SOARING HIGHER

Annual Report 2017/2018

INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

"The evolution of technology and business models in Singapore, regionally and globally, means that accountants now have a greater ambit in terms of work opportunities, but this similarly means we need to adapt and transform with the times to stay relevant."

Dr Gerard Ee
President
Institute of Singapore Chartered Accountants (ISCA)

contents

A DESIRE TO FLY,
AN INSPIRATION TO SOAR

The history of aviation was borne out of a human aspiration to take to the skies.

From the earliest efforts to mimic natural flight to today's sophisticated aircraft technology, the dream of flying has always stirred man's imagination and inspired remarkable feats of ingenuity.

Like the sense of wonder and desire for constant improvement that shaped the progression of human flight, ISCA's vision to raise the bar and advance the accountancy profession continues to power the Institute's progress to this day.

As the national accountancy body, ISCA has evolved over time to remain relevant to the profession's needs and champion the profession's interests. Committed to our goal to empower our members to achieve their professional aspirations, ISCA is determined to drive more initiatives to take the accountancy profession to greater heights.

HELPING THE PROFESSION
TO SOAR

Established in 1963, the **Institute of Singapore Chartered Accountants** is the national accountancy body. The Institute is guided by a vision to provide the accountancy profession with the thrust needed to soar in the global business arena.

With over 32,000 members, ISCA is also the largest professional body in the country, working to empower our members to reach for the skies and pave the way for them to achieve their aspirations.

In the field of aviation, pioneers and visionaries have broadened opportunities for generations of aspiring innovators. They also championed technological breakthroughs that have made the world smaller and more connected.

In a similar way, ISCA aims to inspire our members and link them to a world of bright opportunities. By promoting the highest benchmarks of professional excellence and by becoming a globally recognised professional accountancy body, we are committed to bringing value to our members, the profession and the wider community.

TAKING THE PROFESSION TO **NEW HEIGHTS**

PUSHING BOUNDARIES

Human achievements in aviation were made possible by the constant drive to improve.

ISCA is proactive in empowering accounting professionals in their journey of lifelong learning, equipping them with a range of future-ready skills to grow with the times and add value to their respective organisations.

POWERED BY **COLLABORATION**

ACCELERATED GROWTH

It took only 66 years from the Wright brothers' maiden flight to the first supersonic passenger aircraft taking to the skies.

The accelerated development of aviation technology within a relatively short span of time was made possible by strong collaboration and alliances among industry players.

ISCA's initiatives – designed to champion the interests of the profession – are a product of a team effort through consistent engagement with diverse segments of the accountancy sector.

SPREADING OUR WINGS, **VENTURING BEYOND**

INTO NEW FRONTIERS

The idea of travel has captivated mankind since time immemorial. The aviation industry has constantly made improvements to cater to our universal desire to conquer new frontiers and explore new territories.

It is imperative that we continue to evolve and pave the way for future developments to ensure success. In becoming the first accountancy body in Asia to be a full member of Chartered Accountants Worldwide, ISCA has made significant strides towards our vision to be a globally recognised professional accountancy body.

2017
FLIGHT REPORT

Key Membership Statistics

AGE GROUPS

21%	32%	29%	11%	7%
<31	31-40	41-50	51-60	>60

MEMBERSHIP CLASS

175
Affiliates

5,711
Associates

22,609
CA (Singapore) #

1,338
Fellow CA (Singapore) #

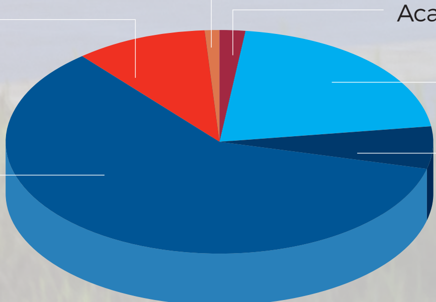
662
Members in Retirement

770
CA (Singapore)
who are public accountants

284
Fellow CA (Singapore)
who are public accountants

505
Life Members *

MEMBERSHIP PROFESSION



428
1%
Not-For-Profit

3,105
10%
Others

651
2%
Academia

6,773
21%
Professional Accountant in Practice

19,233
60%
Professional Accountant in Business

1,864
6%
Public Sector

Not public accountant
* *Include 68 members who are public accountants. These members are either Fellow CA (Singapore) or CA (Singapore)*

2017
FLIGHT REPORT

Significant Events and Initiatives

Senior Minister of State for Law and Finance Ms Indranee Rajah was the guest of honour at the Singapore Accountancy and Audit Convention.

SINGAPORE ACCOUNTANCY AND AUDIT CONVENTION

On 3 October, the Singapore Accountancy and Audit Convention 2017 (SAAC 2017) was held at the Marina Bay Sands Expo and Convention Centre. The convention was jointly organised by ISCA, the Accounting and Corporate Regulatory Authority (ACRA) and the Singapore Accountancy Commission (SAC), and attracted a capacity crowd of 1,100.

Themed “Gearing Up for the Accountancy Futurescape”, SAAC 2017 focused on preparing accountants for changes brought about by the technological revolution in the business landscape and how to ensure the profession remains future-ready. Senior Minister of State for Law and Finance Indranee Rajah delivered the keynote address, which touched on enhanced auditor reporting, International Financial Reporting Standards (IFRS) convergence, and the ongoing review of the Accountants Act to raise audit quality. The publications *Embracing Transparency, Enhancing Value: A first-year review of the enhanced auditor’s report in Singapore* and *IFRS Convergence 2018 Implementation Roadmap* were unveiled at the convention.

RECIPROCAL MEMBERSHIP AGREEMENTS

ISCA signed reciprocal membership agreements (RMAs) with the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Chartered Accountants of Scotland (ICAS) in April 2017, and Chartered Accountants Ireland (CAI) in November 2017. This enhances the global stature of the Chartered Accountant of Singapore – CA (Singapore) – designation and allows ISCA members who have completed the Singapore CA Qualification to become members of ICAEW, ICAS and CAI, leading to greater career mobility for our members.

CHARTERED ACCOUNTANTS WORLDWIDE FULL MEMBERSHIP

In June, ISCA became the first professional accountancy body in Asia to be conferred full membership to Chartered Accountants Worldwide, the premier international body that brings together the leading institutes of Chartered Accountants from around the world, to champion the vital role Chartered Accountants play in the global economy.

ISCA also has the distinct honour of being the only body other than Chartered Accountants Worldwide’s founding members to be accorded this status.

Being a member of Chartered Accountants Worldwide also opens more doors for ISCA members by providing them greater career mobility and international recognition.

FINANCIAL FORENSIC ACCOUNTING QUALIFICATION

ISCA announced the first Financial Forensic Accounting (FFA) qualification in Southeast Asia at the inaugural ISCA Financial Forensic Conference. Deputy Prime Minister and Co-ordinating Minister for National Security Mr Teo Chee Hean was the guest of honour at the conference. The applied learning programme, which comprises four

The RMAs signed with ICAEW, ICAS and CAI elevate the global stature of the CA (Singapore) designation.

The inaugural ISCA Financial Forensic Conference was officiated by Deputy Prime Minister and Co-ordinating Minister for National Security Mr Teo Chee Hean.

modules, can be completed in 12 months. ISCA FFA Qualification graduates who are ISCA members will be conferred the ISCA Financial Forensic Professional (ISCA FFP) credential upon completion of all four modules and at least three years of relevant work experience in financial forensic-related fields. The qualification addresses the increased demand for qualified financial forensic professionals in the market. Applications for the qualification commenced in March 2018.

Senior Minister of State for Law and Finance Ms Indranee Rajah was the guest of honour at the Our Future Together: Future of Professional Learning and Entrepreneurship event, co-organised by ISCA and ICAEW, and supported by Chartered Accountants Worldwide. During the dialogue session moderated by Mr Yeoh Oon Jin, Executive Chairman, PwC Singapore, Ms Indranee engaged with members in the audience and exchanged views on the future of the accountancy sector.

FUTURE OF PROFESSIONAL LEARNING AND ENTREPRENEURSHIP

ISCA and ICAEW, together with Singapore Management University (SMU) as knowledge partner, collaborated to present the *Industry Perspectives: Future of Professional Learning and Entrepreneurship* report. The report discussed how education, training and professional learning could be redefined to better develop and prepare professional accountants for the future economy by looking into the future of professional learning and entrepreneurship.

The findings were presented at the "Our Future Together: Future of Professional Learning and Entrepreneurship" event, co-organised by ISCA and ICAEW, and supported by Chartered Accountants Worldwide. Ms Indranee Rajah, Senior Minister of State for Law and Finance, was the guest of honour.

ASEAN CHARTERED PROFESSIONAL ACCOUNTANT (ASEAN CPA)

One hundred and ninety-nine ISCA members were conferred the ASEAN CPA title by the ASEAN Chartered Professional Accountant Coordinating Committee (ACPACC) in 2017. The ASEAN CPA title enables accountants from ASEAN countries to provide non-regulated accountancy services across ASEAN countries without having to go through extensive re-training and re-qualification procedures. This provides more opportunities for accounting professionals and firms in the region.

LOCAL ENTERPRISE ASSOCIATION DEVELOPMENT (LEAD) FUNDING

ISCA is partnering with SPRING Singapore (SPRING) to drive industry transformation over the next few years by helping local small and medium-sized practices (SMPs) build capabilities and improve productivity. SPRING has committed to provide over $2 million in funding through ISCA under the LEAD programme, which will benefit at least 150 SMPs. This initiative is in line with recommendations by the Committee on the Future Economy (CFE) to grow Singapore's accountancy industry.

ISCA CARES

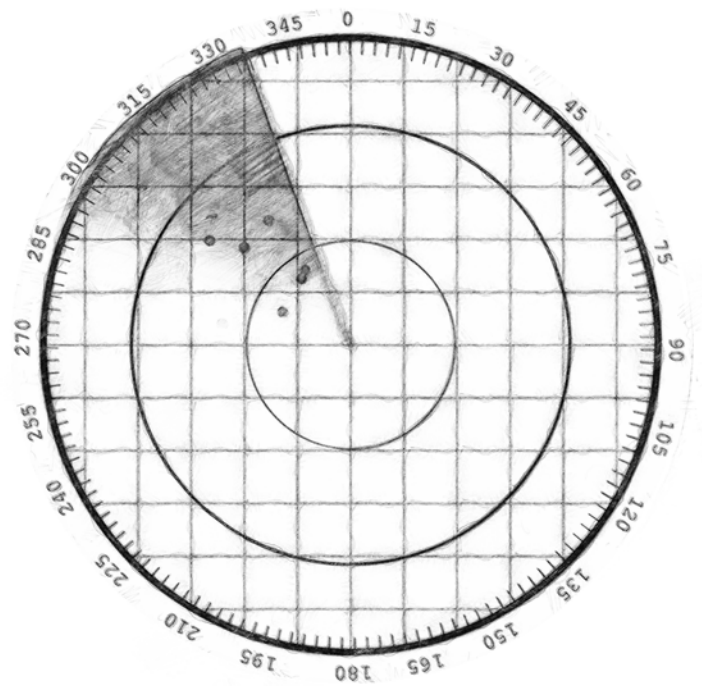
ISCA's charity arm provided over $100,000 in bursaries to support the tuition fees and basic living expenses of 29 accountancy students from underprivileged families. Compared to 2016, this figure is almost double, and twice the number of beneficiaries who received the bursaries.

The ISCA Cares Education Programme is made possible with the support of the accountancy profession. KPMG and RSM Singapore in particular, were the two largest corporate donors from the profession in 2017. The programme aims to provide needy youths with access to quality accountancy education in local polytechnics and mainstream universities. In addition, senior members of the profession serve as mentors to guide beneficiaries towards their aspirations in the accountancy profession. Corporate donors can also provide internship opportunities for beneficiaries to gain relevant accountancy work experience.

In 2017, ISCA Cares gave bursaries to 29 accountancy students under the ISCA Cares Education Programme, almost twice the number of beneficiaries compared to the year before.

MESSAGE FROM THE COCKPIT

President's Keynote



Like all professions, we must gear up for a changing future. Whatever changes are on the horizon in terms of work, technologies and skills, the true value proposition for accountants is trust and the ability to analyse and discern.

—

DR GERARD EE
President
ISCA

Dear Members,

The Fourth Industrial Revolution is transforming economies around the world at an exponential pace. How should we, as a profession, evolve in a world of rapid change?

To address this, the Institute has been working to prepare our members for the future economy, including establishing more avenues to connect them to opportunities worldwide and providing more opportunities for enhancing their skill sets, as well as resources for members to understand and utilise technology.

REACHING GREATER HEIGHTS

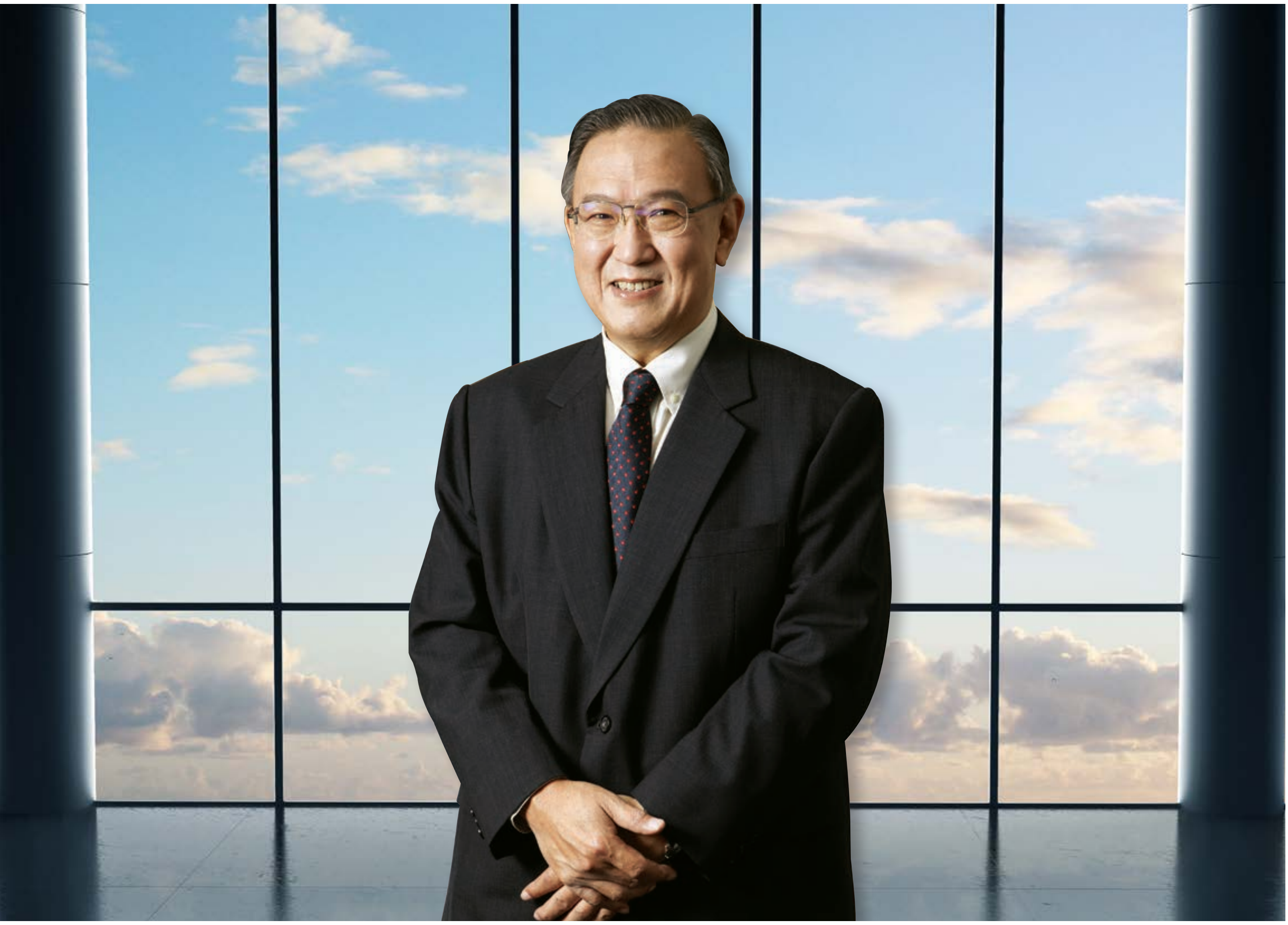
ISCA is currently in the third phase of the Institute's Strategic Roadmap – Intensifying Global Prominence. As such, 2017 has been a fruitful year of expansion and widened horizons for ISCA. It has been satisfying because we have made important progress in further establishing our global and regional branding, which will, in turn, benefit our members.

In the past year, we signed RMAs with three founding members of Chartered Accountants Worldwide – ICAEW, ICAS and CAI.

The RMAs enable ISCA members who have attained the Singapore CA Qualification to become members of these globally recognised accountancy bodies without having to fulfill additional professional or educational requirements. With the RMAs, members are offered greater career mobility and professional recognition in an increasingly globalised business environment.

We also attained full membership to Chartered Accountants Worldwide – a global body of leading chartered accountancy bodies around the world.

ISCA's admission as a full member of Chartered Accountants Worldwide is an important milestone for the Institute. We are the first accountancy body in Asia to be accorded full membership status, which is recognition of our high standards of professionalism and ethics.



We also inked a Memorandum of Understanding (MoU) with the Myanmar Institute of Certified Public Accountants (MICPA) to co-develop the accountancy profession in Myanmar through capability-building programmes. Myanmar and Singapore can also look forward to more new business opportunities as efforts have been made to help practitioners from both sides to interact and build professional networks.

On a recent trip to Myanmar organised by ISCA, practitioners from nine local firms joined the delegation. We are pleasantly surprised to learn that three of them have established links with the SMPs in Myanmar. We hope that this development will grow, and similar tie-ups can be made with the SMPs in Laos, Cambodia and Vietnam.

As part of the capability-building programmes, ISCA will also conduct training on the "ISCA Audit Manual for Standalone Entities" and Micro Accounting Model. The ISCA-developed accounting model for micro entities operating in ASEAN is a simplified financial framework for small companies. Suitable for use in countries where the accounting profession is not well established, the Model keeps within the financial reporting parameters of the International Accounting Standards Board (IASB) and full International Financial Reporting Standards (IFRS), and provides a uniform and credible structure for the accounting of small companies. Standard-setters and national professional accounting bodies can use the Model as a starting point towards eventually adopting international accounting standards. The Model is a useful tool in helping to raise the overall standards of the profession in emerging and developing countries, thereby contributing towards stronger investor confidence. When ISCA presented this Model at this year's United Nations Conference on Trade and Development - International Standards on Accounting and Reporting (UNCTAD-ISAR) session, it was very well-received.

MESSAGE FROM THE COCKPIT

President's Keynote

Such initiatives have significantly enhanced the value of the ISCA membership and elevated our visibility on an international level, providing greater career portability for our members and opening up more opportunities for them in high-growth regions.

From September 2015 to October 2017, ISCA chaired the ACPACC. As ACPACC chair, ISCA was responsible for ensuring the successful implementation of the ASEAN Mutual Recognition Arrangement on Accountancy Services (MRAA), signed by all ASEAN Trade Ministers in 2014 to liberalise trade in services among ASEAN countries, and promote the acceptance of the ASEAN CPA title in the region. Those with the ASEAN CPA title can provide non-regulated accountancy services in ASEAN without having to go through extensive re-training and re-qualification procedures. This provides more opportunities for accounting professionals and firms in ASEAN markets, and facilitates trade in services in the region. As at end February 2018, 218 ISCA members have been conferred the ASEAN CPA title.

RISING WITH THE TIMES

The evolution of technology and business models in Singapore, regionally and globally, means that accountants now have a greater ambit in terms of work opportunities, but this similarly means we need to adapt and transform with the times to remain relevant.

There are growth opportunities for the profession in this fast-changing landscape. For example, there is a world of possibilities for using blockchain technology beyond crypto currencies, for instance in areas such as foreign exchange dealings and keeping of trustees. It is only the beginning, and those who can seize the opportunities will certainly have an edge over the rest.

In today's technology-driven era, new knowledge and skills, such as enterprise risk management, business analytics, cyber security and forensic accounting, are in demand. To ensure that skill sets of our members continue to remain relevant to the changing needs of the workplace, ISCA has been developing specialisation pathways to enable our members to enter such high-growth practice areas.

In 2017, we announced the launch of the ISCA FFA qualification, the first such qualification offered by a professional body in Southeast Asia. The Institute has also collaborated with the Singapore University of Social Sciences to launch the Business Analytics certification programme, which will equip professional accountants with the relevant data analytics skills, in the first quarter of 2018.

Project financing knowledge is another area that is in great demand in the region as ASEAN countries look to develop their infrastructure. As this new avenue with high growth potential is being opened, ISCA is looking into developing a specialisation pathway in this area.

In addition to specialisation pathways, Continuing Professional Education (CPE) continues to be one of the core focus areas for the Institute. It is important that we develop courses that help our members keep pace with changes. To further enhance the relevance and value of our CPE programmes, we have revised our CPE offerings and set up a new CPE Committee in 2017. The Committee will provide strategic guidance on the development of CPE programmes that are aligned with SkillsFuture's Skills Framework of Accountancy. It will also identify emerging training needs and translate them into CPE programmes.

SUPPORTING ISCA'S DIVERSE MEMBERSHIP

While we aim to empower our members to achieve their professional aspirations, we recognise that our members hail from diverse backgrounds and strive to meet their varied needs. Besides expanding the range of CPE courses, ISCA will also be rolling out seminars targeted at different membership segments in 2018. For public accountants, more effort will be poured into encouraging the use of technology as an enabler to transform practice firms. We are also encouraging SMPs to leverage consolidation and collaboration strategies for sustainable growth. For professional accountants in business, being able to be a strategic partner to business requires skill sets such as financial analysis, communication, and harnessing financial insights to influence business decisions. To that end, the Institute will provide avenues for these professionals to develop their skill sets in business partnering.

To engage young professionals who are aged 35 and below, the Institute provides platforms for young accountants to expand their professional network, as well as learn and share with their peers from other industries to broaden their perspectives and expand their knowledge. There will be a symposium targeted at young professionals to keep them informed of trends and developments shaping the future economy. We will also continue to have career pathway talks for young accounting professionals to hear from experienced professionals in diverse fields.

Additionally, the Institute is launching the ISCA SMP Learning Roadmap in 2018. A similar learning roadmap for accountants in SMEs will be developed in the future. These learning roadmaps will support Singapore's move towards a skills-based economy and enable our members to take charge of their career development by laying out the recommended skills at each level and the available learning opportunities.

GUIDING YOUR JOURNEY

ISCA is also supporting companies as they adopt Sustainability Reporting (SR) to comply with Singapore Exchange (SGX) rules that listed companies adopt SR from the financial year ended 31 December 2017. Apart from promoting discussions on SR and helping early-stage SR adopters to kick-start their journey, ISCA launched the SR Implementation Roadmap in September 2017. As the concept of SR may be new to many, we developed the roadmap to help accounting professionals in organisations formulate and execute their plans to achieve a smooth implementation of SR. To promote high-quality assurance SR services, the Institute will also be working with subject matter experts to develop a SR assurance framework. This will establish a level playing field for SR assurance services.

Additionally, ISCA is developing a guidance to create awareness on the role of auditors in cybersecurity, and how cyber threats can impact financial reporting and audit procedures.

With these resources, we aim to ensure members are updated on latest developments in the profession, and are equipped with the knowledge and skills that enable you to add value to businesses.

LOOKING AHEAD

Achieving success is not just about doing more, but also deciding to discontinue activities that do not or no longer contribute to our goals. I had mentioned in the last Annual General Meeting about the plan to divest our education arm, SAA Global Education (SAA-GE). We have since completed the sale of SAA-GE. In the same vein, we have also sold our stake in Elite Building, a six-storey property which once housed SAA-GE and the Institute's corporate premises. The divestments enable ISCA to better focus our efforts in developing the accountancy profession where we continue to meet your interests and needs. This will include directing our activities in preparing our members to be future-ready.

Like all professions, we must prepare ourselves for a changing future. There has been much discussion over how technology disruption might impact the accountancy profession. I would like to highlight that whatever changes are on the horizon in terms of work, technologies, skills and so forth, the true value proposition for accountants is trust and the ability to analyse and discern. I hope that while we continue to acquire new knowledge and venture beyond Singapore, we will also continue to build on our virtues – competence, resilience and integrity.

My term as President ends in April 2018. I would like to thank you for your unwavering support all these years. It has been an honour serving you alongside my fellow council members, as well as the ISCA management team and staff. Together, we have achieved much through their dedication and hard work, and to them, I would like to express my heartfelt gratitude and thanks. With a strong management team in the cockpit, together with the astute leadership of the Council, I am confident the Institute will soar to even greater heights.

With your continued support, we look forward to making greater progress towards our vision of becoming a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

Dr Gerard Ee
President

OUR FLIGHT PLAN

Developed to help ISCA take the profession to new heights, our Strategic Roadmap illuminates the Institute's priorities.

OUR FLIGHT PLAN

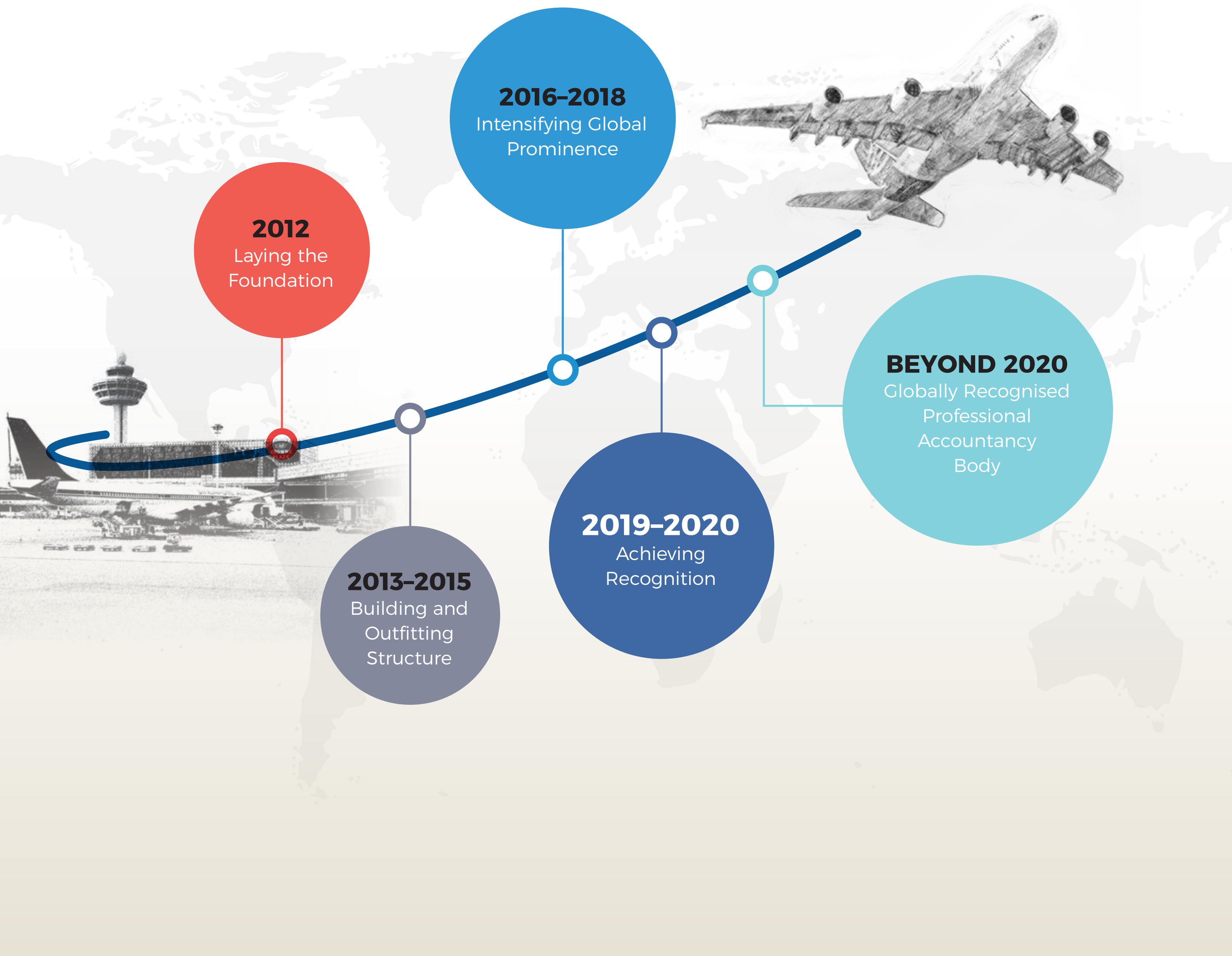
ISCA's Strategic Roadmap

As the national accountancy body, ISCA's vision is to become a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community. ISCA has laid out its strategic direction in the Institute's strategic roadmap. Charting the journey with signposts and waypoints along the way, our Roadmap allows the Institute time to grow and gradually build its wings, while setting the stage for it to take to the skies.

To achieve our vision, ISCA has set itself 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

STRATEGIC ROADMAP 2020



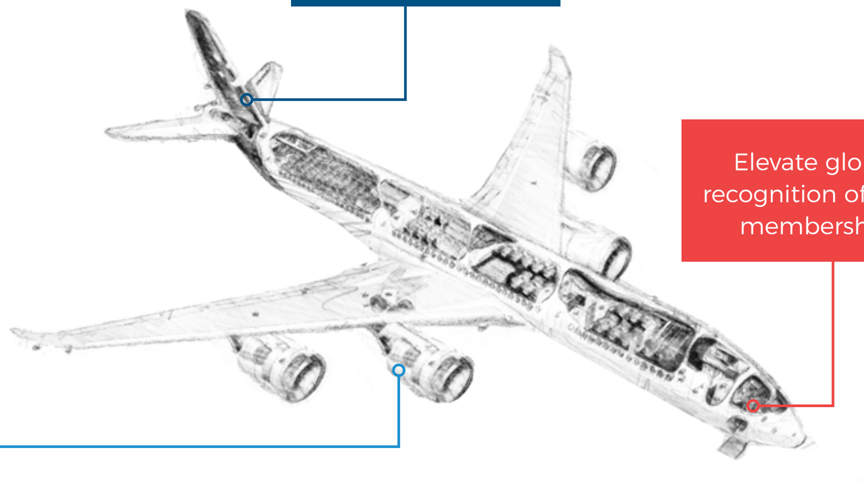
OUR FLIGHT PLAN

ISCA's Strategic Roadmap

STRATEGIC PILLARS FOR **2016–2018**

At the current stage of our journey, the Institute is focusing on the pillars for **Intensifying Global Prominence**.

Build a competent, future-ready and inclusive profession



Elevate global recognition of ISCA membership

Intensify our role as a leading professional accountancy organisation in ASEAN, to achieve greater presence on the global platform

STRATEGIC PRIORITIES **TOWARDS 2020**

Our strategic priorities keep us focused on our vision and mission.

- Uphold Professional Standards & Support Members' Needs in Professional Development
- Share Insights & Uphold Technical Excellence
- Advance the Accountancy Profession
- Enhance Branding and Marketing of ISCA and ISCA Membership
- Widen Members' Career Options Through Pathway Development and Qualifications
- Foster International Relations & Raise ISCA's Global Standing
- Strengthen Relationships with Key Stakeholders

ALL ON **BOARD**

We work closely with members, industry partners, and government bodies to steer the accountancy profession in the right direction.

ALL ON BOARD

Our Key Stakeholders

In modern commercial aviation, cooperation among the aircrew, passengers, ground handlers, airport operators, engineers and other stakeholders is key to ensuring the aircraft reaches its destination safely and on schedule.

In the same way, the strong synergy and shared values between ISCA and its stakeholders—members, industry partners and government bodies—power the Institute's initiatives to further develop the accountancy profession. These strategic ties pave the way for members to achieve professional growth, while providing various industries access to a rich talent pool.

MEMBERS

ISCA supports more than 32,000 members who work as professional accountants in practice or professional accountants in business. The CA (Singapore) designation is recognised as a mark of excellence for accounting professionals and places our members a notch above the rest. ISCA's status as a full member of Chartered Accountants Worldwide means CA (Singapore) members enjoy heightened professional recognition internationally via the Chartered Accountants Worldwide network.

The Institute also collaborates with industry partners to provide members with pathways to greater professional recognition in specialised fields. One such initiative is the launch of the first FFA Qualification in Southeast Asia, which enables existing and aspiring financial forensic professionals to further their professional development. ISCA will continue to roll out more specialisation pathways and internationally recognised credentials beyond accounting and auditing for our members to acquire new skills and qualifications.

We support our members through the different stages of their professional journey. By equipping them with future-ready skills, we enable them to be the preferred choice among employers.

INDUSTRY PARTNERS

Through the years, we have forged relationships with global and regional organisations as we work towards the common goal of advancing the profession. We are a longstanding member of ASEAN Federation of Accountants (AFA), which represents the accountancy profession in the region. We also partner Temasek Foundation International on initiatives to develop the profession in ASEAN.

Globally, we have strategic partnerships with agencies such as International Federation of Accountants (IFAC), IASB, United Nations Conference on Trade and Development (UNCTAD), and the World Bank. We also partner with other professional bodies, business organisations and academic institutions on projects that advance the profession.

In 2017, ISCA became the first professional accountancy body in Asia and the only body other than the global body's founding members to be a full member of Chartered Accountants Worldwide. This milestone further solidifies ISCA's position as the national accountancy body, and raises the Institute's international standing and prominence.

GOVERNMENT

As the national accountancy body, ISCA collaborates with various government agencies. These include the Monetary Authority of Singapore, Ministry of Finance, SAC, Accounting Standards Council (ASC), ACRA, SPRING and Workforce Singapore. ISCA also engages in regular dialogue sessions with government bodies to represent the profession's interests and discuss issues relating to the profession.

FORGING
PATHWAYS

ISCA's specialisation pathways for professional development enable our members to reach new heights in their careers and skills.

FORGING PATHWAYS

The history of aviation is made possible by trailblazers who advanced flight technology from its formative stages and inspired younger generations to continue developing new pathways across greater distances.

In a similar way, the Institute empowers our members to forge new connections in the field of accountancy by providing pathways to develop their expertise in various areas of specialisation.

Besides developing specialisation pathways, ISCA also takes part in a range of outreach activities to engage the student population to promote accountancy as a career of choice.

DEVELOPING TALENT IN FINANCIAL FORENSIC ACCOUNTING

ISCA held the inaugural ISCA Financial Forensic Conference on 28 September. The event was officiated by Deputy Prime Minister and Co-ordinating Minister for National Security Mr Teo Chee Hean.

The event drew close to 500 attendees from both public and private sectors, including forensic accountants, financial crime compliance specialists and investigators, law enforcement officers, and legal specialists.

At the event, we announced the launch of the ISCA FFA Qualification, the first financial forensic accounting qualification in Southeast Asia. This will enable existing and aspiring financial forensic professionals to further their professional development and foster the talent pipeline for such specialists. A pathway is also available for experienced financial forensic professionals to be conferred the Financial Forensic Professional (FFP) credential. Applications for the Qualification commenced in March 2018.

ISCA ACCREDITED ACCOUNTING TECHNICIAN (ISCA-AAT) QUALIFICATION

In 2017, ISCA welcomed the first batch of students for the ISCA-AAT, offered in collaboration with the Association of Accounting Technicians (UK). The programme equips accounting technicians with core technical skills in accounting, tax, law, and IT.

The ISCA-AAT's modular and customisable syllabus aims to build the accounting capabilities of accounting technicians and increase their productivity, which they can apply to their work. This is an invaluable foundation for their careers in a business environment that is changing rapidly due to technological innovations.

ISCA PROFESSIONAL EXAMINATION

ISCA Professional Examination (ISCA PE) is a professional accountancy programme which enables graduates who did not major in accounting and overseas accounting graduates to become ISCA Associate Members. Since 2009, there have been 857 candidates who have passed the ISCA PE. In 2017, 199 candidates graduated from the programme.

ENGAGEMENT AND OUTREACH

To broaden and deepen the accountancy talent pipeline, ISCA continues to engage students, with the objective of promoting accountancy as a career of choice. Through career talks and career fairs, ISCA has reached out to over 2,000 students from the Institute of Technical Education (ITE), Millennia Institute, and secondary schools in 2017.

The Institute has also continued to engage future and current accounting professionals at more than 50 talks, roadshows and info-sessions, connecting and sharing information with over 1,000 potential and existing members on ISCA membership pathways and initiatives.

Panellists at the inaugural ISCA Financial Forensic Conference shared how to leverage their financial forensic accounting, legal and IT experience to protect businesses against financial crime.

BROADENING **HORIZONS**

The Institute pursues initiatives to improve audit and financial reporting quality and enhance the skills, knowledge and expertise of our members, broadening their professional horizons.

BROADENING HORIZONS

As new scientific discovery and travel behaviours continued to shape aviation technology, the industry continues to raise benchmarks for quality, efficiency and safety.

Just like the aviation industry, the accountancy profession has evolved in a significant way, and the role of the accounting professional has expanded to meet the challenges and demands of today.

ENHANCING AUDIT QUALITY

AUDIT SOFTWARE

ISCA collaborated with global software provider CaseWare International to develop "Audit Singapore", an audit software customised for Singapore's SMPs. The software aims to help SMPs in Singapore automate and streamline their audit work flow. The typical audit process entails a series of manual audit procedures aimed at addressing the relevant audit risks in order to form an audit opinion.

With the audit software, steps such as input of trial balances, creation of work papers and computing of financial ratios can be automated. There will also be a dashboard to provide an overall monitoring on the progress of engagements.

"Audit Singapore" helps SMPs minimise human errors, improve service quality and save up to 20-30% of processing time during audit engagements, compared to current paper-based approaches. The audit software is customised according to the ISCA Audit Manual for Standalone Entities (AMSE), an improved risk-based audit methodology suitable for SMPs. Hence, audit processes can be standardised across accounting firms that adopted this software.

AMSE AND ILLUSTRATIVE QUALITY CONTROL MANUAL (IQCM) UPDATES

As an ongoing process, ISCA continues to update the AMSE and Illustrative Quality Control Manual (IQCM). The AMSE was first issued on 28 October 2016 to help audit professionals understand and apply the Singapore Standards on Auditing (SSAs) during the audit process. The update aligns it to the revised Ethics Pronouncement 200 (EP 200) Implementation Guidance 2 auditing standard, and improves the usability of some of the working paper templates. ISCA also launched an enhanced IQCM (first issued in January 2016) for SMPs, with guidance for implementing policies, procedures and controls to prevent activities related to money laundering and the financing of terrorism, in accordance with EP 200.

SUPPORTING THE PROFESSIONAL DEVELOPMENT OF PUBLIC ACCOUNTANTS

Our ISCA Quality Assurance Review (QAR) Programme helps SMPs improve the quality of their practices and audit engagements by reviewing their signed-off audit engagement files and/or firm-level quality control systems which need to comply with the Singapore Standard on Quality Control (SSQC) 1, EP 200 and SSAs. The programme also offers public accountants recommendations on areas for improvement.

Since 2016, ISCA has provided customised training to meet the specific learning needs of SMPs. Training materials are tailored to the needs of different firms. The objective of the training is to bridge the knowledge

BROADENING HORIZONS

gap and help employees relate what they have learnt to their work. The scope of the training has been expanded to include EP 200, ISCA ASME and other audit-related topics.

ISCA also holds Technical Clinics on a regular basis for public accountants to discuss audit-related issues in a focus group setting, facilitated by a fellow public accountant.

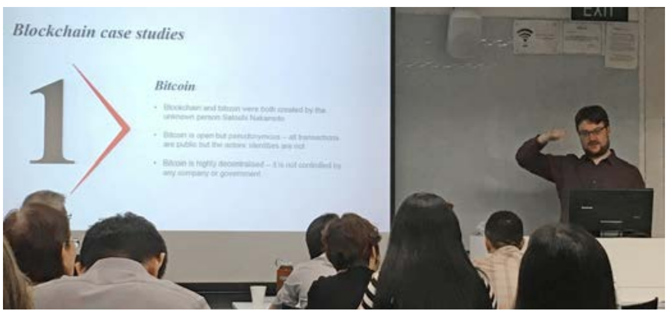
PRACTICAL AUDIT WORKSHOP

The Practical Audit Workshop (PAW) programme was developed in 2013, following feedback from members about the need for practical audit training for staff of SMPs. The programme, supported by SAC and ACRA, continues to draw positive feedback from participants. As PAW is a certifiable skills training course supported by SkillsFuture Singapore and Workforce Singapore, SMPs can utilise government training grants to defray the cost of sending their staff for the course.

DEEPENING OUR MEMBERS' KNOWLEDGE BASE

With the rise of automation, digitalisation, and the gig economy reshaping the global economic landscape, accounting professionals must have versatility, adaptability, strong communication and critical thinking skills to be ready for the future economy. To that end, ISCA continuously provides avenues for our members to learn new skills that are relevant in the future workplace.

New CPE courses in emerging areas such as data analytics, cybersecurity, basic coding and blockchain have been introduced. The Institute has also expanded its library of online courses to cater to the growing demand for on-demand and remote learning programmes. The courses, which come in bite-sized modules, focus on subjects including accounting, internal audit, Big Data and Sustainability Reporting.



To prepare members for the future economy, ISCA organised talks by experts on emerging topics such as the impact of blockchain technology on accountants.

The Institute has also developed online courses on business valuation and internal audit, which are among the high-growth practice areas for the region that can help drive the demand for legal and accounting services in Singapore. Launched in December 2017, the courses focus on the common valuation issues in financial reporting and help internal auditors expand their skill set with audit analytics.

IDENTIFYING FUTURE LEARNING NEEDS

A CPE Committee was set up in May 2017 to provide strategic direction and guidance on the value and relevance of ISCA's CPE programmes. The Committee focuses on identifying the training needs and the skills gap for various job roles, as well as evaluates the relevance and adequacy of CPE courses. The Committee currently has 11 members, including public accountants, chief financial officers from the private and public sectors, and academics.

RISK MANAGEMENT PROGRAMME

ISCA launched its Professional Risk Management Programme in December 2017 to build the capability of finance professionals and risk owners. The programme, which comprises online and campus-based modules, focuses on Enterprise Risk Management (ERM) and financial risk management to equip professionals with the skills to navigate a complex business environment full of unprecedented risks and impending challenges.

TALKS, FORUMS AND SPECIALISED COURSES

In addition to CPE courses, ISCA also organises specialised courses as well as talks and forums to enhance our members' professional development.

The monthly ISCA Breakfast Talks provided members with a broad coverage of topics that are relevant to finance and accounting professionals. The series, which enables members to network over breakfast and learn more about key topics from subject matter experts, draws more than 80 members each time. Topics range from more technical issues, such as managing income tax, GST compliance, and the new leases standard, to business issues such as crisis management, integrated business planning, and cloud computing.

In May 2017, a half-day forum focusing on technological disruptors was attended by more than 140 participants. Various subject matter experts touched on topics such as the current and future states of digital disruption, the impact of digital disruption on the economy, and the applications of advanced analytics and blockchain technology.

We also organised the second run of our popular Career Pathways talk in September 2017, featuring experienced professionals from various fields sharing their career journeys and insights they had learned along the way. Recruitment professionals from Robert Half were also invited to provide insight into industry hiring trends and give their perspectives on what employers are looking for in prospective employees.

SUPPORTING ASPIRING CFOs

For the third time, ISCA ran its mentorship programme for CFO aspirants in collaboration with SAC. The programme was extended to nine months and included regular milestones and progress updates. Participants learned from experienced mentors from the accounting and finance professions, and interacted with other CFOs and CFO aspirants during the programme.

EXCHANGING KNOWLEDGE AT ONE YOUNG WORLD SUMMIT

PwC Singapore assistant manager Muhammad Ashiq Chu represented ISCA to attend the One Young World (OYW) Summit, held in Bogotá, Colombia in 2017. He joined young talent from around the world to formulate, share and debate innovative solutions for pressing global issues. Each year, ISCA selects a member below 30 years old to be part of the Chartered Accountants Worldwide delegation at the summit.

ISCA Member Muhammad Ashiq Chu (extreme left) joined other members of the Chartered Accountants Worldwide delegation at the OYW Summit in Bogotá, Colombia.

IS CHARTERED ACCOUNTANT JOURNAL WINS AWARD

For the second year running, the ***IS Chartered Accountant*** journal clinched the Publication Award of Excellence at the APEX Award 2017. The international win is a testament to the publication's exceptional editorial and design capabilities, and its success in achieving overall communications excellence and effectiveness. The award signifies the Institute's unwavering dedication to producing relevant and high-quality resources that add value to our members' work. Winning this award further cemented the important role our publication plays in elevating ISCA's global standing.

In 2017, the Institute embarked on its first interactive campaign site 'Think Green, Live Green' to raise awareness of the journal mobile app and encourage readers to care for the environment by reading the journal online. Through the campaign, readers had a hand in growing their digital apple tree while enjoying the extensive selection of articles.

DRIVING **INDUSTRY TRANSFORMATION**

LEAD PROGRAMME

In April 2017, ISCA announced its partnership with SPRING to help SMPs enhance their capabilities and improve productivity through the LEAD programme.

Under this programme, ISCA will support SMPs through projects that provide guidance for practitioners to engage in strategic planning and expand into high-growth practice areas. SMPs will also be encouraged to embrace technology by automating their work processes. There will also be initiatives that support SMPs' internationalisation efforts by encouraging them to establish partnerships and alliances in overseas markets, as well as learn best practices from overseas counterparts.

MISSION TRIPS

To help SMPs establish overseas partnerships, ISCA organised the SMP Business Study Mission to Bangkok

BROADENING HORIZONS

from 19 to 21 July 2017. During the trip, local practitioners engaged their counterparts in one-on-one discussions. The practitioners also learned about the Thai government's key development plans.

The Institute organised a second overseas business mission trip to Sydney in October 2017. As part of the trip, the practitioners visited the Accountancy Technology Showcase Australia (ATSA), the office of Chartered Accountants Australia and New Zealand (CAANZ) as well as technology providers and progressive accounting firms in Australia. The visit exposed practitioners to new technologies, processes and ideas that they could apply in their practices to improve productivity and their service offerings.

SMP Practitioners and ISCA staff on a learning journey to Sydney to visit the ATSA 2017.

SMP DIALOGUE

The 6th ISCA SMP Dialogue held on 20 April 2017 was a sold-out event. The event centred on EP 200, which formed the basis of a new inspection regime for non-Public Interest Entities (non-PIE) that came into effect on 1 January 2017. ACRA representatives walked practitioners through the flow of a typical EP 200 inspection as well as highlighted some of ACRA's expectations for EP 200. ACRA's Chief Inspector addressed questions from practitioners at the end of the session.

The ISCA Run 2017 brought together members from different segments of the profession, as well as the public, for a time of bonding and exercise.

ENCOURAGING **WELLNESS AND BONDING**

ISCA RUN

We recognise that personal well-being is the foundation of professional success. To support members holistically in their development, we also hold events that encourage work-life balance, physical activity and community bonding.

The ISCA Run is a popular annual event that brings different segments of the profession together. The 2017 ISCA Run took place on 27 May at the OCBC Square, drawing a total of 1,300 runners. The event attracted participants from all over the globe including Australia, China, Germany, Kenya, Morocco and New Zealand. The run attracted participants from all ages, ranging from five-year-olds running in the Kids' Dash to an 81-year-old running the five-kilometre route.

ISCA GAMES

Close to 300 teams participated in 28 different games in the ISCA Games 2017. This year, a total of 15 accounting firms took part in the Games. In particular, there were 18 teams from the Commerce category, which was a 40% increase in participation from the previous year.

INTER-PROFESSIONAL GAMES

Each year, the Inter-Professional Games (IPG) draws many participants from members of the professional bodies – ISCA, Institute of Engineers Singapore, Singapore Institute of Architects, Singapore Medical Association, Singapore Institute of Surveyors and Valuers and The Law Society of Singapore. The games promote wellness and work-life balance and encourage networking among members of the different professions. In 2017, ISCA placed 2nd overall in the IPG, winning the top spot for table tennis and floorball, and placing second for tennis, badminton, basketball and squash.

The ISCA Games continues to be popular with the profession. Close to 300 teams participated in 28 different games in 2017, with KPMG emerging as the overall winner.

ENHANCING FLIGHT **PERFORMANCE**

ISCA provides the accountancy profession a strong, unified voice in a time of profound and accelerated change.

ENHANCING FLIGHT PERFORMANCE

Pre-Budget Roundtable 2017 Group Photo:
Panellists (seated, from left) Cindy Lim, Tax Partner, RSM Tax Pte Ltd; Augustine Tan, President, Real Estate Developers' Association of Singapore; Ho Meng Kit, Chief Executive Officer, Singapore Business Federation; Co-Chairs Gerard Ee, President, ISCA and Liang Eng Hwa, Chairman, Government Parliamentary Committee for Finance, Trade & Industry; R. Dhinakaran, President, Singapore Retailers Association; Kon Yin Tong, Managing Partner, Foo Kon Tan LLP and Vice President, ISCA; Prof Sum Yee Loong, Board Member, Singapore Institute of Accredited Tax Professionals; (standing, from left) Low Hwee Chua, Regional Managing Partner, SEA Tax and Legal, Deloitte & Touche LLP; Kenneth Loo, President, Singapore Contractors Association Limited; Erman Tan, President, Singapore Human Resources Institute; Chiu Wu Hong, Head of Tax, KPMG in Singapore; Victor Mills, Chief Executive, Singapore International Chamber of Commerce; Jimmy Koh, Head of Investor Relations & Research, UOB Ltd; Ang Yuit, Vice President (Membership & Training), Association of Small & Medium Enterprises.

The Jet Age represents a rapid and profound change in military and commercial aviation, with the development of turbine engine-powered aircraft making travel faster, easier and more efficient. Air travel has become more accessible, the world more navigable, and the global economy more dynamic.

In a changing world shaped by technological advancements, ISCA strives to share insights on latest issues and trends with the accountancy profession.

The Institute frequently publishes reports and thought leadership articles that shed light on trends and issues facing the profession. At the same time, it frequently collaborates with the private sector and government agencies on a range of research initiatives and events on topics of interest to our members to deal with these challenges.

GATHERING VIEWS ON SINGAPORE BUDGET

ISCA's Pre-Budget Roundtable brings together business luminaries and industry leaders from the accountancy profession, trade associations and chambers, and academia to discuss and provide recommendations on the annual Singapore Budget. It serves as a platform for the accounting profession and the business community to highlight issues of concern and to communicate their wishlist for the Singapore Budget to the Ministry of Finance.

The theme of the ISCA Pre-Budget Roundtable 2017, held for the eighth year running on 11 January 2017, was "Advancing Our Future: Adapt. Innovate. Change." Chaired by Mr Liang Eng Hwa, Chairman of the Government Parliamentary Committee for Finance, Trade & Industry, and ISCA President Dr Gerard Ee, the roundtable brought together leaders of trade bodies, accounting firms and C-suite executives. The roundtable also provided a platform to gather the views and insights of industry players on how Singapore can advance its future. ISCA also conducted a post-Budget focus group discussion in February 2017 to provide feedback to the Ministry of Finance for consideration during the Committee of Supply debates.

PERSPECTIVES ON THE FUTURE OF ACCOUNTANCY

ISCA collaborated with ICAEW on the publication *Our Future Together: Future of Professional Learning & Entrepreneurship*, a project between the two partners to provide insights on trends impacting the future of accountancy.

The publication launch event was held on 4 April 2017 at the Marina Bay Sands Expo and Convention Centre. Ms Indranee Rajah, Senior Minister of State for Law and Finance, delivered the keynote address and shared her perspectives on the future of learning and entrepreneurship. The publication and launch event were aligned with ISCA's strategic priorities to advance the accountancy profession as well as to promote dialogue and understanding among our members.

ADVANCING THE PROFESSION IN THE DIGITAL AGE

Blockchain in Focus

On 16 May 2017, ISCA organised a discussion on blockchain technology with IBM Blockchain Lab & IBM Bluemix Garage ASEAN Practice Lead Mr Alan Lim at the "Digital Disruptors – Movers and Shakers Within the Finance and Accountancy Ecosystem" seminar organised by IE Singapore.

The joint ISCA-IBM publication *Blockchain: Re-imagining Multi-Party Transactions for Businesses*, which focuses on how blockchain can be applied to businesses especially in highly regulated industries like financial services, was launched at the event. The publication described some of the key concepts in blockchain for businesses, potential use cases, and considerations for adopting the technology.

Examining Technology's Impact on the Profession

ISCA raised awareness on digital trends and their impact on businesses and the accounting profession with its two-part article series in the ***IS C**hartered **A**ccountant* journal. The articles, "Data Analytics and Accounting" and "Data Analytics: A Boon for Auditors", were co-authored with Mr James Larmer, PwC's Southeast Asia Data & Analytics Leader.

On 24 June 2017, the Institute also submitted an op-ed in *The Straits Times* titled "Why Robots Won't Steal Accountants' Jobs" to dispel fears that technological advancements will make accountants obsolete.

An article about PayNow and cashless payments in Singapore was also published in the October issue of the ***IS C**hartered **A**ccountant* journal.

In August 2017, ISCA took the lead in voicing the profession's views on technology-related issues by submitting a comment letter on the government's draft Cybersecurity Bill.

RAISING AWARENESS ON MANAGING RISKS IN INTERNATIONALISATION

Venturing Beyond Borders: Managing Risks Effectively details the internationalisation story of four Singapore companies and how they approached risks when expanding into overseas markets.

The publication was launched on 27 October 2017 at a half-day event supported by IE Singapore, during which an engaging discussion on the opportunities, challenges and risks of internationalisation—particularly in ASEAN—was facilitated.

The publication and launch event are part of ISCA's efforts to encourage local enterprises to internationalise, and raise awareness about the importance of risk management during the internationalisation journey.

NAVIGATING
THE GLOBE

In a globalised business environment, our work with partners abroad increases our presence and recognition around the world.

NAVIGATING THE GLOBE

Air travel has made global exploration and interaction easier. It has influenced how humans connected, exchanged diverse points of view, and endeavoured to work together.

Like a consummate explorer, ISCA continues to navigate the globe, raising its profile by deepening its engagement with international counterparts and solidifying its standing as the leading accountancy body in the region and beyond.

ELEVATING ISCA'S INTERNATIONAL PROFILE

ISCA was admitted as a full member of Chartered Accountants Worldwide, a global body of leading chartered accountancy bodies around the world. ISCA is the first professional accountancy body in Asia, and the only body other than the founding members of Chartered Accountants Worldwide, to be accorded full membership status.

Chartered Accountants Worldwide brings together 12 chartered accountancy bodies connecting and representing the interests of over 1.7 million members and students globally. Within the Chartered Accountants Worldwide network, there are Chartered Accountants working in more than 200 countries. With ISCA being a full member of Chartered Accountants Worldwide, Chartered Accountants of Singapore are now connected to a global network, enhancing their professional stature and employability in a globalised business environment.

FORGING GLOBAL CONNECTIONS

ISCA signed RMAs with ICAEW, ICAS and CAI. The RMAs allow ISCA members who have completed the

Singapore CA Qualification to obtain direct membership into the abovementioned professional bodies and attain the ICAEW Associate Chartered Accountant (ACA), ICAS Chartered Accountant (CA), and CAI's CA designations without having to fulfil additional professional or educational requirements, while Chartered Accountants from the three bodies can apply for full membership with ISCA and attain the CA (Singapore) designation – a recognised mark of excellence, expertise and integrity in business.

The RMAs are a testament to ISCA's professional and ethical standards, and will further enhance the international standing of the Institute and our members. They also represent a significant step towards ISCA's vision of becoming a globally recognised professional accountancy body.

LEADERSHIP ON THE GLOBAL STAGE

ISCA was invited for the fourth consecutive time to the UNCTAD-ISAR. At the Conference's 34th session, ISCA President Dr Gerard Ee completed his term as Chair.

Ms Lim Ju May, ISCA Deputy Director, Corporate Reporting & Ethics, gave a presentation on the Micro Accounting Model at the UNCTAD-ISAR's 34th session.

NAVIGATING THE GLOBE

The ASEAN CPA title allows accountants to provide professional services in ASEAN countries without going through extensive re-training and re-qualification procedures. As at end February 2018, 218 ISCA members have been conferred the ASEAN CPA title.

In July, ISCA and Temasek Foundation International hosted 10 senior Lao government officials for a five-day leadership course in Singapore.

ISCA Deputy Director, Corporate Reporting and Ethics, was also invited to present the Micro Accounting Model (MAM) she authored. The MAM is designed to help micro, small and medium businesses operating in ASEAN countries adopt accrual accounting.

CONNECTING ACCOUNTANTS TO MORE OPPORTUNITIES IN ASEAN

The ASEAN Mutual Recognition Arrangement on Accountancy Services (MRAA) was signed by ASEAN Trade Ministers in 2014 to liberalise trade in accountancy services among ASEAN countries. The ASEAN Chartered Professional Accountant Coordinating Committee (ACPACC), comprising representatives from government agencies, national accountancy bodies and regulators, confers the title of ASEAN CPA to eligible accountants in the region.

As the ACPACC Chair since September 2015, ISCA was responsible for ensuring the successful implementation of the MRAA and promoting the acceptance of the ASEAN CPA across Southeast Asia. In October 2017, Singapore handed over the ACPACC Chairmanship to Thailand.

The ASEAN CPA title allows accountants in the region to provide their professional services in non-regulated areas in ASEAN countries without having to go through extensive re-training and re-qualification procedures. This provides more opportunities for accounting professionals and firms in ASEAN markets. As the ASEAN region continues to grow, so will the demand for quality accountancy services.

As at end February 2018, 218 ISCA members have been conferred the ASEAN CPA title.

TRAINING LAO OFFICIALS

Following the MoU signed between the Institute and the Lao Chamber of Professional Accountants and Auditors (LCPAA) in October 2016, ISCA and Temasek Foundation International hosted 10 senior Lao government officials for a five-day leadership course in Singapore from 17 to 21 July.

The course covered modules such as Principles of Accounting, Corporate Governance, Tax Mechanism and Public Sector Financial Management. Participants also visited the Inland Revenue Authority of Singapore and ACRA to understand Singapore's taxation mechanism and regulatory instruments that promote audit quality.

ADVANCING THE PROFESSION IN THE REGION AS AFA PRESIDENT

On 8 December 2017, ISCA took over as President of AFA for 2018-2019 from LCPAA. Mr Kon Yin Tong, ISCA Vice President, will represent ISCA as AFA President and ISCA council member Prof Chan Yoke Kai will helm the role of AFA Treasurer.

ISCA assumed presidency of the AFA in 2017.

ISCA and AICPA entered into an MoU to provide their members reciprocal access to CPD programmes at preferential rates.

ISCA and MICPA signed an MoU to co-develop the accountancy profession in Myanmar through capability-building programmes.

The symbolic handover ceremony took place in Vientiane, Laos and was witnessed by H.E. Adsaphangthong Siphadone, Vice Minister, Ministry of Finance of Lao PDR, AFA Council members and local practitioners. As AFA President, ISCA will be a spokesperson for AFA and chair AFA Council meetings to facilitate the advancement of the accounting profession in the region.

PROMOTING CROSS-BORDER CONTINUOUS PROFESSIONAL DEVELOPMENT

In August 2017, ISCA and the Association of International Certified Professional Accountants (AICPA) signed an MoU to provide members of both organisations reciprocal access to each organisation's continuous professional development (CPD) programmes and activities at preferential rates. In addition, eligible Chartered Global Management Accountants (CGMAs) will be granted Associate membership of ISCA.

In April 2017, ISCA also signed MoUs with ICAEW and ICAS respectively to explore further collaborations on members' activities and professional development for their members around the world. These include granting members mutual access to each institute's events and CPE courses. With this, ISCA aims to bring greater value to our members, who can now enjoy a wider range of technical resources, networking events and professional development courses. In the current business landscape where organisations are increasingly internationalised, these benefits will put ISCA's members in good stead to achieve their career aspirations, wherever they are.

DEVELOPING THE PROFESSION IN MYANMAR

In November, ISCA signed an MoU with MICPA to co-develop the accountancy profession in Myanmar through capability-building programmes.

These programmes will include training on Principles of Accounting, IFRS, IFRS for SMEs, and other topical issues and trends. ISCA will also conduct training on the adoption of the ISCA Audit Manual and MAM.

PRESENCE AT INTERNATIONAL ACCOUNTING TECHNICIANS' ROUNDTABLE

In November 2017, ISCA CEO Lee Fook Chiew represented the Institute at the 3rd Accounting Technicians' Roundtable organised by the Association of Accounting Technicians (UK) in Brussels, Belgium. The roundtable was attended by IFAC, the World Bank, regional representatives from the Pan-African Federation of Accountants (PAFA) and the Confederation of Asia-Pacific Accountants, as well as professional bodies from individual countries.

The roundtable served as an avenue to tackle topics including the evolving role of accountants in light of the technology revolution and the importance for accounting technicians to adhere to standardised frameworks and guidelines—in particular, to a code of ethics—for the public interest.

These initiatives have significantly elevated ISCA's international profile. The heightened global visibility brings more opportunities and professional recognition for ISCA members in an increasingly globalised business environment. ISCA's increased activities in the ASEAN region, with its burgeoning economies, also open more opportunities for members in these high-growth areas.

GEARED TOWARDS **EXCELLENCE**

From facilitating the adoption of standards to the development of technical resources, we aim to uphold technical excellence across the profession.

GEARED TOWARDS EXCELLENCE

As the aviation industry grew, so did the demand for experts and specialists who are instrumental in developing technologies and imparting knowledge for new generations to build on.

In the same way, ISCA's technical departments and committees work to promote higher excellence standards for the accountancy profession.

Through the work of ISCA's technical departments and committees, the Institute contributes to technical excellence for the accountancy profession. Through our outreach efforts and technical resources, we facilitate the implementation and application of standards. We shape the formulation of accounting, auditing and ethical standards globally via comment letters on exposure drafts to the IASB, International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA) for deliberation in their standard-setting process.

PREPARING THE PROFESSION FOR SUSTAINABILITY REPORTING (SR)

ISCA's Corporate Reporting Committee (CRC) seeks to play a leading role in raising awareness and understanding of SR and advancing the quality of SR in Singapore. The CRC's objectives are executed through two working groups (WG) – the SR Awareness WG and the SR Quality WG. These WGs engage stakeholders through a range of initiatives to raise awareness, facilitate sharing of SR knowledge/experience and develop guidance to uplift the quality of SR in Singapore.

Below are some of ISCA's key initiatives in championing sustainability.

ISCA SR Implementation Roadmap

ISCA, through its CRC and SR Quality WG, developed the Sustainability Reporting Implementation Roadmap to help new or early-stage SR adopters kick-start their SR journey. The SR Roadmap is designed to promote thinking and discussion around SR, and helps early adopters decide which aspects of sustainability are most important to their business. The SR Roadmap provides practical guidance on the implementation process, includes a compilation of questions asked by the early-stage SR implementers in the market, and provides step-by-step guidance by breaking down the process into six phases – planning, materiality assessment, target setting, date collection, report preparation and assurance.

Chief Financial Officers for SR – ISCA SR Roundtable and Sustainability Roundtable Report

ISCA, through its SR Awareness Working Group, held the CFO SR Roundtable, where CFOs from various organisations discussed the role of CFOs in spearheading sustainability within their organisations. It was also a platform for participants to discuss the challenges faced in spearheading sustainability and how these challenges can be overcome.

ISCA developed the *ISCA Sustainability Roundtable Report – CFOs for SR* to share the various takeaways gleaned from the roundtable. The report centred on seven areas – CFOs are well-placed to drive sustainability; Sustainability enhances and complements the CFO's function; Challenges to sustainable business practices; Breaking down the silos; Sustainability is about survival; Education is crucial; and What makes a good sustainability report.

ISCA SR Seminar - The "How To" of Implementing SGX SR Guide

ISCA organised the 2017 SR Seminar "The 'How To' of implementing SGX SR Guide" on 18 September 2017. The aim of the CRC Seminar was to share the "how-to's" of implementing the SGX SR Guide and the pivotal

GEARED TOWARDS EXCELLENCE

Panellists at the ISCA SR Seminar discussed key considerations in applying the SGX SR Guide.

role that CFOs play in spearheading the sustainability practice in their organisations. In attendance were 190 participants, many of them finance professionals and representatives from listed and non-listed companies. The seminar featured a sterling line-up of speakers and panellists with a wealth of experience in SR.

Panel Discussion – The Value of Sustainability Reporting

ISCA held a panel discussion on SR titled: "The Value of Sustainability Reporting" at SAAC 2017. The panel discussion was held to shed light on the profession's place within the SR eco-system, the value of assurance to the entire SR process, and what investors are looking out for.

ISCA issued a Sustainability Reporting Implementation Roadmap to guide the profession in implementing sustainability reporting.

IFRS CONVERGENCE 2018 IMPLEMENTATION ROADMAP

For financial periods beginning on or after 1 January 2018, full IFRS Convergence is required for Singapore-incorporated companies listed on SGX. Although the existing Singapore Financial Reporting Standards (SFRS) are closely modeled after IFRS, there may be a need for companies to adjust prior years' financial numbers when they make the switch from SFRS to IFRS. This is because IFRS Convergence requires the adoption of IFRS 1 First-Time Adoption of International Financial Reporting Standards, a standard that specifies how an entity should transition to IFRS. Thus, as a first step towards IFRS Convergence, listed companies would need to assess the impact of IFRS 1 on their financial statements.

ISCA, through its Financial Reporting Committee (FRC) Core Sub-Committee, developed the IFRS Convergence 2018 Implementation Roadmap in collaboration with the Singapore Institute of Directors to provide guidance on how to navigate the maze of accounting change that the IFRS Convergence exercise requires. The roadmap includes a bird's eye view of IFRS Convergence and a step-by-step application guide of IFRS 1 on areas that would impact entities the most – business combination; attribution of total comprehensive income, including deficit balances, to controlling interests; goodwill and fair value adjustments arising on acquisition of foreign operations; cumulative translation differences; deemed cost exemption for property, plant and equipment and investment property; and capitalisation of borrowing costs on qualifying assets.

In view of the directors' crucial role in providing strategic direction and oversight to management, the roadmap provides key questions that directors should ask management and guides them on what they need to do to ensure management adopts the right thought processes and action plans. The roadmap also provides management, CFOs and their finance teams with actions required for IFRS convergence.

An ISCA poll conducted from August to September 2017 showed that many of the 235 listed companies surveyed still have some preparations to do to be ready for IFRS Convergence. The roadmap will help entities get back on track towards IFRS convergence. Both the poll results and the roadmap were featured at the SAAC 2017.

GUIDANCE – REVENUE RECOGNITION FOR SALE OF UNCOMPLETED RESIDENTIAL PROPERTIES IN SINGAPORE

Revenue recognition for sale of uncompleted residential properties has always been judgmental, considering the unique structure of the industry and also existing regulations in Singapore. This Guidance discusses the application of the new Revenue standard (FRS 115) and the consensus reached by ISCA's FRC, on the sale of uncompleted properties under the standard Sales and Purchases Agreement. The Guidance delves into "over time or point in time revenue recognition", focusing on paragraph 35(c) of FRS 115. The areas discussed include whether the developer has an enforceable right to payment for performance completed to date, and the likely outcomes of revenue recognition for certain real estate sales commonly seen in Singapore.

The IFRS Convergence 2018 Implementation Roadmap includes a bird's eye view of IFRS Convergence and a step-by-step application guide of IFRS 1 on areas that would impact entities the most.

INDUSTRY DIALOGUE SESSIONS ON IMPLEMENTATION OF FRS 115

FRS 115 introduces a new revenue-recognition model based on "transfer of control" instead of the existing "transfer of risk and reward". FRS 115 is effective for annual periods beginning on or after 1 January 2018. The new revenue recognition model may change the existing revenue recognition policies and pose challenges to businesses with long-term contracts and/or contracts comprising multiple performance obligations.

In view of the impact this would have on various industries, ISCA's FRC held dialogue sessions with representatives from the following industries – contract manufacturing, construction of industrial assets, real estate development, and transportation and logistics. These sessions were facilitated by ISCA's FRC members and subject matter experts, Mr Reinhard Klemmer, Partner and Technical Head, KPMG Singapore; Ms Kok Moi Lre, Partner, PwC LLP; Ms Soh Lin Leng, Partner, Deloitte & Touche LLP; and Mr Tan Seng Choon, Partner, E&Y LLP. Participants from

ISCA held focus group discussions with representatives from relevant industries to discuss the impact of the new Revenue standard.

GEARED TOWARDS EXCELLENCE

large conglomerates such as Keppel to corporates such as Hi-P International, City Developments and BW Marine had candid and lively discussions, sharing their existing market practices and how the application of FRS 115 might change the way revenue and related costs are currently accounted for.

ACRA-ISCA COLLABORATION

2017 marks the third cycle of ISCA's collaboration with ACRA on the review of Financial Statements under ACRA's Financial Reporting Surveillance Programme (FRSP). ISCA and ACRA see mutual benefits in the sharing of expertise and resources through the collaboration to enhance the quality of corporate financial reporting in Singapore. The primary objective of the FRSP is to guide directors in complying with the prescribed accounting standards in Singapore.

TECHNICAL HELP DESK & TECH BITES

On average, ISCA's technical departments receive and respond to about 200 queries from members each year. In 2017, there was an increase of more than 40% in the number of queries received, of which 60% related to financial reporting, 29% related to audit and assurance, and the remaining 11% related to ethics and other technical matters. There was an increased number of queries on application of the new Revenue and Leases accounting standards, in addition to queries relating to business combinations, functional currency and financial instruments. Increasingly the queries pertain to more complex application of the accounting standard principles and require the exercise of judgement.

In addition, we issued 6 technical bites (tech bites) in 2017 to provide insights on some common topical issues encountered in the application of FRS 2, FRS 16, FRS 21, FRS 24, FRS 40 and FRS 110. These tech bites also feature the application of principles and the exercise of judgement in resolving those issues.

UPHOLDING THE PROFESSION'S ETHICAL STANDARDS

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

ISCA continued to support the profession's implementation of strong AML and CFT measures, which are part of Singapore's efforts to combat money laundering and financing of terrorism. Arising from the Financial Action Task Force (FATF) Mutual Evaluation Report of Singapore, ISCA made some amendments to EP 200 to address the findings and clarify existing requirements and guidelines. ISCA also revised customer due diligence (CDD) templates and forms in EP 200 Implementation Guidance 2 to incorporate the new requirements and enhancements to make the templates more useful.

ISCA Ethics Seminar 2017

ISCA held the *ISCA Ethics Seminar: Do the Right Thing – Get in Tune with the Latest Ethics Standards* on 28 June 2017. Attended by about 260 participants, the Ethics Seminar covered current hot topics and developments in ethics and AML and CFT.

At the Ethics Seminar, participants were updated on upcoming developments to EP 100 ISCA Code of Professional Conduct and Ethics and current developments in ethics on the international front. In one of the segments, a legal expert covered the legal aspects of whistleblowing, such as whether current legislations accorded protection to whistleblowers. Given the recent amendments to EP 200, one of the seminar segments provided an update on the amendments to EP 200. Practical AML and CFT issues, such as the extent of due diligence checks for customers, were also covered in that segment.

A Question-and-Answer Session held at the end of the seminar gave participants an opportunity to seek clarification from the speakers.

REINFORCING
OUR BONDS

We support our staff and provide a range of programmes for them to learn and develop in their roles, and fulfil their potential.

REINFORCING OUR BONDS

The success of a flight is dependent on the camaraderie and cohesion between crew members. Similarly, ISCA's continued ascension to greater heights stems from our team's shared values and dedication.

To this end, the Institute is committed to fostering an inspiring work environment that is conducive to our people's professional and personal growth. We believe in empowering our team to maximise their potential, continue their learning journey, improve their well-being, and make a difference in the community.

EMPLOYEE ENGAGEMENT

Our employee engagement activities and events in 2017 focused on fostering teamwork and communications to build a unified and effective team. The activities included:

- **Lunar New Year Celebration Dinner** held at Chao Shan Cuisine, where staff members welcomed the Year of the Rooster and tossed *yu sheng* for good fortune.
- **Town Hall 2017** gathering, where CEO Lee Fook Chiew shared ISCA's Strategic Map, Pillars and Priorities, as well as the desired outcomes and focus areas for 2016–2018.

The ISCA staff went 'Back to School' at the annual Dinner & Dance held at the Grand Copthorne Waterfront Hotel.

REINFORCING OUR BONDS

Through a series of complimentary yoga and kickboxing classes, ISCA staff were motivated to continue exercising at their own leisure and take responsibility for their wellness.

Staff were introduced to "deskercise", exercises they can do in the office, at the Workplace Assessment & Health Promotion Talk conducted by SIT.

- **CEO Dialogue** for small groups of staff to have discussions with the CEO on a wide spectrum of topics related to ISCA and employee matters.
- **Happy Hour**, a casual night out at &Sons for staff and management team to unwind and bond over drinks.
- **Dinner & Dance**, the year-end event held at Grand Copthorne Waterfront saw staff, management and council members dressed up for a night of good food, fun and games, and great prizes.

HEALTH & WELLNESS

To promote a healthy lifestyle among employees, ISCA organised a series of lunchtime health talks and wellness activities, which were well attended by our staff.

The National Kidney Foundation provided tips on smart eating out and food labelling at the Healthy Eating Talk, while a group of physiotherapy students from the Singapore Institute of Technology (SIT) spoke at the Workplace Assessment & Health Promotion Talk. They also shared useful tips on maintaining the right posture at the workplace and how to "deskercise" – simple exercises employees can do in the office.

Employees enjoyed kicking, stretching and sweating in the company of colleagues at complimentary yoga and kickboxing classes, all designed to improve physique and mental concentration. The classes have sparked an interest among many employees to continue exercising in their leisure time.

ISCA also worked with our corporate health partner to offer a complimentary health screening to our employees.

LEARNING & DEVELOPMENT

ISCA continues to build a learning culture by supporting our employees in their ongoing learning journey. Besides external courses and seminars, ISCA organised two workshops – a Buzan Work Skills workshop was organised for managers, who learned to think creatively and strategically to raise team performance and effectiveness, while selected employees learned to communicate better at the Persuasive Email Writing workshop.

FLIGHT CAPTAINS

ISCA's council members pilot the organisation towards realising its vision of becoming a globally recognised accountancy body.

FLIGHT CAPTAINS

THE OFFICE BEARERS

1 **President**
Dr Gerard Ee Hock Kim
Chairman
Changi General Hospital & Charity Council

2 **Vice President**
Mr Kon Yin Tong
Managing Partner
Foo Kon Tan LLP

3 **Treasurer**
Mr Vincent Lim Boon Seng
Chief Financial Officer, Asia Pacific
Datalogic Singapore Asia Pacific Pte Ltd

4 **Ms Yvonne Chan Mei Chuen**
Chief Financial Officer and Director
(Corporate Development)
Maritime and Port Authority of Singapore

5 **Associate Professor Chan Yoke Kai**
Advisor, Accountancy Programme
School of Business
Singapore University of Social Sciences

6 **Professor Cheng Qiang**
Dean, School of Accountancy
Singapore Management University

7 **Mr Frankie Chia Soo Hien**
Managing Partner &
International Liaison Partner
BDO LLP

8 **Mr Michael Chin Sek Peng**
Managing Partner
PKF-CAP LLP

9 **Associate Professor Choo Teck Min**
Division of Accounting, College of Business
(Nanyang Business School)
Nanyang Technological University

10 **Mr Balasubramaniam Janamanchi**
Managing Partner/Director
JBS Practice PAC

11 **Mr Paul Lee Seng Meng**
Managing Partner
RSM Chio Lim LLP

12 **Ms Lee Shi Ruh**
Chief Financial Officer
Genting Singapore PLC

13 **Mr Lee Wai Fai**
Group Chief Financial Officer
United Overseas Bank Ltd

14 **Ms Lim Kexin**
Tax Director
PwC Singapore

15 **Mr Max Loh Khum Whai**
EY ASEAN & Singapore
Managing Partner
Ernst & Young LLP

16 **Mr Anthony Mallek**
Chief Financial Officer
Singapore Press Holdings Limited

17 **Mr Sim Hwee Cher**
Vice Chairman – Operations
Assurance Partner
PwC Singapore

18 **Mr Tam Chee Chong**
Deputy Managing Partner | Markets Singapore
Deloitte & Touche LLP

19 **Mr Darren Tan Siew Peng**
Chief Financial Officer
OCBC Bank

20 **Mr Kelvin Tan Wee Peng**

21 **Mr Roger Tay Puay Cheng**
Head of Audit
KPMG LLP

CREW
OFFICERS

Our journey is led by a passionate team that sets and executes ISCA's strategies, goals, and priorities.

CREW OFFICERS

1 **Lee Fook Chiew**
Chief Executive Officer

2 **Janet Tan**
Executive Director, Corporate Services

3 **Jennifer Toh**
Director, Communications, Member Services & Marketing

4 **Joyce Tang**
Director, Strategy, Global Alliances & Insights and Intelligence

5 **Soh Suat Lay**
Director, Pathways Development & Qualifications

6 **Fann Kor**
Director, Audit Quality & Standards Development, Continuing Professional Education, and Industry Support

7 **Lim Ju May**
Deputy Director, Corporate Reporting & Ethics

FLIGHT
CONTROL SYSTEMS

The ISCA Council and the Institute's various committees set the course for our journey and provide guidance along the way.

FLIGHT CONTROL SYSTEMS

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 our operations, as well as the effectiveness of our strategies and policies.

To address the matter of confidentiality of information and conflict of interest, Council members are required to sign an annual confidentiality agreement and a declaration of interest. Council members volunteer their time to serving 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 by him in connection with the performance of his duties as Council member for the benefit of the Institute as authorised by the Council.

An induction session is annually conducted for new Council members to apprise them of the Institute's mission and strategic priorities, the role of the Council, the code of conduct of Council members, and the governance structure.

EXECUTIVE COMMITTEE

The Executive Committee, otherwise known as EXCO, is made up of the office bearers—president, vice president and treasurer—and two other Council members appointed by the Council. The key role of the EXCO is to serve as the executive arm of the Council to oversee ISCA's initiatives, and operational and financial matters.

AUDIT COMMITTEE

The Audit Committee is appointed by the Council and consists of three Council members who are non-office bearers. Its role is to ensure financial statement integrity through an adequate 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. The Committee 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 financial statements.

FLIGHT CONTROL SYSTEMS

NOMINATIONS COMMITTEE

The Nominations Committee assists the ISCA Council to source and identify suitable candidates for both internal and external appointments. It reviews and makes recommendations to the Council on the appointment of members to various ISCA Committees.

REPORT OF THE ISCA COUNCIL

It is our pleasure to present our 2017 Annual Report and Financial Statements for the year ended 31 December 2017. The following Council members were elected as office bearers during the first Council meeting held in April 2017:

President - Gerard Ee Hock Kim
Vice President - Kon Yin Tong
Treasurer - Vincent Lim Boon Seng

THE COUNCIL

The 2017 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
Yvonne Chan Mei Chuen	7	1
Chan Yoke Kai	4	1
Cheng Qiang	2	1
Frankie Chia Soo Hien	7	3
Michael Chin Sek Peng	2	1
Choo Teck Min	7	1
Gerard Ee Hock Kim	7	4
Balasubramaniam Janamanchi	6	3
Kon Yin Tong	6	3
Paul Lee Seng Meng	5	2
Lee Shi Ruh	2	3
Lee Wai Fai	3	1
Vincent Lim Boon Seng	7	1
Lim Kexin	6	-
Max Loh Khum Whai	3	2
Anthony Mallek	3	3
Sim Hwee Cher	4	1
Tam Chee Chong	2	3
Darren Tan Siew Peng	6	2
Kelvin Tan Wee Peng	7	3
Roger Tay Puay Cheng	4	3

LIST OF COMMITTEES AND MEMBERS

Executive Committee

1. Gerard Ee Hock Kim (President)
2. Kon Yin Tong (Vice President)
3. Vincent Lim Boon Seng (Treasurer)
4. Frankie Chia Soo Hien
5. Max Loh Khum Whai

Nominations Committee

1. Frankie Chia Soo Hien (Chairman)
2. Gerard Ee Hock Kim
3. Kon Yin Tong
4. Kwok Wui San

Audit Committee

1. Max Loh Khum Whai (Chairman)
2. Choo Teck Min
3. Paul Lee Seng Meng

Auditing and Assurance Standards Committee

1. Shariq Barmaky (Chairman)
2. Hans Koopmans (Deputy Chairman)
3. Chin Chee Choon
4. Foo See Liang
5. Goh Kia Hong
6. Derek How Beng Tiong
7. Balasubramaniam Janamanchi
8. Keung Ching Tung
9. Koh Yeong Kheng
10. Lau Soo Ching (Alternate: Tan Soh Hian)
11. Lee Eng Kian
12. Walter Lu Xianyao
13. Ng Hock Lee
14. Ng Kian Hui
15. Ong Pang Thye
16. Quek Su Lynn
17. Ashley Seow Chuan Beng (Alternate: Dorothy Goh Mei Shiuan)
18. Soh Gim Teik
19. Toh Kim Teck
20. Gajendran Vyapuri
21. Esther Wee Yu (Alternate: Tan Chee Khiang)
22. Lee Tze Shiong (Observer, from 2 May)
23. Quek Siew Eng (Observer, till 1 May)

Accounting Technicians Learning and Development Board

1. Lee Shi Ruh (Chairperson)
2. Alex Lee Tiong Wee
3. Daniel Ng Soon Huat
4. Jocelyn Goh Chern Ni
5. Sharon Lhu Siok Hwee
6. Steven Yeow Kinn Leong
7. Robert Tan Leong Ping
8. Victor Lai Kuan Loong
9. June Yeo-Chiang Sie Jong (till 20 November 2017)
10. Yong - Ong Bee Leng (till 20 November 2017)

Banking & Finance Committee

1. Lian Wee Cheow (Chairman)
2. Jek Lim (Deputy Chairman)
3. Balwinder Singh Bagary
4. Chow Khen Seng
5. Chua Kim Bee Alwyn Gerard
6. Antony M Eldridge
7. Ho Kok Yong
8. Venetia Lau Ching Mui
9. Christine Lee
10. Sue Lightfoot
11. Ong Ai Boon
12. Tang Chek Keng
13. Tay Boon Suan
14. David Jason Waller

Board of Education and Examiners

1. Gillian Yeo Hian Heng (Chairperson)
2. Cheung Pui Yuen
3. Ho Yew Kee
4. Ong Chai Yan
5. Pang Yang Hoong
6. Patricia Tan Mui Siang
7. Sarjit Singh

FLIGHT CONTROL SYSTEMS

CFO Committee

1. Lee Wai Fai (Chairman)
2. Choo Chek Siew (Deputy Chairman)
3. Kenneth Cheung (Joined 30 November 2017)
4. Chua Hwee Song
5. Nicolas Defauw (Joined 30 November 2017)
6. Ronald Ede
7. Foong Sew Bun
8. Goh Geok Cheng
9. Edwin Lee Boon Yong (Joined 30 November 2017)
10. Lee Kai Nee (Joined 30 November 2017)
11. Lee Shi Ruh
12. Anita Ler
13. Andrew Lim
14. Angie Lim @ Ng Seok Keow
15. Grace Lim
16. Lelaina Lim Siew Li
17. Anthony Mallek
18. Victor Mills (Joined 30 November 2017)
19. Darren Tan Siew Peng
20. Eleana Tan (Joined 30 November 2017)

Corporate Finance Committee

1. Roger Tay Puay Cheng (Chairman)
2. Chan Yew Kiang
3. Heng Mui Mui
4. Ho Kim Wai
5. Rebekah Khan
6. Peter Leong Hon Mun
7. Ng Jiak See
8. Ong Hwee Li
9. Kaka Singh
10. Tan Tze-Gay
11. Yeo Boon Chye

Corporate Governance and Risk Management Committee

1. Tay Woon Teck (Chairman)
2. Basil Chan (Deputy Chairman)
3. Ravinthran Arumugam
4. El'fred Boo Hian Yong
5. Cheng Qiang
6. Anthony Cheong Fook Seng
7. Chow Kam Wing
8. Fang Eu-Lin
9. David Leow
10. Lim Wei Wei
11. Irving Low
12. Mak Yuen Teen
13. Anthony Mallek
14. Ravi Manchanda
15. Neo Sing Hwee
16. Tan Chin Poh
17. Kelvin Tan Wee Peng

Corporate Reporting Committee

1. Tan Wah Yeow (Chairman)
2. Henry Tan Song Kok
(SR Awareness Working Group Chairman)
3. Raj Juta
(SR Quality Working Group Chairman)
4. Fang Eu-Lin
5. Ian Hong
6. Krishna Sadashiv
7. Yeo Lian Sim

Continuing Professional Education Committee

1. Yvonne Chan (Chairperson)
2. Ravinthran Arumugam
3. Chong Cheng Yuan
4. Lee Boon Teck
5. Neo Sing Hwee (Joined 2 October 2017)
6. Soong Wee Choo
7. Patricia Tan Mui Siang
8. Kelvin Tan Wee Peng
9. Don Wee Boon Hoong
10. Wee Tee Heng (Joined 6 June 2017)
11. Yiong Yim Ming

Ethics Committee

1. Kwok Wui San (Chairman)
2. Sajjad Akhtar
3. Patrick Ang Peng Koon
4. Eng Chin Chin
5. David Gerald
6. G Arull
7. Balasubramaniam Janamanchi
8. Anthony Mallek
9. Ong Bee Yen
10. Sim Tzi Yong
11. Tan Seng Choon
12. Evan Law (Observer)
13. Lee Tze Shiong (Observer from 18 April 2017
(Alternate: Sherry Quark)
14. Caroline Lee (Observer from 10 April 2017)

Financial Reporting Committee

1. Chua Kim Chiu (Chairman)
2. Tan Seng Choon (Deputy Chairman)
3. Chan Yen San
4. Chen Voon Hoe
5. Cheng Ai Phing
6. Annette Foo Wai Yin
7. Philip Fong Yeng Fatt
8. Goh Swee Hong
9. Keoy Soo Earn
10. Irene Khoo Gaik Suan
11. Raymond Kong Chih Hsiang
12. Lee Eng Kian
13. Lim Chu Yeong
14. Eric Lim Jin Huei
15. Loh Ji Kin
16. Low Kin Yew
17. Mak Keat Meng
18. Siew Wun Mui
19. Sim Hwee Cher
20. Kenny Tan Choon Wah
21. Paul Tan Poh Lee
22. Jeremy Toh
23. Esther Wee Yu
24. Wong Koon Min
25. James Xu Jun

Financial Statements Review Committee

1. Kok Moi Lre (Chairperson)
2. Tan Swee Ho (Deputy Chairman)
3. David Anthony Leaver (Deputy Chairman)
4. Chan Yew Kiang
5. Yvonne Chiu Sok Hua
6. Lee Eng Kian
7. William Ng Wee Liang
8. Neo Keng Jin
9. Kevin Ohng Kok Yeong
10. Soh Lin Leng
11. Angeline Tan Lay Hong
12. James Xu Jun

Information Technology Services Advisory Panel

1. Benjamin Chiang Wing Wai (Chairman)
2. Ch'ng Choon Huat
3. Monica Holtforster
4. Andrew Koh
5. Ng Cheng Hwa
6. Ong Kok Chye
7. Patrick Tan Teck Keong
8. Yap Choh Tat Danny

Insolvency and Restructuring Practitioners Committee (Formerly known as Insolvency Practices Committee)

1. Andrew Grimmett (Chairman)
2. Angela Ee (Deputy Chairperson)
3. Abuthahir Abdul Gafoor
4. Victor Goh
5. Kon Yin Tong
6. Gary Loh
7. Sam Kok Weng
8. Martin Wong

FLIGHT CONTROL SYSTEMS

Insurance Committee

1. Woo Shea Leen (Chairperson)
2. David Waller (Deputy Chairman)
3. Manu Anand
4. Alistair John Chamberlain
5. Howard Goh
6. Matthew Lawrence
7. Jeffrey Lowe
8. Vijay Krishnan Sukavanam
9. Rina Tan Bee Hong
10. Yap Swee Gek

Investment Committee

1. Darren Tan Siew Peng (Chairman)
2. Lee Shi Ruh
3. Kelvin Tan
4. Roger Tay

Investigation & Disciplinary Panel

1. Philip Aw Vern Chun
2. Rick Chan Hock Leong
3. Anthony Cheong Fook Seng
4. Cheng Ai Phing
5. Cheong Mun Hong
6. Vivienne Chiang Kok Ying
7. Foo See Liang
8. Goh Geok Cheng
9. Goh Kia Hong
10. Michael Heng Yeow Meng
11. Khoo Teng Aun
12. Lee Eng Kian
13. Leow Quek Shiong
14. Anita Ler Sok Hua
15. Winnie Liew
16. Lim Lay Lian Jocelyn
17. Lim Tze Chern
18. Lo Wei Min
19. Loo Wen Lieh
20. Mak Keat Meng
21. Ong Sim Ho
22. Sarjit Singh
23. Saw Meng Tee
24. Kaka Singh
25. Tan Chian Khong
26. Henry Tan Song Kok
27. Albert Tan Tiong Heng
28. Teo Cheow Tong
29. Tham Tuck Seng
30. Christopher Wong Mun Yick
31. Wong Sook Yee
32. Yang Ching Chao
33. Yeo Ek Khuan
34. Yoong Ee Chuan

Lay Persons

Anantham Devanand	Doctor
Edmund Eng	Lawyer
Kang Choon Seng	Engineer
Lee Chow Soon	Lawyer
Neo Kok Beng	Engineer
Seah Chee Huang	Architect
Seow Kang Seng	Engineer
Emily Tan	Engineer
Diana Tan Yuen Lan	Doctor
Raymond Tong	Lawyer
Wong Chiang Yin	Doctor
Wendell Wong	Lawyer

IS Chartered Accountant Journal Editorial Advisory Panel

1. Gerard Ee Hock Kim (Chairman)
2. Paul Lee Seng Meng (Deputy Chairman)
3. Foo See Liang
4. Edmund Keung Ching Tung
5. Koh Wei Chern
6. Lee Kin Wai
7. Luke Lim
8. Phua Yung Keat
9. Patrick Tan Teck Keong

Membership Committee

1. Tam Chee Chong (Chairman)
2. Rick Chan Hock Leong
3. Chan Yoke Kai
4. Ho Kuen Loon
5. Koh Chiap Khiong
6. Roger Tay Puay Cheng

Public Accounting Practice Committee

1. Michael Chin Sek Peng (Chairman)
2. Denis Allen Usher (Deputy Chairman)
3. Balasubramaniam Janamanchi
4. Goh Sia
5. Lee Mong Sheong
6. Jason Lee Soon Sin
7. Mak Keat Meng
8. Terence Ng Chi Hou
9. Ng Meow Ling (until 12 September 2017)
10. Poon Yew Wah
11. Helen Sim Cheng Geok
12. John Tan Hon Chye
13. Tan Khoon Guan
14. Teoh Poh Leng

Singapore Monitoring Committee

1. Gerard Ee Hock Kim (Chairman)
2. Lee Fook Chiew (Deputy Chairman)
3. Frankie Chia Soo Hien
4. Ho Yew Kee (till 30 April)
5. Kon Yin Tong (Observer)
6. Tam Chee Chong

Singapore Institute of Accredited Tax Professionals Board

1. Gerard Ee Hock Kim (Chairman)
2. Tan Boen Eng (Deputy Chairman)
3. Chiu Wu Hong
4. Chung-Sim Siew Moon
5. Eng-Tay Geok Lee
6. Fang Fang
7. Khoo Ho Tong
8. Low Hwee Chua
9. Low Weng Keong
10. Albert Ng
11. Simon Poh
12. Sum Yee Loong
13. Tan Kay Kheng
14. Chris Woo
15. Yee Fook Hong

Young Professionals Advisory Committee

1. Belinda Teo Hui (Chairperson)
2. Mark Balakrishnan
3. Chai Tse Whei
4. Goh Hong Chuan
5. Goh Kai Yi
6. Goh Wenbang Shawn
7. Goh Siew Min
8. Aanault Lee Chuan Feng
9. Lee Sing Ying
10. Lim Kai Ling
11. David Lim Xixiang
12. Lye Jiaming Wesley
13. Neo Chun How Alton
14. Belicia Ong
15. Seah Yi'En Annie
16. Sim Chin Heng, Ivan
17. Tai WeiLi Willy
18. Wang Guangzhao
19. Adeline Kee (Advisor)
20. Tam Chee Chong (Advisor)

SAFETY
CHECKS

ISCA is proactive in mitigating risks and seizing opportunities to ensure the continued relevance of the organisation in today's economy.

SAFETY CHECKS

We constantly monitor the risks posed by the external environment to ensure the relevance of our strategies and initiatives in a rapidly changing global economy, and that they benefit our members and the profession.

Our main source of revenue comes from membership dues, so maintaining a strong membership base is important for the Institute to be able to continue rolling out more initiatives and benefits for our members. Additionally, a smaller membership limits our ability to represent the views of our members in the industry, and reduces our standing on a global scale.

We remain committed to helping our members meet the challenging demands of the corporate world. In view of the volatile economy, we remain rooted in our goal of creating value for our members and to support them in each step of their careers.

We constantly monitor the risks posed by the external environment to ensure the relevance of our strategies and initiatives in a rapidly changing global economy, and that they benefit our members and the profession.

Accountants are strategic business partners to their organisations and clients. Hence, we support our members in acquiring skills and capabilities that go beyond pure technical knowledge to help them overcome new hurdles while chiseling their competitive edge.

SAFETY CHECKS

TALENT RETENTION

Each one of our staff plays an important role. Like military aircraft flying together, every plane is crucial to the integrity of the formation. We maneuver together in a disciplined and synchronised manner, moving in complete harmony. While flying in unison requires training, practice, focus, and discipline, it improves our efficiency and safety. It is with the collective expertise of our staff that we can execute the strategies to achieve our mission.

We are committed to maintaining an exemplary human resource policy to retain and attract talent. We aim to help our staff realise their career goals by continuously creating more opportunities for skills development, whether through on-the-job training or external courses. Our commitment to our vision is what helps us achieve stellar performances.

TECHNOLOGICAL ADVANCEMENT

The pace of technological progress, especially information technology, is transforming the way we live and work. At the same time, there is greater volatility, uncertainty, complexity and ambiguity in the global economy today than ever before. Every sector is going through transformative change to meet the challenges arising from technological disruption. Accountancy is no exception.

The accountancy profession has to think of ways to innovate and capitalise on the opportunities presented in the digital era, or risk being left behind. Routine accounting functions are being automated, and cloud accounting has transformed the role of accountants. With the development of artificial intelligence, we may even see robots taking on the work of white-collar professionals in the near future.

CYBER AND DATA SECURITY RISKS

ISCA faces the same cyber risks that now confront all businesses. Increased global cybersecurity vulnerabilities, threats as well as more sophisticated and targeted cyberattacks pose a risk to the security of systems and networks, and the confidentiality, availability and integrity of data.

As the national accountancy body, the Institute has access to sensitive and confidential data that is subject to privacy and security laws, regulations and membership-imposed controls. To mitigate these risks, ISCA employs a number of protection, security and safeguard measures, including monitoring and testing, controls and guidelines, updates and patches, contingency plans, and employee training.

REPUTATIONAL RISK

Reputational risk impacts the ISCA brand, and the trust and relationships the Institute has built with members, regulators and other stakeholders. Online scrutiny and exposure is posing more challenges for the Institute to manage its reputation. Members, industry partners and employees now have multiple platforms to voice their views or concerns.

The Institute has developed policies to protect the consistency of our brand and to safeguard our corporate identity and reputation. We also uphold and enhance our reputation through sound corporate values and robust policies and processes to identify, assess and respond to any of such risks. Staff of the Institute also uphold quality, professional and ethical standards in our work.

STAYING RELEVANT

As Singapore prepares its people and the economy for the “new normal”, ISCA plays an active role in preparing the accountancy profession for the future economy. Our programmes equip our members with the skills and knowledge that allow them to harness existing and emerging technologies to create greater value for businesses.

As the online learning revolution continues to unfold, the Institute has grown its e-learning library, which now has over 400 courses for our members to acquire new skills at their own time and convenience. We will continue to capitalise on web-based learning to deliver greater value to our members.

The Institute will continue to engage with our members and key stakeholders, such as government agencies, regulators and industry partners, to obtain feedback on how we can better deliver holistic and multi-faceted value to our members.

FINANCIAL STATEMENTS

STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Gerard Ee and Vincent Lim Boon Seng, being the President and Treasurer 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 69 to 115 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 2017 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.

Gerard Ee
President

Vincent Lim Boon Seng
Treasurer

8 March 2018

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 69 to 115, which comprise the balance sheets of the Group and the Institute as at 31 December 2017, 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 2017 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 65 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.

INDEPENDENT AUDITOR'S REPORT
TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS (CONT'D)

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

Responsibilities of the Council for the Financial Statements

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

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

The Council's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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.

INDEPENDENT AUDITOR'S REPORT
TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS (CONT'D)

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

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

- 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 by the Societies Regulations enacted under the Societies Act to be kept by the Institute have been properly kept in accordance with those regulations; and

(ii) the fund-raising appeal held during the financial year ended 31 December 2017 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 for financial year ended 31 December 2017)

8 March 2018

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	Group		Institute	
		2017	2016	**2017**	2016
		$	$	**$**	$
			(Restated)		
Continuing operations					
Income					
Members' annual fees		**11,893,110**	7,871,680	**11,893,110**	7,871,680
Members' admission fees		**727,000**	1,142,400	**727,000**	1,142,400
Income from Continuing Professional Education		**5,225,644**	5,029,086	**5,225,644**	5,029,086
Income from other training courses		**2,699,282**	4,198,851	**2,699,282**	4,198,851
Other income	4	**22,593,332**	5,544,340	**22,899,680**	5,564,765
Total income		**43,138,368**	23,786,357	**43,444,716**	23,806,782
Less expenditure					
Expenses		**(23,266,799)**	(23,986,685)	**(22,894,311)**	(24,171,809)
Surplus/(deficit) before results of associate	5, 7	**19,871,569**	(200,328)	**20,550,405**	(365,027)
Share of results of associate (net of tax)		**(1,116)**	696	**–**	–
Surplus/(deficit) before tax		**19,870,453**	(199,632)	**20,550,405**	(365,027)
Income tax credit/(expense)	8	**1,226**	(4,590)	**–**	–
Surplus/(deficit) from continuing operations		**19,871,679**	(204,222)	**20,550,405**	(365,027)
Discontinued operation					
Net surplus/(deficit) from discontinued operation, net of tax	9	**15,552**	(1,069,440)	**–**	–
Surplus/(deficit) for the year		**19,887,231**	(1,273,662)	**20,550,405**	(365,027)
Surplus from specific fund:					
ISCA Cares Fund	22	**228,208**	215,043	**–**	–
Net surplus/(deficit) and total comprehensive income/(loss) for the year		**20,115,439**	(1,058,619)	**20,550,405**	(365,027)

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

BALANCE SHEETS

At 31 December 2017

	Note	Group 2017 $	Group 2016 $	Institute 2017 $	Institute 2016 $
Non-current assets					
Property, plant and equipment	10	**1,406,141**	1,793,154	**1,391,702**	1,593,199
Investment properties	11	**11,694,555**	36,255,393	**11,694,555**	36,255,393
Subsidiaries	12	**-**	-	**3**	3
Associate	13	**107,436**	108,552	**-**	-
Deferred tax assets	14	**193,000**	193,000	**193,000**	193,000
Intangible assets	15	**1,080,335**	1,317,836	**1,057,063**	1,296,824
Available-for-sale financial asset	16	**290,921**	-	**290,921**	-
		14,772,388	39,667,935	**14,627,244**	39,338,419
Current assets					
Inventories	17	**16,427**	15,240	**15,240**	15,240
Trade and other receivables	18	**3,037,842**	3,191,704	**3,339,189**	3,073,296
Cash and cash equivalents	19	**63,243,758**	17,801,381	**60,940,819**	14,704,129
		66,298,027	21,008,325	**64,295,248**	17,792,665
Total assets		**81,070,415**	60,676,260	**78,922,492**	57,131,084
Non-current liability					
Provisions	20	**318,509**	490,377	**318,509**	314,577
Current liabilities					
Trade and other payables	21	**8,449,282**	6,814,475	**8,289,847**	7,137,922
Course fees received in advance		**566,732**	1,578,901	**564,772**	313,366
Subscription fees received in advance		**3,188,597**	3,354,830	**3,187,410**	3,353,670
Current tax payable		**1,346**	7,167	**-**	-
		12,205,957	11,755,373	**12,042,029**	10,804,958
Total liabilities		**12,524,466**	12,245,750	**12,360,538**	11,119,535
Net assets		**68,545,949**	48,430,510	**66,561,954**	46,011,549
Represented by					
Accumulated fund		**68,102,698**	48,215,467	**66,561,954**	46,011,549
ISCA Cares Fund	22	**443,251**	215,043	**-**	-
		68,545,949	48,430,510	**66,561,954**	46,011,549

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

STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2017

	Accumulated fund $	ISCA Cares Fund $	Total $
Group			
Balance at 1 January 2016	49,489,129	–	49,489,129
Net (deficit)/surplus and total comprehensive (loss)/income for the year	(1,273,662)	215,043	(1,058,619)
Balance at 31 December 2016	48,215,467	215,043	48,430,510
Net surplus and total comprehensive income for the year	19,887,231	228,208	20,115,439
Balance at 31 December 2017	**68,102,698**	**443,251**	**68,545,949**
Institute			
Balance at 1 January 2016	46,376,576	–	46,376,576
Net deficit and total comprehensive loss for the year	(365,027)	–	(365,027)
Balance at 31 December 2016	46,011,549	–	46,011,549
Net surplus and total comprehensive income for the year	20,550,405	–	20,550,405
Balance at 31 December 2017	**66,561,954**	**–**	**66,561,954**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2017

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
		(Restated)		
Cash flows from operating activities				
Surplus/(deficit) before tax from continuing operations	**19,870,453**	(199,632)	**20,550,405**	(365,027)
Surplus/(deficit) before tax from discontinued operation	**15,552**	(925,440)	**–**	–
Net surplus/(deficit) before tax, total	**19,886,005**	(1,125,072)	**20,550,405**	(365,027)
Adjustments for:				
Depreciation of property, plant and equipment, investment properties and amortisation of intangible assets	**1,233,585**	1,505,730	**1,175,358**	1,252,594
Impairment loss of investment in subsidiary	**–**	–	**–**	300,000
Finance cost	**3,932**	3,884	**3,932**	3,884
Interest income	**(194,497)**	(141,037)	**(182,535)**	(124,316)
Property, plant and equipment written off	**288**	63,939	**288**	63,939
Loss on disposal of property, plant and equipment	**–**	7,190	**–**	–
Gain on disposal of investment property	**(17,555,407)**	–	**(17,555,407)**	–
Gain on sale of discontinued operation, net of tax	**(751,016)**	–	**–**	–
Loss on disposal of subsidiary	**–**	–	**338,099**	–
Distribution upon strike-off of subsidiary	**–**	–	**(1,026,219)**	–
Share of loss/(profit) of associate	**1,116**	(696)	**–**	–
Operating surplus before working capital changes	**2,624,006**	313,938	**3,303,921**	1,131,074
Receivables	**(324,789)**	(43,614)	**(709,091)**	(107,902)
Payables	**2,173,751**	249,309	**1,481,193**	418,368
Inventories	**(1,187)**	–	**–**	–
Course fees received in advance	**(1,012,169)**	(613,153)	**251,406**	(132,596)
Subscription fees received in advance	**(166,233)**	251,731	**(166,260)**	251,171
Cash generated from operations	**3,293,379**	158,211	**4,161,169**	1,560,115
Income tax paid	**(4,595)**	(6,695)	**–**	–
ISCA Cares Fund (Note 22)	**228,208**	215,043	**–**	–
Net cash from operating activities	**3,516,992**	366,559	**4,161,169**	1,560,115

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

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2017

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Cash flows from investing activities				
Disposal of discontinued operation, net of cash disposed of (Note 12)	**(147,956)**	–	**–**	–
Fixed deposits pledged	**(42,789)**	(38)	**(58,035)**	–
Interest received	**264,283**	144,753	**255,733**	130,372
Proceeds from disposal of property, plant and equipment	**2,749**	1,020	**2,749**	–
Proceeds from disposal of investment property	**42,116,359**	–	**42,116,359**	–
Purchases of property, plant and equipment	**(184,875)**	(142,082)	**(174,145)**	(99,121)
Additions to intangible assets (Note 15)	**(125,175)**	(771,144)	**(125,175)**	(771,144)
Net cash from/(used in) investing activities	**41,882,596**	(767,491)	**42,017,486**	(739,893)
Cash flows from financing activity				
Advances from a subsidiary, representing net cash from financing activity	**–**	–	**–**	1,245,624
Net increase/(decrease) in cash and cash equivalents from continuing operations	**45,399,588**	(400,932)	**46,178,655**	2,065,846
Cash and cash equivalents at beginning of year	**17,786,135**	18,187,067	**14,704,129**	12,638,283
Cash and cash equivalents at end of year (Note 19)	**63,185,723**	17,786,135	**60,882,784**	14,704,129

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

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 organisation of the accountancy profession 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 ("$"), have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies have been consistently applied by the Group and the Institute, and are consistent with those used in the previous financial year.

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

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement or complexity or areas where assumptions significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

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

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2017 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, except as follows:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt the new standard on the required effective date of 1 January 2018 without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings as at 1 January 2018.

Management has performed a preliminary impact assessment of applying the new standard on the Group's financial statements and there will be no material impact to the financial statements of the Group in the period of initial application of the new accounting standards.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

FRS 109 Financial Instruments

FRS 109 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of FRS 109 at the date of initial application in the opening retained earnings and reserves as at 1 January 2018.

(a) Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under FRS 109.

(b) Impairment

FRS 109 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. The Group expects that the new expected loss model may result in an earlier recognition of credit losses.

The Group will adopt FRS 109 when it becomes effective in financial year ending 31 December 2018.

FRS 116 Leases

FRS 116 replaces the existing FRS 17: Leases. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), within limited exemptions for short term leases (less than 12 months) and leases of low value items. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The Group will assess the potential impact of FRS 116 and plans to adopt the standard on the required effective date.

b) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Consolidation (cont'd)

Subsidiaries (cont'd)

The consolidated financial statements comprise the financial statements of the Group 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 income and expenditure or transferred directly to accumulated fund if required by a specific FRS.

Associate

Associate is entity in which the Group has significant influence, but not control, over their financial and operating policies. 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 income or expenditure.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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 income or expenditure.

d) Inventories

Inventories, comprising commemorative gold coins and notebooks, 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 income or expenditure 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 income or expenditure in the year the asset is derecognised.

Freehold land is not depreciated. 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
Freehold buildings	50
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 income or expenditure when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

f) Investment properties

Investment properties, comprise freehold land and buildings 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. Freehold land is not depreciated. 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 income or expenditure.

g) Intangible assets

Acquired intellectual property and website development are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the assets over their estimated 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 income and expenditure 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 expenditure if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Impairment of non-financial assets (cont'd)

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 income or expenditure. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i) Financial assets

Classification

The Group classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Available-for-sales financial assets

Available-for-sale financial assets include entity and debt securities that are non-derivatives that are either designed in the category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding prepayments) and "cash and cash equivalents" on the balance sheet.

Recognition and derecognition

Regular 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. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure. Any amount in the fair value reserve relating to that asset is also transferred to income or expenditure.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value.

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Interest income on financial assets is recognised separately as income.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered objective evidence that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognised in income or expenditure. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an objective evidence that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to income or expenditure. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses on debt instruments classified as available-for-sale financial assets are reversed through income or expenditure when the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised. However, impairment losses recognised in income or expenditure on equity instruments classified as available-for-sale financial assets are not reversed through income or expenditure.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

k) Provisions

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

The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets (Note 2(e)). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value of money.

l) Operating leases

Lessee

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 income or expenditure 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

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.

m) Cash and cash equivalents

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of discount and goods and services tax. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Members' annual and admission fees are recognised when due.

Course fees (from continuing professional education and training) are recognised when the services are rendered.

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.

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

Rental income from operating leases are recognised on a straight-line basis over the lease term.

Management fees are recognised when services are rendered.

Subscription fees are recognised as income in the year to which the subscription relates.

o) 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 income or expenditure 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 income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

p) Employee benefits

Defined contribution plans

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

Employee leave entitlement

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

q) Discontinued operation

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

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

r) 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.

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. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Deferred income tax assets

The Group and the Institute recognise deferred income tax assets on carried forward tax losses and other temporary differences to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group and the Institute are in compliance with certain provisions of tax legislation. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The unrecognised tax losses and the carrying values of deferred tax assets recognised of the Group and the Institute at 31 December 2017 are disclosed in Notes 8 and 14 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

3 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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 Institute's property, plant and equipment and investment properties as at 31 December 2017 and the annual depreciation charges for the financial year ended 31 December 2017 are disclosed in Notes 10 and 11 respectively.

Amortisation of intangible assets

The Group reviews 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 2017 and the annual amortisation charge for the financial year ended 31 December 2017 are disclosed in Note 15. 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.

Impairment of financial assets

The Group assesses at the balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group and Institute's receivables at the balance sheet date are disclosed in Note 18. If the present value of estimated future cash flows differ from management's estimates, the Group and Institute's allowance for impairment for receivables and the receivables balances at the balance sheet date will be affected accordingly.

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 to sell 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, investment properties and intangible assets are disclosed in Notes 10, 11 and 15 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

4 OTHER INCOME

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
		(Restated)		
Secretariat				
Advertising income	**98,749**	74,315	**98,749**	74,315
Government grants	**189,847**	383,454	**189,847**	372,214
Interest income from bank deposits and bank balances	**194,321**	139,471	**182,535**	124,316
Management fees	**15,369**	15,004	**180,102**	695,099
Other fees	**128,358**	132,523	**133,593**	188,084
Practice Monitoring income	**435,000**	282,150	**435,000**	282,150
Registration and subscription fees	**798,045**	783,180	**-**	–
Rental income from investment properties	**1,229,087**	1,633,286	**1,229,087**	1,891,598
Seminar and talk fees	**828,662**	999,922	**752,654**	891,515
Sundry income	**201,108**	206,651	**196,568**	151,090
	4,118,546	4,649,956	**3,398,135**	4,670,381
Distribution upon strike-off of subsidiary	**-**	–	**1,026,219**	–
Gain on disposal of investment property	**17,555,407**	–	**17,555,407**	–
	21,673,953	4,649,956	**21,979,761**	4,670,381

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

4 OTHER INCOME (CONT'D)

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Training Division				
CA Qualification net administrative fee	**143,683**	200,141	**143,683**	200,141
Other fees	**12,530**	14,101	**12,530**	14,101
Rental income	**22,828**	30,929	**23,368**	30,929
Seminar and talk fees	**279,720**	74,640	**279,720**	74,640
Sundry income	**460,618**	574,573	**460,618**	574,573
	919,379	894,384	**919,919**	894,384
Combined	**22,593,332**	5,544,340	**22,899,680**	5,564,765

The Singapore CA Qualification ("CA Qualification") net administrative fee of the Training Division during the financial year is derived as a fixed percentage of the expenditure incurred by the Group and Institute to administer the CA Qualification, which includes the following:

	$	$	**$**	$
Staff costs	**(745,308)**	(687,713)	**(745,308)**	(687,713)
Contributions to CPF	**(100,256)**	(90,571)	**(100,256)**	(90,571)
Rental expenses	**(123,745)**	(120,365)	**(123,745)**	(120,365)
Website expenses	**(13,545)**	–	**(13,545)**	–
Depreciation of property, plant equipment (Note 10)	**(8,169)**	(5,876)	**(8,169)**	(5,876)
Amortisation of intangible assets (Note 15)	**(46,715)**	(59,801)	**(46,715)**	(59,801)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

5 SURPLUS/(DEFICIT) BEFORE RESULTS OF ASSOCIATE

This is arrived at after charging/(crediting) the following:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Advertisement expenses	**368,076**	521,366	**368,076**	521,341
Allowance for doubtful receivables	**-**	74,323	**-**	584,420
Amortisation of intangible assets (Note 15)	**350,524**	223,968	**349,721**	223,968
Bad debts written off	**-**	744	**-**	744
Depreciation of investment properties (Note 11)	**324,394**	434,135	**324,394**	434,135
Depreciation of property, plant and equipment (Note 10)	**450,178**	531,885	**446,359**	528,814
Direct costs of providing training and other courses	**2,881,859**	2,819,402	**2,844,779**	2,786,961
Finance cost	**3,932**	3,884	**3,932**	3,884
Impairment loss of investment in subsidiary	**-**	–	**-**	300,000
Loss on disposal of subsidiary	**-**	–	**338,099**	–
Property, plant and equipment written off	**288**	63,939	**288**	63,939
Rental expenses	**2,141,581**	2,402,356	**2,148,210**	2,410,894
Repair and maintenance	**413,633**	387,569	**413,633**	387,569
Publications	**452,746**	476,598	**452,746**	476,598
Seminar and talk expenses	**835,846**	876,728	**821,239**	845,311
Staff costs (Note 6)	**12,287,514**	12,059,190	**11,707,507**	11,574,336
Website and IT expenses	**712,248**	848,867	**686,113**	837,038
Write-back of doubtful receivables (Note 25)	**(74,323)**	–	**(74,323)**	–

6 STAFF COSTS

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Salaries and bonuses	**10,742,638**	10,541,407	**10,243,974**	10,125,761
Contributions to CPF	**1,285,976**	1,283,421	**1,215,470**	1,223,819
Other employee benefit expenses	**258,900**	234,362	**248,063**	224,756
	12,287,514	12,059,190	**11,707,507**	11,574,336

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

7 SURPLUS/(DEFICIT) BEFORE RESULTS OF ASSOCIATE

	Secretariat		Training division		Total	
	2017	2016	**2017**	2016	**2017**	2016
	$	$ (Restated)	**$**	$ (Restated)	**$**	$ (Restated)
Group						
Income						
Members' annual fees	**11,893,110**	7,871,680	**-**	–	**11,893,110**	7,871,680
Members' admission fees	**727,000**	1,142,400	**-**	–	**727,000**	1,142,400
Income from Continuing Professional Education	**-**	–	**5,225,644**	5,029,086	**5,225,644**	5,029,086
Income from other training courses	**4,785**	–	**2,694,497**	4,198,851	**2,699,282**	4,198,851
Other income	**21,673,953**	4,649,956	**919,379**	894,384	**22,593,332**	5,544,340
Total income	**34,298,848**	13,664,036	**8,839,520**	10,122,321	**43,138,368**	23,786,357
Less expenditure						
Expenses	**(16,708,570)**	(17,721,267)	**(6,558,229)**	(6,265,418)	**(23,266,799)**	(23,986,685)
Surplus/(deficit)	**17,590,278**	(4,057,231)	**2,281,291**	3,856,903	**19,871,569**	(200,328)
Institute						
Income						
Members' annual fees	**11,893,110**	7,871,680	**-**	–	**11,893,110**	7,871,680
Members' admission fees	**727,000**	1,142,400	**-**	–	**727,000**	1,142,400
Income from Continuing Professional Education	**-**	–	**5,225,644**	5,029,086	**5,225,644**	5,029,086
Income from other training courses	**4,785**	–	**2,694,497**	4,198,851	**2,699,282**	4,198,851
Other income	**21,979,761**	4,670,381	**919,919**	894,384	**22,899,680**	5,564,765
Total income	**34,604,656**	13,684,461	**8,840,060**	10,122,321	**43,444,716**	23,806,782
Less expenditure						
Expenses	**(16,325,624)**	(17,894,616)	**(6,568,687)**	(6,277,193)	**(22,894,311)**	(24,171,809)
Surplus/(deficit)	**18,279,032**	(4,210,155)	**2,271,373**	3,845,128	**20,550,405**	(365,027)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

8 INCOME TAX (CREDIT)/EXPENSE

Income tax (credit)/expense attributable to results is made up of:

	Group		**Institute**	
	2017	2016	**2017**	2016
	$	$	**$**	$
		(Restated)		
From continuing operations				
- current year tax expense	**-**	7,167	**-**	–
- over provision of income tax in prior years	**(1,226)**	(2,577)	**-**	–
	(1,226)	4,590	**-**	
From discontinued operation				
- deferred tax	**-**	144,000	**-**	–
	(1,226)	148,590	**-**	–

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

	$	$	**$**	$
Surplus/(deficit) before tax from				
- continuing operations	**19,870,453**	(199,632)	**20,550,405**	(365,027)
- discontinued operation	**(735,464)**	(925,440)	**-**	–
	19,134,989	(1,125,072)	**20,550,405**	(365,027)
Tax calculated at a tax rate of 17%	**3,252,948**	(191,262)	**3,493,569**	(62,055)
Singapore statutory stepped income exemption	**(2,025)**	(10,966)	**-**	–
Income not subject to tax	**(3,177,456)**	(19,175)	**(3,177,371)**	(10,166)
Expenses not deductible for tax purposes	**387,511**	33,867	**145,467**	154,363
Benefits from previously unrecognised tax losses and donations	**(342,349)**	–	**(342,349)**	–
Effect of tax incentive and tax rebate*	**(132,068)**	(335,793)	**(131,361)**	(333,726)
Deferred tax assets not recognised	**14,866**	676,979	**12,045**	251,000
Over provision of income tax in prior years	**(1,226)**	(2,577)	**-**	–
Tax rebate	**-**	(5,058)	**-**	–
Others	**(1,427)**	2,575	**-**	584
	(1,226)	148,590	**-**	–

* *Tax incentive for the Group and the Institute mainly arose from the Productivity and Innovation Credit scheme.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

8 INCOME TAX EXPENSE (CONT'D)

At the balance sheet date, the Group has unutilised tax losses of $31,000 (2016: $5,079,000) and unabsorbed approved donations of $48,000 (2016: $600,000) and the Institute has unutilised tax losses of $Nil (2016: $2,039,000) and unabsorbed approved donations of $48,000 (2016: $557,000). 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. The Group and Institute have recognised deferred tax assets in respect of such tax losses of $Nil (2016: $441,000) and approved donations of $48,000 (2016: $482,000). These assets have been recognised on the basis that there are sufficient estimated future taxable profits and taxable temporary differences against which the tax benefits can be utilised, based on the management projection of surplus from operations.

No deferred tax assets have been recognised in respect of the remaining unutilised tax losses of $31,000 (2016: $4,638,000) and unabsorbed approved donations of $Nil (2016: $118,000) of the Group.

As at 31 December 2016, unutilised tax losses of $1,598,000 and unabsorbed approved donation of $75,000 of the Institute were not recognised as it was not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

9 DISCONTINUED OPERATION

On 7 November 2017, SAA Global Education Centre Pte. Ltd. ("SAA GE"), a wholly-owned subsidiary of ISCA was sold to Malvern International plc ("Malvern").

The assets and liabilities of SAA GE were sold to Malvern for a consideration valued at $290,921 satisfied by the issue of 5,630,350 new ordinary shares in Malvern. Consequently, a surplus of $15,552 from discontinued operation and a loss on disposal of subsidiary of $338,099 are recognised to income or expenditure of Group and Institute respectively.

In accordance with Financial Reporting Standard 105 "Non-current Assets Held for Sale and Discontinued Operations", the results and cash flows for the Institute and Group for the current financial year are presented separately as continuing operations and discontinued operation following the sale of SAA GE.

The results for the immediate preceding financial year for the Group and Institute are restated to conform to the presentation of the results for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

9 DISCONTINUED OPERATION (CONT'D)

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

	Group	
	2017	2016
	$	$
Income for the year		
Income from other training courses	**3,412,081**	5,345,418
Other income	**169,838**	362,411
Total income	**3,581,919**	5,707,829
Less expenditure		
Expenses	**4,317,383**	6,633,269
Deficit before tax from discontinued operation	**(735,464)**	(925,440)
Income tax expense	**–**	(144,000)
Deficit after tax from discontinued operation	**(735,464)**	(1,069,440)
Gain on disposal of discontinued operation (Note 12)	**751,016**	–
Surplus/(deficit) from discontinued operation, net of tax	**15,552**	(1,069,440)

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

	Group	
	2017	2016
	$	$
Operating cash flow	**(1,171,921)**	(1,670,441)
Investing cash flow	**122**	(37,320)
Financing cash flow	**370,000**	–
	(801,799)	(1,707,761)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

10 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land $	Freehold buildings $	Furniture and office equipment $	Computers $	Renovation $	Total $
Cost						
Balance at 1 January 2016	8,799,321	2,871,686	2,231,252	2,471,104	1,576,642	17,950,005
Additions	–	–	28,407	110,001	3,674	142,082
Write-off/disposals	–	–	(292,232)	(884,994)	(95,281)	(1,272,507)
Reclassified to investment properties (Note 11)	(8,799,321)	(2,871,686)	–	–	–	(11,671,007)
Balance at 31 December 2016	–	–	1,967,427	1,696,111	1,485,035	5,148,573
Additions	–	–	58,639	208,159	–	266,798
Write-off/disposals	–	–	(32,061)	(10,152)	(48,788)	(91,001)
Disposal of a subsidiary	–	–	(692,496)	(265,189)	(452,708)	(1,410,393)
Balance at 31 December 2017	**–**	**–**	**1,301,509**	**1,628,929**	**983,539**	**3,913,977**
Accumulated depreciation and impairment						
Balance at 1 January 2016	–	1,033,807	1,080,387	2,063,517	700,645	4,878,356
Depreciation charge for the year	–	–	297,083	245,929	168,216	711,228
Write-off/disposals	–	–	(220,083)	(884,994)	(95,281)	(1,200,358)
Reclassified to investment properties (Note 11)	–	(1,033,807)	–	–	–	(1,033,807)
Balance at 31 December 2016	–	–	1,157,387	1,424,452	773,580	3,355,419
Depreciation charge for the year	–	–	198,710	218,191	86,616	503,517
Write-off/disposals	–	–	(31,773)	(7,403)	(48,788)	(87,964)
Disposal of a subsidiary	–	–	(558,136)	(254,373)	(450,627)	(1,263,136)
Balance at 31 December 2017	**–**	**–**	**766,188**	**1,380,867**	**360,781**	**2,507,836**
Carrying amount						
Balance at 31 December 2016	–	–	810,040	271,659	711,455	1,793,154
Balance at 31 December 2017	**–**	**–**	**535,321**	**248,062**	**622,758**	**1,406,141**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Institute	Furniture and office equipment $	Computers $	Renovation $	Total $
Cost				
Balance at 1 January 2016	1,506,358	2,200,659	1,127,608	4,834,625
Additions	11,528	87,593	–	99,121
Write-off	(248,742)	(884,994)	(95,281)	(1,229,017)
Balance at 31 December 2016	1,269,144	1,403,258	1,032,327	3,704,729
Additions	58,639	197,429	–	256,068
Write-off/disposal	(30,671)	(10,152)	(48,788)	(89,611)
Balance at 31 December 2017	**1,297,112**	**1,590,535**	**983,539**	**3,871,186**
Accumulated depreciation				
Balance at 1 January 2016	614,319	1,822,834	304,765	2,741,918
Depreciation charge for the year	200,343	220,266	114,081	534,690
Write-off	(184,803)	(884,994)	(95,281)	(1,165,078)
Balance at 31 December 2016	629,859	1,158,106	323,565	2,111,530
Depreciation charge for the year	165,795	202,729	86,004	454,528
Write-off/disposal	(30,383)	(7,403)	(48,788)	(86,574)
Balance at 31 December 2017	**765,271**	**1,353,432**	**360,781**	**2,479,484**
Carrying amount				
Balance at 31 December 2016	639,285	245,152	708,762	1,593,199
Balance at 31 December 2017	**531,841**	**237,103**	**622,758**	**1,391,702**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation charge is taken up as follows:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Statement of Profit or Loss and Other Comprehensive Income				
Continuing operations:				
- Other income CA Qualification net administrative fee (Note 4)	**8,169**	5,876	**8,169**	5,876
- Operating expenses (Note 5)	**450,178**	531,885	**446,359**	528,814
Discontinued operation:				
- Operating expenses	**45,170**	173,467	**–**	–
	503,517	711,228	**454,528**	534,690

Group and Institute

Included in additions of property, plant and equipment of the Group and Institute is an amount of $81,923 (2016: $Nil) payable to a third party. The cash outflows on additions to property, plant and equipment of the Group and Institute were $184,875 (2016: $142,082) and $174,145 (2016: $99,121) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

11 INVESTMENT PROPERTIES

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Cost				
Balance at 1 January	**41,882,764**	30,211,757	**41,882,764**	41,882,764
Reclassified from property, plant and equipment (Note 10)	**–**	11,671,007	**–**	–
Disposal	**(26,760,501)**	–	**(26,760,501)**	–
Balance at 31 December	**15,122,263**	41,882,764	**15,122,263**	41,882,764
Accumulated depreciation and impairment				
Balance at 1 January	**5,627,371**	4,159,429	**5,627,371**	5,193,236
Reclassified from property, plant and equipment (Note 10)	**–**	1,033,807	**–**	–
Depreciation charge (Note 5)	**324,394**	434,135	**324,394**	434,135
Disposal	**(2,524,057)**	–	**(2,524,057)**	–
Balance at 31 December	**3,427,708**	5,627,371	**3,427,708**	5,627,371
Carrying amount				
Balance at 31 December	**11,694,555**	36,255,393	**11,694,555**	36,255,393

(a) The following amounts are recognised in income and expenditure:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
		(Restated)		
Rental income from investment properties	**1,229,087**	1,633,286	**1,229,087**	1,891,598
Direct operating expenses arising from investment properties that generated rental income	**(366,544)**	(395,087)	**(366,544)**	(395,087)
Depreciation charge	**(324,394)**	(434,135)	**(324,394)**	(434,135)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

11 INVESTMENT PROPERTIES (CONT'D)

(b) In accordance with the Constitution of the Institute, the freehold land and buildings are held by Institute of Singapore Chartered Accountants Pte. Ltd. in trust for the Institute.

Location		Floor area (Square metres)	Tenure
i)	6 Raffles Quay #23-00 Singapore 048580	941	Freehold
ii)	Elite Building 20 Aljunied Road Singapore 389805		
	Group		
	Consisting of Nil (2016: 5) floors	–	Freehold
	(2016: Units #01-01, #01-03, #01-04, #01-05, #01-06, #02-01, #02-02, #04-01, #04-02, #05-01, #05-02, #06-01 and #06-02)	(2016: 2,779)	
	Institute		
	Consisting of Nil (2016: 5) floors	– (2016: 2,779)	Freehold

During the year, the Elite Building was sold to the Tabernacle Church and Missions Limited for cash consideration of $42,116,359. The direct attributable costs relating to this sale amounted to $324,508.

12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

(a) Investments in subsidiaries

	Institute	
	2017	2016
	$	$
Unquoted equity shares, at cost	**3**	300,003
Less: accumulated impairment loss	**–**	(300,000)
	3	3

In November 2017, the Group sold its subsidiary, SAA Global Education Centre Pte. Ltd. The impairment loss provision of $300,000 in 2016 was written off upon the disposal of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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

(b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group 2017 %	2016 %
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
Certified Accounting Technicians (Singapore) Ltd[(1)(2)(3)]	Singapore	To support and advance the status and interests of Certified Accounting Technicians	**-**	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.				
SAA Global Education Centre Pte. Ltd.[(4)]	Singapore	Operating a private education centre which offers higher education programmes	**-**	100
Singapore Institute of Accredited Tax Professionals Limited[(1)]	Singapore	Accreditation body for tax professionals	**100**	100
ISCA Cares Limited[(1)(5)]	Singapore	To provide disadvantaged 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) Certified Accounting Technicians (Singapore) Ltd had ceased operation during the financial year and was struck off in December 2017.

(4) SAA Global Education Centre Pte. Ltd. was sold in November 2017.

(5) 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 22).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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

(c) Disposal of a subsidiary

During the year, SAA Global Education Centre Pte. Ltd. ("SAA GE"), a wholly-owned subsidiary of ISCA was sold to Malvern International plc ("Malvern") on 7 November 2017.

The assets and liabilities of SAA GE were sold to Malvern for a consideration valued at $290,921, satisfied by the issue of 5,630,350 new ordinary shares in Malvern.

Effect of the disposal of subsidiary on the consolidated statement of cash flows are:

	$
Property, plant and equipment	147,257
Intangible assets	12,577
Trade and other receivables	408,865
Cash and cash equivalents	147,956
Total assets	716,655
Provision	175,800
Trade and other payables	467,527
Course fees received in advance	792,443
Total liabilities	1,435,770
Identified net liabilities disposed of	(719,115)
Consideration received:	
Available-for-sale financial asset	290,921
Gain on disposal of subsidiary	
Consideration received	290,921
Net liabilities derecognised	719,115
Retrenchment cost	(259,020)
Gain on disposal of a subsidiary	751,016
Consideration paid in cash and cash equivalents:	
Cash and cash equivalents of subsidiary disposed of	(147,956)
Net cash outflow on disposal of subsidiary	(147,956)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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

(d) Intra-group transactions

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

	Institute	
	2017	2016
	$	$
Income		
Management fees	**164,733**	680,095
Rental income	**540**	258,312
Seminar and talk fees	**8,000**	8,500
Expenditure		
Disbursement of expenses	**6,113**	5,171
Donation to ISCA Cares Limited	**6,576**	10,332
Rental expenses	**8,406**	10,574
Others		
Advances from a subsidiary	**–**	1,245,624

The Institute, as part of supporting ISCA Cares Limited contributed 1,968 hours to support the administration of the Charity for the financial year ended 31 December 2017.

13 ASSOCIATE

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Investment in associate	**107,436**	108,552	**–**	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group 2017 %	2016 %
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.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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:

	2017	2016
	$	$
Revenue	**24,563**	24,239
Profit after tax	**(2,231)**	1,393
Current assets	**242,356**	243,744
Current liabilities	**(27,483)**	(26,640)
Net assets	**214,873**	217,104
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	**107,436**	108,552

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

	Group and Institute	
	2017	2016
	$	$
Management fee income	**15,369**	15,004

14 DEFERRED TAX ASSETS

	Group		**Institute**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Deferred tax assets comprise tax effect of temporary differences arising from:				
Depreciation and amortisation for tax purposes	**72,000**	(59,000)	**72,000**	(59,000)
Provisions and accruals	**113,000**	95,000	**113,000**	95,000
Unutilised tax losses	**-**	75,000	**-**	75,000
Unabsorbed approved donations	**8,000**	82,000	**8,000**	82,000
	193,000	193,000	**193,000**	193,000
Representing:				
Non-current				
Deferred tax assets	**193,000**	193,000	**193,000**	193,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

15 INTANGIBLE ASSETS

Group	Computer software $	System work-in-progress $	Others $	Total $
Cost				
At 1 January 2016	1,224,555	111,202	60,888	1,396,645
Additions	36,800	1,083,322	–	1,120,122
Reclassification	1,194,524	(1,194,524)	–	–
At 31 December 2016	2,455,879	–	60,888	2,516,767
Additions	91,775	–	88,975	180,750
Disposal of a subsidiary	(440,930)	–	–	(440,930)
At 31 December 2017	**2,106,724**	**–**	**149,863**	**2,256,587**
Accumulated amortisation				
At 1 January 2016	807,190	–	31,374	838,564
Amortisation charge for the year	346,534	–	13,833	360,367
At 31 December 2016	1,153,724	–	45,207	1,198,931
Amortisation charge for the year	385,016	–	20,658	405,674
Disposal of a subsidiary	(428,353)	–	–	(428,353)
At 31 December 2017	**1,110,387**	**–**	**65,865**	**1,176,252**
Carrying amount				
At 31 December 2016	1,302,155	–	15,681	1,317,836
At 31 December 2017	**996,337**	**–**	**83,998**	**1,080,335**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

15 INTANGIBLE ASSETS (CONT'D)

Institute	Computer software $	System work-in-progress $	Others $	Total $
Cost				
At 1 January 2016	783,625	111,202	60,888	955,715
Additions	36,800	1,083,322	–	1,120,122
Reclassification	1,194,524	(1,194,524)	–	–
At 31 December 2016	2,014,949	–	60,888	2,075,837
Additions	67,700	–	88,975	156,675
At 31 December 2017	**2,082,649**	**–**	**149,863**	**2,232,512**
Accumulated amortisation				
At 1 January 2016	463,870	–	31,374	495,244
Amortisation charge for the year	269,936	–	13,833	283,769
At 31 December 2016	733,806	–	45,207	779,013
Amortisation charge for the year	375,778	–	20,658	396,436
At 31 December 2017	**1,109,584**	**–**	**65,865**	**1,175,449**
Carrying amount				
At 31 December 2016	1,281,143	–	15,681	1,296,824
At 31 December 2017	**973,065**	**–**	**83,998**	**1,057,063**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

15 INTANGIBLE ASSETS (CONT'D)

Amortisation charge is taken up as follows:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
		(Restated)		
Statement of Profit or Loss and Other Comprehensive Income				
Continuing operations:				
- Other income - CA Qualification net administrative fee (Note 4)	**46,715**	59,801	**46,715**	59,801
- Operating expenses (Note 5)	**350,524**	223,968	**349,721**	223,968
Discontinued operation:				
- Operating expenses	**8,435**	76,598	**-**	-
	405,674	360,367	**396,436**	283,769

Group and Institute

Computer software comprise membership, financial management and administrative systems. Additions during the year relate to implementation of membership and financial management systems.

Others comprise intellectual property, website development and development of E-Learning platform.

Included in additions of intangible assets of the Group and Institute are payable to a third party of $55,575 (2016: $348,978) and $31,500 (2016: $348,978) respectively. The cash outflows on additions to intangible assets of the Group and Institute were $125,175 (2016: $771,144).

16 AVAILABLE-FOR-SALE FINANCIAL ASSET

	Group and Institute	
	2017	2016
	$	$
Quoted equity shares, at fair value		
Addition during the year and balance at end of financial year (Note 12)	**290,921**	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

17 INVENTORIES

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Medallions	**15,240**	15,240	**15,240**	15,240
Notebooks	**1,187**	–	**–**	–
	16,427	15,240	**15,240**	15,240

18 TRADE AND OTHER RECEIVABLES

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trade receivables				
- third parties	**1,640,555**	1,531,856	**1,629,861**	1,525,461
- subsidiaries	**–**	–	**260,878**	801,132
- associate	**16,445**	16,054	**16,445**	16,054
	1,657,000	1,547,910	**1,907,184**	2,342,647
Less: Allowance for doubtful receivables				
- third party	**–**	(74,323)	**–**	(74,323)
- subsidiary	**–**	–	**–**	(510,097)
	1,657,000	1,473,587	**1,907,184**	1,758,227
Non-trade amount due from a subsidiary	**–**	–	**90,347**	100,000
Accrued practice review fee receivable	**369,000**	138,000	**369,000**	138,000
Deposits	**488,838**	864,113	**488,838**	495,113
Interest receivables	**101,037**	31,251	**94,819**	21,621
Prepayments	**410,706**	657,468	**382,741**	541,590
Others	**11,261**	27,285	**6,260**	18,745
	3,037,842	3,191,704	**3,339,189**	3,073,296

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

19 CASH AND CASH EQUIVALENTS

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

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Interest bearing accounts	**61,217,368**	13,881,163	**59,633,132**	12,417,542
Non-interest bearing accounts	**2,026,390**	3,920,218	**1,307,687**	2,286,587
	63,243,758	17,801,381	**60,940,819**	14,704,129
Less: Fixed deposits pledged	**(58,035)**	(15,246)	**(58,035)**	–
As per statements of cash flows	**63,185,723**	17,786,135	**60,882,784**	14,704,129

Included in interest bearing accounts of the Group and Institute are fixed deposits totaling $58,803,857 (2016: $11,504,091) and $57,619,116 (2016: $10,319,301) respectively which are placed for varying periods of between 1 to 12 months (2016: 1 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.25% to 1.30% (2016: 0.2% to 1.5%) per annum. Fixed deposits of the Group and Institute of $58,035 (2016: $15,246) are pledged to bank for banking facilities.

Included in interest bearing accounts of the Group is bank balance of ISCA Cares Fund amounting to $442,860 (2016: $221,311), of which $43,416 (2016: $7,280) is held in the bank balance of the Institute.

20 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	
	2017	2016	**2017**	2016
	$	$	**$**	$
At beginning of year	**490,377**	537,319	**314,577**	361,519
Unwind of discount	**3,932**	3,884	**3,932**	3,884
Reversal of provision	**–**	(22,826)	**–**	(22,826)
Provision utilised	**–**	(28,000)	**–**	(28,000)
Disposal of a subsidiary	**(175,800)**	–	**–**	–
At end of year	**318,509**	490,377	**318,509**	314,577

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 8 years (2016: 3 to 9 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

21 TRADE AND OTHER PAYABLES

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trade payables	**3,800,422**	1,489,024	**3,799,864**	1,212,591
Other payables	**-**	7,168	**-**	-
Amount due to a subsidiary	**-**	-	**45,987**	1,039,188
Accrued operating expenses	**3,116,957**	3,818,821	**2,939,874**	3,478,716
Accrual for unutilised annual leave	**530,863**	649,214	**513,259**	557,179
Deposits received	**222,572**	413,322	**222,572**	413,322
Billings in advance	**778,468**	436,926	**768,291**	436,926
	8,449,282	6,814,475	**8,289,847**	7,137,922

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 of $243,420 (2016: $348,978) and $219,345 (2016: $348,978) respectively which relate to the implementation of membership and financial management systems.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

22 ISCA CARES FUND

	Group	
	2017	2016
	$	$
At beginning of year	**215,043**	–
Donations received		
- Tax deductible receipts	**317,891**	278,005
- Non-tax deductible receipts	**9,857**	11,495
Other income		
- Miscellaneous sales	**18,312**	–
- Interest income	**121**	83
Cost of notebooks	**(4,894)**	–
Bursary awards	**(100,305)**	(55,350)
Administrative expenses	**(12,774)**	(19,190)
At end of year	**443,251**	215,043
Represented by:		
Non-current assets		
Intangibles assets	**23,273**	–
Current assets		
Cash and cash equivalents	**442,910**	221,311
Trade and other receivables	**5,000**	3,400
Inventories	**1,187**	–
	449,097	224,711
Total assets	**472,370**	224,711
Current liabilities		
Trade and other payables, representing total liabilities	**(29,119)**	(9,668)
Net assets	**443,251**	215,043

The purpose of the ISCA Cares Fund is to provide disadvantaged 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

23 SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group/Institute and related parties during the financial year on terms agreed by the parties concerned:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
CPE course fees				
Company related to a council member	**1,500**	–	**1,500**	–
Key management personnel	**–**	14,100	**–**	14,100

Related parties comprise key management personnel and firms/companies which are controlled or jointly controlled by certain Council Members of the Institute.

(b) Key management personnel compensation comprise:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$ (Restated)	**$**	$
Continuing operations				
Short-term employee benefits	**1,890,757**	1,687,398	**1,890,757**	1,687,398
Contribution to CPF	**112,371**	133,891	**112,371**	133,891
Discontinued operation				
Short-term employee benefits	**–**	209,258	**–**	–
Contribution to CPF	**–**	7,880	**–**	–
	2,003,128	2,038,427	**2,003,128**	1,821,289

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

24 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		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Within one year	**2,022,836**	3,355,134	**2,022,836**	2,019,216
After one year but within five years	**1,641,176**	5,868,517	**1,641,176**	3,637,012

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

The Group leases out office premises to non-related parties, while the Institute leases out office premises to subsidiaries and non-related parties, all of 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		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Within one year	**163,764**	1,228,524	**163,764**	1,228,524
After one year but within five years	**–**	163,764	**–**	163,764

(c) Capital commitment

Capital commitment not provided for in the financial statements:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Capital commitment in respect of intangible assets	**18,900**	18,900	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

24 COMMITMENTS (CONT'D)

(d) Other commitment - Institute

As at 31 December 2017, the Institute has provided continuing financial support of $Nil (2016: $877,498) to a subsidiary in net liability position.

25 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Financial assets				
Available-for-sale financial asset	**290,921**	–	**290,921**	–
Loans and receivables (including cash and cash equivalents)	**65,870,894**	20,335,617	**63,897,267**	17,235,835
	66,161,815	20,335,617	**64,188,188**	17,235,835
Financial liabilities				
Amortised cost	**7,139,951**	5,728,336	**7,008,297**	6,143,817

(b) Financial risk management

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

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 income or expenditure is considered not significant.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

25 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies and individuals with a good collection track record.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Past due 0 to 3 months	**555,743**	1,078,326	**587,812**	1,109,729
Past due 3 to 6 months	**109,627**	172,982	**109,627**	171,894
Past due over 6 months	**89,071**	54,994	**89,071**	54,847
	754,441	1,306,302	**786,510**	1,336,470

Financial assets that are past due and impaired

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for doubtful receivables are as follows:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
Gross amount	**-**	222,419	**-**	776,037
Less: Allowance for doubtful receivables	**-**	(74,323)	**-**	(584,420)
	-	148,096	**-**	191,617

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

25 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Movement in allowance for doubtful receivables:

	Group		Institute	
	2017	2016	**2017**	2016
	$	$	**$**	$
At beginning of year	**74,323**	–	**584,420**	–
Allowance made	**–**	74,323	**–**	584,420
Write-back	**(74,323)**	–	**(74,323)**	–
Write-off	**–**	–	**(510,097)**	–
At end of year	**–**	74,323	**–**	584,420

Trade receivables that are individually determined to be impaired at the balance sheet date relate to a debtor that has defaulted on payments and a subsidiary that is in net liability position. Trade receivables are not secured by any collateral or credit enhancements.

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 financial liabilities of the Group and the Institute are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

The table below details the liquidity analysis for Group's and the Institute's derivative financial instruments. The amounts disclosed in the table below are the contractual undiscounted gross cash flows on derivatives that require gross settlement.

	Group and Institute Less than 1 year	
	2017	2016
	$	$
Gross-settled foreign exchange forward contracts		
- Gross inflow	**238,000**	–
- Gross outflow	**(240,054)**	–

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

25 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Price risk

The Group and the Institute are exposed to equity securities price risk arising from the investment which is classified as available-for-sale financial asset. The securities are listed on the London Stock Exchange.

The sensitivity analysis for price risk is not disclosed if prices for equity securities change by 5% with all other variables including tax rate being held constant, as the effect on other comprehensive income is considered insignificant.

26 FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

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

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices); and
c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Fair value measurement of asset that is measured at fair value

The following table presents the asset measured at fair value at 31 December 2017.

	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurement				
2017				
Group and Institute				
Available-for-sale financial asset				
- Quoted investment	**290,921**	**–**	**–**	**290,921**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2017

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

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

		Fair value measurement at balance sheet date		
	Carrying amount $	Level 1 $	Level 2 $	Level 3 $
2017				
Group and Institute				
Investment property	**11,694,555**	**–**	**–**	**27,300,000**
2016				
Group and Institute				
Investment properties	36,255,393	–	–	54,800,000

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

(d) Determination of fair values

Quoted investment

The fair values of trading securities traded in active markets are based on quoted market prices at the balance sheet date. The quoted market price used for the equity security held by the Group and the Institute are the closing price at the balance sheet date. This financial asset is included in Level 1.

Investment properties

The fair values are determined based on the properties' 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.

27 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.

28 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 2017 were authorised for issue by the Council on 8 March 2018.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting 2017/2018 of the Institute of Singapore Chartered Accountants will be held on **Saturday, 21 April 2018 at 2.00 pm**, at Marina Mandarin, Marina Mandarin Ballroom, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594.

AGENDA

1. President's address.

2. To confirm the minutes of the Annual General Meeting 2016/2017 held on 22 April 2017.

3. To receive the Report of the Council for the year 2017/2018 and Financial Statements of the Institute for the year ended 31 December 2017.

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
Frankie Chia Soo Hien Michael Chin Sek Peng Kon Yin Tong Sim Hwee Cher Tam Chee Chong	Gerard Ee Hock Kim Vincent Lim Boon Seng Anthony Mallek

Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Kon Yin Tong	Sim Yuan Yi Dennis Li Zhi Derek Cheong Soh Mei Tan Hui Tze Lau Bee Bee Irene
Lam Hock Choon	Koopmans Hans Bernardus Kok Moi Lre Chua Chin San Lee Chian Yorn Woo Shea Leen
Mohammad Shariq Sayeed Barmaky	Chaly Mah Chee Kheong Philip Yuen Ewe Jin Jeremy Toh Yew Kuan Cheung Pui Yuen Rankin Brandt Yeo

NOTICE OF ANNUAL GENERAL MEETING

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Henry Tan Song Kok	Chin Chee Choon Loh Ji Kin Loh Hui Nee Chan Siew Ting Lee Look Ling

Chartered Accountants of Singapore who are not Public Accountants	Nominated by
Chia Choon Hwee Dennis	Phua Moi Kenneth Chew Tan Saw Cheng Kelvin Lau Yang Ching Bin
Andrew Er Soon Sin	Kong Chee Keong Tan Tuan Hock Ong Chong Yeow Ng Weng Kwai Philip Ronald Wong Kin Wai
Lai Chin Yee	Kum Chew Foong Lee Caroline Lim Ming Hui Yeo Lik Khim Lim Yue Li
Lim Siew Li Lelaina	Ng Poh Kwee Wee Chin Lian Heng Hwi Chin Loh Jia Hui Teo Chee Kiong
Yiong Yim Ming	Tan Lay Hua Ong Siew Toh Tan Yen Erh Alice Lo Mun Wai Adrian Koh Hian Yan

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2018 and to authorise the Council to fix their remuneration.

6. To consider, and if thought fit, approve and adopt (by way of special resolution and with or without modification) each of the amendments proposed to be made to the provisions of the Constitution of the Institute as set out in the Appendix, a copy of which is accessible at http://isca.org.sg/the-institute/agm/ (each, an "**Amendment**" and collectively, the "**Amendments**"), and each Amendment that is tabled for consideration, approved and adopted as aforesaid to take effect from such date as the Council shall determine.

By order of the Council

JANET TAN
Secretary
26 March 2018

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FORM OF PROXY

THE SCHEDULE
RULE 34

THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS (GENERAL MEETINGS) RULES

I, ______________________________ , ______________________
(Full Name in Block) (NRIC/Passport Number)

of ____
(Address)

being a member of the Institute, do hereby appoint:

Name	**Address**	**NRIC /Passport Number**

or failing him/her

Name	**Address**	**NRIC /Passport Number**

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 21 April 2018 and any adjournment of such meeting.

Signature of member: ______________________________

Dated this ______________________ day of ______________________ 2018

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

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