggests recommendations on improvement areas and shares good practices. Tailored training sessions on the key findings and/or recurring findings from the review are also covered under the programme.

***Customised training***

Since 2016, ISCA has offered customised technical training to help SMPs meet specific learning needs. The objective of offering such services is to bridge the knowledge gap and help audit staff relate what they have learnt to their work. The scope of training includes ISCA Audit Manuals, Ethics Pronouncement 200, and other audit-related topics.


*Young ISCA members shared their career experience and personal advice with the student members through a Panel Discussion led by ISCA Youth Ambassadors.*

***Practitioner's Package***

The Institute's Practitioner's Package (PP) facilitates professional development in public accounting firms and provides technical support through ISCA's quality assurance initiatives. The PP comprises three components, professional development for practitioners and their staff, a Quality Assurance (QA) Diagnostic session, and Technical Call Helpdesk. The professional development for public accounting firms component enables practitioners to send their staff to attend CPD courses at a discounted price which will help to enhance the professional knowledge and skills of the audit professionals. The QA Diagnostic session is an one-off high-level assessment aimed at helping public accounting firms identify gaps in their firm-level processes that may affect their audit quality, while the Technical Call Helpdesk offers an alternative avenue to practitioners where they can seek technical clarification over the phone on financial reporting, auditing and ethical matters.

## SUPPORTING ASPIRING CFOs

The third instalment of ISCA's Mentoring Programme, which started in September 2019, concluded in May 2020. Over the nine-month programme, Chief Financial Officer (CFO) aspirants were paired with experienced C-suite executives to learn, network and grow, while picking up valuable tips on career growth, leadership management skills and stakeholder communication from their mentors. A networking workshop was held in January before the Covid-19 pandemic impacted Singapore. The programme ended with a virtual workshop among the 19 pairs of mentors and mentees on Zoom.

## BUILDING THE TALENT PIPELINE

Despite challenges posed by the pandemic, ISCA continued to organise knowledge-sharing events for ISCA Youth Associates – our undergraduate student members – to encourage and motivate them to hone their skill sets to become versatile individuals who are prepared for the workforce of the future.

These virtual events and activities held over the past year included sessions to develop technical and transferable soft skills. Youth Associates were also able to learn about various career pathways by engaging with industry professionals through events such as the virtual Career Insights Talk, which shed light on their career journeys as well as their take on the pandemic's implications on businesses for accountancy and finance professionals in the future.

The Career Pathway Talk for ISCA's young members and undergraduates, held virtually via Zoom, explored the changing expectations among employers due to the pandemic and provided tips to succeed in a virtual interview with potential employers.

## ISCA YOUTH AMBASSADORS

To enhance our student outreach efforts and raise awareness of the ISCA brand among accountancy undergraduates, we had ISCA Youth Ambassadors – student influencers at local universities – sharing their personal experiences as ISCA Youth Associates in a video. The video, which showcased the value of the ISCA student membership and how the activities supplement the students' university academic education, will be aired during outreach events at various tertiary institutions.


*The ISCA Youth Associate membership video showcased the benefits of holding an ISCA membership.*

# WEATHERING THE STORM

# WEATHERING THE STORM

Any diving expedition carries some level of uncertainty. Unexpectedly, the winds can change, followed by the appearance of thunder, lightning and roiling waves. Strong undercurrents can turn an ordinary diving trip into an emergency. Such is the unpredictable nature of storms.

Undoubtedly, one of the biggest storms to hit mankind in 2020 was the Covid-19 pandemic. Covid-19's impact on businesses has been wide-ranging, including disruptions in the execution of audit procedures, adjusting operations to comply with Covid-19 measures, loss of business and clients, cash flow issues and the threat of job loss. The pandemic also raised a wide array of challenges for accounting and auditing professionals, from disruptions in the execution of basic audit procedures such as sighting of original documents and fixed assets to making complex judgments on the impact of the pandemic on going concern assessments.

To support the profession, the Institute first examined the issues faced by different segments of our membership and the profession as a result of the pandemic. We then looked at how we could address them by leveraging the government's support packages and helping our members to access them. We also customised initiatives to address specific challenges faced by our members and the accountancy profession. An example was working with the SAC to provide sector-specific guidance in the form of advisories on issues such as safe management measures.

## FINANCIAL ASSISTANCE PACKAGE

To help members cushion the impact brought about by Covid-19, we rolled out a myriad of initiatives, including an assistance package valued at up to $3.6 million. As part of the assistance package, ISCA rendered financial support to members who needed help in three areas. Firstly, a CPD support scheme was rolled out to support members in

# WEATHERING THE STORM

upskilling for the future, where every ISCA member was given a $100 CPD voucher to offset their ISCA course fees. ISCA granted a 50% reduction in membership subscription fees upon request, or a fee waiver in exceptional circumstances. Lastly, a financial deferment scheme was offered to members who would like to enrol in ISCA courses and qualification programmes which would enable them to defer payment of course fees by up to 80% till 31 December 2020.

## TECHNICAL RESOURCES

### ISCA Covid-19 Working Group

ISCA formed a joint Covid-19 Working Group (WG) in April 2020 to pre-empt potential accounting and auditing challenges that could arise from the Covid-19 pandemic. The WG, in collaboration with ACRA, is co-chaired by Hans Koopmans, Chairman of the ISCA Auditing and Assurance Standards Committee (AASC) and Reinhard Klemmer, Chairman of the ISCA Financial Reporting Committee (FRC) and comprises members who are subject matter experts from the accountancy profession.

A total of 33 Frequently Asked Questions (FAQs) were answered to address areas such as going concern, accounting for government relief measures, post-balance sheet event, fair values of investment properties, onerous contracts, impairment, significant valuation uncertainties, remote working arrangements, and impact to entity's internal controls. For auditors, key challenges addressed include dealing with areas more susceptible to fraud risk, considering the reliability of electronic audit evidence, and implications of the pandemic to the audit opinion.

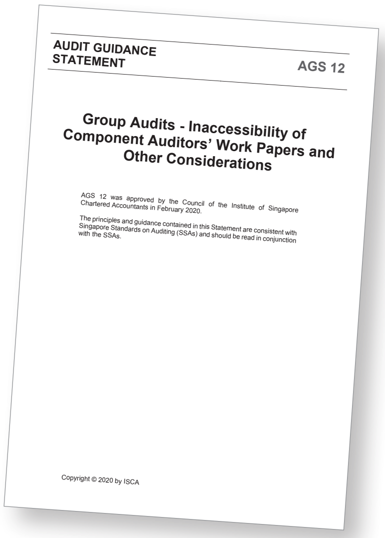
### Accounting guidance on Covid-19 Government Relief Measures

ISCA has also issued a slew of Financial Reporting Bulletins (FRBs) from April 2020 to December 2020 to address divergence in views with respect to the accounting for the following Covid-19 Government Relief Measures:

- Singapore property tax rebate from the perspective of the landlord and the tenant (FRB 5)
- Payouts under the Jobs Support Scheme (FRB 6)
- Rental relief and additional rental reliefs under the Rental Relief Framework for SMEs and Non-Profit organisations (NPOs) scheme from the perspective of the landlord and the tenant (FRB 7)
- Foreign worker levy waivers and rebates under the Foreign Worker Levy Waiver & Rebate scheme (FRB 8)

### Auditing guidance for group auditors who are unable to access component auditors' work papers due to travel restrictions arising from Covid-19

In light of travel restrictions arising from Covid-19, ISCA issued AGS 12 *Group Audits – Inaccessibility of Component Auditor's Work Papers and Other Considerations* in February 2020 to provide guidance to group auditors in performing alternative methods of reviewing component auditor's work papers where they are unable to obtain those work papers.



AUDIT GUIDANCE STATEMENT
AGS 12

Group Audits - Inaccessibility of Component Auditors' Work Papers and Other Considerations

AGS 12 was approved by the Council of the Institute of Singapore Chartered Accountants in February 2020.

The principles and guidance contained in this Statement are consistent with Singapore Standards on Auditing (SSAs) and should be read in conjunction with the SSAs.

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*AGS 12 provides guidance on reliance on the work performed by the component auditor in situations where the group engagement team has determined it to be necessary to review the component auditor's work papers but is unable to access the component auditor's work papers due to an extraordinary event which restricts travel.*

### ISCA Technical Live Webinar 2020 – Insights into Accounting for Covid-19 Government Relief Measures

The above webinar explained key accounting implications arising from the slew of Covid-19 Government Relief Measures as well as key thought processes and deliberations underpinning the development of ISCA Technical Guidances issued to address those accounting implications. The highlight of the event is the launch of FRB 7 on the accounting of rental relief and additional rental reliefs under the Rental Relief Framework for SMEs and NPOs from the perspective of the landlord and the tenant.

### ISCA Technical Live Webinar 2020 – Insights into Auditing amidst Covid-19

The above webinar provided insights into the pertinent auditing implications arising from Covid-19, including going concern assessment considerations and implications on auditor's reporting. The webinar also addressed significant valuation uncertainty arising from the pandemic and audit considerations when executing audit procedures under a remote working environment.

## VIRTUAL COVID-19 RESOURCE CENTRE AND COVID-19 NAVIGATOR

We created a virtual Covid-19 Resource Centre (www.isca.org.sg/covid-19-series) with regularly updated content related to Covid-19 curated for accountancy and finance professionals. This included the ISCA Covid-19 Navigator, which summarised the assistance schemes and resources from the government and ISCA to support individuals and businesses affected by the pandemic. The resources were categorised for employees, business owners and key decision makers in organisations, so that users could easily identify the schemes relevant to them. The Covid-19 Resource Centre also featured Technical Guidance from ISCA on accounting and auditing issues arising from the Covid-19 situation as well as government announcements, such as advisories and clarifications on auditing firms' operations.

## CAREER SUPPORT

Together with Workforce Singapore (WSG), the Institute launched a career placement portal in April, with over 2,000 job vacancies, from junior positions to C-suite roles, catering specifically to the accountancy community. ISCA and WSG also held a virtual career fair for accountancy and finance professionals in May. The virtual career fair connected jobseekers with employers for roles in areas such as finance, accounting, tax and audit amid Covid-19 social distancing restrictions during the circuit breaker period. The fair attracted more than 11,000 visitors and more than 2,500 job applications over two weeks. ISCA's Career Matching Services, launched in April 2020, helps members showcase themselves to potential employers. This initiative also provides firms with a pool of Chartered Accountants from ISCA's membership base, as they can search for talent in the profiled list and contact ISCA to facilitate the matching.

## LEARNING SUPPORT

ISCA boosted virtual learning support to cater to accountancy and finance professionals' learning and development needs and ensure they were equipped with the latest knowledge to work on the accounting issues, financial reporting disclosures and taxation implications arising from the pandemic. To provide members with virtual learning support, ISCA curated live webinars and e-learning modules under its eLearning Space. The Institute hosted more than 500 webinars in various topics during the year, supplemented with classroom training during the last quarter of 2020. Additionally, over 50 webinars were made complimentary to members. Accountancy and finance professionals could also upskill and reskill via access to more than 400 courses in ISCA's e-learning course library. We also rolled out a financial assistance scheme for members who wished to attend courses but were financially impacted by Covid-19.

With heightened awareness among companies of the need to anticipate and manage risks in an increasingly dynamic and uncertain business and economic environment amid the Covid-19 pandemic, ISCA and Singapore Management University (SMU) co-organised the Governance Matters breakfast talk series in 2020. The two live webinar sessions, which attracted 250 to 300 participants per session, focused on global trends in governance and their potential implications on business sustainability, as well as the business case for promoting diversity and practical tips on how to promote diversity in the workplace and on boards.


*ISCA's Covid-19 Navigator helps individuals and businesses easily identify and access relevant support schemes and resources from the government and the Institute.*

# WEATHERING THE STORM

The ***IS C**hartered **A**ccountant Journal* featured a three-part Covid-19 Special in its May to July issues. The series of articles helped readers understand the impact of Covid-19 from both a business and a technical perspective.


*The **IS C**hartered **A**ccountant Journal featured a three-part Covid-19 Special from May to July 2020.*

*Participants discussed the pandemic's impact on their business operations, their manpower issues as well as their business outlook for the coming year at the SMP Focus Group.*

## HELPING SMPs

To obtain more in-depth understanding of the challenges faced by SMPs in view of Covid-19 and changes in government policies, ISCA organised an SMP focus group to hear the views of the SMP community on the current business environment as well as their concerns. The 10 SMP participants discussed the pandemic's impact on their current business operations, their manpower issues as well as their business outlook for the coming year. The group also discussed how the pandemic has accelerated their firm's digitalisation agenda and the impact on their business model.

ISCA also recognised the business valuation issues and other challenges audit practitioners might encounter, given the emphasis on fair value measurement and its significant impact on financial statements. This prompted the launch of the Business Valuation Best Practices for SMPs programme, jointly developed and organised by ISCA, NTU and Savills. The four-day workshop equipped attendees with the practical skills and competencies to set up and manage a business valuation practice with essential risk management and processes in place. With up to 90% funding, this programme was well received by the SMPs.

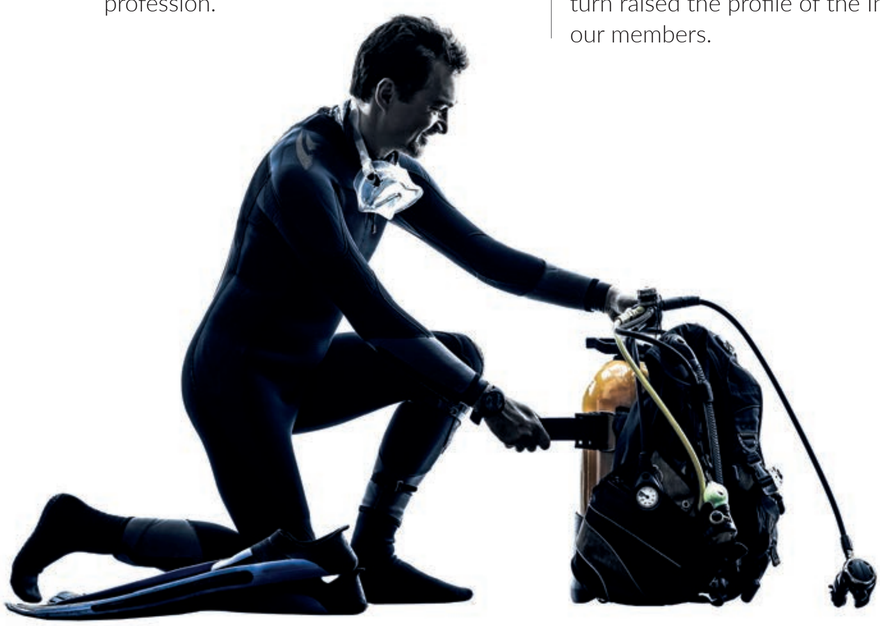
# DIVING DEEPER THROUGH PARTNERSHIPS AND COLLABORATION

# DIVING DEEPER THROUGH PARTNERSHIPS AND COLLABORATION

In 1521, Spanish explorer Ferdinand Magellan tried measuring the depth of the Pacific Ocean with a weighted line, but did not find the bottom. He was only able to prove that the ocean was far deeper than 731.52m. In the 18th century, French scientist Pierre Laplace was able to approximately measure the average depth of Atlantic Ocean to be 3,962.4m based on tidal motions – which was proven accurate by echo-sounding measurement techniques.

A successful diving expedition requires the collaboration of different parties. Every member, from the boat captain to the diving medical practitioner, has an important role to play in helping divers reach new depths. Similarly, ISCA's partnerships with other organisations and engagement with our international counterparts help advance the development of the accountancy profession.

In 2020, our partnerships with local government bodies not only provided more avenues for members to serve the community, they also validated the expertise and professional standing of ISCA members by having them serve as financial experts in officially appointed positions. In the same year, we continued to strengthen our ties with our regional and international counterparts, which in turn raised the profile of the Institute and our members.



## INTERNATIONAL ENGAGEMENT

A virtual event, organised by IFAC and AFA in April 2020, allowed AFA members to discuss the impact of Covid-19 and how professional accountancy organisations responded to the changes brought about by the pandemic. At the event, ISCA shared how the Institute quickly redirected its resources towards supporting members in various areas, such as providing training, technical resources related to Covid-19, career support, and financial assistance for members facing financial hardship. ISCA also shared the Institute's business continuity plan, which included an elevated set of safe management measures. The meeting was especially useful for AFA members with limited resources in developing a comprehensive response plan to support their local accountancy profession during Covid-19.

ISCA was invited by the Myanmar Institute of Certified Public Accountants (MICPA) to be its ASEAN sponsor in their IFAC Associate Membership application. This reflected the close working relationship and trust shared between the two associations, and highlighted ISCA's role in positively influencing and shaping the development of the profession in ASEAN. This was made possible by our capacity building programmes that we have organised in ASEAN in the recent years.

ISCA was invited by then-IFAC President Dr In-Ki Joo to form Jeju Group with the Japanese Institute of Certified Public Accountants (JICPA) and Korean Institute of Certified Public Accountants (KICPA). The Group is a coalition of advanced professional accountancy organisations from Asia Pacific with the vision of fostering a stronger accountancy profession in the region. Its mission is to develop a future-ready accountancy profession in Asia Pacific through technical capacity building and knowledge sharing. During the year, the Group had organised two webinars featuring prominent expert speakers fielded by each member body. For example, Ms Fang Eu Lin, a partner at PwC and a member of the ISCA Corporate Reporting Committee, spoke alongside expert speakers from reputable organisations IFRS Foundation and IFAC at the webinar titled "IFRS Foundation's Consultation Paper on Sustainability Reporting and Professional Accountancy Organisations (PAO) approach to Sustainability". The webinars attracted a good turnout of participants from Asia Pacific and Central Asia, spanning national and international standard setters, regulators, development agencies, professional accountancy organisations and regional accountancy groups.

ISCA's growing international stature as one of the leading experts on international accounting standards was reflected in the appointment of ISCA Financial Reporting Committee Chairman Mr Reinhard Klemmer for a three-year


*ISCA was among the participating organisations that shared how they responded to changes brought about by the Covid-19 pandemic at a virtual conference co-hosted by International Federation of Accountants (IFAC) and ASEAN Federation of Accountants (AFA).*

# DIVING DEEPER THROUGH PARTNERSHIPS AND COLLABORATION

term to the SME Implementation Group (SMEIG) in July 2020. SMEIG is an advisory body to IASB, supporting the adoption and implementation of the International IFRS for SMEs.

## SHARED SERVICES PARTNER TO CHARITY SECTOR

In September 2020, ISCA became one of four new shared services partners to the charity sector, assisting charity organisations in the areas of accounting and financial management. As part of the partnership, ISCA members can volunteer to provide guidance and conduct training sessions on finance and the relevant accounting standards to the charities. The other new shared services partners are Law Society Pro Bono Services, the Institute of Internal Auditors Singapore, and Shared Services for Charities. The organisations will help to strengthen charities' regulatory compliance and effectiveness, at low or no cost.

This was announced by Mr Edwin Tong, Minister for Culture, Community and Youth and Second Minister for Law at the virtual Charity Governance Conference on 23 September 2020.

## MOU WITH FAMILY JUSTICE COURTS

ISCA and the Family Justice Courts (FJC) have collaborated to identify and form a Panel of Financial Experts (POFE), as part of a memorandum of understanding (MOU) signed in December. Comprising ISCA members who are public accountants or ISCA Financial Forensic Professional credential holders with relevant experience, the panel members will provide financial valuation reports to assist the divorcing parties to better understand their financial situation and to assist the Court in providing an equitable and objective valuation of the matrimonial assets under contest, thereby allowing justice to be administered more effectively and efficiently.

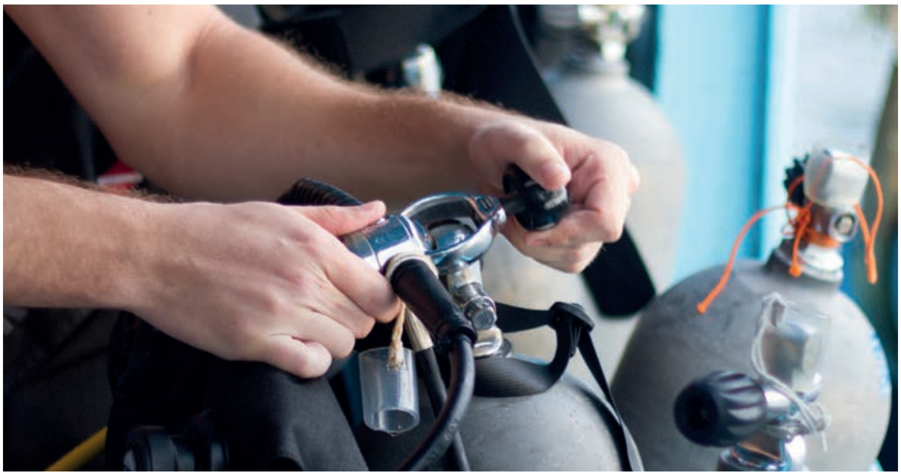
The pilot programme will commence in the first quarter of 2021, when the FJC will work with the financial experts on valuation reports for a handful of cases on a pro bono basis. FJC and ISCA will review the pilot to determine if the initiative should be implemented on a long-term basis, and the fees payable.

*ISCA is one of four new shared services partners to the charity sector, assisting charity organisations in the areas of accounting and financial management. Minister for Culture, Community and Youth Mr Edwin Tong (second from left) witnessed the MOU signing with representatives from two of shared services partners. With him are (from left) ISCA President Mr Kon Yin Tong, Commissioner of Charities Dr Ang Hak Seng, and Law Society Pro Bono Services deputy chairman Mr Kelvin Wong.*


*The MOU on the formation of the POFE was signed by Presiding Judge of Family Justice Courts, Justice Debbie Ong and ISCA President Mr Kon Yin Tong.*

# SAFETY PRACTICES

# SAFETY PRACTICES



Divers need to communicate underwater to co-ordinate their dive, warn of hazards, indicate items of interest and signal distress. They rely on hand signals and occasionally light signals, touch signals and text written on a slate to communicate when underwater. A standard set of hand signals is taught in entry-level diving courses.

Exploration is risky, and the underwater environment can impose physical and psychological stress on divers if they are unprepared. However, serious dangers can be prevented if safety checks are conducted and safe diving practices are followed. Dive planning takes into account predictable and static environmental factors, as well as changing environmental conditions, so that damage can be prevented or minimised as far as possible in an emergency. Lower-priority threats can be managed by teamwork and resource sharing, and diver safety is enhanced by comprehensive training and frequent exercise of safety skills.

Similarly, ISCA has a risk management framework to manage any foreseeable danger and ensure contingencies are in place in the event of any threat. The Covid-19 pandemic has increased the likelihood and impact of digital threats, including cyber security and data security. There is now a larger focus on addressing these risks than ever before to ensure digital trust and build resilience for the future.

## COVID-19 CHALLENGES

Working from home, and having all staff on collaboration platforms, posed new technical and security challenges. While there were heightened risks, the Institute was prepared for such an event, having upgraded its Information and communications technology (ICT) infrastructure such as servers, hosting sites and backup solutions to ensure data is available round the clock and encrypted.

Moving our applications and tools (such as membership / professional qualification application system), backup solutions, security tools and collaboration platforms, from physical servers to the cloud was a major undertaking but this has proven to be a worthwhile investment as evidenced by the seamless transition to remote working across the organisation. Amid the pandemic and especially during the Circuit Breaker, staff were able to continue their work securely and efficiently with minimal disruption. Technical support was also conducted remotely during this period, and users were able to get round-the-clock assistance from the technical help desk.

## RELEVANCE AND VALUE

ISCA recognises the importance of establishing good working relations with key stakeholders that is grounded on trust, respect and open communications. As the national accountancy body, we hold regular dialogues with key local stakeholders such as government bodies and agencies, policy makers and regulators to foster and deepen mutual understanding.

These interactions help to facilitate identification of mutually beneficial areas of collaboration which improve the ecosystem in which the profession and our members are a part of.

Beyond Singapore, ISCA has also cultivated and strengthened relations with other member bodies of the global accounting profession as well as IFAC, the global organisation for the accountancy profession and relevant accountancy groups such as CAW, AFA and Jeju Group.

These have helped ISCA to stay plugged into the global conversations surrounding issues that impact or are of interest to the global accountancy profession. At the same time, we advocate for our members and the Singapore accountancy profession at the global platforms.

The engagement of key stakeholders would provide ISCA with useful information on how to further develop and strengthen the capabilities of our members so that they are well positioned to take advantage of opportunities that arise.

As a membership organisation, we provide value by empowering members to achieve their professional aspirations. By providing upskilling and reskilling opportunities, we support our members in developing future-ready skills and expanding their career options.

As the voice for its members and the profession, ISCA shapes and influence policies and initiatives of key decision-makers in the ecosystem. For instance, ISCA regularly submits comment letters on exposure drafts drawn up by international bodies such as IASB and IFAC.

ISCA encourages continuous learning and upskilling among our members so that they possess relevant skills in the digital age. We continue to support accountancy professionals in their development of soft skills, such as creative thinking, emotional intelligence and collaboration, which are crucial in Industry 4.0. Apart from our classes and seminars, we also have over 400 e-courses in our CPE e-learning library for members to acquire new skills at their own time and convenience so that they are equipped for the digital economy.

The use of digital learning platforms has grown over the past year, as members sought to upgrade their skill sets and gain new knowledge amid the circuit breaker period. With the social distancing requirements arising from the pandemic, ISCA curated live webinars and e-learning modules under our eLearning Space to provide members with virtual learning support.

## CYBER AND DATA SECURITY

ISCA implements a holistic cybersecurity strategy to ensure data security and privacy, with procedures and policies in place for the most vulnerable cyber risks, including access-restricted ICT systems and an encrypted database.

We also conduct regular reviews and enhancement of our policies and internal processes to mitigate risks associated with data breaches, as well as monthly vulnerability scanning, and annual penetration testing on our applications, networks and servers.

The Institute enhanced our perimeter security using advanced automated threat detection and response against a variety of threats including malware and ransomware. Our cybersecurity practices include round-the-clock services to detect possible threats and protecting our user access control with multiple factor authentication.

The Institute provides the latest cyber information and known data breaches or threats to all staff, and ensures all members of our ICT team undergo security training.

To promote a culture of vigilance when handling personal data, we hold regular briefings for our employees on the policies related to the Personal Data Protection Act (PDPA). Our employees have attended training courses related to the PDPA. We also send email reminders to employees about our personal data protection policies, such as encrypting and securing files containing personal data. We encourage good password hygiene among our staff as a simple but consequential way to prevent data breaches, and to stay vigilant against phishing scams and other malicious communications that invite devastating ransomware attacks.

## ATTRACTING AND RETAINING TALENT

Workforce planning and ensuring a sustainable talent pipeline is part of our comprehensive talent management strategy. We recognise that if individuals are to remain valuable to our team, they need to continue to strengthen their skills and acquire new ones to be future-ready. Hence, ISCA continually focuses on training and developing our staff for long-term success, and supports each individual's career aspirations, as appropriate.

We take steps to retain critical and top talent, and ensure that each member of our team is recognised for their achievements, treated with dignity, and maintain a healthy work-life balance.

## MANAGING REPUTATIONAL RISK

Our reputation is one of the Institute's most valuable assets. The positive perception of ISCA in the minds of our members, regulators and other stakeholders is vital to our success and the trust and relationships we have built with them.

Managing this strategically starts with building an accurate picture of our strengths and weaknesses to quantify the impact of identified risks on our reputation and to create a baseline for measurement and improvement.

The Institute has an ongoing process to detect and manage issues that can affect our corporate identity and reputation. We also manage, protect, and improve our reputation through sound corporate values as well as robust policies and processes to identify, assess and respond to risks in a manner that is consistent with the Institute's culture.

# RESURFACING

# RESURFACING

The most important part of exploration is coming back to tell the tale, and sharing the experience among friends and peers. Unwinding after a dive also allows divers to recharge and reflect, and to prepare for future adventures.

Our members and staff also need to relax and unwind. ISCA's wellness and bonding activities are opportunities to strengthen networks in the industry and build a community. The Institute's employee welfare activities boost staff morale and help our workforce remain healthy and loyal.

## ISCA MINGLES

With the social distancing measures arising from Covid-19, ISCA had to cancel large-scale bonding activities for members, such as ISCA Run and ISCA Games, in 2020. The Inter-Professional Games for members of ISCA and other professional bodies was also cancelled for the same reason.

To get around the social distancing restrictions, we converted the ISCA Mingles networking sessions into virtual events. We also partnered with Chartered Accountants Australia and New Zealand and Institute of Chartered Accountants in England and Wales to hold joint sessions where members from each professional body could mingle and network with each other.

At the virtual sessions, speakers were invited to share on topics such as "Moving from Boss to Coach", "Navigating an Uneven Recovery and How to Impress Your Clients With Your Whisky Knowledge" and "Uncertainty is the New Certainty: Investor Relations in a Post-19 Environment". In all, more than 850 attendees came to three ISCA Mingles virtual sessions in 2020.

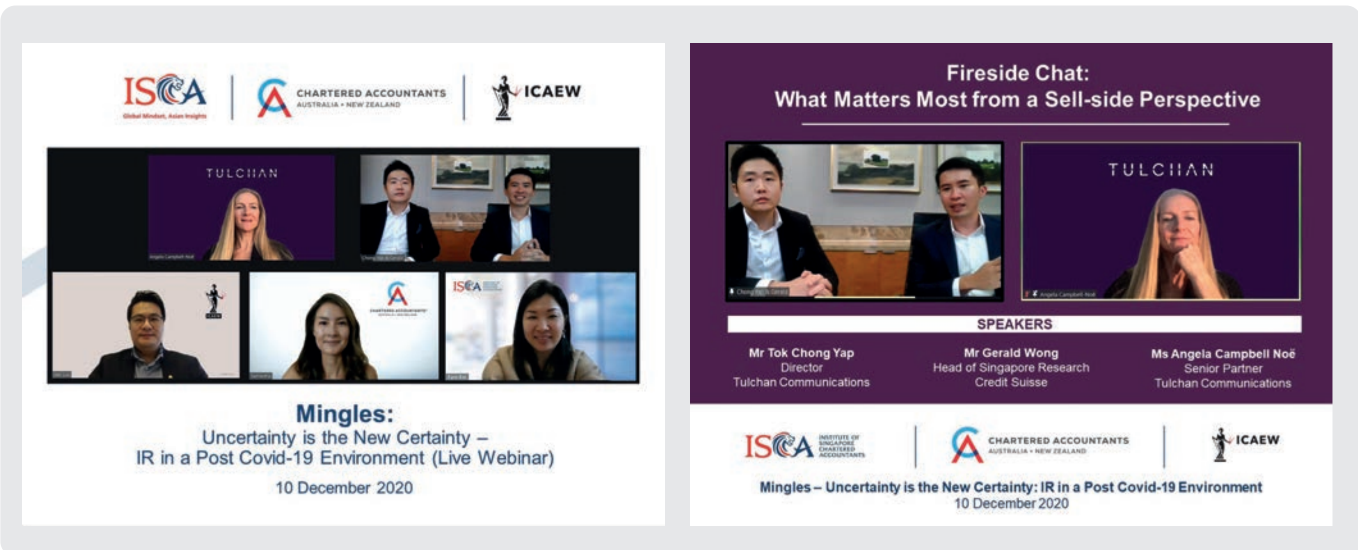
## WELLNESS & BONDING

We started 2020 with the annual Lunar New Year luncheon for our staff. However, in-person employee engagement activities came to a halt when safe distancing measures were in place to minimise community spread of Covid-19.

The pandemic has provided the Institute an opportunity to rethink the employee experience, by respecting individual circumstances, while adapting to rapidly changing circumstances. Prompt updates, and regular virtual check-ins and meetings by managers with their respective teams have ensured

*ISCA staff enjoyed themselves at the Lunar New Year Lo Hei Lunch held in February 2020.*

*Staff were given a Christmas gift pack as thanks for going through the challenging times together.*




*The virtual ISCA Mingles session "Uncertainty is the New Certainty: Investor Relations in a Post-19 Environment", held in December 2020, drew 290 attendees.*

# RESURFACING


*Eligible staff received the Long Service Award from ISCA President Mr Kon Yin Tong (left).*


*Staff who volunteered for ISCA's charity arm, ISCA Cares, received a Certificate of Appreciation from ISCA CEO Mr Lee Fook Chiew (left).*

our employees remain connected and engaged. Staff also had the opportunity to bond over virtual training sessions and virtual yoga classes, which were organised to encourage a learning culture and promote employee well-being. In 2020, we continued to confer Excellent Service Awards and Long Service Awards to deserving staff, as well as Certificates of Appreciation to staff volunteering in ISCA Cares.

To express our appreciation to our staff for going through this challenging period together with us, we gave each staff a Christmas gift pack that included ISCA-branded reusable masks, a water tumbler, vitamin supplements and toiletries.

As the Covid-19 situation continues to evolve, we aim to deliver a more targeted and dynamic employee experience that continues to provide flexibility for our staff, while ensuring their well-being and employee cohesion.

## ISCA CARES

In view of the economic fallout from the Covid-19 pandemic, ISCA Cares, the Institute's charity arm, increased the number of beneficiaries for its bursary to 83 recipients and its total bursary disbursements to more than $160,000 in 2020. This is the highest amount of bursary disbursements and the largest number of beneficiaries since ISCA Cares' inception in 2015.

The bursary aims to give youths from financially vulnerable families access to quality accountancy education in local polytechnics and universities. Besides receiving financial aid, beneficiaries have the opportunity to be mentored by experienced accounting professionals and can apply for internship programmes at the offices of ISCA Cares' corporate donors. The bursary disbursements were made possible with the strong support and generosity of ISCA members and the accountancy profession, including ISCA Cares' largest corporate donors – BDO LLP, Hong Leong Foundation, PwC Singapore Foundation, and RSM Chio Lim LLP.

To comply with social distancing measures, the annual ISCA Cares Bursary Awards Ceremony was held via Zoom in October and about 80 guests attended the virtual event.


*Together with an earlier tranche of bursary awards, ISCA Cares awarded a record $164,000 in bursaries to 83 beneficiaries in 2020, in view of the difficult economic climate arising from the Covid-19 crisis.*

# DIVEMASTERS & BOAT CAPTAINS

# DIVEMASTERS

## THE OFFICE BEARERS

**MR KON YIN TONG**
*President*
Managing Partner
Foo Kon Tan LLP

**MS YVONNE CHAN MEI CHUEN**
*Vice President*
Director (Finance, Procurement & Administration)
Enterprise Singapore

## THE COUNCIL MEMBERS

**MR MOHAMMAD SHARIQ SAYEED BARMAKY**
Audit & Assurance Leader
Singapore and Southeast Asia
Deloitte & Touche LLP

**ADJUNCT PROFESSOR CHAN YOKE KAI**
School of Business
Singapore University of Social Sciences

**PROFESSOR CHENG QIANG**
Lee Kong Chian Chair
Professor of Accounting
Dean, School of Accountancy
Singapore Management University

**MR BALASUBRAMANIAM JANAMANCHI**
Managing Partner/Director
JBS Practice PAC

**MS LAI CHIN YEE**
Finance Director
Qian Hu Corporation Limited

**MR MARCUS LAM HOCK CHOON**
Partner - Head of Assurance
PricewaterhouseCoopers LLP

**MR HENRY TAN SONG KOK**
Group CEO & Chief Innovation Officer
Nexia TS

**MS BELINDA TEO HUI**
Assurance Senior Manager
Ernst & Young LLP

**MR DON WEE BOON HONG**
Member of Parliament

**MR ROGER TAY PUAY CHENG**
*Treasurer*
Co-head of Advisory
KPMG LLP

**MR KELVIN TAN WEE PENG**
*Secretary*
Adjunct Associate Professor
NUS Business School

**MR DENNIS CHIA CHOON HWEE**
Group Chief Financial Officer
StarHub Ltd

**ASSOCIATE PROFESSOR CHOO TECK MIN**
Division of Accounting,
Nanyang Business School
Nanyang Technological University

**MR HO KUEN LOON**
Group Chief Executive Officer
Fullerton Health Corporation

**MS LELAINA LIM SIEW LI**
Group Chief Financial Officer
Eu Yan Sang International Ltd

**MR TAN KUANG HUI**
Chief Executive and
Managing Partner
Crowe Singapore

**MR DARREN TAN SIEW PENG**
Chief Financial Officer
OCBC Bank

**MR CHRISTOPHER WONG MUN YICK**
Head and Partner, Assurance
Ernst & Young LLP

**MS YIONG YIM MING**
Group Chief Financial Officer
City Developments Limited

# BOAT CAPTAINS

**MR LEE FOOK CHIEW**
Chief Executive Officer

**MS JENNIFER TOH**
Director, Marketing Communications, Insights & Publications

**MS SOH SUAT LAY**
Director, Professional Development & Learning

**MS JOYCE TANG**
Director, Finance, International Relations & Strategy

**MS FANN KOR**
Director, Member Support & Services

**MS ANG PEI FEN**
Director, Practice Monitoring and Corporate Services

**MS LIM JU MAY**
Deputy Director, Technical

# SUPERVISION CREW

# SUPERVISION CREW

Diving supervisors are responsible for the planning and execution of the diving operation, including the responsibility for the safety and health of the entire dive team. In diving and ocean exploration expeditions, supervisors are always on hand to make sure divers are safe and that equipment runs correctly. Armed with vast knowledge and experience, they are instrumental in ensuring the success of the dive expedition from start to finish. ISCA, under the direction of the ISCA Council, aims to play a similar role in supporting the development of Singapore's accountancy profession.

## ISCA COUNCIL

The ISCA Council oversees and directs all strategies to establish ISCA as a world-class accountancy body, advance our members' interests, as well as manage our risks and establish high standards of governance practice. The Council usually meets seven times a year to review ISCA's operations and the effectiveness of the Institute's strategies and policies. Reflecting our diverse membership base, the Council comprises leaders from the corporate sector, the public accounting profession and academia. These highly regarded members, with their wide range of experiences and professional networks, provide valuable counsel during council meetings and serve on various committees, offering their expert opinions.

Council members volunteer their time to serve the Institute and the profession, and they do not receive any payment for service on the Council. However, a Council member will be reimbursed for out-of-pocket expenses or other expenses incurred in connection with the performance of their duties. New Council members take part in an induction session, where they are informed of the Institute's mission, strategic priorities, role of the Council, code of conduct of Council members and the Institute governance/management structure. Council members are also required to sign an annual confidentiality agreement and a declaration of interest.

## EXECUTIVE COMMITTEE

The Executive Committee (EXCO) is made up of the office bearers – president, vice president, treasurer, secretary – and another Council member appointed by the Council. Its key role is to serve as the executive arm of the Council, overseeing ISCA's initiatives, and operational and financial matters.

## AUDIT COMMITTEE

The Council appoints the Audit Committee, which comprises three Council members who are non-office bearers. Its role is to ensure the integrity of financial statements through a system of internal controls and due financial reporting process. The Committee is also tasked to review the appointment of internal and external auditors, appraise their audit plans, and review their findings. It also has oversight of ISCA's risk management policies and practices. In addition, the Audit Committee addresses significant findings that arise from the audit of the financial statements before the Council approves these statements.

## NOMINATIONS COMMITTEE

The Nominations Committee is appointed by Council and comprises seven members, the majority of whom are Council members. Its role is to assist the Council in sourcing and identifying suitable candidates for both internal and external appointments. It reviews and makes recommendations to the Council about the appointment of individuals to the various ISCA Committees.

## REPORT OF THE ISCA COUNCIL

It is our pleasure to present our 2020 Annual Report and Financial Statements for the year ended 31 December 2020. The following Council members were elected as office bearers during the first Council meeting held in June 2020:

| | | |
|---|---|---|
| President | - | Kon Yin Tong |
| Vice President | - | Yvonne Chan Mei Chuen |
| Treasurer | - | Roger Tay Puay Cheng |
| Secretary | - | Kelvin Tan Wee Peng |

## THE COUNCIL

The 2020 Council held 6 ordinary meetings and 1 ad-hoc meeting. “Column A” indicates the number of Council meetings members attended, and “Column B” indicates the number of committees he/she sits on.

| | A | B |
|---|---|---|
| Mohammad Shariq Sayeed Barmaky | 6 | 2 |
| Yvonne Chan Mei Chuen | 7 | 2 |
| Chan Yoke Kai | 6 | 2 |
| Cheng Qiang | 6 | 1 |
| Dennis Chia Choon Hwee | 5 | 1 |
| Choo Teck Min | 7 | 1 |
| Ho Kuen Loon | 6 | 1 |
| Balasubramaniam Janamanchi | 7 | 3 |
| Kon Yin Tong | 7 | 4 |
| Lai Chin Yee | 7 | 2 |
| Marcus Lam Hock Choon | 6 | 1 |
| Lelaina Lim Siew Li | 7 | 1 |
| Tan Kuang Hui | 7 | 1 |
| Darren Tan Siew Peng | 6 | 2 |
| Henry Tan Song Kok | 5 | 1 |
| Kelvin Tan Wee Peng | 6 | 6 |
| Roger Tay Puay Cheng | 7 | 3 |
| Belinda Teo Hui | 6 | 1 |
| Don Wee Boon Hong | 6 | 1 |
| Christopher Wong Mun Yick | 7 | 2 |
| Yiong Yim Ming | 6 | 1 |

# SUPERVISION CREW

## LIST OF COMMITTEES & MEMBERS

### EXECUTIVE COMMITTEE

| | | |
|---|---|---|
| 1. | Kon Yin Tong | President |
| 2. | Yvonne Chan Mei Chuen | Vice-President |
| 3. | Roger Tay Puay Cheng | Treasurer |
| 4. | Kelvin Tan Wee Peng | Secretary |
| 5. | Mohammad Shariq Sayeed Barmaky | |

### NOMINATIONS COMMITTEE

| | | |
|---|---|---|
| 1. | Frankie Chia Soo Hien | Chairman |
| 2. | Kon Yin Tong | |
| 3. | Kwok Wui San | |
| 4. | Lee Shi Ruh | |
| 5. | Kelvin Tan Wee Peng | |
| 6. | Roger Tay Puay Cheng | |
| 7. | Christopher Wong Mun Yick | |

### AUDITING AND ASSURANCE STANDARDS COMMITTEE

| | | |
|---|---|---|
| 1. | Hans Koopmans | Chairman |
| 2. | James Xu Jun | Deputy Chairman |
| 3. | El'fred Boo | |
| 4. | Chen Ningxin Narissa | |
| 5. | Adrian Cheong | Alternate: Stacey Tee |
| 6. | Chiang Yong Torng Jonathan | |
| 7. | Chin Chee Choon | |
| 8. | Susan Foong | |
| 9. | Jenn Ho | |
| 10. | Ho Teik Tiong Gregory | |
| 11. | Derek How Beng Tiong | |
| 12. | Balasubramaniam Janamanchi | |
| 13. | Khong Beng Yen | Alternate: Chen Sze Leng |
| 14. | Koh Yeong Kheng | |
| 15. | Lee Imm | |
| 16. | William Ng Wee Liang | |
| 17. | Ashley Seow Chuan Beng | Alternate: Ashley Gan |
| 18. | Sia Boon Tiong | |
| 19. | Soh Gim Teik | |
| 20. | Tan Wee Cheng | |
| 21. | Joanne Tay Siok Wan | |
| 22. | Gajendran Vyapuri | |
| 23. | Kuldip Gill | Observer |
| 24. | Ng Meow Ling | Observer |
| 25. | Alvin Ou | Observer |

### AUDIT COMMITTEE

| | | |
|---|---|---|
| 1. | Mohammad Shariq Sayeed Barmaky | Chairman |
| 2. | Choo Teck Min | |
| 3. | Marcus Lam Hock Choon | |

### BANKING AND FINANCE COMMITTEE

| | | |
|---|---|---|
| 1. | Lian Wee Cheow | Chairman |
| 2. | Jek Lim | Deputy Chairman |
| 3. | Ang Suat Ching | |
| 4. | Chow Khen Seng | |
| 5. | Antony M Eldridge | |
| 6. | Venetia Lau Ching Mui | |
| 7. | Christine Lee | |
| 8. | Ong Ai Boon | |
| 9. | Tang Chek Keng | |
| 10. | Tay Boon Suan | |
| 11. | David Waller | |
| 12. | Wong Sin Huey | |
| 13. | Yong Chuk Kwin | |
| 14. | Serena Yong | |

### CFO COMMITTEE

| | | |
|---|---|---|
| 1. | Choo Chek Siew | Chairman |
| 2. | Eleana Tan | Deputy Chairperson |
| 3. | Chan Ying Jian | |
| 4. | Kenneth Cheung | |
| 5. | Dennis Chia | |
| 6. | Chua Hwee Song | |
| 7. | Ho Kuen Loon | |
| 8. | Edwin Lee Boon Yong | |
| 9. | Lee Kai Nee | |
| 10. | Andrew Lim | |
| 11. | Angie Lim | |
| 12. | Grace Lim Siew Wah | |
| 13. | Alex Phua Jian Zhai | |
| 14. | Darren Tan Siew Peng | |
| 15. | Wong Kar Ling | |

## CONTINUING PROFESSIONAL EDUCATION COMMITTEE

| | | |
|---|---|---|
| 1. | Yvonne Chan Mei Chuen | Chairperson |
| 2. | Chong Cheng Yuan | |
| 3. | Lai Chin Yee | |
| 4. | Lee Boon Teck | |
| 5. | Lee Jeng Wah James | |
| 6. | Lim Tze Chern | |
| 7. | Luar Eng Hwa | |
| 8. | Alton Neo Chun How | |
| 9. | Neo Sing Hwee | |
| 10. | Ng Jun Liang Kevin | |
| 11. | Patricia Tan Mui Siang | |
| 12. | Kelvin Tan Wee Peng | |
| 13. | Don Wee Boon Hoong | |
| 14. | Wee Tee Heng | |
| 15. | Wong Nee Tat | |
| 16. | Yiong Yim Ming | |

## CORPORATE FINANCE COMMITTEE

| | | |
|---|---|---|
| 1. | Rebekah Khan | Chairperson |
| 2. | Chan Yew Kiang | |
| 3. | Leonard Ching Tchi Pang | |
| 4. | Goh Chyan Pit | |
| 5. | Barry Lee Chin Siang | |
| 6. | Peter Leong Hon Mun | |
| 7. | Ong Hwee Li | |
| 8. | Kaka Singh | |
| 9. | Tay Hwee Ling | |
| 10. | Yeo Boon Chye | |

## CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

| | | |
|---|---|---|
| 1. | Tay Woon Teck | Chairman |
| 2. | Ang Fui Siong | |
| 3. | Cheng Qiang | |
| 4. | Fang Eu-Lin | |
| 5. | Victor Lai Kuan Loong | |
| 6. | Willy Leow Chee Hwee | |
| 7. | Lawrence Loh | |
| 8. | Ravi Manchanda | |
| 9. | Neo Sing Hwee | |
| 10. | Ng Wee Chew | |
| 11. | Punjabi Rajesh Hiranand | |
| 12. | Seah Gek Choo | |
| 13. | Kelvin Tan Wee Peng | |

## CORPORATE REPORTING COMMITTEE

| | | |
|---|---|---|
| 1. | Tan Wah Yeow | Chairman |
| 2. | Henry Tan Song Kok | SR Awareness Working Group Chairman |
| 3. | Ian Hong | SR Quality Working Group Chairman |
| 4. | Fang Eu-Lin | |
| 5. | Mohit Grover | |
| 6. | Krishna Sadashiv | |
| 7. | Yeo Lian Sim | |
| 8. | Simon Yeo | |

## ETHICS COMMITTEE

| | | |
|---|---|---|
| 1. | Tan Seng Choon | Chairman |
| 2. | Sajjad Akhtar | |
| 3. | G Arull | |
| 4. | Abdul Jabbar Bin Karam Din | |
| 5. | El'fred Boo | |
| 6. | Lorraine Chay Yeow Mei | |
| 7. | Ho Teik Tiong Gregory | |
| 8. | Balasubramaniam Janamanchi | |
| 9. | Khong Yew Cheong | |
| 10. | Lee Bee Leng | |
| 11. | Ng Chiau Meng Amos | |
| 12. | Malcolm Ramsay | |
| 13. | Soh Kok Leong | |
| 14. | Tan Kuang Hui | |
| 15. | Evan Law | Observer |
| 16. | Caroline Lee | Observer |
| 17. | Mok Pei Hong | Observer |
| 18. | Sherry Quark | Observer |
| 19. | Jake Yeo | Observer |

# SUPERVISION CREW

## FINANCIAL FORENSIC ACCOUNTING OVERSIGHT COMMITTEE

| | | |
|---|---|---|
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| 2. | Tan How Choon | Deputy Chairperson |
| 3. | Chan Kheng Tek | |
| 4. | Lee King See | |
| 5. | Li Xuchun (till 30 April 2020) | |
| 6. | Murali Pillai | |
| 7. | Seow Hwee Koon | |
| 8. | Loretta Yuen | |

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| 7. | Goh Swee Hong | |
| 8. | Raymond Kong Chih Hsiang | |
| 9. | Joseph Lam Wei Pin | |
| 10. | Lie Kok Keong | |
| 11. | Sue Lightfoot | |
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| 13. | Ng Kian Hui | |
| 14. | Siew Wun Mui | |
| 15. | Soh Lin Leng | |
| 16. | Tan Boon Siong | |
| 17. | Jeremy Toh | |
| 18. | Gajendran Vyapuri | |
| 19. | Wong Koon Min | |
| 20. | Wong Yew Chung | |

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| 5. | Lai Keng Wei | |
| 6. | Loo Kwok Chiang, Adrian | |
| 7. | Poh Chin Beng | |
| 8. | Soh Lin Leng | |
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| 11. | Yeow Hui Cheng | |
| 12. | Yong Zen Yun | |

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| 4. | Kok Chee Wai | |
| 5. | Seth Tan | |
| 6. | Kelvin Wong Wai Hung | |
| 7. | Lawrence Wu | |

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|---|---|---|
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| 3. | Aw Eng Hai | |
| 4. | Justin Lim Loo Khoon | |
| 5. | Lim Siew Soo | |
| 6. | Lin Yueh Hung | |
| 7. | Gary Loh | |
| 8. | Martin Wong | |

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| 2. | G Arull | |
| 3. | Chai Siow Peng | |
| 4. | Adrian Chua Teng Aik | |
| 5. | Celina Goh | |
| 6. | Howard Goh | |
| 7. | Kevin Ohng Kok Yeong | |
| 8. | Vijay Krishnan Sukavanam | |
| 9. | Yap Swee Gek | |

## INVESTMENT COMMITTEE

| | | |
|---|---|---|
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| 2. | Lee Shi Ruh | |
| 3. | Kelvin Tan Wee Peng | |
| 4. | Roger Tay Puay Cheng | |

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7. Goh Siew Min
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9. David Lim Xixiang
10. Lye Jiaming Wesley
11. Nithin Nagarajan
12. See Wei Ren, Malcolm
13. Tai Wei Li, Willy
14. Teo Eng Siong
15. Maria Teo
16. Wang Guangzhao

# DIVE DATA (FINANCIAL STATEMENTS)

# STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Kon Yin Tong and Lee Fook Chiew, being the President and Chief Executive Officer respectively, do hereby state that in our opinion, the consolidated financial statements of the Institute and its subsidiaries (the "Group") and financial statements of the Institute set out on pages 64 to 112 are properly drawn up in accordance with the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Group and the Institute as at 31 December 2020 and of its financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

**Kon Yin Tong**
President

**Lee Fook Chiew**
Chief Executive Officer

4 March 2021

# INDEPENDENT AUDITOR'S REPORT
## TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

***Opinion***

We have audited the accompanying financial statements of Institute of Singapore Chartered Accountants (the "Institute") and its subsidiaries (the "Group") as set out on pages 64 to 112, which comprise the balance sheets of the Group and the Institute as at 31 December 2020, the statements of profit or loss and other comprehensive income, statements of changes in funds and statements of cash flows of the Group and the Institute for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Institute are properly drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Group and the Institute as at 31 December 2020 and the financial performance, changes in funds and cash flows of the Group and the Institute for the financial 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 Group 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***

The Council is responsible for the other information. The other information comprises the Statement by Council as set out on page 61 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, 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 the Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act and FRSs, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Group'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 the Council either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Council's responsibilities include overseeing the Group'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 MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Council.

- Conclude on the appropriateness of the Council'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 to be kept by the Institute have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act.

BakerTillyTFW

**Baker Tilly TFW LLP**
Public Accountants and
Chartered Accountants
Singapore

**Tay Guat Peng**
Engagement Partner
(Partner in charge since financial year ended 31 December 2017)

4 March 2021

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

| | Note | Group | | Institute | |
|---|---|---|---|---|---|
| | | **2020** | 2019 | **2020** | 2019 |
| | | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| **Continuing operations** | | | | | |
| **Income** | | | | | |
| Members' annual fees | | **12,220** | 12,397 | **12,220** | 12,397 |
| Members' admission fees | | **192** | 291 | **192** | 291 |
| Income from Continuing Professional Education | | **4,058** | 5,924 | **4,058** | 5,924 |
| Income from other training courses | | **1,434** | 2,102 | **1,434** | 2,102 |
| Practice Monitoring income | | **470** | 783 | **470** | 783 |
| Other registration and subscription fees | | **9** | 18 | **–** | – |
| Income from seminars, event and talks | | **681** | 1,212 | **681** | 1,212 |
| Other income: | | | | | |
| - Interest income from financial institutions | | **133** | 235 | **133** | 235 |
| - Others | 4 | **8,573** | 5,789 | **8,628** | 5,950 |
| Total income | 4 | **27,770** | 28,751 | **27,816** | 28,894 |
| **Less expenditure** | | | | | |
| Expenses | | **(21,103)** | (23,541) | **(21,098)** | (23,536) |
| Surplus before results of associate | 5 | **6,667** | 5,210 | **6,718** | 5,358 |
| Share of results of associate (net of tax) | 13 | **14** | (8) | **–** | – |
| Surplus before tax | | **6,681** | 5,202 | **6,718** | 5,358 |
| Income tax expense | 7 | **(139)** | (363) | **(139)** | (363) |
| **Surplus after tax from continuing operations** | | **6,542** | 4,839 | **6,579** | 4,995 |
| **Discontinued operations** | | | | | |
| Net (deficit)/surplus from discontinued operations, net of tax | 8 | **(1,450)** | 167 | **–** | – |
| **Surplus for the year** | | **5,092** | 5,006 | **6,579** | 4,995 |
| **Surplus from specific fund:** | | | | | |
| ISCA Cares Fund | 26 | **28** | 153 | **–** | – |
| **Net surplus and total comprehensive income for the financial year** | | **5,120** | 5,159 | **6,579** | 4,995 |

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

# BALANCE SHEETS

At 31 December 2020

| | Note | Group | | Institute | |
|---|---|---|---|---|---|
| | | **2020** **$'000** | 2019 $'000 (Restated) | **2020** **$'000** | 2019 $'000 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 9 | **885** | 1,250 | **885** | 1,245 |
| Right-of-use assets | 10 | **3,710** | 5,717 | **3,710** | 5,717 |
| Investment property | 11 | **10,788** | 11,090 | **10,788** | 11,090 |
| Subsidiaries | 12 | **–** | – | **–** | – |
| Associate | 13 | **102** | 88 | **–** | – |
| Intangible assets | 14 | **1,071** | 724 | **1,059** | 707 |
| Financial assets at fair value through profit or loss | 15 | **55,236** | 50,570 | **55,236** | 50,570 |
| | | **71,792** | 69,439 | **71,678** | 69,329 |
| **Current assets** | | | | | |
| Inventories | 16 | **5** | 21 | **4** | 19 |
| Contract assets | 17 | **304** | 365 | **304** | 365 |
| Trade and other receivables | 19 | **2,386** | 2,681 | **2,369** | 2,768 |
| Cash and cash equivalents | 20 | **18,153** | 17,881 | **17,353** | 15,387 |
| | | **20,848** | 20,948 | **20,030** | 18,539 |
| **Total assets** | | **92,640** | 90,387 | **91,708** | 87,868 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 21 | **103** | 112 | **103** | 112 |
| Lease liabilities | 22 | **1,717** | 3,729 | **1,717** | 3,729 |
| Provisions | 23 | **342** | 338 | **342** | 338 |
| | | **2,162** | 4,179 | **2,162** | 4,179 |
| **Current liabilities** | | | | | |
| Trade and other payables | 24 | **3,766** | 5,049 | **3,674** | 4,838 |
| Deferred income | 25 | **294** | – | **294** | – |
| Contract liabilities | 18 | **2,747** | 2,524 | **2,747** | 2,519 |
| Lease liabilities | 22 | **2,046** | 1,997 | **2,046** | 1,997 |
| Current tax payable | | **139** | 272 | **139** | 268 |
| | | **8,992** | 9,842 | **8,900** | 9,622 |
| **Total liabilities** | | **11,154** | 14,021 | **11,062** | 13,801 |
| **Net assets** | | **81,486** | 76,366 | **80,646** | 74,067 |
| **Represented by** | | | | | |
| Accumulated Fund | | **80,746** | 75,654 | **80,646** | 74,067 |
| ISCA Cares Fund | 26 | **740** | 712 | **–** | – |
| | | **81,486** | 76,366 | **80,646** | 74,067 |

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

# STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2020

| | Accumulated Fund $'000 | ISCA Cares Fund $'000 | Total $'000 |
|---|---|---|---|
| **Group** | | | |
| Balance at 1 January 2019 | 70,648 | 559 | 71,207 |
| Net surplus and total comprehensive income for the financial year | 5,006 | 153 | 5,159 |
| Balance at 31 December 2019 | 75,654 | 712 | 76,366 |
| Net surplus and total comprehensive income for the financial year | 5,092 | 28 | 5,120 |
| **Balance at 31 December 2020** | **80,746** | **740** | **81,486** |
| **Institute** | | | |
| Balance at 1 January 2019 | 69,072 | – | 69,072 |
| Net surplus and total comprehensive income for the financial year | 4,995 | – | 4,995 |
| Balance at 31 December 2019 | 74,067 | – | 74,067 |
| Net surplus and total comprehensive income for the financial year | 6,579 | – | 6,579 |
| **Balance at 31 December 2020** | **80,646** | **–** | **80,646** |

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

# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2020

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| **Cash flows from operating activities** | | | | |
| Surplus before tax from continuing operations | **6,681** | 5,202 | **6,718** | 5,358 |
| (Deficit)/surplus before tax from discontinued operations | **(1,450)** | 171 | **–** | – |
| Surplus before tax, total | **5,231** | 5,373 | **6,718** | 5,358 |
| Adjustments for: | | | | |
| Bad debts written off | **5** | 4 | **18** | 22 |
| Depreciation of property, plant and equipment, investment property, right-of-use assets and amortisation of intangible assets | **3,298** | 3,196 | **3,292** | 3,187 |
| Finance cost | **4** | 5 | **4** | 5 |
| Interest income | **(137)** | (252) | **(133)** | (235) |
| Interest expense on lease liabilities | **148** | 65 | **148** | 65 |
| Net fair value gain on financial assets at fair value through profit or loss | **(4,679)** | (3,750) | **(4,679)** | (3,750) |
| Property, plant and equipment, right-of-use assets and intangible assets written off | **10** | 18 | **10** | 18 |
| Loss on disposal of financial assets at fair value through profit or loss | **–** | 26 | **–** | 26 |
| Loss on disposal of a subsidiary, net of tax | **1,530** | – | **–** | – |
| Share of results of associate (net of tax) | **(14)** | 8 | **–** | – |
| Operating surplus before working capital changes | **5,396** | 4,693 | **5,378** | 4,696 |
| Contract assets | **(119)** | (126) | **60** | (126) |
| Inventories | **16** | 2 | **15** | – |
| Receivables | **217** | 940 | **382** | 1,116 |
| Payables | **(681)** | (385) | **(852)** | (494) |
| Contract liabilities | **294** | (952) | **228** | (953) |
| Deferred income | **294** | – | **294** | – |
| Cash generated from operations | **5,417** | 4,172 | **5,505** | 4,239 |
| Income tax paid | **(278)** | (161) | **(277)** | (157) |
| ISCA Cares Fund (Note 26) | **28** | 153 | **–** | – |
| **Net cash generated from operating activities** | **5,167** | 4,164 | **5,228** | 4,082 |

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

# STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2020

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| **Cash flows from investing activities** | | | | |
| Disposal of a subsidiary, net of cash disposed (Note 12) | **(1,649)** | – | **–** | – |
| Interest received | **145** | 239 | **129** | 229 |
| Purchases of property, plant and equipment | **(512)** | (194) | **(512)** | (194) |
| Additions to intangible assets (Note 14) | **(736)** | (242) | **(736)** | (218) |
| Proceeds from disposal of financial assets at fair value through profit or loss | **–** | 214 | **–** | 214 |
| **Net cash (used in)/generated from investing activities** | **(2,752)** | 17 | **(1,119)** | 31 |
| **Cash flows from financing activities** | | | | |
| Repayment of lease liabilities | **(1,996)** | (1,969) | **(1,996)** | (1,969) |
| Interest paid on lease liabilities | **(148)** | (65) | **(148)** | (65) |
| **Net cash used in financing activities** | **(2,144)** | (2,034) | **(2,144)** | (2,034) |
| **Net increase in cash and cash equivalents** | **271** | 2,147 | **1,965** | 2,079 |
| Cash and cash equivalents at beginning of year | **17,815** | 15,668 | **15,321** | 13,242 |
| **Cash and cash equivalents at end of year (Note 20)** | **18,086** | 17,815 | **17,286** | 15,321 |

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

## 1 CORPORATE INFORMATION

The Institute (UEN No. T04SS0109E) is the national accountancy professional body in Singapore. It was established in June 1963 as the Singapore Society of Accountants ("SSA") under the SSA Ordinance 1963, then reconstituted and renamed the Institute of Certified Public Accountants of Singapore ("ICPAS") on 11 February 1989 under the Accountants Act 1987. As of 31 March 2004, ICPAS was reconstituted as a society under the Societies Act. The restructuring is primarily a change of form for the Institute as ICPAS continued to be the national body for the accountancy profession in Singapore and its functions remain unchanged. In 2013, ICPAS was renamed as the Institute of Singapore Chartered Accountants ("ISCA"). The registered office and principal place of business of the Institute is located at 60 Cecil Street, ISCA House, Singapore 049709.

The principal activities of the Institute are those of administering the Institute's membership, and catering for the training and professional development of its members. The principal activities of the subsidiaries are disclosed in Note 12.

The consolidated financial statements relate to the Institute and its subsidiaries (collectively, the "Group") and the Group's interest in associate.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore ("FRSs").

The financial statements, which are presented in Singapore dollar ("$") (rounded to the nearest thousand ($'000) except when otherwise stated), have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Council's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

*Use of estimates and judgements*

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 affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity or areas where assumptions significant to the financial statements are disclosed in Note 3.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### a) Basis of preparation (cont'd)

*New and revised standards*

In the current financial year, the Group 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. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Institute.

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 2020 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 Group and the Institute.

### b) Basis of consolidation

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consolidated financial statements comprise the financial statements of the Institute and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent entity. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenditure and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenditure as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

When a change in the Institute's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated fund if required by a specific FRS.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### b) Basis of consolidation (cont'd)

*Associate*

Associate is an entity in which the Group has significant influence, but not control, over their financial and operating policies of the entity. The Group's investment in associate is accounted for using the equity method of accounting, less impairment losses, if any. The consolidated financial statements include the Group's share of the profit or loss of the associate from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

*Accounting for subsidiaries and associate by the Institute*

In the Institute's separate financial statements, investments in subsidiaries and associate are stated at cost less impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### c) Functional and foreign currencies

*Functional currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ("the functional currency"). The financial statements of the Group and the Institute are presented in Singapore dollar, which is the Institute's functional currency.

*Foreign currencies*

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the rates ruling at that date. All exchange differences are taken to profit or loss.

### d) Inventories

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

### e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to expenditure. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### e) Property, plant and equipment (cont'd)

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

Depreciation of other property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

| | **Years** |
|---|---|
| Furniture and office equipment | 4 to 10 |
| Computers | 3 to 4 |
| Renovation | 3 to 12 |

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise.

### f) Investment properties

Investment properties, comprise freehold building of the Group and the Institute, that are leased out to earn rental. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation of the buildings is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years.

Transfers are made to or from investment property only when there is a change in use. When transfer is made between investment property and owner-occupied property, its carrying amount (cost less accumulated depreciation and impairment) at the date of transfer becomes its carrying amount for subsequent accounting.

On disposal of investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

### g) Intangible assets

Acquired intellectual property and website development includes development costs which relate to the design and testing of new or improved learning materials which are recognised as an asset to the extent that it is expected that such assets will generate future economic benefits.

Deferred development costs are amortised from the date that the new or improved learning materials are put into use. Such costs are subsequently amortised on a straight-line basis over their useful lives of 3 years.

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 3 to 5 years.

No amortisation is provided on system work-in-progress. Amortisation of the system, on the same basis as other intangible assets, commences when the asset is ready for its intended use.

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 profit or loss when the changes arise.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### h) Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or groups of assets.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### i) Financial assets

***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group 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 Group has transferred substantially all risks and rewards of ownership.

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. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. 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 Group classifies its financial assets in the following measurement categories:
- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### i) Financial assetss (cont'd)

***Subsequent measurement***

*i)* *Debt instruments*

Debt instruments include trade and other receivables (excluding prepayments) and cash and cash equivalents. The subsequent measurement category is depending on the Group's business model for managing the asset and cash flow characteristics of the asset:

*Amortised cost*

The Group 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 principal and interest on the principal amount outstanding.

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.

*Fair value through profit or loss ("FVTPL")*

Debts instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or Fair value through other comprehensive income ("FVOCI") are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "Other income".

*ii)* *Equity instruments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other income or Expenses". On disposal of an equity investment classified as FVTPL, the difference between the carrying amount and sales proceed amount would be recognised in profit or loss. Dividends from equity investments are recognised in profit or loss and presented in "Other income".

*iii)* *Funds placed with fund managers*

The Group and the Institute classify a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the business model's objective. The Group's and the Institute's primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### i) Financial assetss (cont'd)

***Impairment***

The Group 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 Group 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 Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Group based on its historical credit loss experience, adjusts as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group 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 Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group 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.

### j) Financial liabilities

Financial liabilities include trade and other payables (excluding accrual for unutilised annual leave). Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

### k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

The Group recognises the estimated costs of dismantlement, removal or restoration of items of assets arising from the acquisition or use of assets (Note 2(e) and Note 2(l)). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money. Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related assets unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of useful life. In such cases, the excess of the decrease over the carrying amount of the assets or the change in the liability is recognised in profit or loss immediately.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***When a Group entity is the lessee***

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liability is presented as a separate line in the balance sheets. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### l) Leases (cont'd)

***When a Group entity is the lessee (cont'd)***

*Right-of-use assets (cont'd)*

The right-of use assets (except for those which meets the definition of an investment property) are presented as a separate line in the balance sheets.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

***When a Group entity is the lessor***

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies FRS 115 to allocate the consideration under the contract to each component.

### m) Cash and cash equivalents in the statements of cash flows

For the purpose of presentation on the statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledge deposits.

### n) Revenue recognition

Revenue is measured based on the consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### n) Revenue recognition (cont'd)

(i) Members' annual fees and Members' admission fees

The Institute is the national accountancy professional body and provides membership services to its members. Such members' annual fees are recognised as a performance obligation satisfied over time. Member's annual fee is recognised as income in the period to which the annual fees relates. Unearned income relating to future period is included in contract liabilities. The members' annual fee is non-refundable and payable upon membership renewal.

The Group provides members administrative services in the application of membership status. The admission fees are due upon submission of membership application and non-refundable. The admission fees are recognised as income in the year during which membership commences, or upon an event that the application is unsuccessful. Unearned income relating to service to be rendered in future periods is included in contract liabilities.

(ii) Services

- Course fees (from continuing professional education, training and seminars), subscription fees and management fees

  The Group provides training courses relating to the continuing professional education for its members. Such services are recognised as a performance obligation satisfied over time and are recognised based on the passage of time. For e-learning courses, revenue is recognised over the period whereby participant is granted access to the modules on the e-learning platform.

  Income from subscription fees and management fees are recognised as a performance obligation satisfied over time and are recognised in the period during which service is provided, having regards to the stage of completion of the service.

  Unearned income relating to service to be rendered in future periods is included in contract liabilities. Subscription fees are recognised as income in the year to which the subscription relates. The above fees are due upon registration, and non-refundable.

- Administrative fee income

  Administrative fee income from CA Qualification is recognised as a performance obligation satisfied over time. Revenue is recognised over the duration of the service period provided, having regards to the stage of completion determined based on man hours incurred to date over the budgeted man hours. A contract asset is recognised when the Group has performed under the contract but has not yet billed the client. The Group will bill client in accordance to the billing terms in the service agreement and payment within 30 days from the invoice date is required. No element of financing is deemed present. Direct expenses incurred by the Group is reimbursed at cost.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### n) Revenue recognition (cont'd)

(ii) Services (cont'd)

- Practice monitoring review income

Practice monitoring review income from inspection services on audits performed by public accountants are recognised as a performance obligation satisfied over time. The services performed has no alternative use due to the contractual restriction and the Group has enforceable rights to payment arising from the contractual terms. Revenue is recognised over the duration of the service period provided, having regards to the stage of completion determined based on man hours incurred to date over the budgeted man hours. A contract asset is recognised when the Group has performed under the contract but has not yet billed the client. The Group will bill client in accordance to the billing terms in the service agreement and payment within 30 days from the invoice date is required. No element of financing is deemed present.

(iii) Interest income

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

(iv) Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Donations

Donations are recognised as and when they are received. Income from fund-raising events is recognised when the event has occurred.

### o) Employee benefits

*Defined contribution plans*

As required by law, the Group makes contributions to the state pension scheme, the Central Provident Fund ("CPF") Scheme which is a defined contribution pension scheme. Contributions to CPF are recognised as expenditure in the period in which the related service is performed.

*Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised, using the liability method, providing for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

### q) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expenditure item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### r) Discontinued operations

A component of the Group is classified as "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated plan to dispose of a separate major line of business or geographical area or operations.

In the statement of profit or loss and other comprehensive income of the current financial period and the comparative period, all income and expenses from discontinued operation are reported separately from income and expenses from continuing operations, down to the level of surplus after tax. The resulting net gain or loss is reported separately in income or expenditure.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

***Critical judgements in applying the entity's accounting policies***

In the process of applying the Group's accounting policies, which are described in Note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraphs).

*Business model assessment*

Classification and measurement of financial assets depends on the cashflows that are solely payments of principal and interest ("SPPI") and the results of the business model test (refer to Note 2(i)). The Group and the Institute determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group and the Institute classify a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the business model's objective. The Group's and the Institute's primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets' performance and to make decisions.

The Group and the Institute monitor financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Institute change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of office space and equipment, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group includes the extension option in lease liabilities; and
- The Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

As at 31 December 2020, potential future cash outflows of $8,467,000 (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended.

The assessment of reasonable certainty to exercise extension option is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. In 2019, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right of use assets of $5,998,000.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

***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 amounts of assets and liabilities within the next financial year, are discussed below.

*Depreciation of property, plant and equipment and investment property*

The cost of property, plant and equipment and investment property are depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these property, plant and equipment and investment property to be within 3 to 50 years. The estimation of the useful lives and residual amount involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage. Any changes in the expected useful lives of these assets would affect the net carrying amounts of property, plant and equipment and investment property, and the depreciation charges for the financial year.

The carrying amounts of the Group's and the Institute's property, plant and equipment and investment property as at 31 December 2020 and the annual depreciation charges for the financial year ended 31 December 2020 are disclosed in Notes 9 and 11 respectively.

*Impairment of non-current assets*

Management assesses whether there are any indicators of impairment for all non-current assets at each balance sheet date. Non-current assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

The carrying amounts of the Group and Institute's property, plant and equipment, right-of-use assets, investment property and intangible assets are disclosed in Notes 9, 10, 11 and 14 respectively.

## 4 INCOME

***a) Disaggregation of revenue***

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| | | (Restated) | | |
| *Timing of transfer of goods or services* | | | | |
| At a point in time | **1,002** | 1,994 | **996** | 1,982 |
| Over time | **18,062** | 20,733 | **18,059** | 20,727 |
| | **19,064** | 22,727 | **19,055** | 22,709 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 4 INCOME (CONT'D)

### b) *Revenue recognised during the financial year from:*

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Amounts included in contract liabilities at beginning of the financial year | **2,524** | 3,476 | **2,519** | 3,472 |

### c) *Transaction price allocated to remaining performance obligations*

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2020 is $356,000 (2019: $477,000). The Group and Institute expect to recognise $356,000 (2019: $477,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2020 in the financial year ending 31 December 2021.

The Group applies the practical expedient in FRS 115 and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| | | (Restated) | | |
| **Other income** | | | | |
| Advertising income | **66** | 67 | **66** | 67 |
| CA Qualification fee | **483** | 107 | **483** | 107 |
| CA Qualification net administrative fee | **–** | 63 | **–** | 63 |
| Government grants | **1,853** | 237 | **1,853** | 237 |
| Net fair value gain with respect to financial assets at FVTPL | **4,679** | 3,750 | **4,679** | 3,750 |
| Management fees | **148** | 15 | **203** | 172 |
| Other fees | **124** | 99 | **124** | 99 |
| Rental income from investment property (Note 11) | **961** | 957 | **961** | 957 |
| Rental income - others | **–** | 17 | **–** | 17 |
| Sundry income | **259** | 477 | **259** | 481 |
| | **8,573** | 5,789 | **8,628** | 5,950 |

Government grant income of $1,526,000 (2019: $Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

Government grant income of $77,000 of the Group and the Institute relates to property tax rebates received from the Singapore Government to help businesses deal with the impact from the COVID-19 pandemic.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 4 INCOME (CONT'D)

### c) *Transaction price allocated to remaining performance obligations (cont'd)*

The Singapore CA Qualification ("CA Qualification") net administrative fee comprised the net amount of the income recognised derived based on a pre-determined percentage of the pre-approved expenditure incurred by the Group and Institute to administer the CA Qualification for 1 January 2019 to 30 June 2019, and income recognised over the duration of the services provided, having regards to the stage of completion with effect from 1 July 2019 included the following:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Staff costs | – | (342) | – | (342) |
| Contributions to CPF | – | (45) | – | (45) |
| Rental expenses | – | (46) | – | (46) |
| Website expenses | – | (14) | – | (14) |
| Depreciation of property, plant and equipment (Note 9) | – | (2) | – | (2) |
| Amortisation of intangible assets (Note 14) | – | (16) | – | (16) |

## 5 SURPLUS BEFORE RESULTS OF ASSOCIATE

The following items have been included in arriving the surplus before results of associate:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| | | (Restated) | | |
| **Expenses** | | | | |
| Advertisement expenses | **284** | 641 | **284** | 641 |
| Amortisation of intangible assets (Note 14) | **455** | 337 | **455** | 337 |
| Bad debts written off | | | | |
| - third parties | **5** | 4 | **2** | 4 |
| - amounts due from subsidiaries | **–** | – | **16** | 18 |
| Depreciation of investment property (Note 11) | **302** | 302 | **302** | 302 |
| Depreciation of property, plant and equipment (Note 9) | **495** | 393 | **495** | 393 |
| Depreciation of right-of-use assets (Note 10) | **2,040** | 2,137 | **2,040** | 2,137 |
| Direct costs of providing training and other courses | **1,939** | 2,890 | **1,934** | 2,875 |
| Finance cost (Note 23) | **4** | 5 | **4** | 5 |
| Interest expense on lease liabilities | **148** | 65 | **148** | 65 |
| Loss on disposal of financial assets at FVTPL | **–** | 26 | **–** | 26 |
| Property, plant and equipment, right-of-use assets and intangible assets written off | **10** | 18 | **10** | 18 |
| Rental expenses | **17** | 30 | **16** | 28 |
| Repair and maintenance | **281** | 337 | **281** | 337 |
| Publications | **401** | 434 | **401** | 434 |
| Seminar and talk expenses | **201** | 876 | **201** | 876 |
| Staff costs (Note 6) | **11,957** | 12,232 | **11,957** | 12,232 |
| Website and IT expenses | **990** | 822 | **990** | 822 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 6 STAFF COSTS

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| Salaries and bonuses | **10,636** | 10,710 | **10,636** | 10,710 |
| Contributions to CPF | **1,200** | 1,248 | **1,200** | 1,248 |
| Other employee benefit expenses | **121** | 274 | **121** | 274 |
| | **11,957** | 12,232 | **11,957** | 12,232 |

## 7 INCOME TAX EXPENSE

Income tax expense attributable to results is made up of:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| From continuing operations | | | | |
| Current income tax provision | **140** | 267 | **140** | 268 |
| Deferred tax | **8** | 72 | **8** | 72 |
| Under/(over) provision in respect of previous financial years: | | | | |
| - current income tax | **8** | 47 | **8** | 46 |
| - deferred income tax | **(17)** | (23) | **(17)** | (23) |
| | **139** | 363 | **139** | 363 |
| From discontinued operations | | | | |
| Current income tax provision | **–** | 4 | **–** | – |
| | **139** | 367 | **139** | 363 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 7 INCOME TAX EXPENSE (CONT'D)

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to surplus/(deficit) before tax due to the following factors:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 (Restated) | **$'000** | $'000 |
| Surplus/(deficit) before tax from | | | | |
| - continuing operations | **6,681** | 5,202 | **6,718** | 5,358 |
| - discontinued operations | **(1,450)** | 171 | **–** | – |
| | **5,231** | 5,373 | **6,718** | 5,358 |
| Tax calculated at a tax rate of 17% | **889** | 913 | **1,142** | 911 |
| Singapore statutory stepped income exemption | **(17)** | (17) | **(17)** | (17) |
| Income not subject to tax | **(1,055)** | (637) | **(1,055)** | (637) |
| Expenses not deductible for tax purposes | **337** | 111 | **87** | 111 |
| Effect of tax incentive and tax rebate | **–** | (15) | **–** | (15) |
| (Over)/under provision in respect of previous financial years | **(9)** | 23 | **(9)** | 23 |
| Others | **(6)** | (15) | **(9)** | (13) |
| | **139** | 363 | **139** | 363 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 8 DISCONTINUED OPERATIONS

On 31 March 2020, ISCA had withdrawn as a member of Singapore Chartered Tax Professionals Limited ("SCTP") (formerly known as Singapore Institute of Accredited Tax Professionals Limited). This is to enable SCTP to be an independent professional body. No consideration was received for the withdrawal. Accordingly, the comparative statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

(a) An analysis of the results of discontinued operations is as follows:

| | **Group 2020 $'000** | Group 2019 $'000 |
|---|---|---|
| **Income for the year** | | |
| Members' annual fees | **203** | 760 |
| Members' admission fees | **35** | 30 |
| Income from seminars, events and talks | **12** | 153 |
| Other income: | | |
| - Interest income from financial institutions | **4** | 17 |
| - Others | **3** | 7 |
| Total income | **257** | 967 |
| **Less expenditure** | | |
| Expenses | **(177)** | (796) |
| Surplus before tax from discontinued operations | **80** | 171 |
| Income tax expense | **–** | (4) |
| **Surplus after tax from discontinued operations** | **80** | 167 |
| Loss on disposal of a subsidiary | **(1,530)** | – |
| **(Deficit)/surplus from discontinued operations, net of tax** | **(1,450)** | 167 |

(b) The impact of the discontinued operations on the cash flows of the Group are as follows:

| | **Group 2020 $'000** | Group 2019 $'000 |
|---|---|---|
| Operating cash flows | **(185)** | (77) |
| Investing cash flows | **6** | 9 |
| | **(179)** | (68) |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 9 PROPERTY, PLANT AND EQUIPMENT

| | Furniture and office equipment $'000 | Computers $'000 | Renovation $'000 | Total $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **Cost** | | | | |
| Balance at 1 January 2019 | 1,317 | 1,727 | 984 | 4,028 |
| Transfer to right-of-use assets (Note 10) | – | – | (302) | (302) |
| Additions | 50 | 484 | – | 534 |
| Written off | (294) | (33) | (294) | (621) |
| Balance at 31 December 2019 | 1,073 | 2,178 | 388 | 3,639 |
| Additions | 29 | 115 | – | 144 |
| Written off | (60) | (251) | – | (311) |
| **Balance at 31 December 2020** | **1,042** | **2,042** | **388** | **3,472** |
| **Accumulated depreciation and impairment** | | | | |
| Balance at 1 January 2019 | 863 | 1,440 | 447 | 2,750 |
| Transfer to right-of-use assets (Note 10) | – | – | (153) | (153) |
| Depreciation charge for the financial year | 116 | 183 | 101 | 400 |
| Written off | (281) | (33) | (294) | (608) |
| Balance at 31 December 2019 | 698 | 1,590 | 101 | 2,389 |
| Depreciation charge for the financial year | 123 | 272 | 101 | 496 |
| Written off | (48) | (250) | – | (298) |
| **Balance at 31 December 2020** | **773** | **1,612** | **202** | **2,587** |
| **Carrying amount** | | | | |
| Balance at 31 December 2019 | 375 | 588 | 287 | 1,250 |
| **Balance at 31 December 2020** | **269** | **430** | **186** | **885** |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | Furniture and office equipment $'000 | Computers $'000 | Renovation $'000 | Total $'000 |
|---|---|---|---|---|
| **Institute** | | | | |
| **Cost** | | | | |
| Balance at 1 January 2019 | 1,312 | 1,697 | 984 | 3,993 |
| Transfer to right-of-use assets (Note 10) | – | – | (302) | (302) |
| Additions | 50 | 484 | – | 534 |
| Written off | (294) | (33) | (294) | (621) |
| Balance at 31 December 2019 | 1,068 | 2,148 | 388 | 3,604 |
| Additions | 29 | 115 | – | 144 |
| Written off | (55) | (221) | – | (276) |
| **Balance at 31 December 2020** | **1,042** | **2,042** | **388** | **3,472** |
| **Accumulated depreciation** | | | | |
| Balance at 1 January 2019 | 862 | 1,416 | 447 | 2,725 |
| Transfer to right-of-use assets (Note 10) | – | – | (153) | (153) |
| Depreciation charge for the financial year | 115 | 179 | 101 | 395 |
| Written off | (281) | (33) | (294) | (608) |
| Balance at 31 December 2019 | 696 | 1,562 | 101 | 2,359 |
| Depreciation charge for the financial year | 123 | 271 | 101 | 495 |
| Written off | (46) | (221) | – | (267) |
| **Balance at 31 December 2020** | **773** | **1,612** | **202** | **2,587** |
| **Carrying amount** | | | | |
| Balance at 31 December 2019 | 372 | 586 | 287 | 1,245 |
| **Balance at 31 December 2020** | **269** | **430** | **186** | **885** |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation charge is taken up as follows:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| | | (Restated) | | |
| Statement of Profit or Loss and Other Comprehensive Income: | | | | |
| Continuing operations: | | | | |
| - Other income - CA Qualification net administrative fee (Note 4) | **–** | 2 | **–** | 2 |
| - Operating expenses (Note 5) | **495** | 393 | **495** | 393 |
| Discontinued operations: | | | | |
| - Operating expenses | **1** | 5 | **–** | – |
| | **496** | 400 | **495** | 395 |

**Group and Institute**

Included in additions of property, plant and equipment of the Group and Institute is an amount of $30,000 (2019: $398,000) payable to third parties. The cash outflow on additions to property, plant and equipment of the Group and Institute was $512,000 (2019: $194,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 10 RIGHT-OF-USE ASSETS

| | Lease property $'000 | Office equipment $'000 | Total $'000 |
|---|---|---|---|
| **Group and Institute** | | | |
| **Cost** | | | |
| Balance at 1 January 2019 | 1,834 | 165 | 1,999 |
| Additions | 6,008 | – | 6,008 |
| Balance at 31 December 2019 | 7,842 | 165 | 8,007 |
| Additions | – | 37 | 37 |
| Written off | – | (20) | (20) |
| **Balance at 31 December 2020** | **7,842** | **182** | **8,024** |
| **Accumulated depreciation and impairment** | | | |
| Balance at 1 January 2019 | 153 | – | 153 |
| Depreciation charge for the financial year | 2,098 | 39 | 2,137 |
| Balance at 31 December 2019 | 2,251 | 39 | 2,290 |
| Depreciation charge for the financial year | 2,002 | 38 | 2,040 |
| Written off | – | (16) | (16) |
| **Balance at 31 December 2020** | **4,253** | **61** | **4,314** |
| **Carrying amount** | | | |
| Balance at 31 December 2019 | 5,591 | 126 | 5,717 |
| **Balance at 31 December 2020** | **3,589** | **121** | **3,710** |

## 11 INVESTMENT PROPERTY

| | Group and Institute | |
|---|---|---|
| | **2020** **$'000** | 2019 $'000 |
| **Cost** | | |
| Balance at 1 January and 31 December | **15,122** | 15,122 |
| **Accumulated depreciation** | | |
| Balance at 1 January | **4,032** | 3,730 |
| Depreciation charge (Note 5) | **302** | 302 |
| Balance at 31 December | **4,334** | 4,032 |
| **Carrying amount** | | |
| Balance at 31 December | **10,788** | 11,090 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 11 INVESTMENT PROPERTY (CONT'D)

a) The following amounts are recognised in profit or loss:

| | Group and Institute | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Rental income from investment property | **961** | 957 |
| Direct operating expenses arising from investment property that generated rental income | **(158)** | (161) |
| Depreciation charge | **(302)** | (302) |

b) In accordance with the Constitution of the Institute, the freehold building is held by Institute of Singapore Chartered Accountants Pte. Ltd. in trust for the Institute.

| Location | Floor area (Square metres) | Tenure |
|---|---|---|
| 6 Raffles Quay<br>#23-00<br>Singapore 048580 | 941 | Freehold |

## 12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

### a) Investments in subsidiaries

| | Institute | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Unquoted equity shares, at cost | –* | –* |

* Amount of $3.

On 31 March 2020, ISCA had withdrawn as a member of Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Professionals Limited). There is no cost of investment as it is a company limited by guarantee.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS (CONT'D)

b) Details of subsidiaries are as follows:

| Name of subsidiaries | Country of incorporation | Principal activities | Effective interest held by the Group 2020 % | Effective interest held by the Group 2019 % |
|---|---|---|---|---|
| Association of Taxation Technicians (S) Limited[1][2] | Singapore | To administer the structured training program and to set and to manage the syllabus and examination which will lead to the Diploma in Taxation | **100** | 100 |
| Institute of Singapore Chartered Accountants Pte. Ltd.[2] | Singapore | To undertake and perform the office and duties of trustee of and for the ISCA in accordance with the constitution of the ISCA | **100** | 100 |
| *Held by Institute of Singapore Chartered Accountants Pte. Ltd.* | | | | |
| Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Professionals Limited)[1][3] | Singapore | Accreditation body for tax professionals | **–** | 100 |
| ISCA Cares Limited[1][4] | Singapore | To provide needy Singapore youths access to quality accountancy education through pecuniary and non-pecuniary assistance | **100** | 100 |

(1) There is no cost of investment as the subsidiaries are companies limited by guarantee whereby every member of the company undertakes to contribute to meet the debts and liabilities of these subsidiaries in the event of its liquidation up to an amount not exceeding $10 for each member except for ISCA Cares Limited up to an amount not exceeding $1 for each member.

(2) These subsidiaries are considered to be wholly-owned subsidiaries of the Institute as the members of these subsidiaries are trustees of the Institute.

(3) Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Professionals Limited) has ceased to be a subsidiary with effect from 31 March 2020.

(4) ISCA Cares Limited is an approved Institution of a Public Character and its fund balance is disclosed separately on balance sheet of the Group (Note 26).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS (CONT'D)

### c) Disposal of a subsidiary

On 31 March 2020, ISCA had withdrawn as a member of Singapore Chartered Tax Professionals Limited ("SCTP") (formerly known as Singapore Institute of Accredited Tax Professionals Limited). This is to enable SCTP to be an independent professional body. No consideration was received for the withdrawal.

Carrying amounts of assets and liabilities as at the date of disposal:

| | **2020**<br>**$'000** |
|---|---|
| Cash and cash equivalents | 1,649 |
| Property, plant and equipment | 4 |
| Contract assets | 179 |
| Trade and other receivables | 62 |
| Total assets | 1,894 |
| | |
| Trade and other payables | 72 |
| Contract liabilities | 70 |
| Other current liabilities | 219 |
| Provision | 3 |
| Total liabilities | 364 |
| | |
| Identified net assets disposed | 1,530 |
| | |
| **Loss on disposal of subsidiary:** | |
| Net assets derecognised | 1,530 |
| | |
| Consideration paid in cash and cash equivalents: | |
| Cash and cash equivalents in subsidiary disposed | (1,649) |
| | |
| Net cash outflow on disposal of subsidiary | (1,649) |

### d) Intra-group transactions

During the financial year, the Institute has the following significant transactions with the subsidiaries on terms agreed between the parties:

| | **Institute** | |
|---|---|---|
| | **2020**<br>**$'000** | 2019<br>$'000 |
| Income | | |
| Management fees | **55** | 157 |
| | | |
| *Expenditure* | | |
| Disbursement of expenses | **5** | 6 |
| Donation to ISCA Cares Limited | **–** | 2 |

The Institute, as part of supporting ISCA Cares Limited (the "Charity") contributed 2,179 hours (2019: 2,074 hours) to support the administration of the Charity for the financial year ended 31 December 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 13 ASSOCIATE

| | Group 2020 $'000 | Group 2019 $'000 | Institute 2020 $'000 | Institute 2019 $'000 |
|---|---|---|---|---|
| Investment in associate | **102** | 88 | **–** | – |

Details of associate are as follows:

| Name of associate | Country of incorporation | Principal activities | Effective interest held by the Group 2020 % | Effective interest held by the Group 2019 % |
|---|---|---|---|---|
| Insolvency Practitioners Association of Singapore Limited* | Singapore | Professional body for insolvency practitioners | **50** | 50 |

* There is no cost of investment as the associate is a company limited by guarantee whereby every member of the company undertakes to contribute to meet the debts and liabilities of the company in the event of its liquidation to an amount not exceeding $10 for each member.

The summarised financial information of the associate based on its audited financial statements and reconciliation to the carrying amount of the investments in the consolidated financial statements is as follows:

| | 2020 $'000 | 2019 $'000 |
|---|---|---|
| Revenue | **163** | 101 |
| Profit/(loss) after tax | **28** | (15) |
| Non-current assets | **2** | 4 |
| Current assets | **232** | 216 |
| Current liabilities | **(31)** | (45) |
| Net assets | **203** | 175 |
| Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment | **102** | 88 |

During the financial year, the Institute has the following transaction with the associate on the terms agreed between the parties:

| | Group and Institute 2020 $'000 | Group and Institute 2019 $'000 |
|---|---|---|
| Management fee income | **–** | 15 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 14 INTANGIBLE ASSETS

| | Computer software $'000 | Others $'000 | Total $'000 |
|---|---|---|---|
| **Group** | | | |
| **Cost** | | | |
| At 1 January 2019 | 2,111 | 227 | 2,338 |
| Additions | 142 | 135 | 277 |
| Written off | (239) | (14) | (253) |
| At 31 December 2019 | 2,014 | 348 | 2,362 |
| Additions | 506 | 302 | 808 |
| Written off | (139) | (22) | (161) |
| **At 31 December 2020** | **2,381** | **628** | **3,009** |
| **Accumulated amortisation** | | | |
| At 1 January 2019 | 1,412 | 117 | 1,529 |
| Amortisation charge for the financial year | 283 | 74 | 357 |
| Written off | (234) | (14) | (248) |
| At 31 December 2019 | 1,461 | 177 | 1,638 |
| Amortisation charge for the financial year | 336 | 124 | 460 |
| Written off | (139) | (21) | (160) |
| **At 31 December 2020** | **1,658** | **280** | **1,938** |
| **Carrying amount** | | | |
| At 31 December 2019 | 553 | 171 | 724 |
| **At 31 December 2020** | **723** | **348** | **1,071** |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 14 INTANGIBLE ASSETS (CONT'D)

| | Computer software $'000 | Others $'000 | Total $'000 |
|---|---|---|---|
| **Institute** | | | |
| **Cost** | | | |
| At 1 January 2019 | 2,100 | 227 | 2,327 |
| Additions | 130 | 135 | 265 |
| Written off | (239) | (14) | (253) |
| At 31 December 2019 | 1,991 | 348 | 2,339 |
| Additions | 506 | 302 | 808 |
| Written off | (139) | (22) | (161) |
| **At 31 December 2020** | **2,358** | **628** | **2,986** |
| **Accumulated amortisation** | | | |
| At 1 January 2019 | 1,410 | 117 | 1,527 |
| Amortisation charge for the financial year | 279 | 74 | 353 |
| Written off | (234) | (14) | (248) |
| At 31 December 2019 | 1,455 | 177 | 1,632 |
| Amortisation charge for the financial year | 331 | 124 | 455 |
| Written off | (139) | (21) | (160) |
| **At 31 December 2020** | **1,647** | **280** | **1,927** |
| **Carrying amount** | | | |
| At 31 December 2019 | 536 | 171 | 707 |
| **At 31 December 2020** | **711** | **348** | **1,059** |

Amortisation charge is taken up as follows:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| Statement of Profit or Loss and Other Comprehensive Income: | | | | |
| - Other income | | | | |
| - CA Qualification net administrative fee (Note 4) | **–** | 16 | **–** | 16 |
| - Operating expenses (Note 5) | **455** | 337 | **455** | 337 |
| ISCA Cares Fund | **5** | 4 | **–** | – |
| | **460** | 357 | **455** | 353 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 14 INTANGIBLE ASSETS (CONT'D)

Computer software comprises membership, financial management and administrative systems.

Others comprise intellectual property, website development and development costs of e-learning platform, including development costs of the educational system and curriculum contents.

Included in additions of intangible assets of the Group and Institute are payable to third parties of $120,000 (2019: $48,000). The cash outflows on additions to intangible assets of the Group and Institute were $736,000 (2019: $242,000) and $736,000 (2019: $218,000) respectively.

## 15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Group and Institute | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Financial assets measured at FVTPL | | |
| - Funds placed with fund managers | **55,236** | 50,570 |

The above instruments offer the Group and Institute the opportunities for returns arising from fair value gains/loss measured at fair value through profit or loss.

## 16 INVENTORIES

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Medallions | **–** | 15 | **–** | 15 |
| Merchandise for E-store | **4** | 4 | **4** | 4 |
| Pouches | **1** | 2 | **–** | – |
| | **5** | 21 | **4** | 19 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 17 CONTRACT ASSETS

Contract assets relate to the Group's and the Institute's rights to consideration for work completed but not billed at the reporting date.

Judgements are used to estimate the man hours to complete. In making these estimates, management has relied on past experience of completed projects. The estimated total contract costs is reviewed every reporting period and adjusted where necessary, with the corresponding effect of change being recognised prospectively from the date of change.

| | **2020** | 2019 | 1.1.2019 |
|---|---|---|---|
| | **$'000** | $'000 | $'000 |
| **Group** | | | |
| Trade receivables from contracts with customers | **716** | 1,010 | 1,551 |
| Contract assets | **304** | 365 | 239 |
| **Institute** | | | |
| Trade receivables from contracts with customers | **716** | 1,124 | 1,800 |
| Contract assets | **304** | 365 | 239 |

Contract assets have decreased mainly due to a reduction in the unbilled amounts for practice monitoring review services of $130,000 (2019: increase of $40,000), partially offset by an increase in the unbilled amounts for administrative fee income from CA Qualification of $69,000 (2019: $86,000) in the financial year ended 31 December 2020.

## 18 CONTRACT LIABILITIES

Contract liabilities comprise course fees and subscription fees received in advance from participants and/or members for courses or events organised by the Group or the Institute and members annual fee, respectively. Contract liabilities are recognised as revenue as (or when) the Group and the Institute satisfy the performance obligations under its contracts.

| | **Group** | | | **Institute** | | |
|---|---|---|---|---|---|---|
| | **2020** | 2019 | 1.1.2019 | **2020** | 2019 | 1.1.2019 |
| | **$'000** | $'000 | $'000 | **$'000** | $'000 | $'000 |
| Contract liabilities | **2,747** | 2,524 | 3,476 | **2,747** | 2,519 | 3,472 |

Contract liabilities have increased mainly due to an increase in the advances received from subscription fees of $69,000 (2019: a reduction of $1,063,000) and advances received from course fees of $46,000 (2019: $111,000) in the financial year ended 31 December 2020.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 19 TRADE AND OTHER RECEIVABLES

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Trade receivables | | | | |
| - third parties | **716** | 994 | **716** | 900 |
| - subsidiaries | **–** | – | **–** | 208 |
| - associate | **–** | 16 | **–** | 16 |
| | **716** | 1,010 | **716** | 1,124 |
| Non-trade amount due from a subsidiary | **–** | – | **–** | 47 |
| Deposits | **534** | 534 | **534** | 534 |
| Interest receivables | **36** | 44 | **35** | 31 |
| Prepayments | **637** | 774 | **626** | 720 |
| Grant receivable from Jobs Support Scheme | **180** | – | **180** | – |
| Others | **283** | 319 | **278** | 312 |
| | **2,386** | 2,681 | **2,369** | 2,768 |

Non-trade amount due from a subsidiary was unsecured, interest-free and repayable on demand.

## 20 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash, bank deposits and bank balances.

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Interest bearing accounts | **16,627** | 16,203 | **15,828** | 14,382 |
| Non-interest bearing accounts | **1,526** | 1,678 | **1,525** | 1,005 |
| | **18,153** | 17,881 | **17,353** | 15,387 |
| Less: Fixed deposits pledged | **(67)** | (66) | **(67)** | (66) |
| Cash and cash equivalents per Statements of Cash Flows | **18,086** | 17,815 | **17,286** | 15,321 |

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to $14,879,000 (2019: $14,553,000) and $14,262,000 (2019: $12,935,000) respectively which are placed for varying periods between 3 to 12 months (2019: 1 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.25% to 1.72% (2019: 0.25% to 1.85%) per annum. Fixed deposits of the Group and Institute amounting to $67,000 (2019: $66,000) are pledged to bank for banking facilities.

Included in interest bearing accounts of the Group is the bank balance of ISCA Cares Fund amounting to $844,000 (2019: $687,000), of which $45,000 (2019: $23,000) is held by the Institute.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 21 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities during the financial year were as follows:

| | At 1 January 2019 $'000 | Recognised in profit or loss $'000 | At 31 December 2019 $'000 | Recognised in profit or loss $'000 | **31 December 2020 $'000** |
|---|---|---|---|---|---|
| **Group and Institute** | | | | | |
| **Deferred tax liabilities:** | | | | | |
| Difference in depreciation for tax purposes | (203) | (54) | (257) | (4) | **(261)** |
| Provisions and accruals | 140 | 5 | 145 | 13 | **158** |
| | (63) | (49) | (112) | 9 | **(103)** |

## 22 LEASE LIABILITIES

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020 $'000** | 2019 $'000 | **2020 $'000** | 2019 $'000 |
| *Non-current* | | | | |
| Lease liabilities (secured) | **1,717** | 3,729 | **1,717** | 3,729 |
| *Current* | | | | |
| Lease liabilities (secured) | **2,046** | 1,997 | **2,046** | 1,997 |
| | **3,763** | 5,726 | **3,763** | 5,726 |

Reconciliation of movements of liabilities to cash flows arising from financing activities

| | Lease liabilities | |
|---|---|---|
| | **2020 $'000** | 2019 $'000 |
| Balance at 1 January | **5,726** | – |
| On adoption of FRS 116 | **–** | 1,697 |
| Additions | **37** | 5,998 |
| Changes from financing cash flows: | | |
| - Repayments | **(1,996)** | (1,969) |
| - Interest paid | **(148)** | (65) |
| Non-cash changes: | | |
| - Interest expense | **148** | 65 |
| - Termination | **(4)** | – |
| Balance at 31 December | **3,763** | 5,726 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 23 PROVISIONS

Provisions for dismantlement, removal and restoration costs have been recognised as a consequence of lease arrangement entered into for its office and training premises.

Movements in provisions are as follows:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| At beginning of financial year | **338** | 322 | **338** | 322 |
| Unwind of discount | **4** | 5 | **4** | 5 |
| Provision made | **–** | 11 | **–** | 11 |
| At end of financial year | **342** | 338 | **342** | 338 |

The provisions represent the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased property to its original state. The estimates have been made on the basis of quotes obtained from external contractors. The unexpired term of the lease including the renewal options range is 2 years (2019: 3 years).

## 24 TRADE AND OTHER PAYABLES

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Trade payables | **665** | 1,064 | **665** | 1,058 |
| Amount due to a subsidiary | **–** | – | **48** | 23 |
| Accrued operating expenses | **1,885** | 2,597 | **1,873** | 2,480 |
| Accrual for unutilised annual leave | **585** | 544 | **585** | 527 |
| Deposits received | **240** | 239 | **240** | 239 |
| Billings in advance | **197** | 349 | **197** | 255 |
| Grants received | **66** | 256 | **66** | 256 |
| Other payables | **128** | – | **–** | – |
| | **3,766** | 5,049 | **3,674** | 4,838 |

Amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand. Included in trade payables of the Group and Institute are consultancy fee payable amounting to $Nil (2019: $21,000) which relate to the implementation of membership and financial management systems.

## 25 DEFERRED INCOME

Deferred income refers to deferred grant income receivable under the Jobs Support Scheme for the financial year ending 31 December 2021 from the Government to provide wage support to employers to retain their local employees during the period of economic uncertainty.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 26 ISCA CARES FUND

| | Group | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| At beginning of financial year | **712** | 559 |
| Donations received: | | |
| - Tax deductible receipts | **209** | 192 |
| - Non-tax deductible receipts | **1** | 5 |
| Other income: | | |
| - Fund raising activity | **–** | 78 |
| - Government grant | **–** | 5 |
| - Miscellaneous sales | **–** | 6 |
| - Interest income | **7** | 8 |
| Cost of notebooks and pouches | **(1)** | (2) |
| Bursary awards | **(164)** | (110) |
| Administrative expenses | **(24)** | (29) |
| At end of financial year | **740** | 712 |
| Represented by: | | |
| *Non-current assets* | | |
| Intangible assets | **11** | 16 |
| *Current assets* | | |
| Cash and cash equivalents | **844** | 687 |
| Trade and other receivables | **18** | 13 |
| Inventories | **1** | 2 |
| | **863** | 702 |
| Total assets | **874** | 718 |
| *Current liabilities* | | |
| Trade and other payables, representing total liabilities | **(134)** | (6) |
| Net assets | **740** | 712 |

The purpose of the ISCA Cares Fund is to provide needy Singapore youths with academic potential, access to quality accountancy education through financial and non-financial assistance. Pursuant to the Memorandum of Association of ISCA Cares Limited, if upon the winding up or dissolution of the company or in the event of the company ceases to be a registered charity, the fund balance shall be donated to charitable organisations or Institutions of a Public Character with similar objectives in Singapore.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 27 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the Group/Institute have the following significant transactions between the Group/Institute and related parties during the financial year on terms agreed by the parties concerned.

Key management personnel compensation comprise:

| | Group and Institute | |
|---|---|---|
| | **2020** | 2019 |
| | **$'000** | $'000 |
| Short-term employee benefits | **1,933** | 2,121 |
| Contribution to CPF | **105** | 141 |
| | **2,038** | 2,262 |

## 28 COMMITMENTS

### a) Capital commitment

Capital commitment not provided for in the financial statements:

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Capital commitment in respect of intangible assets | **–** | 17 | **–** | – |

### b) Other commitment - Institute

As at 31 December 2020, the Institute has provided continuing financial support of $35,000 (2019: $20,000) to a subsidiary which is in net liability position.

## 29 LEASES

### a) The Group and the Institute as a lessee

Nature of the Group's and the Institute's leasing activities

The Group and the Institute lease property and office equipment from non-related parties under non-cancellable operating lease agreements. These leases have an average tenure of between one to six years, varying terms, escalation clauses and renewal options.

The maturity analysis of the lease liabilities is disclosed in Note 30(b).

Information about leases for which the Group is a lessee is presented below:

**Carrying amount of right-of-use assets**

The carrying amount and additions of right-of-use assets are disclosed in Note 10.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 29 LEASES (CONT'D)

### a) The Group and the Institute as a lessee (cont'd)

**Amounts recognised in profit or loss**

| | **2020** **$'000** | 2019 $'000 |
|---|---|---|
| Depreciation charge for the financial year | | |
| Lease property | **2,002** | 2,098 |
| Office equipment | **38** | 39 |
| Total | **2,040** | 2,137 |
| Interest expense on lease liabilities | **148** | 65 |

| | **Group** | | **Institute** | |
|---|---|---|---|---|
| | **2020** **$'000** | 2019 $'000 | **2020** **$'000** | 2019 $'000 |
| Lease expense not included in the measurement of lease liabilities | | | | |
| Lease expense | | | | |
| - short term leases (Note 5) | **17** | 30 | **16** | 28 |

Total cash flow for leases amounted to $2,161,000 (2019: $2,064,000) and $2,160,000 (2019: $2,062,000) for the Group and the Institute respectively.

Extension option

The property lease agreement contains an extension option, for which the related lease payments had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the asset used in the Group's operations.

### b) The Group and the Institute as a lessor

The Group and the Institute leased out its investment property to a third party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from investment property is disclosed in Note 11.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

| | **Group** | |
|---|---|---|
| | **2020** **$'000** | 2019 $'000 |
| Within one year | **961** | 935 |
| After one year but within five years | **2,098** | 3,059 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30 FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

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

| | Group | | Institute | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **$'000** | $'000 | **$'000** | $'000 |
| *Financial assets* | | | | |
| Financial assets at fair value through profit or loss | **55,236** | 50,570 | **55,236** | 50,570 |
| Financial assets at amortised costs | **19,722** | 19,788 | **18,916** | 17,435 |
| | **74,958** | 70,358 | **74,152** | 68,005 |
| *Financial liabilities* | | | | |
| At amortised cost | **6,305** | 9,404 | **6,342** | 9,304 |

### b) Financial risk management

The main risks arising from the Group's financial management are interest rate risk, credit risk, liquidity risk, price risk and foreign currency risk. The Group reviews and agrees policies for managing each of these risks and they are summarised below:

***Credit risk***

The Group's and the Institute's exposure to credit risk arises from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group, as and when they fall due. The Group manages this risk by monitoring credit periods and limiting the aggregate financial exposure to any individual counterparty.

The Group and the Institute do not have significant credit risk exposures.

The Group and the Institute place cash and fixed deposits with the established banks and financial institutions in Singapore.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

| Description of evaluation of financial assets | Basis for recognition and measurement of ECL |
|---|---|
| Counterparty has a low risk of default and does not have any past due amounts | 12-month ECL |
| Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition | Lifetime ECL - not credit-impaired |
| Contractual payments are more than 1 year past due or there is evidence of credit impairment | Lifetime ECL - credit-impaired |
| There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, and reminders and warning letters issued for debts due for more than 12 months | Write-off |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

***Credit risk (cont'd)***

*Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost; and
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

*Definition of default*

The Group considers an event of default for internal credit risk management purpose. Management considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty; there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

*Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

***Credit risk (cont'd)***

*Trade receivables and contract assets*

The Group has applied the simplified approach to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

The contract assets relate to unbilled work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation, has entered into bankruptcy proceedings, cannot be located or are not recoverable despite legal recourse made to recover the debt, including reminders and warning letters issued for debts due for more than 12 months.

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

*Other financial assets at amortised cost*

Other financial assets at amortised costs include other receivables and cash and cash equivalents.

Credit risk exposure in relation to other financial assets at amortised costs as at 31 December 2020 and 31 December 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2020 and 31 December 2019. During the year, the bad debts written off of the Group and the Institute was $5,000 (2019: $4,000) and $18,000 (2019: $22,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

***Liquidity risk***

In the management of liquidity risk, the Group and the Institute monitor and maintain a level of cash and bank balances deemed adequate by the Management to finance the Group's and the Institute's operations and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Group's and the Institute's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

| | **2020 $'000** | | | | 2019 $'000 | | | |
|---|---|---|---|---|---|---|---|---|
| | **1 year or less** | **1 to 5 years** | **Over 5 years** | **Total** | 1 year or less | 1 to 5 years | Over 5 years | Total |
| **Group** | | | | | | | | |
| Trade and other payables (excluding lease liabilities) | **2,542** | **–** | **–** | **2,542** | 3,678 | – | – | 3,678 |
| Lease liabilities | **2,143** | **1,760** | **–** | **3,903** | 2,144 | 3,864 | – | 6,008 |
| **Institute** | | | | | | | | |
| Trade and other payables (excluding lease liabilities) | **2,578** | **–** | **–** | **2,578** | 3,578 | – | – | 3,578 |
| Lease liabilities | **2,143** | **1,760** | **–** | **3,903** | 2,144 | 3,864 | – | 6,008 |

***Interest rate risk***

The Group and the Institute are exposed to interest rate risk through the impact of rate changes on interest bearing fixed deposits. The sensitivity analysis for changes in interest rate is not disclosed as the effect on profit or loss is considered not significant.

***Price risk***

Market price risk is the risk that the fair value or future cash flows of the Group's and the Institute's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group and the Institute are exposed to equity price risk arising from its investment in quoted equity instruments. These instruments were classified as financial assets at fair value through profit or loss. To manage price risk arising from investment in quoted equity instruments, the Group and the Institute diversify its portfolio in accordance with the limits set by the Group.

Sensitivity analysis

The sensitivity analysis for price risk is not disclosed if prices for equity securities change by 2% with all other variables being constant, as the effect on profit or loss is considered insignificant.

Funds placed with fund managers comprise a portfolio of equity instruments, debt instruments, derivatives and cash and cash equivalents. The Group and the Institute are exposed to changes in market prices, interest rate risk and foreign exchange risk with respect to its funds placed with fund managers. Fair values of debt instruments at fixed rates may fluctuate due to changes in market interest rates. A 2% increase/(decrease) in the fair value of the portfolio at the balance sheet date would increase/(decrease) the Group's and the Institute's profit or loss by $1,105,000 (2019: $1,011,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 30 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

***Foreign currency risk***

The Group's and the Institute's foreign currency risk results mainly from cash flows and transactions denominated in foreign currencies. It is the Group's and the Institute's policy not to enter into derivative forward foreign exchange contracts for speculative purposes except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The Group and the Institute do not have significant financial assets and liabilities held in foreign currency.

## 31 FAIR VALUE OF ASSETS AND LIABILITIES

### a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### b) Fair value measurement of assets that are measured at fair value

The following table presents the assets measured at fair value at 31 December 2020.

| | Level 1<br>$'000 | Level 2<br>$'000 | Level 3<br>$'000 | Total<br>$'000 |
|---|---|---|---|---|
| **Recurring fair value measurement** | | | | |
| **2020** | | | | |
| **Group and Institute** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Funds placed with fund managers | **–** | **55,236** | **–** | **55,236** |
| 2019 | | | | |
| Group and Institute | | | | |
| Financial assets at fair value through profit or loss | | | | |
| - Funds placed with fund managers | – | 50,570 | – | 50,570 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 31 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### c) Assets and liabilities not carried at fair value but which fair values are disclosed

| | | Fair value measurement Carrying at balance sheet date | | |
|---|---|---|---|---|
| | **Carrying amount $'000** | **Level 1 $'000** | **Level 2 $'000** | **Level 3 $'000** |
| **2020** | | | | |
| ***Group and Institute*** | | | | |
| Investment property | **10,788** | **–** | **–** | **28,000** |
| 2019 | | | | |
| Group and Institute | | | | |
| Investment property | 11,090 | – | – | 29,000 |

The above does not include financial assets and financial liabilities whose carrying amounts are measured on the amortised cost basis. The carrying amounts of these financial assets and financial liabilities approximate their fair values due to their short-term nature.

### d) Determination of fair values

Fair values have been determined for measurement and/or disclosure purpose based on the following methods:

*Funds placed with fund managers*

The fair values of funds placed with fund managers are determined based on market prices of the financial instruments provided by financial institutions at the balance sheet date. These instruments are included in Level 2.

*Investment property*

The fair value is determined based on the property's highest and best use by an external and independent professional valuer using the Direct Comparison Approach, under which the property is assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing and all other factors affecting their value. The fair value measurement is categorised under Level 3 of the fair value hierarchy.

## 32 FUND MANAGEMENT

The Group's and the Institute's objectives when managing the accumulated fund and ISCA Cares Fund are to safeguard the Group's and the Institute's ability to maintain adequate working capital, to promote its objective to lead, develop and support accountancy professionals in Singapore and uphold the public interest and these objectives remain unchanged from previous year.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

## 33 COVID-19 PANDEMIC

The COVID-19 outbreak and the measures taken to contain its spread have created a high level of uncertainty to global economic prospects. While economic recovery is expected in the financial year ending 31 December 2021, the situation is still evolving. The restrictions to curb the spread of the disease had impacted the enrolment of ISCA's physical training courses. The Institute had switched to online delivery for most of these courses by the financial year ended 31 December 2020. As at the date of these financial statements, the Group and the Institute is not able to reasonably estimate the full financial impact of the pandemic in the financial year ending 31 December 2021. While overall revenue may be impacted during this period of continued economic uncertainty, the Group's and the Institute's fundamentals remain relatively strong, supported by prudent management of reserves carried forward from previous years.

## 34 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the financial statements of the Institute for the financial year ended 31 December 2020 were authorised for issue by the Council on 4 March 2021.

# NOTICE OF ANNUAL GENERAL MEETING 2021

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting (AGM) 2020/2021 of the Institute of Singapore Chartered Accountants will be held via a virtual meeting platform on **Saturday, 24 April 2021 at 11.00 am (Singapore time).**

**AGENDA**

1. President's address.

2. To confirm the minutes of the Annual General Meeting 2019/2020 held on 20 June 2020.

3. To receive the Report of the Council for the year 2020/2021 and Financial Statements of the Institute for the year ended 31 December 2020.

4. To elect eight members to the Council in accordance with Article 32 of the Constitution comprising:

   (a) At least 3 CAs (Singapore) who are Public Accountants to hold office for a term of two years;

   (b) At least 3 CAs (Singapore) who are not Public Accountants to hold office for a term of two years.

The following members of the Council retire in accordance with the provisions of Articles 49 to 51 of the Constitution:

| Chartered Accountants of Singapore who are Public Accountants | Chartered Accountants of Singapore who are not Public Accountants |
|---|---|
| Tan Kuang Hui<br>Roger Tay Puay Cheng<br>Christopher Wong Mun Yick | Yvonne Chan Mei Chuen<br>Ho Kuen Loon<br>Darren Tan Siew Peng<br>Kelvin Tan Wee Peng<br>Don Wee Boon Hong |

Nominations have been received for the following:

| Chartered Accountants of Singapore who are Public Accountants | Nominated by |
|---|---|
| Tan Kuang Hui | Cheong Keng Chuan, Alfred<br>Cheng Sam Tai, Catherine<br>Goh Sia<br>Tan Lay Hong, Angeline<br>Ng Cheah Chen, Adeline |
| Roger Tay Puay Cheng | Leong Kok Keong<br>Eng Chin Chin<br>Lee Shu Pei Karen<br>Sarina Lee<br>Voo Poh Jee |
| Christopher Wong Mun Yick | Loh Khum Whai Max<br>Woo Siew Wah<br>Tan Swee Ho<br>Toong Weng Sum Vincent<br>Gajendran S/O Vyapuri |

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| Chartered Accountants of Singapore who are not Public Accountants | Nominated by |
|---|---|
| Yvonne Chan Mei Chuen | Lee Shi Ruh<br>Ho Yew Kee<br>Lau Kam Yuen<br>Kan Yaw Kiong Ernest<br>See Shuhui |
| Judy Ng May Lian | Lim Sok Hui<br>Goh Soon Hee Derrick<br>Ho Hin Keat Jeffrey<br>Chee Ai-Ping, Sera<br>Lim Kwang Wee |
| Darren Tan Siew Peng | Ang Suat Ching<br>Tan Sok Hong<br>Ng Choon Kiat<br>Chiang Lee Yoon<br>Kwang Chan Chee |
| Kelvin Tan Wee Peng | Chen Chonghou Noel<br>Yong Wei Li, Winnie<br>Choo Boon Poh<br>Chng Lay Chew<br>Wong Peck Woon |
| Don Wee Boon Hong | Voo Choon Ling<br>Voo Ai Ling<br>Gokkilam D/O Ammaiyappan<br>Chitra D/O Ammaiyappan<br>Punitha D/O Ammaiyappan |

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2021 and to authorise the Council to fix their remuneration.

**To Vote on Two Motions Received by Mr Lee Tai Wai and supported by 14 other members**

6. To form a PMP working committee to engage ACRA to relook at the PMP methodology and sentencing framework.

7. To form a panelist of experienced PAs (whether voluntary or remunerative) to assist members to manage their risks during the PMP review.

By order of the Council

**KELVIN TAN WEE PENG**
Secretary

1 April 2021

# FORM OF PROXY

## THE SCHEDULE
**RULE 34**

**THE INSTITUTE (GENERAL MEETINGS) RULES**

I, ______________________________ , ______________________________

(Full Name in Block) NRIC /Passport Number (last 3 digits and alphabet only)

of ______________________________________________________________

(Full Address)

being a member of the Institute, do hereby appoint:

| **Name** | **Address** | **NRIC /Passport Number (last 3 digits and alphabet only)** |
|---|---|---|
| | | |

or failing him/her

| **Name** | **Address** | **NRIC /Passport Number (last 3 digits and alphabet only)** |
|---|---|---|
| | | |

each of whom is a CA (Singapore) of ISCA as my proxy to vote for me at the Annual General Meeting of the Institute to be held on 24 April 2021 and any adjournment of such meeting.

Signature of member: ______________________________

Dated this ______________ day of ______________ 2021 ______________

**NOTES:**

A Member entitled to vote may appoint as his proxy any other Member who is entitled to vote except that no member shall be entitled to vote by proxy in the election of a member or members of the Council.
[Rule 33, Institute (General Meetings) Rule]

The proxy shall not be entitled to vote at a meeting unless the instrument of proxy has been deposited with the Chief Executive Officer not less than 48 hours before the date and time fixed for the meeting.
[Rule 37, Institute (General Meetings) Rules]

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