INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

VISIONARY EXCELLENCE

ANNUAL REPORT 2019/20

CONTENTS

ISCA: PUTTING EXCELLENCE IN THE FOREGROUND

Like all other art forms, a classic work of filmmaking is a product of a single-minded vision, a compelling story, and a diverse mix of talents all coming together to make captivating and memorable cinema. Both an art and a science, filmmaking has always celebrated imaginative, innovative and future-oriented thinking.

Just like generations of film creators who inspired excellence through their craft, ISCA's future-oriented initiatives continue to empower the profession and pave the way to a dynamic future for its members.

BRINGING OUT THE BEST PERFORMANCE

EMPOWERING MEMBERS TO REALISE THEIR **FULL POTENTIAL**

For a performer to credibly inhabit his or her role in a film, diligent preparation and support from the film crew are necessary. For instance, the director offers guidance and motivation, while the costume designer makes the actor's physical transformation possible. Moreover, the set designer creates an environment for the actor to get into his or her character.

In a similar way, ISCA offers its members the support, insight, resources and opportunities to realise their potential, especially in an age where the accountant's role is increasingly becoming more multi-faceted. ISCA helps members deliver their finest performance and make an impact on an ever-changing business world.

COLLABORATION AS KEY TO CREATION

NURTURING TIES THAT **INSPIRE EXCELLENCE**

A collaborative enterprise, filmmaking requires the gathering of diverse talents and specialists to realise a creative vision. From screenwriters to camera operators, from costume designers to sound engineers, every member of the film crew fulfils a role that is consequential in completing a motion picture.

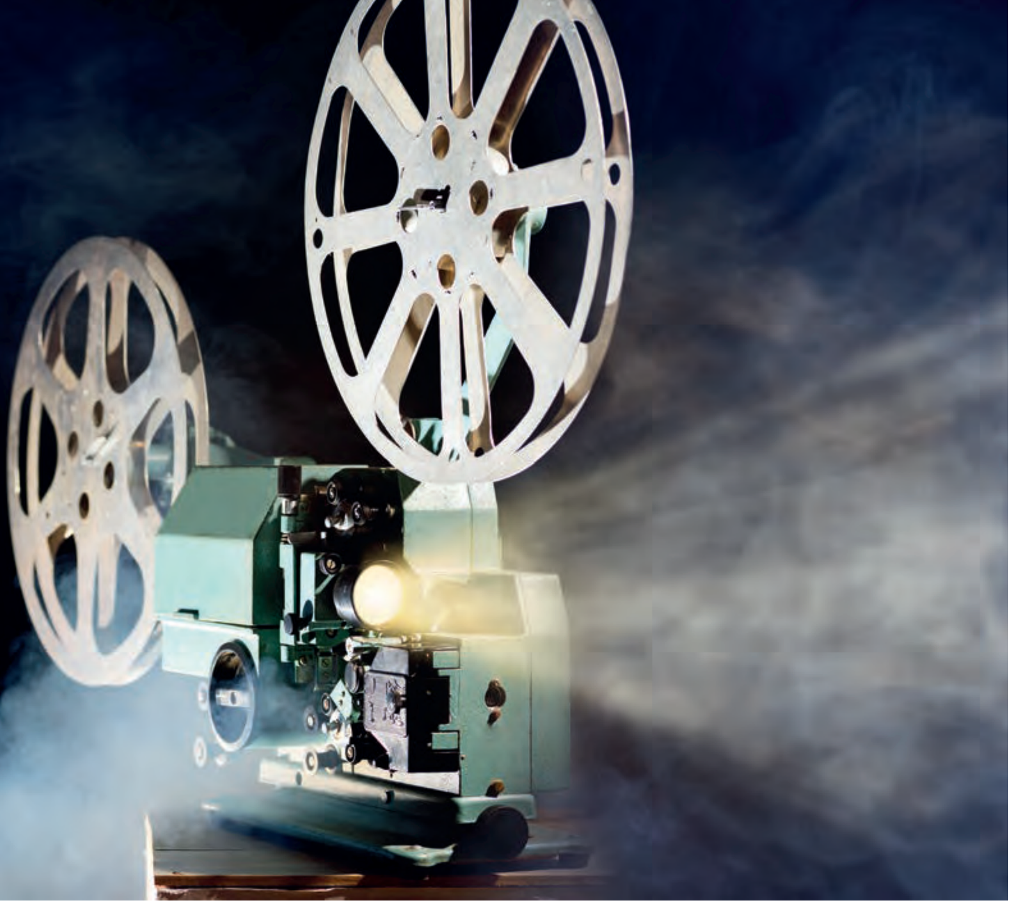
This spirit of collaboration has always been an important aspect of how ISCA realises its vision. ISCA works as a well-synchronised team to create initiatives that add value to its members. Moreover, ISCA's strategic partnerships with government bodies, industries and other accountancy bodies worldwide enables it to open doors for its members to learn new insights, exchange ideas and discover professional opportunities.

A PANORAMA OF A THRIVING FUTURE

CHAMPIONING A FUTURE-READY PROFESSION

The evolution of filmmaking has given rise to innovative ways of creative expression. Digital technology for one has helped popularise the medium, making cinema more impressive, more engaging and more impactful. In an increasingly globalised age, filmmaking and the magic of cinema have also become more accessible and far-reaching.

The same can be said of the accountancy profession. In the digital age, today's accountancy professional faces a future full of possibilities. In an environment of rapid changes, ISCA is helping the profession to constantly learn, unlearn and relearn, to be ready to seize the opportunities that arise.



NOW SHOWING

SINGAPORE ACCOUNTANCY AND AUDIT CONVENTION (SAAC) SERIES

In 2019, ISCA continued to organise our signature SAAC series of conferences to keep our members updated on the latest developments in accountancy and business.

Held in March 2019, the ISCA Budget Update Seminar featured presentations on the Budget and economic outlook, as well as a panel discussion on the Budget and its tax, economic and business implications.

Participants learnt about the Singapore Budget and its implications at the ISCA Budget Update Seminar.

Ms Indranee Rajah, Minister in the Prime Minister's Office and Second Minister for Finance and Education, was the guest of honour and gave the keynote address at the PAIB Conference.

In July 2019, over 500 delegates attended the Professional Accountants in Business (PAIB) conference. Themed "Opportunities Amidst Transformations", the conference featured speakers who shared about topics such as the opportunities arising from business transformation and implementation challenges of new accounting standards.

The biennial ISCA Financial Forensic and Cybersecurity Conference attracted more than 550 delegates. Experts shared their knowledge on pertinent topics related to the theme "Enhancing Resilience in the Digital Era". These topics included the impact of digitalisation on financial crime investigations, fraud detection and prevention, and cybersecurity issues for businesses.

Finally, the Practitioners Conference, "New Frontiers for Tomorrow's Practice", brought together 500 participants in October 2019 to discuss how the audit profession is evolving amid the dynamic economic climate and how it can stay competitive and be future-ready.

INFRASTRUCTURE & PROJECT FINANCE QUALIFICATION

The Institute launched the ISCA Infrastructure & Project Finance Qualification (ISCA IPFQ) in July 2019 to meet the demand for infrastructure and project finance professionals.

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 will be conferred the ISCA Infrastructure & Project Finance Professional (ISCA IPFP) credential. This credential is the first in Asia to be conferred by a professional body.

Mrs Josephine Teo, Minister for Manpower and Second Minister for Home Affairs, was the guest of honour and delivered the keynote address at the ISCA Financial Forensic and Cybersecurity Conference.

Mrs Tan Ching Yee, Permanent Secretary for Finance, was the guest of honour and delivered the keynote address at the Practitioners Conference.

Minister Indranee announced the launch of the Accountancy Industry Digital Plan in August 2019. The plan focuses on three strategies: enhancing digital skills and knowledge; promoting the adoption of technology; and developing accounting technology and innovations.

The "Digital Transformation in Finance Functions: ASEAN and UK Perspectives" featured the experiences of experts who are leading or supporting digital transformation.

REPORT ON DIGITAL TRANSFORMATION IN FINANCE FUNCTIONS

ISCA collaborated with the Institute of Chartered Accountants in England and Wales (ICAEW) to produce the report "Digital Transformation in Finance Functions: ASEAN and UK perspectives". Launched in October, the report shares the practical experiences of professional accountants in businesses and other experts who are leading or supporting digital transformation across Southeast Asia and the UK. It also provides practical insights into the digital transformation journey, as well as the challenges and opportunities for the profession as a result of technological changes.

The ISCA PBA programme is designed to help members enhance their competencies and succeed in the digital age.

ISCA PROFESSIONAL BUSINESS ACCOUNTANT DESIGNATION

The Institute launched the ISCA Professional Business Accountant (PBA) programme, which leads to the ISCA PBA designation, in October 2019. The ISCA PBA designation validates the expertise and knowledge ISCA members have acquired as an accountancy professional. These skills and knowledge are highly valued by employers and the industry.

The ISCA PBA Programme covers topics in five areas, with a strong focus on practical business cases. These are Technical Excellence; Business Acumen; Future Finance; Professional Values and Ethics, and Leadership and Personal Empowerment.

Accountancy professionals can apply for the ISCA PBA designation via two routes. The first route is via the completion of the ISCA PBA Programme and meeting the membership-cum-three-year post-qualification relevant work experience requirements. The second route is for existing Associate (ISCA) members whose membership was approved on or before 1 October 2019, and who possess five years of post-qualification relevant work experience, to opt for the one-off grandfathering scheme. The grandfathering scheme is valid till 31 December 2021.

ACCOUNTANCY INDUSTRY DIGITAL PLAN

ISCA also launched the Accountancy Industry Digital Plan (IDP), in collaboration with the Singapore Accountancy Commission (SAC) and the Infocomm Media Development Authority (IMDA), in August 2019. The IDP aims to help small and medium practices (SMPs) embark on their digital transformation journey. It comprises a digital roadmap that guides SMPs on the digital solutions and employee training required at each stage of their digital development.

ISCA signed an MOU with VACPA in October 2019 for VACPA to translate, publish and distribute ISCA's Audit Manual for Standalone Entities in Vietnam.

LAUNCH OF ISCA AUDIT MANUAL IN VIETNAMESE

ISCA partnered with the Vietnam Association of Certified Public Accountants (VACPA) under a memorandum of understanding (MOU) to launch the ISCA Audit Manual for Standalone Entities (AMSE) in Vietnamese. As part of the agreement, VACPA may translate, publish and distribute AMSE in Vietnam. The MOU was two years in the making, and the hard work put in by both organisations has made the adaptation of AMSE for Vietnam possible. In a presentation to 59 Vietnamese audit practitioners, university professors and government officials, an ISCA member Ms Magdalene Ang gave an overview of the audit manual, including how to use it and the application of key methodologies.

ELEVATING THE ISCA BRAND

ISCA Digital Badges and CAW Network Member Logo

ISCA launched digital badges and Chartered Accountants Worldwide (CAW) Network Member Logo in November as a way for members to raise the visibility of their credentials in an increasingly digital world. The digital badges are secure, web-enabled credentials containing verifiable information about members' professional accomplishments that can be shared online and displayed on name cards.

Besides the ISCA Digital Badges, the CAW Network Member Logo shows that members who are Chartered Accountants are part of a global network of leading professional accountancy institutes, giving credence to our members and the Institute they belong to.

Youth Associates

The Institute opened its doors to accountancy undergraduates from local universities in March 2019 by offering the Youth Associate membership. As ISCA Youth Associates, students get to participate in ISCA events and learn more about the various career pathways by engaging with industry professionals. It is also a platform for the Institute to heighten awareness of the ISCA brand among accountancy students and build a pipeline of future accountancy professionals.

Why Accountancy? Video Contest

To encourage youths to select accountancy as a choice of study, ISCA organised the "Why Accountancy?" video contest. Accountancy graduates at local universities were invited to submit a 30-second video about why accountancy should be the choice of study. The winning entry was submitted by a team of students from National University of Singapore (NUS). The submitted video was adapted into a professionally produced commercial that was aired at Golden Village cinemas, on selected digital channels and during ISCA's school outreach events.

Future-Ready Talent Campaign

In 2019, ISCA continued with its Future-Ready Talent campaign with videos and digital advertisements that showcased how ISCA members add value to businesses as well as the value of the ISCA membership. The campaign garnered over 22 million impressions and more than 870,000 interactions on digital channels.

Annual Report Award

The ISCA 2018/2019 Annual Report, "Future Fit", garnered a Silver Award for design excellence at the 2019 ARC Awards. With motifs of fitness and sports, the theme centres on the idea of a triathlete preparing for competition.

The ARC Awards competition is organised by MerComm Inc, an independent awards organisation with a focus on defining excellence in the Communications field.

The ISCA digital badges are secure, web-enabled credentials containing verified information about members' professional accomplishments.

Chartered Accountants Worldwide | Network Member

The CAW Network Member logo enables members who are Chartered Accountants to show that they are part of a global network of leading professional accountancy institutes.

Students from NUS took the top prize for the ISCA Why Accountancy? Video Contest, which aims to encourage youths to select accountancy as a study programme.

Youth Associates enjoyed an exclusive tour to Zouk Group to learn more about the operational and financial aspects of the business as well as network with the organisation's key representatives.

AND... ACTION!

By the time you read this Annual Report, the first quarter of 2020 would have passed. There is something about the start of a brand-new decade that connotes fresh beginnings and the start of a new journey. But before one starts on any endeavour, having clarity of vision is key. If you have a clear end in mind, you will have a clearer picture of how to get there.

The theme of this annual report is "Visionary Excellence", which highlights how our vision of being a world-class organisation continually inspires us to strive towards excellence in all we do. Our vision to be world-class is underpinned by these four elements: inclusiveness, innovation, infrastructure and impact. Over the past year, we have continued to progress along these lines.

REFRESHED VISION & MISSION

To be world-class, we must first get the fundamentals right. And, this relates to the core of what we do and why we do things. The Institute is here to serve our members, and member-centricity lies at the heart of all our initiatives. For us to make firm progress towards our vision in an evolving business landscape, we must also be bold, steadfast and resolute in implementing our plans. With these in mind, we have refreshed our vision, which will take effect from 2021:

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

Our renewed vision is supported by our refreshed mission statements, represented by the acronym R.I.S.E.

R.I.S.E. stands for:

- **Represent** our members on matters affecting and of interest to the profession.
- Be a positive **Influence** on the development of the profession and ecosystem.
- **Serve** the public interest by helping to instil sound values and ensuring right ethical standards among our members and the profession.
- **Enable** our members to achieve their professional aspirations.

Over the course of 2019, we have launched new initiatives as well as work on our ongoing initiatives that support our members and the profession. Let me highlight some of the new initiatives we rolled out last year.

ENABLING MEMBERS TO ACHIEVE THEIR PROFESSIONAL ASPIRATIONS

Last year, I have had the privilege of speaking with many members, students and employers. What is clear from the conversations we have had is that we are living in a time of unprecedented change for the accountancy profession, and the pace of digitalisation will only accelerate in the years to come. As such, we need to be adaptable to ride the wave of uncertainty, and one way to be adaptable is to be multi-skilled.

ISCA supports our members in this aspect by providing pathways for them to acquire specialised skills that are in demand. One of these specialisation pathways is the Infrastructure & Project Finance Qualification (ISCA IPFQ), which we developed in collaboration with EY Singapore. We launched the ISCA IPFQ at the ISCA Professional Accountants in Business (PAIB) Conference, which kicked off our signature Singapore Accountancy and Audit Convention series, in July 2019. Asia's infrastructure sector is set to boom over the next decade. The introduction of the ISCA IPFQ is in line with the government's efforts to harness Singapore's infrastructure development ecosystem in support of Asia's infrastructure growth. With the qualification, we aim to support the sector's training needs for skilled talent by providing a pathway for our members who are accountancy professionals to specialise in this growing field.

What is expected of accountancy professionals has also evolved. Accountancy professionals are now looked upon as business partners to provide business insights to improve decision-making and explain the story behind numbers.

To equip accountancy professionals with relevant skills for Industry 4.0, we launched the Professional Business Accountant (PBA) programme, which leads to the ISCA PBA designation. Aligned to the ISCA Professional Accountants in Business Framework, besides technical excellence and ethics, the programme also covers topics in areas like future finance, business acumen and leadership.

SHARING BUSINESS INSIGHTS AND UPHOLDING TECHNICAL EXCELLENCE

ISCA issued several new and revised auditing and assurance standards in 2019. They included the revised AGS 9 Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards, AGS 1 Sample Independent Auditor's Reports, SAP 2 (Revised), Auditors and Public Offering Documents, and SSA 540 (Revised), Auditing Accounting Estimates and Related Disclosures.

Apart from issuing new standards for the Singapore market, the Institute also contributed towards the global standard-setting process. The Institute organised focus groups to gather feedback on the International Auditing and Assurance Standards Board's (IAASB) proposals regarding quality control in accountancy firms and helping audit professionals apply the

International Standards on Auditing (ISAs). Feedback and suggestions from the focus group participants were provided to IAASB. In October 2019, the Accounting Standards Council (ASC) and ISCA co-organised a stakeholder outreach session with International Accounting Standards Board (IASB) member Mr Darrel Scott. The session was attended by representatives from accounting firms as well as Singapore's banking and insurance industry.

In November 2019, the Institute issued the Financial Reporting Codification Framework. By establishing formal categories, degrees of authority and due process for the issuance of any technical contents by ISCA, the Framework establishes credence to ISCA technical contents, promulgate the Institute's view and promote and enhance quality, consistency and best practices to uphold technical excellence.

The Institute also issued guidance on FRG 1 "Real Property Valuation for Financial Reporting – Best practices when engaging valuers: Considerations for Scope of Work (SOW) and Valuation Report (VR)". The guidance provides the reporting entity, valuer and auditor with a better understanding of the real estate valuation process and the requirements of the relevant accounting standards.

BEING A MAJOR INFLUENCER OF KEY COMPONENTS IN THE ECOSYSTEM

At ISCA, we recognise that the accountancy profession is in a prime position to seize the opportunities in this rapidly changing business landscape. Together with the Infocomm Media Development Authority (IMDA) and Singapore Accountancy Commission (SAC), we launched the Accountancy Industry Digital Plan to help SMPs embark on their digital transformation journey and adopt technology for greater productivity and competitiveness. The plan focuses on three strategies: enhancing digital skills and knowledge; promoting the adoption of technology; and developing accounting technology and innovations.

To prepare SMPs for a digital future, ISCA also collaborated with Singapore Polytechnic to offer a Robotic Process Automation (RPA) course for employees of SMPs. Upon completion of the course, participating firms would have implemented at least one RPA function in their organisation. We expect over 100 SMPs to benefit from this programme over the next few years.

We have also established the Virtual SMP Centre – an online platform to serve the needs of SMPs as they embark on their digitalisation journey. SMPs can use the online self-assessment toolkit to determine their stage of digital readiness, identify digital solutions and training programmes, and source for available funding schemes.

ELEVATING THE ISCA BRAND

While we upskill and reskill the professional competencies of accountancy professionals, there is also a need for ISCA to foster the talent pipeline. With this in mind, we have introduced the Youth Associate (ISCA) membership. This enables accountancy undergraduates from local universities to learn about the various career pathways in the accountancy profession by engaging with industry professionals through events organised by ISCA. The membership also builds brand awareness and preference for ISCA among the younger demographic segment. With the Youth Associate (ISCA) membership, we also aim to encourage more students, especially the brightest among them, to remain in the profession after graduation. The Youth Associates would also be in a better position to persuade their younger friends to be part of ISCA and the profession after graduation. Response has been positive, and there are already more than 800 students who have signed up as ISCA Youth Associates in 2019.

Last year, the Institute launched the ISCA Digital Badges, along with the Chartered Accountants Worldwide Network Member Logo. These two initiatives provide new ways to raise the visibility of our members' credentials in an increasingly online world. Unlike paper certificates, Digital Badges enable members to share their professional achievements with just a few clicks on social media platforms such as LinkedIn and Facebook as well as on their email signature, digital resume and business cards. Besides the ISCA Digital Badges, the Chartered Accountants Worldwide Network Member Logo shows that members who are Chartered Accountants are part of a wider global network of leading professional accountancy institutes, lending credence to our members and the Institute they belong to.

RAISING ISCA'S GLOBAL PROMINENCE

ISCA continues to expand our network and influence in our pursuit of becoming a globally recognised professional accountancy body. At the same time, we are working to open more doors for our members in the global marketplace. As ISCA elevates its brand internationally, the stature and employability of ISCA members will correspondingly be enhanced across international markets. Being part of a globally recognised brand heightens our members' employability globally, bringing them greater career portability, market access and professional recognition.

Last year, we carried out capacity-building projects in the region, such as providing training on ISCA's Audit Manual for Standalone Entities (AMSE) in Vietnam, and ISCA's Audit Manual for Group Entities in Myanmar. Together with the Singapore University of Social Sciences, ISCA provided training in areas such as principles of accounting, professional ethics, and Singapore's fiscal policy for the Laos Ministry of Public Works and Transport. The Institute also signed a Memorandum of Understanding with the Vietnam Association of Certified Public Accountants for the translation, publication and distribution of ISCA's AMSE in Vietnam.

In November 2019, the Institute hosted the ASEAN Federation of Accountants (AFA) Council Meeting in Singapore. In conjunction with the meeting, ISCA's Financial Reporting Committee (ISCA FRC) and AFA held the ISCA FRC-AFA Financial Reporting & Business Conference, which brought together about 180 delegates across ASEAN to discuss updates on financial reporting, such as IFRS 9 Financial Instruments and IFRS 16 Leases.

On the international front, Council member Professor Chan Yoke Kai was appointed to the International Federation of Accountant's (IFAC) International Panel on Accountancy Education (IPAE). The panel provides more avenues for ISCA to serve the public interest, contribute to professional accounting education as well as expand ISCA's network with countries beyond ASEAN. This, in turn, reinforces ISCA's position as a leading professional accountancy body on the global stage.

LOOKING AHEAD

We are living in a time of unprecedented change. One area that has changed significantly is the tax landscape, with the increased complexity in tax developments. Back in 2010, ISCA, in partnership with the Tax Academy, set up a subsidiary, the Singapore Institute of Accredited Tax Professionals (SIATP), to support ISCA members specialising in tax. Today, there is a need to widen SIATP's ambit beyond serving accountancy-trained tax professionals to include a wider audience. To facilitate its next stage of development, SIATP will operate as an independent entity by the second quarter of 2020, while continuing to work closely with ISCA to support tax professionals in Singapore. ISCA will not receive any consideration for the withdrawal. The net assets of SIATP as at 31 December 2019 amounted to $1.5 million. The results of SIATP from 1 January 2020 up to point of withdrawal from ISCA are not expected to have a significant financial effect.

At ISCA, we will continue to deliver value to our members via our varied initiatives, to enable them to realise their professional aspirations. For the Institute to continue to equip our members to be "future-fit", we will continue to do more for our members and the profession so that we can be a world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy.

I look forward to your continued support, as you always have. ISCA's achievements today would not have been possible without members like you, walking hand in hand with us, as we strive to transform ISCA's vision into reality.

On this note, I thank my fellow Council members and the team at ISCA for working with me to pave the way for our members and the profession to step confidently into the age of Industry 4.0. I look forward to working with them in the year ahead to support the development of the profession. As always, I welcome your continued support and feedback.

Kon Yin Tong
President

KEY MEMBERSHIP STATISTICS

TOTAL NUMBER OF MEMBERS

32,643

MEMBER RETENTION

97.5%

AGE GROUPS

<21	21-30	31-40	41-50	51-60	>60
1%	16%	33%	29%	13%	8%
199	5,343	10,681	9,662	4,213	2,545

MEMBERSHIP CLASS

25,167
CA (Singapore)**

1,225
Fellow CA (Singapore)**

751
Members-In-Retirement

7@
ISCA Professional Business Accountants

143
Affiliates

813
CA (Singapore) who are public accountants

262
Fellow CA (Singapore) who are public accountants

693
Life Members#

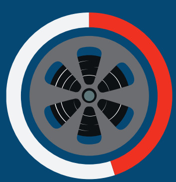
2,720
Associates*

862##
Youth Associates

@ Launched in October 2019
* Includes Associate (Specialist)
** Excludes public accountants
\# Includes 88 members who are public accountants. These members are either Fellow CA (Singapore) or CA (Singapore)
\#\# Launched in March 2019

MEMBERSHIP STATISTICS BY PROFESSION

5,701
17%
Professional Accountants in Practice



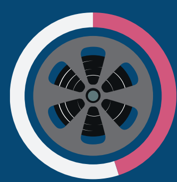
20,142
62%
Professional Accountants in Business (Private Sector)

1,793
5%
Professional Accountants in Business (Public Sector)

506
2%
Not-For-Profit

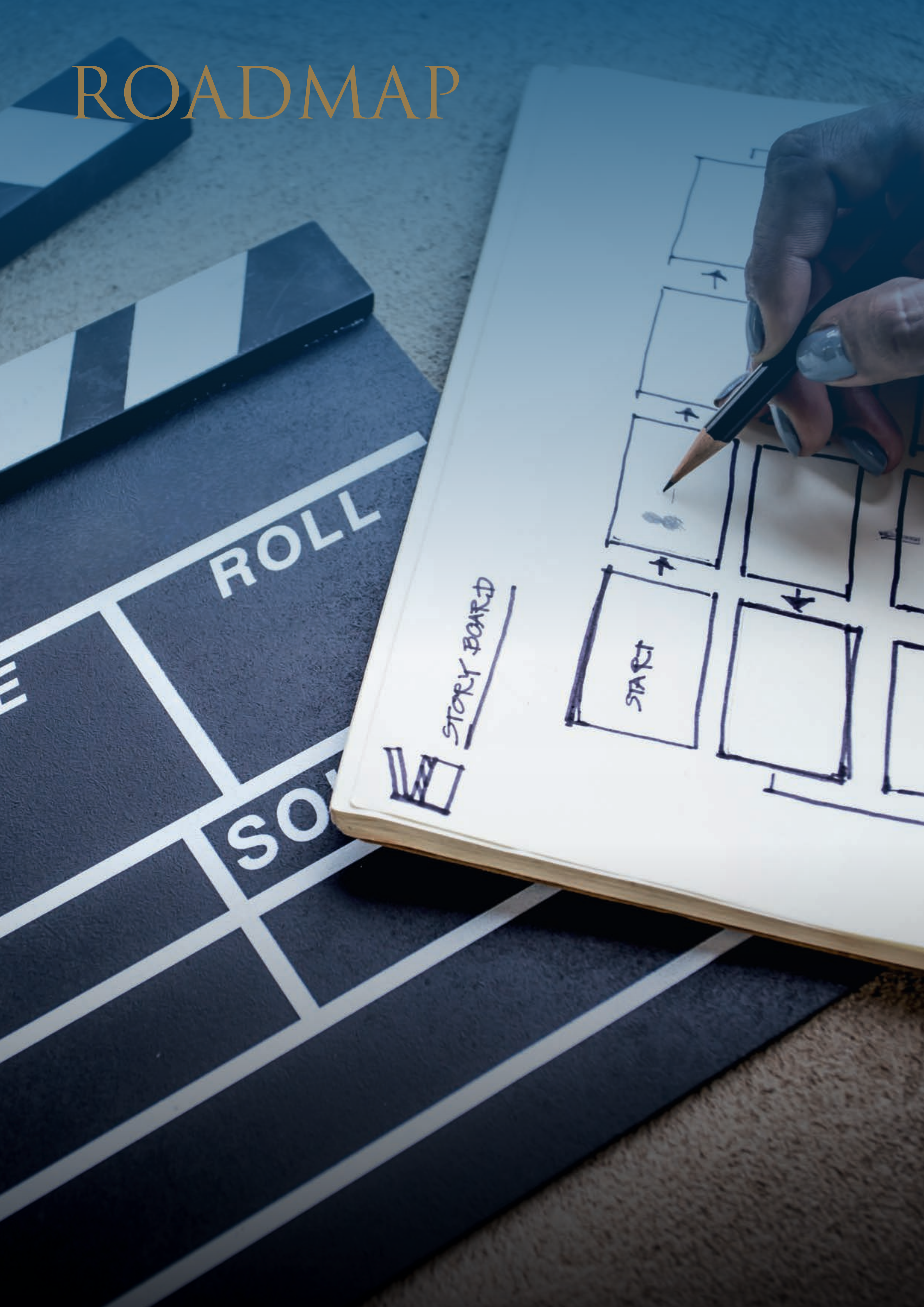
702
2%
Academia

858
3%
Students



2,941
9%
Others

ROADMAP



ROADMAP

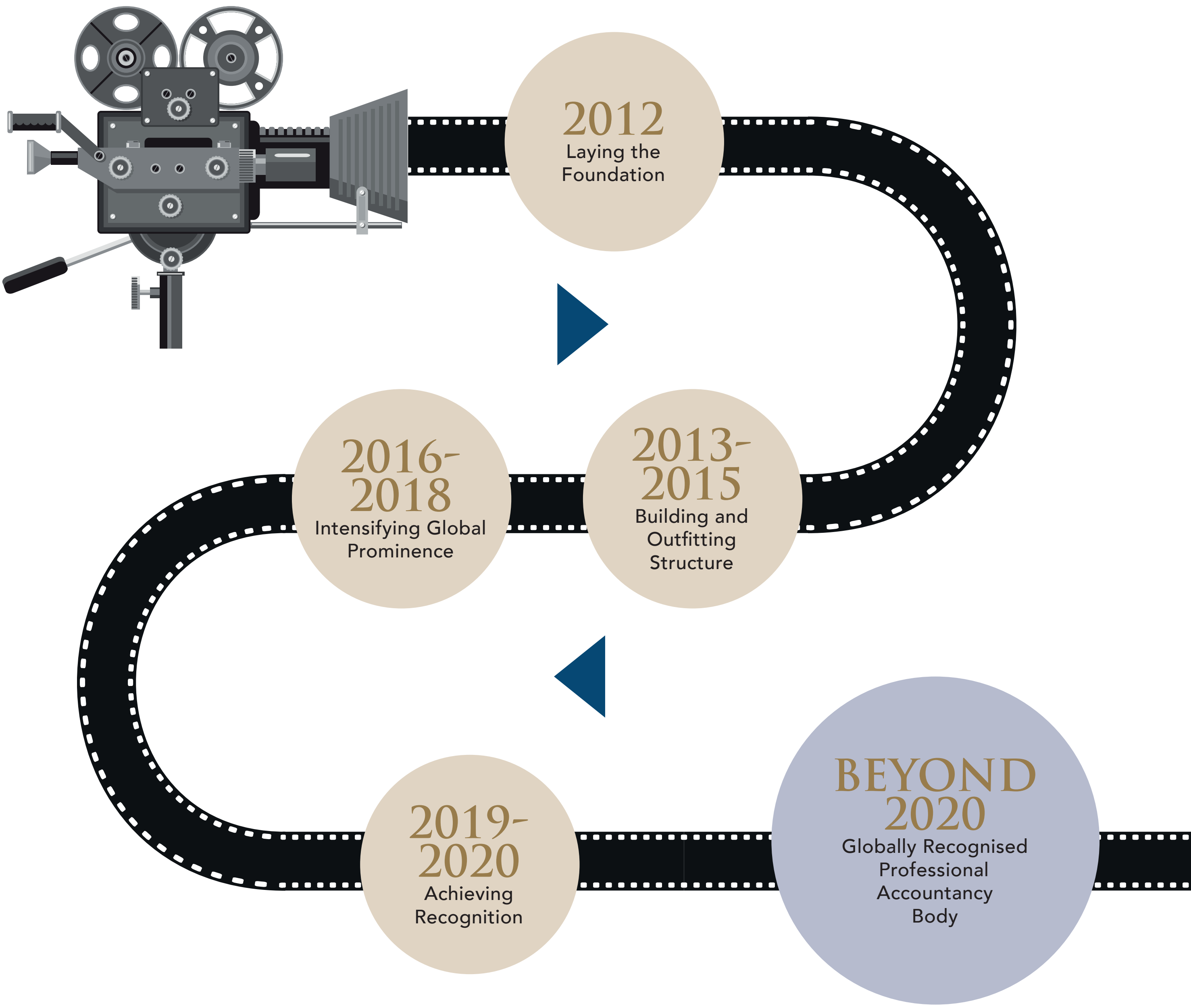
ISCA's Strategic Roadmap charts the milestones for the Institute to achieve our vision of becoming a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

To achieve our vision, ISCA has the following mission:

- Advance and promote the accountancy profession and contribute to Singapore's aspiration to be a leading global accountancy hub
- Be the voice for our members and the profession
- Empower members to achieve their aspirations

ISCA has used this strategic roadmap to guide our activities and initiatives. We have laid a strong foundation, strengthened our competencies and grown in international stature.

STRATEGIC ROADMAP



STRATEGIC PRIORITIES FOR 2019 – 2020

STAKEHOLDERS

The film industry is constantly reinventing itself to keep up with changing consumer tastes and improve the film-viewing experience, to ensure the continued relevance of movies in the cultural milieu. For ISCA, our stakeholders – which include over 32,000 members, as well as partners from industry and the public sector – work closely with us to advance the development of the profession.

We provide our members with opportunities to develop the skills they need to gain a competitive edge and be the preferred choice among employers. We also work with industry and government partners to strengthen the resilience of Singapore's accountancy sector in the changing economic landscape.

The ISCA Pre-Budget Roundtable 2019 was a platform to gather the views and recommendations of industry leaders for Singapore Budget 2019.

MEMBERS

In a business landscape characterised by rapid change and disruption, we support our members through the different stages of their professional journeys. We count more than 32,000 accountants, who work either as professional accountants in practice or professional accountants in business, as our members. Recognised and trusted for their professionalism, expertise and integrity, our members work in diverse roles across various industries worldwide.

Today, with the diverse roles available to ISCA members, including those in financial forensics, business valuation, project finance and business analytics, we provide members with greater professional recognition in specialised fields via specialisation pathways and certification programmes. Apart from the ISCA Financial Forensic Accounting Qualification (FFA), and the ISCA-Singapore University of Social Sciences (ISCA-SUSS) Business Analytics Certification Programme, members can now also take up the ISCA IPFQ. ISCA will continue to roll out more specialisation pathways and certification programmes for members to acquire new skills and recognised credentials beyond accounting and auditing, as members progress in their careers.

INDUSTRY PARTNERS

ISCA is committed to working with industry partners — including professional bodies, business organisations and academic institutions — to develop the profession.

The Institute also works at raising our international profile, thereby elevating the global standing of ISCA members. Deeper engagement with international partners and the global accountancy community helps solidify ISCA's reputation as a globally recognised accountancy body and raises our international standing and prominence.

Global and regional bodies that ISCA has established close ties with include the ASEAN Federation of Accountants (AFA), CAW, International Auditing and Assurance Standards Board (IAASB), International Accounting Standards Board (IASB), the International Federation of Accountants (IFAC), International Ethics Standards Board for Accountants (IESBA), United Nations Conference on Trade and Development (UNCTAD), and Temasek Foundation International. We also conduct dialogue sessions with Singapore Exchange (SGX) to represent the profession's interest and discuss issues regarding the accountancy sector.

GOVERNMENT BODIES

As the national accountancy body, ISCA is a trusted strategic partner of the government, and collaborates with government agencies to achieve our common aspirations for the profession.

The Institute works with public sector partners like the Ministry of Finance (MoF), Accounting and Corporate Regulatory Authority (ACRA), Accounting Standards Council (ASC), Enterprise Singapore (ESG), IMDA, Monetary Authority of Singapore (MAS), 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 bodies to advocate and represent the profession's interests and discuss issues relating to the accountancy profession.

We also organised the ISCA Pre-Budget Roundtable, 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.

GENRES

Be it comedy, musical, action, horror, documentary or romance, genres are a simple way to categorise films, guide the industry on the type of movies to make, and give the audience a general notion of what to expect from the movie.

But genres also change over time, as filmmakers invent new twists on old formulas, and blur the boundaries between established conventions. Similarly, ISCA responds to changing business trends to identify the skills and knowledge our members need to be future-ready. ISCA's specialisation pathways and continuing professional development initiatives enable members to build their capabilities in emerging fields and fulfil their career aspirations.

SPECIALISATION PATHWAYS

Infrastructure & Project Finance

Asia's infrastructure sector is set to boom over the next decade. To equip accountancy professionals with specialised, in-demand skills in this field, ISCA launched the ISCA IPFQ. The ISCA IPFQ is supported by Infrastructure Asia and developed in collaboration with EY Singapore. The content of the qualification is designed to be comprehensive and covers key topics tailored to the sector's needs, including project development and procurement processes, project finance, financial modelling, risk management and contract considerations, with a focus on ASEAN case studies. Workshops for the first batch of ISCA IPFQ candidates, conducted by infrastructure advisory professionals from EY Singapore, began in October 2019.

Candidates who complete all modules and have at least three years of recent work experience in infrastructure project finance-related fields will be conferred the ISCA IPFP credential. Infrastructure and project finance professionals with the requisite experience who are ISCA Associates can qualify for a one-off grandfathering scheme until 31 December 2020 to attain the credential, which is the first in Asia to be conferred by a professional body.

Financial Forensics

White-collar crimes are increasingly sophisticated and transnational. The advancement of technologies has added to the complexities of each financial crime. The ISCA FFA Qualification pathway, launched in 2018, was the first applied learning financial forensic qualification developed by a professional body in the region. It aims to develop capabilities in the financial forensic field and hone the skills of those already in this specialised field in the public and private sectors.

The ISCA Financial Forensic Professional (FFP) credential is conferred on individuals who demonstrate expertise in the financial forensic space. The ISCA FFA Qualification programme has experienced steady growth since its introduction and the ISCA FFP credential saw a surge in applications under the one-off grandfathering scheme, which ended on 31 August 2019. To date, the ISCA FFA Qualification has admitted close to 200 candidates cumulatively and produced over 50 graduates, while the ISCA FFP credential has been conferred to 50 ISCA members.

In addition, ISCA worked closely with SSG, SAC and WSG on the refreshed Skills Framework for Accountancy in 2019, which includes creating a new career track for financial forensics.

REGIONALLY-RECOGNISED TITLE

ASEAN CPAs

Since 2017, 626 ISCA members have been conferred the ASEAN Chartered Professional Accountant (ASEAN CPA) title, which enables accountants from ASEAN countries to provide non-regulated accountancy services across the region without having to go through extensive re-training and re-qualification. This title facilitates mobility of accountancy professionals in ASEAN and promotes trade in services within the region.

CONTINUING PROFESSIONAL EDUCATION

ISCA PBA Programme

The Institute launched the ISCA PBA programme in October.

The programme is tailored for members to enhance their competencies and be equipped with the relevant skill sets for Industry 4.0. Candidates who complete the ISCA PBA programme will be awarded the Professional Certificate in Business Accounting and qualify for the enhanced Associate Membership pathway. ISCA Associate Members who have successfully completed the programme will be conferred the ISCA PBA designation, subject to fulfilling eligibility requirements.

Business Analytics

Data analytics skills continue to be important to professional accountants as the accountancy landscape transforms. Business analytics presents a range of opportunities for accountants to gather useful insights from data. The ISCA-SUSS Business Analytics Certification Programme, offered in partnership with SUSS, has seen three intakes of candidates, totalling 240. Since its launch in 2018, it has awarded 90 individuals with the ISCA-SUSS Certificate in Business Analytics.

Accountancy Future Leaders

Together with the SAC, ISCA rolled out the first run of the Accountancy Future Leaders programme in October 2019. The sixth-month programme offers leaders and future leaders in accounting firms, in particular the SMPs, a structured professional development pathway. The programme focusses on practice leadership and delves into business advisory services, people strategy, and technology strategy. It also aims to improve the competitiveness of SMPs by providing assistance to enhance the quality and breadth of services provided by SMPs.

Workshops for the ISCA IPFQ candidates were conducted by infrastructure advisory professionals from EY Singapore, who facilitated group discussions using ASEAN case studies.

CAPTURING THE SPECTACULAR

Telling a story on film is not just about recording the action. It is also about how the images are captured. Setting up the scene before the shoot – positioning the camera and choosing between lenses, film stock and lighting – enables the director's vision to become reality. This creative vision holds the entire film together.

ISCA similarly works to ensure that all the technical and practical elements are in place for the profession to shine, with a slew of initiatives in the areas of Audit & Assurance, Financial Reporting, Sustainability Reporting, and Ethics. These initiatives keep the profession up to date with new standards, help companies on their sustainability reporting journey, and provide guidance on emerging topical issues. This helps the profession to evolve to meet the needs of its stakeholders.

AUDIT & ASSURANCE

Quality Assurance Framework

Guided by the ISCA Quality Assurance Framework, the Institute drives quality, productivity and innovation, as well as upskilling and internationalisation of the audit practices in Singapore. The framework has four pillars to achieve ISCA's vision of high-quality audit practices: Quality Assurance, Digital Capability, Knowledge Circle, and Opportunities Creation.

Quality Assurance Review (QAR)

The voluntary programme aims to help participating public accountants raise the quality of their audit practices and audit engagements. It covers the 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).

Customised Training

ISCA offers customised technical training for small and medium practices that aims to bridge the knowledge gap and help audit staff relate what they have learnt to their work. The scope of the training includes ISCA audit manuals, Ethics Pronouncement 200 and other audit-related topics.

Audit Manuals

ISCA publishes audit manuals to assist audit professionals in conducting audits of both standalone entities and group entities. Updated annually, the audit manuals supplement the Singapore Standards on Auditing, applicable Singapore Financial Reporting Standards (FRS) and any other regulatory requirements that are deemed relevant.

Illustrative Financial Statements (IFS)

IFS is a guide for Singapore-incorporated private limited companies, whose financial statements are prepared in accordance with the FRS and Singapore Companies Act. The 2019 edition includes sample new disclosures required under FRS 116 Leases, which is effective for annual periods beginning on or after 1 January 2019.

Professional Development for Practitioners

ISCA'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 four components: Continuing Professional Education (CPE) bundle, a 15% discount on CPE courses for practitioners and their staff, Quality Assurance Diagnostics and Technical Call Helpdesk.

Advocating for the Profession

Amid recent corporate failures, there have been increased focus on the responsibilities of auditors and a perception that auditors are responsible for avoiding corporate failures and fraud prevention. To help dispel some of these misconceptions, ISCA contributed a commentary to the Business Times to provide clarification and insight into the roles and responsibilities shared by the various stakeholders, including the auditor, in the corporate governance ecosystem. The commentary published on 26 July 2019 also provided insight into the auditor's responsibilities in assessing going concern and fraud detection.

The commentary highlighted that businesses fail due to a variety of reasons, sometimes arising from poor business decisions, at other times from changes in the business environment, and that an unqualified audit opinion does not assure the future viability of the entity nor the efficiency or effectiveness with which management has conducted the affairs of the entity. The commentary also highlighted the value of an independent audit opinion, which is relied upon by stakeholders to obtain assurance that a set of financial statements can be relied upon for decision making.

The 2019 edition of the Illustrative Financial Statements (IFS) includes sample new disclosures required under FRS 116 Leases.

Brydon Review

On 28 May 2019, ISCA hosted a roundtable co-chaired by ISCA President Mr Kon Yin Tong, and a Global Public Policy Committee (GPPC) representative, Ms Julia Tay, Partner, Asia-Pacific Public Policy Leader at EY, to provide views from a Singapore and ASEAN perspective to the Brydon Review, which was being carried out on the quality and effectiveness of audit in the UK.

The developments in the UK will have influence around the world where capital markets depend on robust and high-quality independent audits. Singapore, being a global financial centre, similarly requires an effective audit industry to underpin confidence in the financial reporting by companies.

The Roundtable was well attended by a diverse range of stakeholders including management, directors and audit committee members, auditors, investors, regulators and academics.

The participants of the Roundtable affirmed that the current audit product is still valued as audit reports are referred to as a starting point to draw high-level conclusions of companies. However, there were views that the communicative value of audit reports could be increased by including an assessment on the effectiveness of internal controls, risks, early warning signs on going concern and assessment of corporate culture. The participants also recognised that auditors are not the sole guardians of public interest and a robust corporate reporting ecosystem is the shared responsibility of all stakeholders.

Views from the Roundtable were provided to the Brydon Review committee through the GPPC. An article on the salient points discussed was published in the October 2019 issue of the ***IS C**hartered **A**ccountant Journal*.

New Auditing and Assurance Standards

ISCA issued several new auditing and assurance standards in 2019:

- AGS 9 (Revised), Opinion on Receipts, Expenditure, Investment of Moneys and the Acquisition and Disposal of Assets by Statutory Boards, has been updated with the requirements of the Public Sector (Governance) Act 2018 (PSG Act).
- AGS 1, Sample Independent Auditor's Reports, has been updated to include sample reports of financial institutions and government incentive schemes.
- SAP 2 (Revised), Auditors and Public Offering Documents, now includes guidance on what reporting auditors should comment on in their private reports on profit forecast.
- SSA 540 (Revised), Auditing Accounting Estimates and Related Disclosures, arising from ISA 540 (Revised). The main updates to the extant standard include enhanced risk assessment, scalable requirements and more emphasis on professional scepticism.

Contributing Towards Global Standard-Setting Process

<u>Quality Management in Professional Accountancy Firms</u>

An effective system of quality control provides the foundation to achieving consistent engagement quality. The extant quality control standards require firms to establish and maintain a system of quality control and specifies the policies and procedures that firms are required to establish as part of the system of quality control.

Questions have arisen about whether the extant quality control standards remain fit for purpose, given the evolving environment in which firms operate, the intensifying focus on quality and the increasing expectations of firms' stakeholders. Furthermore, inspection findings and ongoing outreach have suggested that several aspects of the extant quality control standards could be more robust, and that additional action is needed to address the proportional application of the standard by SMPs.

Recognising these issues, the IAASB proposed a new approach to quality control at the firm level that emphasises the responsibility of firm leadership for proactively managing quality, while at the same time being scalable to deal with differences in the size of firms and nature of the services they provide. ISCA organised a focus group to solicit inputs on IAASB's proposed changes and feedback from our focus group showed support for the scalability brought about by the new approach. Potential implementation challenges, especially on how SMPs would apply such scalability to the requirements, were highlighted to the IAASB.

<u>Audits of Less Complex Entities</u>

Recognising the challenges faced by practitioners in applying the International Standards on Auditing (ISAs) for engagements where the entity being audited is less complex, the IAASB sought to understand the challenges identified to date and the possible actions that could be undertaken to address these challenges.

ISCA held a focus group to solicit the views of local practitioners. The challenges faced by auditors and the advantages and disadvantages of a range of possible actions were communicated to the IAASB. In particular, the merits of the development of a separate auditing framework for audits of less complex entities and how it can alleviate some of the challenges faced by auditors were highlighted to the IAASB.

FINANCIAL REPORTING

The Institute supports accountancy professionals in Singapore in addressing financial reporting challenges through various avenues such as guidance publications, technical bites, technical enquiry service, articles and outreach sessions. The various guidance publications and technical bites focus on emerging topical issues and new standards; and share best practices.

The ASC and ISCA jointly organised a stakeholder outreach session with IASB member Mr Darrel Scott in Singapore.

ISCA Financial Reporting Codification Framework

In November 2019, the Institute issued the Financial Reporting Codification Framework, which establishes formalised categorisations, degrees of authority and due process for future issuance of ISCA's technical content. The framework provides credence to ISCA's technical content, promulgates ISCA's views on the application of accounting standards as well as promotes quality, consistency and best practices in financial reporting. The Framework categorises technical contents into three categories:

(1) Financial Reporting Practice (FRP)
(2) Financial Reporting Guidance (FRG)
(3) Financial Reporting Bulletin (FRB)

With the Framework in place, members of the public would have the opportunity to provide comments and feedback upon exposure of technical contents. This due process will facilitate better adoption and application by the financial reporting ecosystem.

FRG 1 "Real Property Valuation for Financial Reporting – Best practices when engaging valuers: Considerations for Scope of Work (SOW) and Valuation Report (VR)"

As real estate assets such as land and buildings are often significant assets of companies, it would be beneficial for the reporting entity, valuer and auditor to have a clear understanding of the real estate valuation process and the requirements of the relevant accounting standards. ISCA issued FRG 1 to bridge the expectation gaps and facilitate a smooth valuation process by stipulating matters to be considered in the SOW and VR and setting out a recommended workflow of the engagement process among the parties involved. It also highlights key considerations relevant to SFRS(I) 13 *Fair Value Measurement* when determining the SOW and *title of standards* valuation information to be disclosed in the financial statements.

ISCA Technical Bite-Size Guidance

ISCA develops Technical Bite-Size guidance (Tech Bites) to share with our members technical knowledge and ISCA's views on accounting issues in an understandable and easy-to-read manner.

In February 2019, a series of five Tech Bites was published on the principles to consider when performing the assessment of whether the contractual cash flow characteristics of a financial asset are solely payments of principal and interest on the principal amount outstanding under SFRS(I) 9 *Financial Instruments*. Specific Singapore-centric areas discussed include fixed deposit home rate loans, financial assets with prepayment options, Singapore Interbank Offered Rate (SIBOR), Swap Offer Rate (SOR) and bail-in features of bank-issued debt instruments.

In April 2019, ISCA issued a Tech Bite on the finalised Agenda Decision by the IFRS Interpretations Committee (IFRIC) on not allowing the capitalisation of borrowing costs when property developers recognise revenue over time. The Tech Bite also shared ISCA's view on what is meant by 'sufficient time' for entities to implement any changes in accounting policy resulting from this Agenda Decision.

Rising to the Challenges of Financial Reporting

Jointly hosted by ISCA's Financial Reporting Committee (FRC) and the AFA, the ISCA FRC-AFA Financial Reporting & Business Conference 2019 sought to address challenges in financial reporting, particularly those that have arisen with the application of IFRS 9 *Financial Instruments* and IFRS 16 *Leases*. Experts shared insights into application challenges arising from IFRS 9 and IFRS 16 as well as updates on areas of review focus and common pitfalls to avoid in financial reporting.

ASC-ISCA-IASB Stakeholder Outreach

In October 2019, the ASC and ISCA jointly organised a stakeholder outreach session in Singapore, with IASB member Mr Darrel Scott. The outreach session was attended by representatives from accounting firms as well as Singapore's banking and insurance industry. Topics discussed at the stakeholder outreach included IASB's Dynamic Risk Management project and IFRS 17 *Insurance Contracts*.

Financial Reporting Surveillance Programme

The Institute continued its collaboration with ACRA on its Financial Reporting Surveillance Programme (FRSP), now in its fifth 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.

SUSTAINABILITY REPORTING

Via its initiatives which emphasise the role of accountants in the sustainability of an organisation, ISCA aims to promote and uplift the quality of sustainability reporting in Singapore.

Financial Services Sustainability Roundtable

In 2019, the Institute conducted its inaugural roundtable for sustainability experts from the financial services sector. This enabled industry participants to share their organisations' sustainability efforts and views on the role of the financial services sector in the sustainability ecosystem. The sector has a unique and significant role in the sustainability ecosystem because of its ability to direct capital towards sustainable development.

Mr Tan Seng Choon, Chairman of ISCA Ethics Committee spoke about professional accountants' responsibilities when dealing with NOCLAR at the ISCA Ethics Seminar.

Maritime Sustainability Reporting Guide

The Maritime and Port Authority of Singapore (MPA) co-developed the Maritime Sustainability Reporting Guide with ISCA and other partners and launched the Guide in August 2019.

The Guide comprises six chapters to make the sustainability reporting process easier for the maritime industry, along with industry best practices and case studies. The need for the Guide was spurred by industry feedback on the growing need for sustainability reporting guidelines, given that sustainability development practices bring various benefits to businesses.

ETHICS

Adoption of NOCLAR Pronouncement in Singapore

ISCA revised its Ethics Pronouncement (EP) 100 Code of Professional Conduct and Ethics to adopt the pronouncement of Responding to Non-Compliance with Laws and Regulations (NOCLAR pronouncement) in December 2019, effective from 1 April 2020.

NOCLAR pronouncement sets out a framework to guide accountancy professionals in deciding how best to act in the public interest when responding to NOCLAR committed by a client or employer. More importantly, it addresses the matter of confidentiality. Accountancy professionals are no longer bound by the principle of confidentiality if it is appropriate to report NOCLAR to an appropriate authority and they are acting in good faith when doing so.

Experts shared their insights on developments in ethics at the Ethics Seminar, which carried the theme "Serving the Public Interest – Narrowing the Expectation Gap".

ISCA has deliberated Singapore's adoption of NOCLAR at the ISCA Ethics Committee, ISCA Public Accounting Practice Committee and the Ethics Sub-Committee (EC) of the Public Accountants Oversight Committee. ISCA has also sought feedback from SMPs via a targeted survey. Following this, the ISCA Ethics Committee examined the various implementation challenges and concerns/comments raised and deliberated on how to address them in Implementation Guidance 3 Frequently Asked Questions on NOCLAR (IG 3). Below are the key areas addressed in the IG 3:

- addressing conflicts between NOCLAR requirements and existing laws and regulations;
- what is considered "clearly inconsequential";
- the concept of "public interest";
- the professional clearance between predecessor and proposed successor auditors with respect to tipping-off;
- the legal protection available to whistle-blowers; and
- the disclosure of NOCLAR to an appropriate authority with respect to group audit.

Ethics Seminar

At the annual Ethics Seminar, themed "Serving the Public Interest – Narrowing the Expectation Gap" in 2019, it was highlighted that 'a distinguishing mark of the accountancy profession is its acceptance of the responsibility to act in the public interest.'

With this in mind, an array of prominent ethics subject matter experts shared their insights on the ethical areas and developments that impact the accountancy profession.

The seminar ended with a Question-and-Answer Session which gave the speakers an opportunity to clarify and address the questions from audience.

A cover story was published in the November 2019 issue of the ***IS** **C**hartered **A**ccountant Journal* to summarise and share the salient matters discussed at the Ethics Seminar.

Promote the Role and Mindset Expected of Professional Accountants

IESBA introduced the concept of an "inquiring mind" which requires all accountancy professionals to consider whether there is a need for critical analysis/evaluation, and this goes beyond the existing requirement to remain alert for new information and to changes in facts and circumstances.

IESBA also proposed to strengthen the fundamental principle of "professional behaviour" by including a requirement that accountancy professionals behave in a manner that is consistent with their responsibility to act in the public interest.

ISCA supported IESBA's proposals above. However, ISCA communicated to IESBA that given the interplay between ethical requirements and public interest, having a 'public interest' framework for the accountancy profession would greatly enhance its clarity.

SHOW BUSINESS

SHOW BUSINESS

Once dominated by huge corporations, the film industry is now a network of businesses and producers that come together to make movies on a project basis. In a collaborative, fragmented, demanding network-economy world, the business forces that changed Hollywood have become almost commonplace in other industries, with the competitive edge belonging to those who can bring together the best specialists for each project.

Amid the fast-changing business environment, ISCA collaborates with our government and industry partners to support different segments of our membership base. From company visits to overseas business missions, to networking and mentorship programmes, we work to advance the development of the profession.

SUPPORTING SMPS

Accountancy IDP

To help the accountancy sector digitally transform and adopt technology for greater productivity and competitiveness, ISCA, together with the IMDA and SAC, developed the Accountancy IDP. It is part of IMDA's Small and Medium Enterprises (SMEs) Go Digital Programme to help SMPs to embark on their digital transformation journey. The plan focuses on enhancing digital skills and knowledge, promoting the adoption of technology, and developing accounting technology and innovations.

ISCA and SP signed an MOU to work on programmes that will enhance the digital capabilities of SMPs.

ISCA brought audit professionals from SMPs to join the Singapore Professional Services Business Mission to China, led by Minister Indranee Rajah and Dr Koh Poh Koon, Senior Minister of State for Trade and Industry

Virtual SMP Centre

ISCA also set up the virtual SMP Centre, which is supported by SAC. The virtual SMP Centre is a one-stop portal with information to support SMPs on their digitalisation journey. SMPs can visit the SMP Centre (www.SMPcentre.org.sg) for advice on adopting digital solutions in their operations.

MOU with Singapore Polytechnic

In August 2019, ISCA and Singapore Polytechnic (SP) signed an MOU to collaborate on programmes that enhance the digital capabilities of SMPs.

Under the collaboration, ISCA and SP will work on two main areas:

- the development of certification courses in Robotic Process Automation (RPA) that are customised for SMPs; and
- supporting SMPs in the adoption of audit software to automate and streamline their audit workflow.

As part of the collaboration, students from SP's Diploma in Accountancy programme will support SMPs in the implementation of audit software by assisting them with the onboarding process. The use of RPA was also introduced to help SMPs automate some of their mundane audit processes.

The RPA courses feature a practical component. Upon completion of the course, participating firms would have implemented at least one RPA function in their organisation.

More than 100 SMPs are expected to benefit from the programme within the next two years.

Overseas Business Missions

The Institute led delegations on business missions to Myanmar and China. Through these overseas trips, participants from SMPs gained insights into the business landscape, regulations and challenges in the respective countries. They also exchanged knowledge and best practices, and explored business and collaboration opportunities with overseas counterparts.

The trip to Myanmar took place in May. Seventeen delegates visted a bank, accounting firm and Singapore law firm based in Yangon. A business-matching session with 30 representatives from Burmese law, accounting and audit firms enabled participants to establish connections and partnerships with their counterparts.

On the Singapore Professional Services Business Mission to China, ISCA brought 11 practitioners from SMPs to join a delegation of 120 individuals to Shanghai, Suzhou and Nanjing in September. Led by Minister in the Prime Minister's Office and Second Minister for Finance and Education Ms Indranee Rajah and Senior Minister of State for Ministry of Trade and Industry Dr Koh Poh Koon, the delegation learned about the digitalisation journey of accounting practices in China and explored business opportunities. Participants also attended the 13th Singapore-

Jiangsu Cooperation Council meeting, visited InnovFest Suzhou and intellectual property specialist PatSnap.

DEVELOPING YOUNG PROFESSIONALS

ISCA Career Pathway Series

In the second edition of ISCA's career pathway series, titled "Opportunities Ahead and Beyond", a panel of distinguished speakers who started out as accountancy graduates shared their experiences pursuing different career paths, including forensic accounting and sustainability. The panellists shared with the audience of young finance and accountancy professionals and accountancy graduates how an accountancy education gave them an edge in their careers.

One Young World

Ms Maria Teo, Associate Director of Nexia TS Public Accounting Corporation, represented ISCA as one of the CAW delegates at the 10th One Young World summit in the United Kingdom from 22 to 25 October 2019. The summit brought together young leaders from around the world to share their knowledge and discuss global issues.

MENTORSHIP, LEARNING AND NETWORKING

Learning Journeys

Following a successful series of networking sessions that started in 2018, the Institute stepped up its efforts to bring the finance and accounting community closer together in 2019.

ISCA member Ms Maria Teo (extreme right) was ISCA's representative in the CAW contingent at the One Young World Summit in the UK.

In 2019, members from the ISCA Council, ISCA's Young Finance Leaders Network, CFO Committee and Young Professionals Advisory Committee went on learning journeys at companies such as Redmart, Qianhu and EY wavespace to learn about new technologies as well as the business challenges and opportunities at each respective company. Among the attendees was ISCA Advisor Mr Teo Ser Luck.

Networking Sessions

Networking sessions provided a platform for members to mingle and discuss topical issues. In the networking session in February 2019, finance leaders discussed the US-China trade war and its effect on Southeast Asia. In July, the discussion topic was on how RPA and artificial intelligence can be applied in the finance function.

In conjunction with International Women's Day, ISCA also organised a women-only networking session for members to discuss the various societal challenges encountered by women in their careers and how to find the ideal balance between work and personal life.

For audit professionals, the Institute also shared results of a benchmarking study of the accounting industry during a networking session.

Accounting Innovation Challenge

Accountancy professionals, start-up entrepreneurs and tertiary students took part in a hackathon to solve business problems faced by accountancy professionals in the Accounting Innovation Challenge, co-organised by ISCA and SAC. The 37 teams, with the help of on-site mentors, delivered solutions for a range of topics including streamlining the audit process and optimising working capital requirements.

Mentoring Programme

In 2019, ISCA kicked off the third run of its mentoring programme. The scheme gives CFO aspirants one-on-one access to experienced C-suite executives to learn, network and grow under their mentorship. During the nine-month-long programme, 19 finance professionals were paired with mentors keen to groom the next generation of leaders. They provided guidance on professional development, leadership and management, stakeholder communication, and other areas of expertise.

MOU with IES-INCA

In October, ISCA signed an MOU with the Institution of Engineers, Singapore – Incubator and Accelerator (IES - INCA).

Under the terms of the MoU, ISCA will invite members with significant financial and business leadership as well as management experience to mentor IES-INCA incubatees on a pro-bono basis.

IES-INCA will also create an IES-INCA Investors Network that will hold regular networking and business pitching events exclusively for IES and ISCA members, to promote interaction between investors and incubatees and increase investment opportunities.

Breakfast Talks

ISCA's monthly breakfast talks remain a popular fixture on our calendar, which in the past year covered topics such as sustainability reporting, fintech, cybersecurity, investment positioning, alternative financing and more.

CELEBRATING EXCELLENCE

Singapore Corporate Awards

ISCA continues to be one of the organisers of the Singapore Corporate Awards, together with the Singapore Institute of Directors and The Business Times. In its 14th year, the awards celebrate outstanding listed companies and individuals who championed exemplary corporate governance. The gala event saw over 800 business leaders and professionals gather for the black-tie dinner at Resorts World Sentosa. ISCA was the award organiser for the Best Chief Financial Officer and Best Annual Report awards, conferred on three individuals and thirteen listed companies, respectively.

MOVIE MARKETING

With so many high-profile movies fighting for the same audience, movie marketers need to figure out how to make their films stand out from the pack.

Film promotion is an important part of any release because of the inherent high financial risk. Film studios often invest in expensive marketing campaigns to maximize revenue early in the release cycle. From trailers and merchandising to viral and social media marketing, these efforts serve to maximise publicity for the movie and entice moviegoers.

Getting ISCA's name heard far and wide is a similar endeavour. ISCA's capability building programmes with accountancy bodies in other ASEAN countries further establishes the Institute as a leading accountancy body in the region.

Such efforts also serve to strengthen friendships and networks of cooperation among professional accountancy bodies in the region. ISCA members' appointments to international panels help raise our global prominence and elevate the Institute's brand internationally.

Having ISCA members speak at international conferences further heightens ISCA's prominence at the global level. In turn, our members benefit from being part of a globally recognised body, which enhances their employability in an increasingly globalised business landscape.

CAPABILITY-BUILDING PROGRAMMES IN ASEAN

In January, ISCA hosted Laos Deputy Minister of Finance Athsaphangthong Siphandone and a team of 20 Lao government officials for the second leadership workshop, under the Temasek Foundation International-ISCA Public Administration Programme in Accountancy. The programme aims to train more than 50 government officials from Laos from 2017 to 2019. Over five days, the delegates were presented with a sharing on Singapore's taxation mechanism and the use of regulatory instruments in promoting audit quality. They also visited the Inland Revenue Authority of Singapore (IRAS) and interacted with ACRA officers. In September, ISCA and IRAS held a workshop for Lao tax officials to equip them with skills and knowledge that can be applied in their daily course of work.

The Institute also exchanged knowledge and experience with our Burmese counterparts at a two-day seminar on Audit Manual for Group Entities (AMGE), held for 81 accountancy professionals in Yangon, Myanmar. The session follow a successful run of the AMSE training held in December 2018. The seminar focused on key considerations involved in group audits and how accountants can effectively use AMGE to address some of the challenges, including identifying key components and significant risks, determining group and component materiality and communication between group auditor and component auditor. These programmes were well-received by participants.

ISCA hosted the 129th AFA Council Meeting in Singapore in November. The meeting brought together AFA Council Members to deliberate on issues related to the accountancy profession in ASEAN and discuss initiatives to raise the region's accountancy professional standards and support the region's booming economy.

In conjunction with the AFA council meeting, ISCA's FRC co-organised the ISCA FRC-AFA Financial Reporting and Business Conference, which attracted about 180 delegates and business leaders from across ASEAN, and senior members of the Singapore accountancy profession.

At the conference, ISCA President Mr Kon Yin Tong handed over the rotating presidency of AFA to Mr Wan Tin, President, Myanmar Institute of Certified Public Accountants (MICPA), following a successful two-year term.

ISCA hosted the 129th ASEAN Federation of Accountants (AFA) Council Meeting in Singapore.

Mr Kishore Mahbubani, Distinguished Fellow, Asia Research Institute, National University of Singapore spoke at the ISCA FRC-AFA Financial Reporting & Business Conference.

ISCA COUNCIL MEMBER APPOINTED TO IFAC PANEL

IFAC appointed ISCA Council member Prof Chan Yoke Kai to its new International Panel on Accountancy Education (IPAE), comprising 22 key executives and leaders from the global accountancy space, for a two-year term. The accountancy industry stalwart is among seven panel members from Asia Pacific and is the only ASEAN representative.

IPAE was established to develop international education standards and guidance, provide strategic advice on advancing accountancy education; facilitate access to expertise and resources, and advocate quality education for professional accountants. IPAE also gives ISCA more avenues to expand our network beyond Southeast Asia, which reinforces the Institute's position as a leading professional accountancy body on the global stage.

GLOBAL SPEAKING OPPORTUNITIES

Mr Shariq Barmaky, the Chair of the Audit and Assurance Standards Committee then, represented ISCA at the Ikatan Akuntan Indonesia/Institute of Indonesia Chartered Accountants (IAI) IAI-AFA-IAESB International Conference held in Bali, Indonesia in April 2019, where he spoke on professional scepticism. The event featured lively discussions about the evolution of the accountancy profession in the digital age.

In May 2019, ISCA Technical Deputy Director Ms Lim Ju May spoke about Singapore's IFRS adoption journey at the Vietnam Association of Accountants and Auditors (VAA) conference, titled "Vietnam Accounting Profession: Future and Prospects". Speaking opportunities like these build on ISCA's existing efforts to develop a global reputation for providing insightful perspectives to the world.

ELEVATING THE ISCA BRAND

ISCA Digital Badges and CAW Network Member Logo

ISCA launched digital badges and Chartered Accountants Worldwide (CAW) Network Member Logo in November as a way for members to raise the visibility of their credentials in an increasingly digital world. The digital badges are secure, web-enabled credentials containing verifiable information about members' professional accomplishments that can be shared online and displayed on name cards.

Besides the ISCA Digital Badges, the CAW Network Member Logo shows that members who are Chartered Accountants are part of a global network of leading professional accountancy institutes, giving credence to our members and the Institute they belong to.

Youth Associates

The Institute opened its doors to accountancy undergraduates from local universities in March 2019 by offering the Youth Associate membership. As ISCA Youth Associates, students get to participate in ISCA events and learn more about the various career pathways by engaging with industry professionals. It is also a platform for the Institute to heighten awareness of the ISCA brand among accountancy students and build a pipeline of future accountancy professionals.

Why Accountancy? Video Contest

To encourage youths to select accountancy as a choice of study, ISCA organised the "Why Accountancy?" video contest. Accountancy graduates at local universities were invited to submit a 30-second video about why accountancy should be the choice of study. The winning entry was submitted by a team of students from National University of Singapore (NUS). The submitted video was adapted into a professionally produced commercial that was aired at Golden Village cinemas, on selected digital channels and during ISCA's school outreach events.

Future-Ready Talent Campaign

In 2019, ISCA continued with its Future-Ready Talent campaign with videos and digital advertisements that showcased how ISCA members add value to businesses as well as the value of the ISCA membership. The campaign garnered over 22 million impressions and more than 870,000 interactions on digital channels.

Annual Report Award

The ISCA 2018/2019 Annual Report, "Future Fit", garnered a Silver Award for design excellence at the 2019 ARC Awards. With motifs of fitness and sports, the theme centres on the idea of a triathlete preparing for competition.

The ARC Awards competition is organised by MerComm Inc, an independent awards organisation with a focus on defining excellence in the Communications field.

MANAGING RISKS

With high sunk costs and unpredictable returns, risk is a critical issue for the film industry, both creatively and economically. Movies are subject to highly uncertain demand, and film producers must address the consumption risk even while projects are still in their development phase.

The film industry has a wide range of risk management practices to minimise exposure to demand uncertainty, balancing them with strategies for capitalising on upside potential.

ISCA similarly monitors external risks in the fast-changing economy. While we cannot predict the future, ISCA has risk management and sustainability initiatives that prepare our members and the Institute to face unforeseen challenges.

STAYING MEMBER-FOCUSED

Disruptive technologies are changing the way we live and work, and industry leaders are leveraging technology to maintain a competitive advantage in a crowded market. The accountancy sector needs to be agile to stay relevant, and proactive when it comes to digital transformation by embracing and investing in technology. ISCA is doing its part in working with stakeholders in the accountancy sector to explore opportunities for the profession to innovate and grow in the digital era.

The accountancy profession has seen some dramatic technology-led changes over the past few years, including the automation of routine accounting functions, cloud accounting and the development of AI, and this trend is set to accelerate.

To be relevant in the digital age, ISCA encourages continuous learning and upskilling among our members.

We have developed learning roadmaps for professional accountants in business and those in SMPs. 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 provide over 400 e-courses in our CPE e-learning library for our members to acquire new skills at their own time and convenience so that they are equipped for the digital economy.

CYBER AND DATA SECURITY

In today's digital landscape, cyber and data security are paramount. Data breaches come with immense monetary and reputational costs. ISCA faces the same cyber risks that now confront most businesses – increased global cybersecurity vulnerabilities, threats, and more sophisticated and targeted cyberattacks, which pose a risk to the security of systems and networks, and the confidentiality, availability and integrity of data.

ISCA has procedures and policies in place that account for the most prominent risks and implements a holistic cybersecurity strategy to ensure data security and privacy. Among them are access-restricted 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 has also enhanced our perimeter security using advanced automated threat detection and response against a variety of threats, including malware and ransomware, with 24 by 7 managed services to detect possible threats, and protecting our user access control with multiple factor authentication.

The Institute also 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 to 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 remain vigilant against phishing scams and other malicious communications that invite devastating ransomware attacks.

ATTRACTING AND RETAINING TALENT

Attracting and retaining motivated, passionate and dedicated staff is crucial to the growth and success of the Institute, and thus a strategic issue for ISCA.

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 has a healthy work-life balance.

MANAGING REPUTATIONAL RISK

Reputation is one of the Institute's most valuable assets. The 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.

ISCA has in place a continuous process for detecting and managing issues that can affect our corporate identity and reputation. We also manage, protect, and improve our reputation through sound corporate values and robust policies and processes to identify, assess and respond to risks in a manner that is consistent with the Institute's culture.

BEHIND THE SCENES

ISCA Run attracted over 1,900 participants in 2019.

It is easy to get caught up in the intensity of the on-set experience but stepping back and looking behind the scenes lets you feel the magic. Magic often also happens off-camera, where relationships are formed and where people share their passion for their craft.

This is why ISCA's employee engagement activities as well as recreational activities for members are important events in our calendar.

Networking activities for the profession serve to build a positive and supportive culture within the accountancy fraternity while our staff activities foster a supportive and inclusive workplace at ISCA.

EVENTS FOR MEMBERS AND THE PROFESSION

Recreational activities enable our members to network and build camaraderie, while promoting a healthy lifestyle and work-life balance.

The sixth edition of the annual ISCA Run, held on 4 May, attracted over 1,900 participants in friendly competition over 5 km and 10 km routes, while children joined in the fun at the Kids' Obstacle Course.

The race was also an opportunity for participants to give back to the profession via ISCA Run's chosen beneficiary, ISCA Cares.

This year's ISCA Games, held from May to October, saw over 250 teams compete in 28 events. The series closed with a night of celebration for all participants, with KPMG crowned the overall champion.

ISCA hosted this year's Inter-Professional Games, a platform for members of different professional associations, including Singapore Institute of Architects, Singapore Medical Association, Institute of Engineers Singapore, Law Society of Singapore and Singapore Institute of Surveyors and Valuers, to foster friendship, network and have fun. The Institute was crowned the overall champion, taking top spot in Basketball, Floorball, Soccer (Ladies), Squash and Table Tennis.

ISCA members also had a chance to network with peers from Chartered Accountants Australia and New Zealand (CAANZ) and ICAEW at the ISCA Mingles sessions which are held quarterly. These light-hearted networking sessions featured speakers who spoke on topics like the role of women in the 21st Century, geopolitics and workplace communication.

ISCA was the overall champion in the 2019 Inter Professional Games.

Complimentary exercise classes kept the staff healthy and happy.

ISCA Cares disbursed over $110,000 in bursaries to 36 beneficiaries in 2019. The bursary awards ceremony was held at KPMG Clubhouse.

ISCA members networked with members from CAANZ and ICAEW at the quarterly ISCA Mingles sessions.

Members of the senior management team built rapport with employees through fun activities such as a cooking challenge.

ISCA staff enjoyed themselves at the annual Dinner & Dance, which had a slumber party theme.

EMPLOYEE ENGAGEMENT

Staff activities in 2019 included the Lunar New Year Lunch, Movie Night, Happy Hour and the annual Dinner & Dance.

ISCA's senior management shared ISCA's Strategic Roadmap and priorities for 2019–2020 at a townhall meeting, while dialogue sessions with the CEO enabled staff to share their views on topics like teamwork, collaboration and learning culture.

There were also ample opportunities for employees and senior management to build rapport through bonding sessions, including two new activities – DIY musical box and cooking challenge.

In line with efforts to raise cybersecurity awareness and improve productivity among staff, ISCA invited speakers from Trend Micro and Microsoft to speak at a lunchtime talk focusing on how Information Security Awareness and AI could contribute to productivity.

ISCA also continued to promote employee well-being with fitness programmes and health screening sessions, while fostering a learning culture by providing training opportunities for staff.

ISCA CARES

ISCA Cares – the Institute's charity arm that supports disadvantaged Singapore youths by giving them financial assistance to access quality accountancy education at polytechnics and universities – disbursed over $110,000 in bursaries to 36 beneficiaries in 2019.

ISCA Cares relies on the strong support and generosity of our members and the accountancy profession. They include the charity's largest corporate donors in 2019 – BDO, Deloitte & Touche, RSM Singapore – as well as KPMG, which hosted the ISCA Cares Bursary awards ceremony at its clubhouse.

Apart from providing financial assistance, ISCA Cares provides career and personal development guidance to beneficiaries through mentoring and internship opportunities, guiding the beneficiaries towards their aspirations in the accountancy profession. ISCA Cares also promotes volunteerism by matching charities looking for skill-based volunteers with ISCA members who are keen to offer their time and expertise.

EXECUTIVE PRODUCERS & DIRECTORS

EXECUTIVE PRODUCERS

THE OFFICE BEARERS

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

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

03 **MR ROGER TAY PUAY CHENG**
Treasurer
Joint Head of Advisory
KPMG LLP

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

THE COUNCIL MEMBERS

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

06 **ASSOCIATE PROFESSOR CHAN YOKE KAI**
Advisor, Accountancy Programme
School of Business
Singapore University of Social Sciences

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

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

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

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

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

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

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

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

15 **MR TAN KUANG HUI**
Chief Executive and Managing Partner
Crowe Horwath First Trust LLP

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

17 **MR HENRY TAN SONG KOK**
Group CEO
Nexia TS

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

19 **MR DON WEE BOON HONG**
Senior Vice President
United Overseas Bank Limited

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

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

DIRECTORS

01 **MR LEE FOOK CHIEW**
Chief Executive Officer

02 **MS JANET TAN**
Executive Director,
Corporate Services

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

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

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

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

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

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

THE FILM STUDIO

THE FILM STUDIO

The film studio brings together the people and resources to make a movie from start to finish, with executive producers playing a key role in helping to create, develop, and implement strategies to improve the films. Since the dawn of filmmaking, several film studios have dominated the global film industry, mastering the art of producing and distributing high-quality films with broad appeal. 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 globally recognised 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, as well as the effectiveness of its strategies and policies.

Reflecting our diverse membership base, the Council is made up of 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 duties. New Council members take part in an induction session held annually, 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 consists of 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 2019 Annual Report and Financial Statements for the year ended 31 December 2019. The following Council members were elected as office bearers during the first Council meeting held in April 2019:

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

THE COUNCIL

The 2019 Council held 7 ordinary meetings. "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	5	2
Yvonne Chan Mei Chuen	7	2
Chan Yoke Kai	5	2
Cheng Qiang	3	1
Dennis Chia Choon Hwee	2	1
Choo Teck Min	6	1
Ho Kuen Loon	4	1
Balasubramaniam Janamanchi	5	3
Kon Yin Tong	7	4
Lai Chin Yee	7	3
Marcus Lam Hock Choon	4	1
Lelaina Lim Siew Li	4	1
Tan Kuang Hui	7	1
Darren Tan Siew Peng	6	2
Henry Tan Song Kok	6	1
Kelvin Tan Wee Peng	7	6
Roger Tay Puay Cheng	6	3
Belinda Teo Hui	7	1
Don Wee Boon Hoong	5	1
Christopher Wong Mun Yick	6	1
Yiong Yim Ming	4	1

LIST OF COMMITTEES & MEMBERS

EXECUTIVE COMMITTEE

01	Kon Yin Tong	President
02	Yvonne Chan Mei Chuen	Vice President
03	Roger Tay Puay Cheng	Treasurer
04	Kelvin Tan Wee Peng	Secretary
05	Mohammad Shariq Sayeed Barmaky	

NOMINATIONS COMMITTEE

01	Frankie Chia Soo Hien	Chairman
02	Kon Yin Tong	
03	Kwok Wui San	
04	Lee Shi Ruh	
05	Kelvin Tan Wee Peng	
06	Roger Tay Puay Cheng	
07	Christopher Wong Mun Yick	

AUDIT COMMITTEE

01	Mohammad Shariq Sayeed Barmaky	Chairman
02	Choo Teck Min	
03	Marcus Lam Hock Choon	

AUDITING AND ASSURANCE STANDARDS COMMITTEE

01	Hans Koopmans	Chairman
02	James Xu Jun	Deputy Chairman
03	Ng Hock Lee (till 30 August 2019)	Deputy Chairman (May-August 2019)
04	El'fred Boo	
05	Chen Ningxin Narissa	
06	Chiang Yong Torng Jonathan	
07	Chin Chee Choon	
08	Chow Wai Yee	
09	Susan Foong	
10	Ho Teik Tiong Gregory	
11	Derek How Beng Tiong	
12	Balasubramaniam Janamanchi	
13	Keung Ching Tung	
14	Koh Yeong Kheng	
15	Lau Soo Ching	Alternate: Tan Soh Hian
16	Lu Xianyao Walter	
17	William Ng Wee Liang	
18	Ashley Seow Chuan Beng	Alternate: Ashley Gan
19	Sia Boon Tiong	
20	Soh Gim Teik	
21	Tan Chee Khiang	Alternate: Tan Boon Siong
22	Joanne Tay Siok Wan	
23	Gajendran Vyapuri	
24	Ng Meow Ling	Observer
25	Clarrie Tay	Observer

ACCOUNTING TECHNICIANS LEARNING AND DEVELOPMENT BOARD

01	Lee Shi Ruh	Chairperson
02	Alex Lee Tiong Wee	
03	Daniel Ng Soon Huat	
04	Jocelyn Goh Chern Ni	
05	Steven Yeow Kinn Leong	
06	Victor Lai Kuan Loong	
07	Wendy Wong	
08	Yeo Li Juen	

BANKING AND FINANCE COMMITTEE

01	Lian Wee Cheow	Chairman
02	Jek Lim	Deputy Chairman
03	Ang Suat Ching	
04	Balwinder Singh Bagary	
05	Chow Khen Seng	
06	Antony M Eldridge	
07	Venetia Lau Ching Mui	
08	Christine Lee	
09	Ong Ai Boon	
10	Tang Chek Keng	
11	Tay Boon Suan	
12	David Jason Waller	
13	Ronnie Yam Soon Lee	
14	Yong Chuk Kwin	
15	Serena Yong	

CFO COMMITTEE

01	Choo Chek Siew	Chairman
02	Eleana Tan Ai Ching	Deputy Chairperson
03	Gokul Chandar (till 4 September 2019)	
04	Kenneth Cheung	
05	Dennis Chia Choon Hwee	
06	Chua Hwee Song	
07	Ronald Ede	
08	Ho Kuen Loon	
09	Edwin Lee Boon Yong	
10	Lee Kai Nee	
11	Andrew Lim	
12	Angie Lim @ Ng Seok Keow	
13	Grace Lim Siew Wah	
14	Lelaina Lim Siew Li	
15	Alex Phua Jian Zhai	
16	Darren Tan Siew Peng	
17	Evan Law	Observer
18	Philip Cheng	Observer

CORPORATE FINANCE COMMITTEE

01	Rebekah Khan	Chairperson
02	Chan Yew Kiang	
03	Leonard Ching Tchi Pang	
04	Heng Mui Mui	
05	Barry Lee Chin Siang	
06	Peter Leong Hon Mun	
07	Ong Hwee Li	
08	Kaka Singh	
09	Tay Hwee Ling	
10	Yeo Boon Chye	

CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

01	Tay Woon Teck	Chairman
02	Basil Chan	Deputy Chairman
03	Ang Fui Siong	
04	El'fred Boo	
05	Cheng Qiang	
06	Chew Chih Lin David	
07	Chow Kam Wing	
08	Fang Eu-Lin	
09	Lai Chin Yee	
10	David Leow	
11	Willy Leow	
12	Anita Ler	
13	Ravi Manchanda	
14	Neo Sing Hwee	
15	Ng Wee Chew	
16	Sim Keng Chong	
17	Kelvin Tan Wee Peng	

CORPORATE REPORTING COMMITTEE

01	Tan Wah Yeow	Chairman
02	Henry Tan Song Kok	SR Awareness Working Group Chairman
03	Ian Hong	SR Quality Working Group Chairman
04	Fang Eu-Lin	
05	Krishna Sadashiv	
06	Yeo Lian Sim	
07	Simon Yeo	

CONTINUING PROFESSIONAL EDUCATION COMMITTEE

01	Yvonne Chan Mei Chuen	Chairperson
02	Ravinthran Arumugam	
03	Chong Cheng Yuan	
04	Lai Chin Yee	
05	Lee Boon Teck	
06	Luar Eng Hwa	
07	Alton Neo Chun How	
08	Neo Sing Hwee	
09	Ng Jun Liang Kevin	
10	Soong Wee Choo	
11	Patricia Tan Mui Siang	
12	Kelvin Tan Wee Peng	
13	Don Wee Boon Hoong	
14	Wee Tee Heng	
15	Yiong Yim Ming	

ETHICS COMMITTEE

01	Tan Seng Choon	Chairman
02	Sajjad Akhtar	
03	G Arull	
04	Abdul Jabbar Bin Karam Din	
05	El'fred Boo	
06	Eng Chin Chin	
07	Ho Teik Tiong Gregory	
08	Balasubramaniam Janamanchi	
09	Khong Yew Cheong	
10	Lim Chuang	
11	Ng Chiau Meng Amos	
12	Ong Bee Yen	
13	Soh Kok Leong	
14	Tan Kuang Hui	
15	Lorraine Chay Yeow Mei	Observer
16	Evan Law	Observer
17	Caroline Lee	Observer
18	Mok Pei Hong	Observer
19	Sherry Quark	Observer
20	Jake Yeo	Observer

FINANCIAL FORENSIC ACCOUNTING OVERSIGHT COMMITTEE

01	Lem Chin Kok	Chairman
02	Tan How Choon	Deputy Chairman
03	Chan Kheng Tek	
04	Lee King See	
05	Li Xuchun	
06	Murali Pillai	
07	Seow Hwee Koon	
08	Loretta Yuen	

FINANCIAL REPORTING COMMITTEE

01	Reinhard Klemmer	Chairman
02	Chen Voon Hoe	Deputy Chairman
03	Chan Yen San	
04	Cheng Ai Phing	
05	Philip Fong Yeng Fatt	
06	Annette Foo Wai Yin	
07	Goh Swee Hong	
08	Raymond Kong Chih Hsiang	
09	Joseph Lam Wei Pin	
10	Lie Kok Keong	
11	Sue Lightfoot	
12	Lim Siew Hwa	
13	Loh Ji Kin	
14	Ng Kian Hui	
15	Siew Wun Mui	
16	Soh Lin Leng	
17	Tan Boon Siong	
18	Kenny Tan Choon Wah	
19	Tan Swee Chuan	
20	Jeremy Toh	
21	Gajendran Vyapuri	
22	Wong Koon Min	
23	Wong Yew Chung	

FINANCIAL STATEMENTS REVIEW COMMITTEE

01	Kok Moi Lre	Chairperson
02	David Anthony Leaver	Deputy Chairman
03	James Xu Jun	Deputy Chairman
04	Yvonne Chiu Sok Hua	
05	Lai Keng Wei	
06	Kevin Ohng Kok Yeong	
07	Poh Chin Beng	
08	Soh Lin Leng	
09	Angeline Tan Lay Hong	
10	Tan Peck Yen	
11	Tei Tong Huat	
12	Yeow Hui Cheng	

INSOLVENCY AND RESTRUCTURING PRACTITIONERS COMMITTEE

01	Angela Ee	Chairperson
02	Sam Kok Weng	Deputy Chairman
03	Aw Eng Hai	
04	Victor Goh	
05	Justin Lim Loo Khoon	
06	Lim Siew Soo	
07	Lin Yueh Hung	
08	Gary Loh	
09	Martin Wong	

INSURANCE COMMITTEE

01	David Jason Waller	Chairman
02	G Arull	
03	Chai Siow Peng	
04	Adrian Chua Teng Aik	
05	Howard Goh	
06	Matthew Lawrence	
07	Jeffrey Lowe	
08	Kevin Ohng Kok Yeong	
09	Vijay Krishnan Sukavanam	
10	Sean Yang	
11	Yap Swee Gek	

INVESTMENT COMMITTEE

01	Darren Tan Siew Peng	Chairman
02	Lee Shi Ruh	
03	Kelvin Tan Wee Peng	
04	Roger Tay Puay Cheng	

INVESTIGATION AND DISCIPLINARY PANEL MEMBERS

Members

01	Anthony Cheong Fook Seng
02	Cheng Nam Sang
03	Robin Chin Sin Beng
04	Michael Heng Yeow Meng
05	Derek How Beng Tiong
06	Khoo Teng Aun
07	Lee Eng Kian
08	Lee Jeng Wah
09	Anita Ler Sok Hua
10	Lo Wei Min
11	Loo Wen Lieh
12	Mun Siong Yoong
13	Sarjit Singh
14	Tan Swee Ho
15	Teo Cheow Tong
16	Woo Shea Leen
17	Christopher Wong Mun Yick
18	Yoong Ee Chuan

Lay Persons

01	Anantham Devanand	Doctor
02	Edmund Eng	Lawyer
03	Koh Beng Thong	Engineer
04	Emily Tan	Engineer
05	Diana Tan Yuen Lan	Doctor
06	Julia Yeo	Lawyer

IS CHARTERED ACCOUNTANT JOURNAL EDITORIAL ADVISORY PANEL

01	Kon Yin Tong	Chairman
02	Paul Lee Seng Meng	Deputy Chairman
03	Foo See Liang	
04	Edmund Keung Ching Tung	
05	Koh Wei Chern	
06	Lee Kin Wai	
07	Luke Lim	
08	Phua Yung Keat	
09	Vincent Toong	

MEMBERSHIP COMMITTEE

01	Frankie Chia Soo Hien	Chairman
02	Chan Yoke Kai	
03	Lai Chin Yee	
04	Christopher Wong Mun Yick	

PUBLIC ACCOUNTING PRACTICE COMMITTEE

01	Denis Allen Usher	Chairman
02	Irene Khoo Gaik Suan	Deputy Chairperson
03	Balasubramaniam Janamanchi	
04	Goh Sia	
05	Michael Heng Yeow Meng	
06	Michael Kee Cheng Kong	
07	Lee Mong Sheong	
08	Jason Lee Soon Sin	
09	John Lim GP	
10	Mak Keat Meng	
11	Terence Ng Chi Hou	
12	Poon Yew Wah	
13	Helen Sim Cheng Geok	
14	Teo Li Ling	
15	Teoh Poh Leng	

SINGAPORE MONITORING COMMITTEE

01	Kon Yin Tong	Chairman
02	Lee Fook Chiew	Deputy Chairman
03	Prof Chan Yoke Kai	

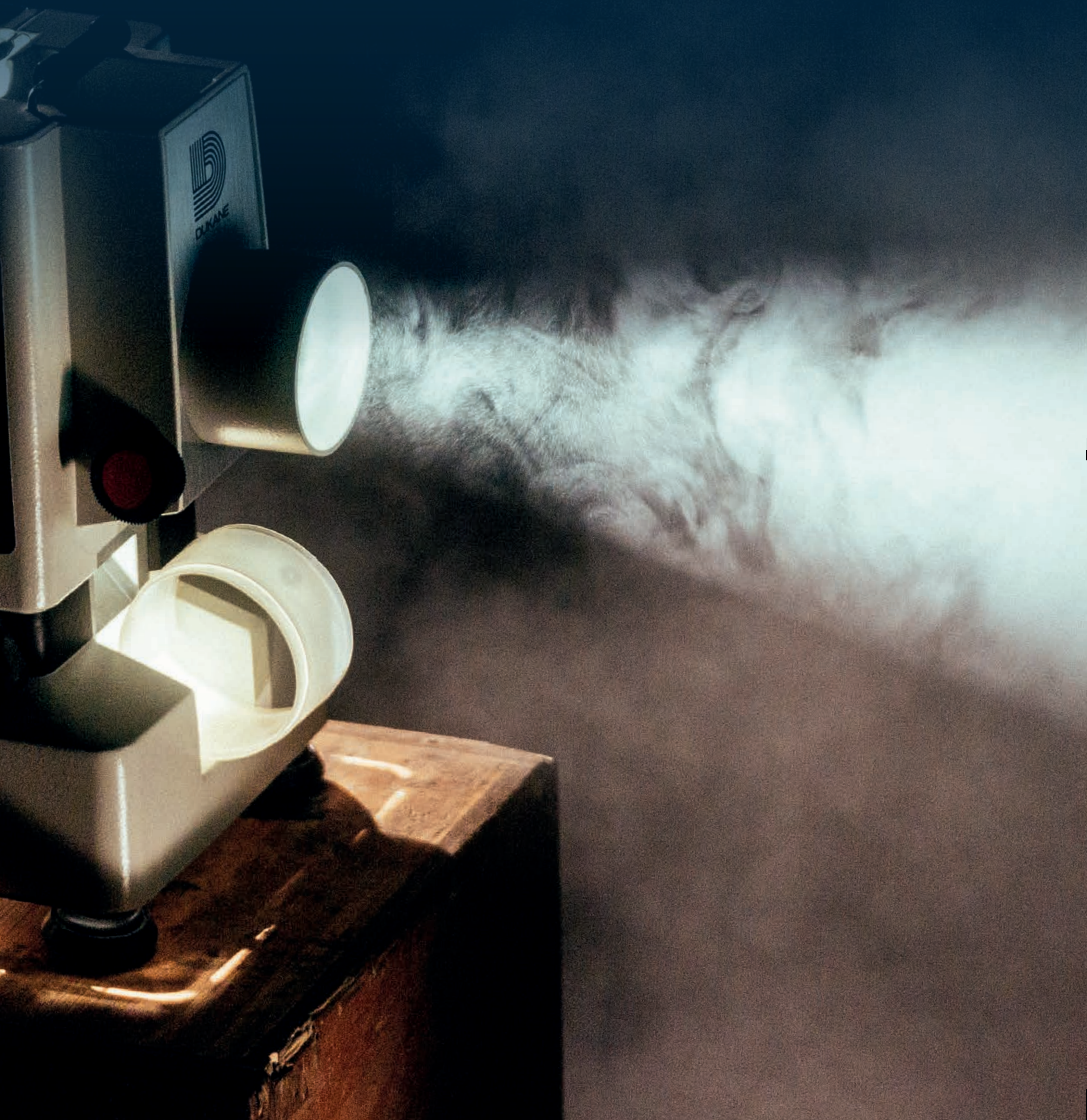
SINGAPORE INSTITUTE OF ACCREDITED TAX PROFESSIONALS BOARD

01	Kon Yin Tong	Chairman
02	Tan Boen Eng	Deputy Chairman
03	Chiu Wu Hong	
04	Chung-Sim Siew Moon	
05	Eng-Tay Geok Lee	
06	Fang Fang	
07	Khoo Ho Tong	
08	Low Hwee Chua	
09	Low Weng Keong	
10	Albert Ng	
11	Simon Poh	
12	Prof Sum Yee Loong	
13	Tan Kay Kheng	
14	Chris Woo	
15	Yee Fook Hong	

YOUNG PROFESSIONALS ADVISORY COMMITTEE

01	Belinda Teo Hui	Chairperson
02	Cheng Kiang Yung Terence	
03	Goh Hong Chuan	
04	Goh Kai Yi	
05	Goh Siew Min	
06	Mark Alphonsus Koh	
07	Lee Jianwen	
08	Lee Sing Ying	
09	David Lim Xixiang	
10	Lye Jiaming Wesley	
11	Muhammad Ashiq Chu Bin Muhd Hisham Chu	
12	Tai Wei Li Willy	
13	Teo Eng Siong	
14	Wang Guangzhao	
15	Adeline Kee Yi Jean	Advisor
16	Kelvin Tan Wee Peng	Advisor

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 61 to 107 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 2019 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

5 March 2020

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 61 to 107, which comprise the balance sheets of the Group and the Institute as at 31 December 2019, 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 2019 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 57 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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,

(i) 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; and

(ii) the fund-raising appeal held during the financial year ended 31 December 2019 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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)

5 March 2020

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000	Institute 2019 $'000	Institute 2018 $'000
Income					
Members' annual fees		**12,397**	12,202	**12,397**	12,202
Members' admission fees		**291**	930	**291**	930
Income from Continuing Professional Education		**5,924**	5,733	**5,924**	5,733
Income from other training courses		**1,923**	2,670	**1,923**	2,670
Practice Monitoring income		**783**	391	**783**	391
Other registration and subscription fees		**808**	793	**–**	–
Income from seminars, event and talks		**1,544**	1,482	**1,391**	1,354
Other income:					
- Interest income from financial institutions		**252**	235	**235**	223
- Others	5	**5,796**	2,545	**5,950**	2,707
Total income	5	**29,718**	26,981	**28,894**	26,210
Less expenditure					
Expenses		**(24,337)**	(24,052)	**(23,536)**	(23,333)
Surplus before results of associate	6	**5,381**	2,929	**5,358**	2,877
Share of results of associate (net of tax)	13	**(8)**	(12)	**–**	–
Surplus before tax		**5,373**	2,917	**5,358**	2,877
Income tax expense	8	**(367)**	(372)	**(363)**	(367)
		5,006	2,545	**4,995**	2,510
Surplus from specific fund:					
ISCA Cares Fund	25	**153**	116	**–**	–
Net surplus and total comprehensive income for the financial year		**5,159**	2,661	**4,995**	2,510

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

BALANCE SHEETS

At 31 December 2019

	Note	Group 2019 $'000	Group 2018 $'000	Institute 2019 $'000	Institute 2018 $'000
Non-current assets					
Property, plant and equipment	9	**1,250**	1,278	**1,245**	1,268
Right-of-use assets	10	**5,717**	–	**5,717**	–
Investment properties	11	**11,090**	11,392	**11,090**	11,392
Subsidiaries	12	**–**	–	**–**	–
Associate	13	**88**	95	**–**	–
Intangible assets	14	**724**	809	**707**	800
Financial assets at fair value through profit or loss	15	**50,570**	47,115	**50,570**	47,115
		69,439	60,689	**69,329**	60,575
Current assets					
Inventories	16	**21**	23	**19**	19
Contract assets	17	**365**	239	**365**	239
Trade and other receivables	19	**2,681**	3,612	**2,768**	3,900
Cash and cash equivalents	20	**17,881**	15,734	**15,387**	13,308
		20,948	19,608	**18,539**	17,466
Total assets		**90,387**	80,297	**87,868**	78,041
Non-current liabilities					
Deferred tax liabilities	21	**112**	63	**112**	63
Lease liabilities	22	**3,729**	–	**3,729**	–
Provisions	23	**338**	322	**338**	322
		4,179	385	**4,179**	385
Current liabilities					
Trade and other payables	24	**5,049**	5,114	**4,838**	5,001
Contract liabilities	18	**2,524**	3,476	**2,519**	3,472
Lease liabilities	22	**1,997**	–	**1,997**	–
Current tax payable		**272**	115	**268**	111
		9,842	8,705	**9,622**	8,584
Total liabilities		**14,021**	9,090	**13,801**	8,969
Net assets		**76,366**	71,207	**74,067**	69,072
Represented by					
Accumulated fund		**75,654**	70,648	**74,067**	69,072
ISCA Cares Fund	25	**712**	559	**–**	–
		76,366	71,207	**74,067**	69,072

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

STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2019

	Accumulated Fund $'000	ISCA Cares Fund $'000	Total $'000
Group			
Balance at 1 January 2018	68,103	443	68,546
Net surplus and total comprehensive income for the financial year	2,545	116	2,661
Balance at 31 December 2018	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**
Institute			
Balance at 1 January 2018	66,562	–	66,562
Net surplus and total comprehensive income for the financial year	2,510	–	2,510
Balance at 31 December 2018	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**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2019

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash flows from operating activities				
Surplus before tax	**5,373**	2,917	**5,358**	2,877
Adjustments for:				
Bad debts written off	**4**	19	**22**	19
Depreciation of property, plant and equipment, investment properties, right-of-use assets and amortisation of intangible assets	**3,196**	996	**3,187**	989
Finance cost	**5**	4	**5**	4
Interest income	**(252)**	(235)	**(235)**	(223)
Interest expense on lease liabilities	**65**	–	**65**	–
Intangible asset written off	**5**	–	**5**	–
Net fair value (gain)/loss on financial assets at fair value through profit or loss	**(3,750)**	629	**(3,750)**	629
Property, plant and equipment written off	**13**	4	**13**	4
Loss/(gain) on disposal of financial assets at fair value through profit or loss	**26**	(74)	**26**	(74)
Share of results of associate (net of tax)	**8**	12	**–**	–
Operating surplus before working capital changes	**4,693**	4,272	**4,696**	4,225
Contract assets	**(126)**	(239)	**(126)**	(239)
Inventories	**2**	(6)	**–**	(4)
Receivables	**940**	(661)	**1,116**	(649)
Payables	**(385)**	(437)	**(494)**	(402)
Contract liabilities	**(952)**	3,476	**(953)**	3,472
Course fees received in advance	**–**	(567)	**–**	(565)
Subscription fees received in advance	**–**	(3,189)	**–**	(3,187)
Cash generated from operations	**4,172**	2,649	**4,239**	2,651
Income tax paid	**(161)**	(3)	**(157)**	–
ISCA Cares Fund (Note 25)	**153**	116	**–**	–
Net cash generated from operating activities	**4,164**	2,762	**4,082**	2,651

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

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2019

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cash flows from investing activities				
Fixed deposits pledged	**–**	(8)	**–**	(8)
Interest received	**239**	304	**229**	292
Goods and services tax on disposal of investment property	**–**	(2,948)	**–**	(2,948)
Financial assets at fair value to profit or loss	**–**	(47,520)	**–**	(47,520)
Purchases of property, plant and equipment	**(194)**	(158)	**(194)**	(158)
Additions to intangible assets (Note 14)	**(242)**	(94)	**(218)**	(94)
Proceeds from disposal of financial assets at fair value through profit or loss	**214**	144	**214**	144
Net cash generated from/(used in) investing activities	**17**	(50,280)	**31**	(50,292)
Cash flows from financing activities				
Repayment of the lease liabilities	**(1,969)**	–	**(1,969)**	–
Interest paid	**(65)**	–	**(65)**	–
Net cash used in financing activities	**(2,034)**	–	**(2,034)**	–
Net increase/(decrease) in cash and cash equivalents	**2,147**	(47,518)	**2,079**	(47,641)
Cash and cash equivalents at beginning of year	**15,668**	63,186	**13,242**	60,883
Cash and cash equivalents at end of year (Note 20)	**17,815**	15,668	**15,321**	13,242

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

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, 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 4.

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, except as disclosed in Note 3.

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 2019 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 commemorative gold coins, 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 costs 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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".

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

Subsequent measurement (cont'd)

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

l) Leases

The accounting policy for leases before 1 January 2019 is as follows:

Lessee – operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expenditure in the period in which termination takes place.

Lessor – operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

The accounting policy for leases after 1 January 2019 is as follows:

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Leases (cont'd)

The accounting policy for leases after 1 January 2019 is as follows (cont'd):

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

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.

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).

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Leases (cont'd)

The accounting policy for leases after 1 January 2019 is as follows (cont'd):

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.

(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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Revenue recognition (cont'd)

(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. Income from course fees, subscription fees and management fees are recognised as a performance obligation satisfied over time and are recognised over the duration of the programmes and 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

  Prior to 1 July 2019, administrative fee income from the administration of Singapore CA Qualification ("CA Qualification") is recognised net of expenditure incurred. The net amount of the income recognised is derived based on a pre-determined fixed percentage of the pre-approved expenditure incurred for the CA Qualification. 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.

  From 1 July 2019, the administration of Singapore CA Qualification ("CA Qualification") was revised and a new contract was entered into. Administrative fee income from CA Qualification is subsequently 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.

- 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

3 INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2019

FRS 116 Leases

When the Group is the lessee

FRS 116 replaces the existing FRS 17: Leases for financial periods beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

On adoption of FRS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under FRS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.24%.

	Group and Institute 2019 $'000
Operating lease commitments disclosed as at 31 December 2018	1,739
Discounted using the weighted average lessee's incremental borrowing rate	(42)
Lease liability recognised as at 1 January 2019	1,697

The associated right-of-use assets were measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payment) on adoption. Arising from the adoption of FRS 116, right-of-use assets and lease liability of $1,697,000 respectively were recognised on the consolidated balance sheets on 1 January 2019. The Group and the Institute reclassified property, plant and equipment to right-of-use assets amounting to $149,000.

In applying FRS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- rely on previous assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- exclude initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

When the Group is the lessor

There are no material changes to accounting by the Group as a lessor.

4 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.

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. During the current financial year, 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.

4 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.

Income taxes

The Group and the Institute recognise liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable and deferred tax liabilities at the balance sheet date was $272,000 (2018: $115,000) and $112,000 (2018: $63,000) respectively. The carrying amounts of the Institute's income tax payable and deferred tax liabilities at the balance sheet date was $268,000 (2018: $111,000) and $112,000 (2018: $63,000) respectively.

Depreciation of property, plant and equipment and investment properties

The cost of property, plant and equipment and investment properties 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 properties 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 properties, 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 properties as at 31 December 2019 and the annual depreciation charges for the financial year ended 31 December 2019 are disclosed in Notes 9 and 11 respectively.

Amortisation of intangible assets

The Group and the Institute review the useful lives of intangible assets at the balance sheet date in accordance with the accounting policy in Note 2(g). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful lives differing from the management's current estimates. The net carrying amount of intangible assets at 31 December 2019 and the annual amortisation charge for the financial year ended 31 December 2019 are disclosed in Note 14. Any changes in the expected useful lives of these assets would affect the net carrying amount of intangible assets, and the amortisation charge for the financial year.

Calculation of loss allowance

When measuring ECL, the Group and the Institute use reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Note 29.

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

Key sources of estimation uncertainty (cont'd)

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 properties and intangible assets are disclosed in Notes 9, 10, 11 and 14 respectively.

Estimating the incremental borrowing rate for leases

The Group uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs such as market interest rates, when available and is required to make certain entity-specific estimates, such as the stand-alone credit rating. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use asset at the date of initial application of FRS 116 or on the commencement date of new leasing transactions. The carrying amount of right-of-use assets and lease liabilities are disclosed in notes 10 and 22 respectively.

5 INCOME

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Other income				
Advertising income	**67**	90	**67**	90
CA Qualification net administrative fee	**170**	117	**170**	117
Government grants	**244**	174	**237**	174
Net fair value gain with respect to financial assets at FVTPL	**3,750**	–	**3,750**	–
Gain on disposal of financial ssets at FVTPL	**–**	74	**–**	74
Management fees	**15**	15	**172**	175
Other fees	**99**	174	**99**	174
Rental income from investment properties	**957**	941	**957**	941
Rental income - others	**17**	15	**17**	15
Sundry income	**477**	945	**481**	947
	5,796	2,545	**5,950**	2,707

5 INCOME (CONT'D)

The Singapore CA Qualification ("CA Qualification") net of administrative fee comprises 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 which includes the following:

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Staff costs	**(342)**	(661)	**(342)**	(661)
Contributions to CPF	**(45)**	(89)	**(45)**	(89)
Rental expenses	**(46)**	(117)	**(46)**	(117)
Website expenses	**(14)**	(27)	**(14)**	(27)
Depreciation of property, plant equipment (Note 9)	**(2)**	(5)	**(2)**	(5)
Amortisation of intangible assets (Note 14)	**(16)**	(26)	**(16)**	(26)

(a) Revenue recognised during the financial year from:

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Amounts included in contract liability at beginning of the financial year	**3,476**	3,755	**3,472**	3,752

(b) Disaggregation of revenue

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Timing of transfer of good or services				
At a point in time	**2,176**	1,715	**1,982**	1,544
Over time	**21,494**	22,486	**20,727**	21,736
	23,670	24,201	**22,709**	23,280

(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 2019 is $477,000 (2018: $217,000). The Group and Institute expect to recognise $477,000 (2018: $217,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 in the financial year ending 31 December 2020.

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.

6 SURPLUS BEFORE RESULTS OF ASSOCIATE

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Expenses				
Advertisement expenses	**641**	687	**641**	688
Amortisation of intangible assets (Note 14)	**337**	324	**337**	324
Bad debts written off	**4**	19	**22**	19
Depreciation of investment properties (Note 11)	**302**	302	**302**	302
Depreciation of property, plant and equipment (Note 9)	**398**	336	**393**	331
Depreciation of right-of-use assets (Note 10)	**2,137**	–	**2,137**	–
Direct costs of providing training and other courses	**2,732**	2,944	**2,716**	2,928
Finance cost	**5**	4	**5**	4
Interest expense on lease liabilities	**65**	–	**65**	–
Intangible asset written off	**5**	–	**5**	–
Loss on disposal of financial assets at FVTPL	**26**	–	**26**	–
Net fair value loss with respect to financial assets at FVTPL	**–**	629	**–**	629
Property, plant and equipment written off	**13**	4	**13**	4
Rental expenses	**30**	1,922	**28**	1,920
Repair and maintenance	**337**	301	**337**	301
Publications	**434**	431	**434**	431
Seminar and talk expenses	**1,070**	1,143	**1,035**	1,113
Staff costs (Note 7)	**12,896**	12,070	**12,232**	11,494
Website and IT expenses	**859**	741	**822**	713

7 STAFF COSTS

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Salaries and bonuses	**11,281**	10,522	**10,710**	10,022
Contributions to CPF	**1,327**	1,284	**1,248**	1,215
Other employee benefit expenses	**288**	264	**274**	257
	12,896	12,070	**12,232**	11,494

8 INCOME TAX EXPENSE

Income tax expense attributable to results is made up of:

	Group		Institute	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Current income tax provision	**271**	115	**268**	111
Deferred tax	**72**	256	**72**	256
Under/(over) provision in respect of previous financial years:				
- current income tax	**47**	1	**46**	–
- deferred income tax	**(23)**	–	**(23)**	–
	367	372	**363**	367

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 before tax due to the following factors:

	Group		Institute	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Surplus before tax	**5,373**	2,917	**5,358**	2,877
Tax calculated at a tax rate of 17%	**913**	496	**911**	489
Singapore statutory stepped income exemption	**(21)**	(32)	**(17)**	(26)
Income not subject to tax	**(637)**	–	**(637)**	–
Expenses not deductible for tax purposes	**112**	176	**111**	176
Benefits from previously unrecognised capital allowances	**–**	(236)	**–**	(236)
Benefits from previously unrecognised tax losses and donations	**(13)**	(26)	**(13)**	(26)
Effect of tax incentive and tax rebate	**(16)**	(11)	**(15)**	(10)
Deferred tax assets not recognised	**5**	4	**–**	–
Under provision in respect of previous financial years	**24**	1	**23**	–
	367	372	**363**	367

At the balance sheet date, the Group has unutilised tax losses of $52,000 (2018: $41,000). These are available for carry forward to offset against future taxable income, subject to the agreement of the tax authority and compliance with the relevant provisions of the Income Tax Act.

9 PROPERTY, PLANT AND EQUIPMENT

Group

	Furniture and office equipment $'000	Computers $'000	Renovation $'000	Total $'000
Cost				
Balance at 1 January 2018	1,301	1,629	984	3,914
Additions	25	192	–	217
Written off	(9)	(94)	–	(103)
Balance at 31 December 2018	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**
Accumulated depreciation and impairment				
Balance at 1 January 2018	766	1,381	361	2,508
Depreciation charge for the financial year	102	153	86	341
Written off	(5)	(94)	–	(99)
Balance at 31 December 2018	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**
Carrying amount				
Balance at 31 December 2018	454	287	537	1,278
Balance at 31 December 2019	**375**	**588**	**287**	**1,250**

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Institute

	Furniture and office equipment $'000	Computers $'000	Renovation $'000	Total $'000
Cost				
Balance at 1 January 2018	1,296	1,591	984	3,871
Additions	25	192	–	217
Written off	(9)	(86)	–	(95)
Balance at 31 December 2018	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**
Accumulated depreciation				
Balance at 1 January 2018	765	1,354	361	2,480
Depreciation charge for the year	102	148	86	336
Written off	(5)	(86)	–	(91)
Balance at 31 December 2018	862	1,416	447	2,725
Transfer to right-of-use assets (Note 10)	–	–	(153)	(153)
Depreciation charge for the year	115	179	101	395
Written off	(281)	(33)	(294)	(608)
Balance at 31 December 2019	**696**	**1,562**	**101**	**2,359**
Carrying amount				
Balance at 31 December 2018	450	281	537	1,268
Balance at 31 December 2019	**372**	**586**	**287**	**1,245**

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation charge is taken up as follows:

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Statement of Profit or Loss and Other Comprehensive Income:				
- Other income - CA Qualification net administrative fee (Note 5)	**2**	5	**2**	5
- Operating expenses (Note 6)	**398**	336	**393**	331
	400	341	**395**	336

Group and Institute

Included in additions of property, plant and equipment of the Group and Institute is an amount of $398,000 (2018: $58,000) payable to a third party. The cash outflow on additions to property, plant and equipment of the Group and Institute was $194,000 (2018: $158,000).

10 RIGHT-OF-USE ASSETS

	Lease property $'000	**Office equipment $'000**	**Total $'000**
Group and Institute			
Cost			
Balance at 1 January 2019	–	–	–
Recognition of right-of-use assets on initial application of FRS 116	1,532	165	1,697
Transfer from property plant and equipment (Note 9)	302	–	302
As at 1 January 2019, restated	1,834	165	1,999
Additions	6,008	–	6,008
Balance at 31 December 2019	**7,842**	**165**	**8,007**
Accumulated depreciation and impairment			
Balance at 1 January 2019	–	–	–
Transfer from property plant and equipment (Note 9)	153	–	153
As at 1 January 2019, restated	153	–	153
Depreciation charge for the financial year	2,098	39	2,137
Balance at 31 December 2019	**2,251**	**39**	**2,290**
Carrying amount			
Balance at 31 December 2019	**5,591**	**126**	**5,717**
Balance at 1 January 2019 (restated)	1,681	165	1,846

11 INVESTMENT PROPERTIES

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Cost				
Balance at 1 January and 31 December	**15,122**	15,122	**15,122**	15,122
Accumulated depreciation				
Balance at 1 January	**3,730**	3,428	**3,730**	3,428
Depreciation charge (Note 6)	**302**	302	**302**	302
Balance at 31 December	**4,032**	3,730	**4,032**	3,730
Carrying amount				
Balance at 31 December	**11,090**	11,392	**11,090**	11,392

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

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Rental income from investment properties	**957**	941	**957**	941
Direct operating expenses arising from investment properties that generated rental income	**(161)**	(154)	**(161)**	(154)
Depreciation charge	**(302)**	(302)	**(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 #23-00 Singapore 048580	941	Freehold

12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

(a) Investments in subsidiaries

	Institute	
	2019	2018
	$'000	$'000
Unquoted equity shares, at cost	**–***	–*

* Amount of $3.

(b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group 2019 %	2018 %
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 Institute of Accredited Tax Professionals Limited[(1)(3)]	Singapore	Accreditation body for tax professionals	**100**	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) In the event of winding up or dissolution, any remaining assets after satisfaction of debts or liabilities, of the Singapore Institute of Accredited Tax Professionals Limited shall be given or transferred in equal proportions to the Institute or some other institution or institutions having similar objects to the company or to some charitable objects.

(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 25).

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

(c) Intra-group transactions

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

	Institute	
	2019	2018
	$'000	$'000
Income		
Management fees	**157**	160
Seminar and talk fees	**–**	3
Expenditure		
Disbursement of expenses	**6**	6
Donation to ISCA Cares Limited	**2**	6

The Institute, as part of supporting ISCA Cares Limited (the "Charity") contributed 2,074 hours (2018: 2,335 hours) to support the administration of the Charity for the financial year ended 31 December 2019.

13 ASSOCIATE

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Investment in associate	**88**	95	**–**	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group 2019 %	2018 %
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.

13 ASSOCIATE (CONT'D)

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:

	2019	2018
	$'000	$'000
Revenue	**101**	34
Loss after tax	**(15)**	(24)
Non-current assets	**4**	1
Current assets	**216**	213
Current liabilities	**(45)**	(24)
Net assets	**175**	190
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	**88**	95

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

	Group and Institute	
	2019	2018
	$'000	$'000
Management fee income	**15**	15

14 INTANGIBLE ASSETS

	Computer software $'000	Others $'000	Total $'000
Group			
Cost			
At 1 January 2018	2,106	150	2,256
Additions	17	77	94
Adjustment	(12)	–	(12)
At 31 December 2018	2,111	227	2,338
Additions	142	135	277
Written off	(239)	(14)	(253)
At 31 December 2019	**2,014**	**348**	**2,362**
Accumulated amortisation			
At 1 January 2018	1,110	66	1,176
Amortisation charge for the financial year	302	51	353
At 31 December 2018	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**
Carrying amount			
At 31 December 2018	699	110	809
At 31 December 2019	**553**	**171**	**724**

14 INTANGIBLE ASSETS (CONT'D)

	Computer software $'000	Others $'000	Total $'000
Institute			
Cost			
At 1 January 2018	2,083	150	2,233
Additions	17	77	94
At 31 December 2018	2,100	227	2,327
Additions	130	135	265
Written off	(239)	(14)	(253)
At 31 December 2019	**1,991**	**348**	**2,339**
Accumulated amortisation			
At 1 January 2018	1,110	67	1,177
Amortisation charge for the financial year	300	50	350
At 31 December 2018	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**
Carrying amount			
At 31 December 2018	690	110	800
At 31 December 2019	**536**	**171**	**707**

Amortisation charge is taken up as follows:

	Group		Institute	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Statement of Profit or Loss and Other Comprehensive Income:				
- Other income - CA Qualification net administrative fee (Note 5)	**16**	26	**16**	26
- Operating expenses (Note 6)	**337**	324	**337**	324
ISCA Cares Fund	**4**	3	**–**	–
	357	353	**353**	350

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 a third party of $48,000 (2018: $13,000) and $48,000 (2018: $Nil) respectively. The cash outflows on additions to intangible assets of the Group and Institute were $242,000 (2018: $94,000) and $218,000 (2018: $94,000) respectively.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Institute	
	2019	2018
	$'000	$'000
Financial assets measured at FVTPL		
- Quoted equity investment in the United Kingdom	**–**	240
- Funds placed with fund managers	**50,570**	46,875
	50,570	47,115

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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Medallions	**15**	15	**15**	15
Notebooks	**–**	1	**–**	–
Merchandise for E-store	**4**	4	**4**	4
Pouches	**2**	3	**–**	–
	21	23	**19**	19

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.

	2019	2018	1.1.2018
	$'000	$'000	$'000
Group			
Trade receivables from contracts with customers	**1,010**	1,551	1,657
Contract assets	**365**	239	369
Institute			
Trade receivables from contracts with customers	**1,124**	1,800	1,907
Contract assets	**365**	239	369

Contract assets have increased due to unbilled amounts for the Group's and Institute's practice monitoring review services and administrative fee income from CA Qualification of $40,000 (2018: decrease of $130,000) and $86,000 (2018: $Nil) respectively for the financial year ended 31 December 2019.

18 CONTRACT LIABILITIES

Contract liabilities comprise of 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		
	2019	2018	1.1.2018	**2019**	2018	1.1.2018
	$'000	$'000	$'000	**$'000**	$'000	$'000
Contract liabilities	**2,524**	3,476	3,755	**2,519**	3,472	3,752

Contract liabilities have decreased mainly due to a reduction in the advances received from subscription fees of $1,063,000 (2018: $79,000), partially offset by an increase in the advances received from course fees of $111,000 (2018: a reduction of $201,000) in the financial year ended 31 December 2019.

19 TRADE AND OTHER RECEIVABLES

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade receivables				
- third parties	**994**	1,534	**900**	1,529
- subsidiaries	**–**	–	**208**	254
- associate	**16**	17	**16**	17
	1,010	1,551	**1,124**	1,800
Non-trade amount due from a subsidiary	**–**	–	**47**	96
Deposits	**534**	489	**534**	489
Interest receivables	**44**	32	**31**	26
Prepayments	**774**	573	**720**	533
Recoverable administrative costs	**–**	654	**–**	654
Others	**319**	313	**312**	302
	2,681	3,612	**2,768**	3,900

Non-trade amount due from a subsidiary is 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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Interest bearing accounts	**16,203**	13,234	**14,382**	11,561
Non-interest bearing accounts	**1,678**	2,500	**1,005**	1,747
	17,881	15,734	**15,387**	13,308
Less: Fixed deposits pledged	**(66)**	(66)	**(66)**	(66)
Cash and cash equivalents per Statements of Cash Flows	**17,815**	15,668	**15,321**	13,242

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to $14,553,000 (2018: $11,976,000) and $12,935,000 (2018: $10,376,000) respectively which are placed for varying periods between 1 to 12 months (2018: 1 to 18 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.25% to 1.85% (2018: 0.25% to 1.90%) per annum. Fixed deposits of the Group and Institute amounting to $66,000 (2018: $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 $687,000 (2018: $553,000), of which $23,000 (2018: $27,000) is held in the bank balance of the Institute.

21 DEFERRED TAX LIABILITIES

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

	At 1 January 2018	**Recognised in profit or loss**	**At 31 December 2018**	**Recognised in profit or loss**	**At 31 December 2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Group and Institute					
Deferred tax liabilities:					
Difference in depreciation for tax purposes	72	(275)	(203)	(54)	**(257)**
Provisions and accruals	113	27	140	5	**145**
Others	8	(8)	–	–	**–**
	193	(256)	(63)	(49)	**(112)**

22 LEASE LIABILITIES

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Non-current				
Lease liabilities (secured)	**3,729**	–	**3,729**	–
Current				
Lease liabilities (secured)	**1,997**	–	**1,997**	–
	5,726	–	**5,726**	–

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

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

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	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
At beginning of financial year	**322**	318	**322**	318
Unwind of discount	**6**	4	**6**	4
Provision made	**10**	–	**10**	–
At end of financial year	**338**	322	**338**	322

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 3 years (2018: 7 years).

24 TRADE AND OTHER PAYABLES

	Group		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Trade payables	**1,064**	911	**1,058**	897
Amount due to a subsidiary	**–**	–	**23**	29
Accrued operating expenses	**2,597**	2,789	**2,480**	2,679
Accrual for unutilised annual leave	**544**	515	**527**	501
Deposits received	**239**	239	**239**	239
Billings in advance	**349**	260	**255**	256
Grants received	**256**	400	**256**	400
	5,049	5,114	**4,838**	5,001

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 $21,000 (2018: $140,000) and $21,000 (2018: $127,000) respectively which relate to the implementation of membership and financial management systems.

25 ISCA CARES FUND

	Group	
	2019	2018
	$'000	$'000
At beginning of financial year	**559**	443
Donations received		
- Tax deductible receipts	**192**	193
- Non-tax deductible receipts	**5**	10
Donations-in-kind	**–**	2
Other income		
- Fund raising activity	**78**	–
- Government grant	**5**	–
- Miscellaneous sales	**6**	16
- Interest income	**8**	3
Cost of notebooks and pouches	**(2)**	(3)
Bursary awards	**(110)**	(87)
Administrative expenses	**(29)**	(18)
At end of financial year	**712**	559

25 ISCA CARES FUND (CONT'D)

	Group	
	2019	2018
	$'000	$'000
Represented by:		
Non-current assets		
Intangible assets	**16**	9
Current assets		
Cash and cash equivalents	**687**	553
Trade and other receivables	**13**	12
Inventories	**2**	3
	702	568
Total assets	**718**	577
Current liabilities		
Trade and other payables, representing total liabilities	**(6)**	(18)
Net assets	**712**	559

The purpose of the ISCA Cares Fund is to provide needy Singapore youth 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.

26 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		Institute	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Short-term employee benefits	**2,121**	1,815	**2,121**	1,815
Contribution to CPF	**141**	108	**141**	108
	2,262	1,923	**2,262**	1,923

27 COMMITMENTS

(a) Lease commitments - where the Group is a lessee

The Group and the Institute lease properties 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 future minimum lease payments under non-cancellable operating leases contracted for at balance sheet date, but not recognised as liabilities, are as follows:

	Group and Institute
	2018
	$'000
Within one year	1,596
After one year but within five years	143

As disclosed in Note 3, the Group and the Institute have adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 1 January 2019.

(b) Lease commitments - where the Group is a lessor

The Group and the Institute lease out office premises to non-related parties which are under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group and Institute
	2018
	$'000
Within one year	957
After one year but within five years	3,845
Above five years	181

(c) Capital commitment

Capital commitment not provided for in the financial statements:

	Group		Institute	
	2019	2018	**2019**	2018
	$	$	**$**	$
Capital commitment in respect of intangible assets	**17**	19	**–**	–

(d) Other commitment - Institute

As at 31 December 2019, the Institute has provided continuing financial support of $20,000 (2018: $9,000) to a subsidiary in net liability position.

28 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 29(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.

Amounts recognised in profit or loss

	2019 $'000
Depreciation charge for the financial year	
Lease property	2,098
Office equipment	39
Total	2,137
Interest expense on lease liabilities	65

	Group $'000	Institute $'000
Lease expense not included in the measurement of lease liabilities		
Lease expense - short term leases (Note 6)	30	28

Total cash flow for leases amounted to $1,999,000 and $1,997,000 by 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 properties 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 properties is disclosed in Note 11.

28 LEASES (CONT'D)

(b) The Group and the Institute as a lessor (cont'd)

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

	Group and Institute 2019 $'000
Within one year	**935**
After one year but within five years	**3,059**
Above five years	**–**

29 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Group		Institute	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Financial assets				
Financial assets at fair value through profit or loss	**50,570**	47,115	**50,570**	47,115
Financial assets at amortised costs	**19,788**	18,773	**17,435**	16,675
	70,358	65,888	**68,005**	63,790
Financial liabilities				
At amortised cost	**9,404**	3,604	**9,304**	3,509

(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.

29 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

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

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.

29 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

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.

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 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2019.

29 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.

	2019				2018			
	$'000				$'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)	**3,678**	**–**	**–**	**3,678**	3,604	–	–	3,604
Lease liabilities	**2,144**	**3,864**	**–**	**6,008**	–	–	–	–
Institute								
Trade and other payables (excluding lease liabilities)	**3,578**	**–**	**–**	**3,578**	3,509	–	–	3,509
Lease liabilities	**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.

29 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

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 quoted on the London Stock Exchange and 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 $1,011,000 (2018: $937,000).

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 have no significant financial assets and liabilities held in foreign currency.

30 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).

30 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(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 2019.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurement				
2019				
Group and Institute				
Financial assets at fair value through profit or loss				
- Funds placed with fund managers	**–**	**50,570**	**–**	**50,570**
2018				
Group and Institute				
Financial assets at fair value through profit or loss				
- Quoted investment	240	–	–	240
- Funds placed with fund managers	–	46,875	–	46,875

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

	Carrying amount $'000	Fair value measurement at balance sheet date Level 1 $'000	Level 2 $'000	Level 3 $'000
2019				
Group and Institute				
Investment property	**11,090**	**–**	**–**	**29,000**
2018				
Group and Institute				
Investment property	11,392	–	–	28,000

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.

30 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Determination of fair values

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

Quoted equity security

The fair value of quoted equity investments is based on quoted market prices at the balance sheet date. The instrument is included in Level 1.

Funds placed with fund managers

The fair values of funds placed with fund managers are determined based on market prices 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 properties are 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.

31 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.

32 SUBSEQUENT EVENTS

(a) An outbreak of Coronavirus Disease (COVID-19) had been reported in the People's Republic of China on 31 December 2019. At the date of these financial statements, while the outbreak has been most severe in East Asia and elsewhere in the world, it has spread to Singapore. While the full impact to the Group and the Institute cannot be quantified reliably, the Group's and Institute's performance subsequent to the balance sheet date may be negatively impacted as a result of restrictions on travel, quarantine and/or illness of employees, loss of participants at conferences and events, supply chain disruptions, and other forms of interruptions to business.

(b) On 16 January 2020, the Council of the ISCA had approved to withdraw ISCA as a member of Singapore Institute of Accredited Tax Professionals Limited ("SIATP"). This is to enable SIATP to be an independent professional body. ISCA will not receive any consideration for the withdrawal. The net assets of SIATP as at 31 December 2019 amounted to $1,501,000. The results of SIATP from 1 January 2020 up to point of withdrawal from ISCA are not expected to have a significant financial effect.

33 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 2019 were authorised for issue by the Council on 5 March 2020.

NOTICE OF ANNUAL GENERAL MEETING 2020

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting (AGM) 2019/2020 of the Institute of Singapore Chartered Accountants will be held on **Saturday, 25 April 2020 at 11.00 am via a virtual meeting platform**.

[NB: In light of the COVID-19 situation and the Singapore Government's stricter measures to reduce the risk of community spread by limiting large crowd gathering in close proximity, the AGM will be conducted virtually. Members must first register to attend the virtual AGM. Details pertaining to the online registration and the virtual AGM will be provided via an Electronic Direct Mail on 1 April 2020.]

AGENDA

1. President's address.

2. To confirm the minutes of the Annual General Meeting 2018/2019 held on 27 April 2019.

3. To receive the Report of the Council for the year 2019/2020 and Financial Statements of the Institute for the year ended 31 December 2019.

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
Mohammad Shariq Sayeed Barmaky Kon Yin Tong Marcus Lam Hock Choon Henry Tan Song Kok	Dennis Chia Choon Hwee Lai Chin Yee Lelaina Lim Siew Li Yiong Yim Ming

Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Mohammad Shariq Sayeed Barmaky	Philip Yuen Ewe Jin Cheung Pui Yuen Ho Kok Yong Lee Boon Teck Rankin Brandt Yeo
Kon Yin Tong	Ling Guo Leng Rindawaty Ong Ghim Khee Elizabeth Sit Wei Man Cheong Soh Mei
Marcus Lam Hock Choon	Kok Moi Lre Kevan Goh Tan Bee Nah Theresa Sim Lee Zhen Jian
Henry Tan Song Kok	Loh Hui Nee Meriana Ang Mei Ling Lee Look Ling Titus Kuan Tjian Chan Siew Ting

Chartered Accountants of Singapore who are not Public Accountants	Nominated by
Dennis Chia Choon Hwee	Mohamed Syahid Bin Mohamed Yang Ching Bin Kenneth Chew Swee Leong Ivy Lu Jiamin Tan Saw Cheng
Lai Chin Yee	Choh Wai Ling Yeo Lik Khim Kum Chew Foong Lee Caroline Lim Yue Li
Lelaina Lim Siew Li	Wayne Hwang Zi Yao In Peishan Indrayani Manan Wee Chin Lian Gerard Ee Hock Kim
Yiong Yim Ming	Ong Siew Toh Lo Mun Wai Chu Joon Choong Goh Ko Hin Ching Soo Ling

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2020 and to authorise the Council to fix their remuneration.

By order of the Council

KELVIN TAN WEE PENG
Secretary
1 April 2020

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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 25 April 2020 and any adjournment of such meeting.

Signature of member: ______________________________

Dated this __________ day of ______________________ 2020

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]

60 Cecil Street, ISCA House Singapore 049709
Telephone: (65) 6749 8060
Facsimile: (65) 6749 8061
E-Mail: isca@isca.org.sg
Website: www.isca.org.sg