ISCA INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

FUTURE FIT

ANNUAL REPORT 2018/19

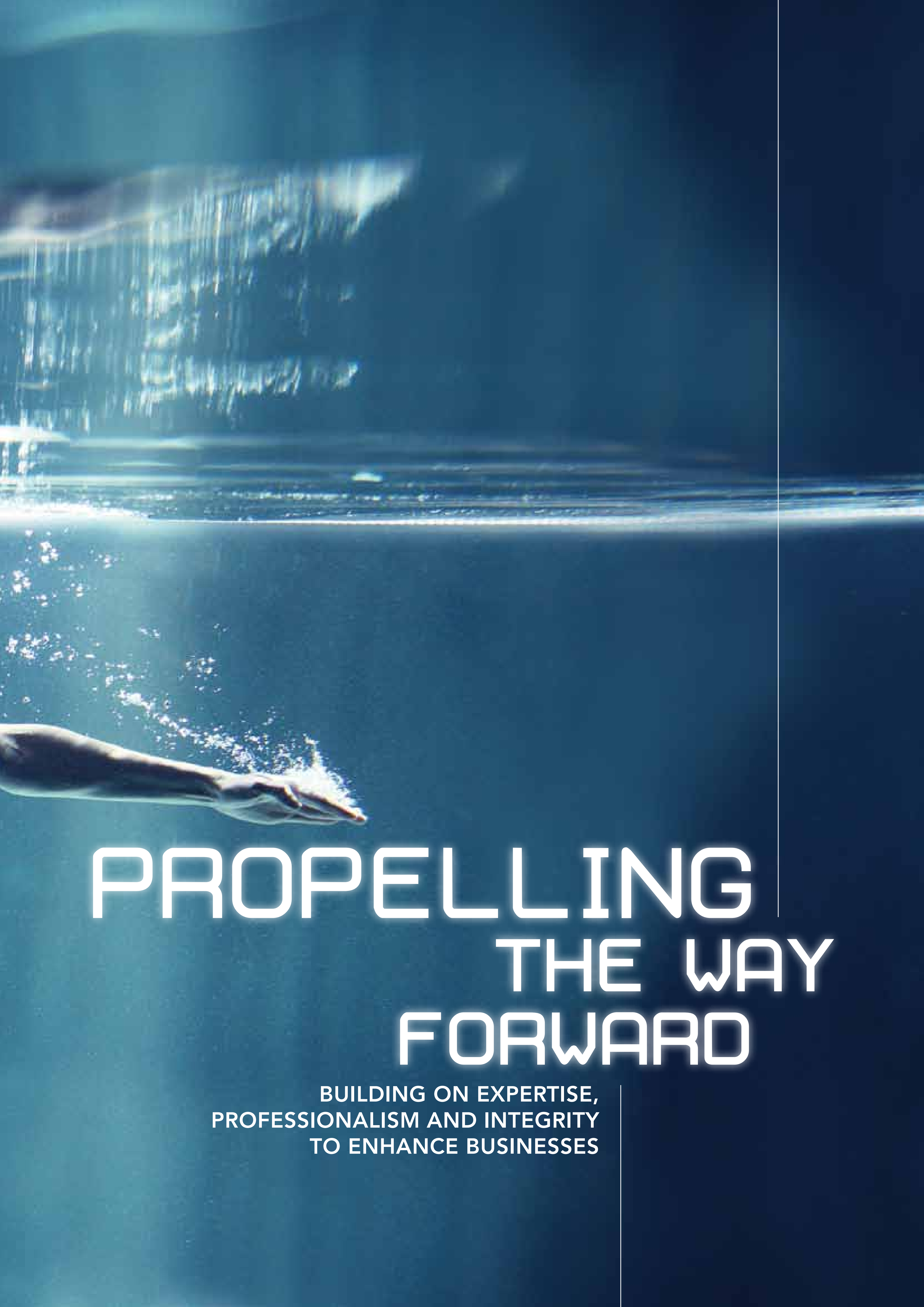
CONTENTS

FIGHTING FIT

The triathlon gives athletes the opportunity to compete in three different arenas: swimming, biking, running. A test of one's skill and endurance, the triathlon is a platform for athletes to maximise their strengths, while working on their weaknesses.

The expertise, professionalism, integrity and discipline that triathletes embody are the same for ISCA members, who undergo hours of practice and professional development so they can perform at the top of their game, while continuously honing their skills and developing their expertise in sought-after areas.

ISCA provides our members the training and resources they need to be ready for the future and perform at their best.

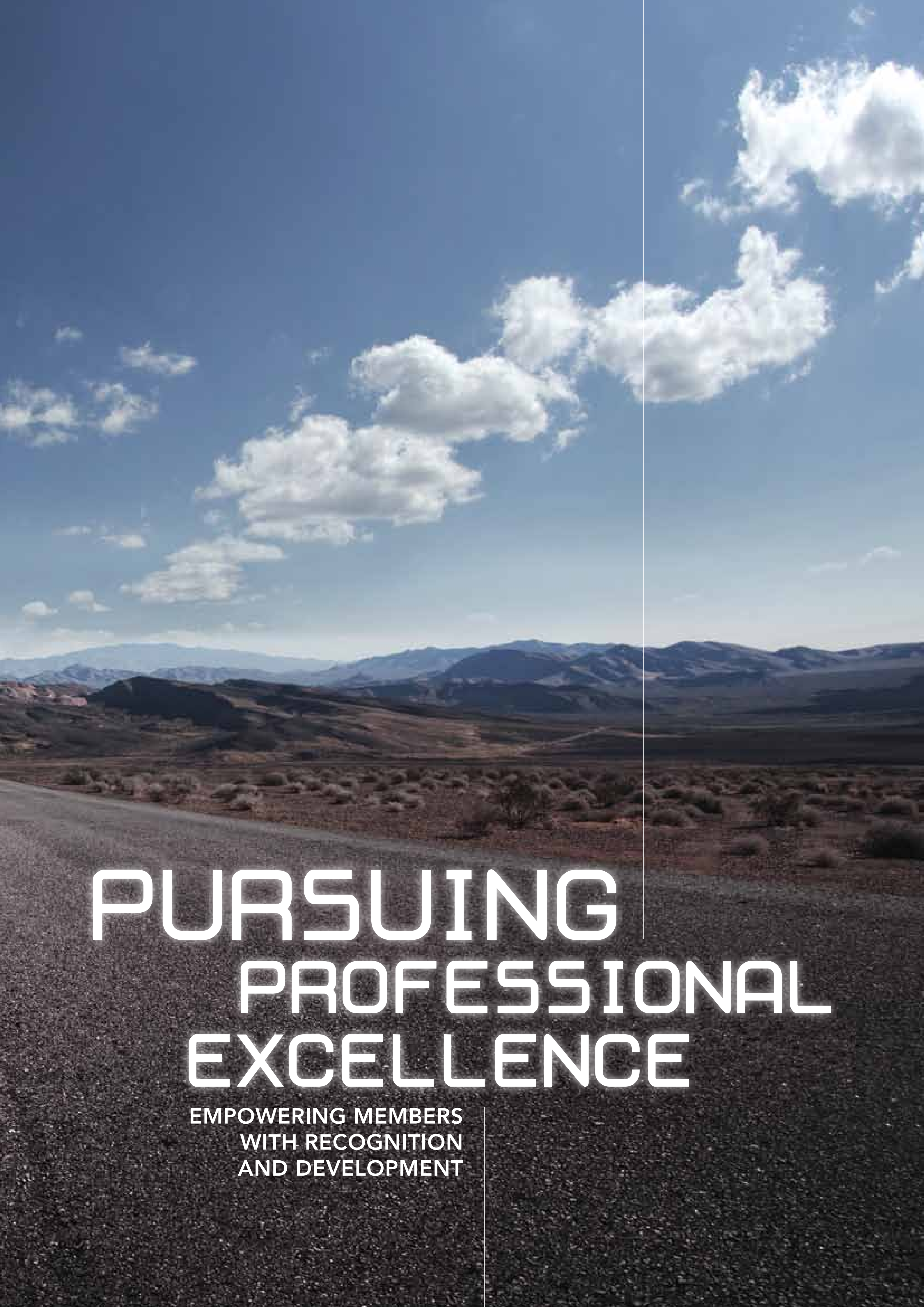


PROPELLING THE WAY FORWARD

BUILDING ON EXPERTISE,
PROFESSIONALISM AND INTEGRITY
TO ENHANCE BUSINESSES

GEARING UP FOR GREATER MOMENTUM

PARTNERING GOVERNMENT AND INDUSTRY TO CREATE A PROFESSION READY FOR THE FUTURE



PURSUING PROFESSIONAL EXCELLENCE

EMPOWERING MEMBERS WITH RECOGNITION AND DEVELOPMENT

ROUTE MARKERS

ISCA President Mr Kon Yin Tong (1st from left) and GOH Mrs Tan Ching Yee, Permanent Secretary (Finance) (centre, in blue), with winners of the Singapore Accountancy Awards 2018: (from left) Mr Tan Kuang Hui, Crowe Singapore; Mr Thomas Sim, Accountant-General's Department; Mr Chan Ying Jian, BreakTalk Group Limited; Ms Lim Kexin, PwC Singapore (Ms Lim was a recipient of the ISCA Appreciation Awards); Mr Max Loh, EY Singapore; Mr Yeoh Oon Jin, PwC Singapore; Ms Euleen Goh, SATS Ltd; Mr Philip Yuen, Deloitte Singapore; Ms Tania Harsono, Deloitte Singapore; Mr Tan Khoon Guan, Precursor Assurance PAC; Mr Ow Fook Chuen, Accountant-General's Department; Mr Muhammad Ashiq Chu, PwC Singapore; Mr Deon Kwok, Select Group; Ms Wong Peck, State Courts Singapore, and Ms Alina Ang, Chubb Insurance Singapore Limited

SINGAPORE ACCOUNTANCY AND AUDIT CONVENTION (SAAC) SERIES

For the first time, a series of conferences and events were presented under the SAAC banner to better cater to diverse segments of our membership. The SAAC series covered key areas such as Budget 2018, as well as topical issues in accounting, auditing, ethics, cybersecurity risk and the application of technology in businesses. The series kicked off on 15 March, with the Budget Update Seminar, and followed on 1 June with the Practitioners Conference.

With the theme "Coming to the Fore - Inspiring Quality, Creating Value", the Practitioners Conference featured speakers covering a wide range of topics from the auditor's perspective, including cybersecurity risks and anti-money laundering.

Next, the inaugural Technology Conference (TechCountx), held on 30 August, focused on the impact of technology on the accountancy profession and exposed the profession to innovative digitalisation solutions.

Ms Indranee Rajah, Minister in the Prime Minister's Office and Second Minister for Law, Finance and Education graced the event and delivered the keynote address. More than 400 audit professionals attended the ISCA Practitioners Conference.

Permanent Secretary (Finance) Mrs Tan Ching Yee delivering the keynote address at the ISCA PAIB Conference, which drew a total of 488 attendees.

Mr Tan Kiat How, Chief Executive, Info-Communications Media Development Authority (IMDA), delivering the keynote address at the TechCountx Conference 2018. The conference was well attended by a crowd of close to 400 participants

The next event was the Professional Accountants in Business (PAIB) Conference on 28 September, which had the theme "Championing Growth in the Transformation Wave". The conference aimed to inspire all accountancy professionals to take the lead in seeking growth in today's rapidly changing business landscape.

The series wrapped up with the biennial Singapore Accountancy Awards, held in conjunction with the PAIB Conference. 2018's Awards comprised three main groups: Business Excellence Awards, the inaugural Project Excellence Awards and Individual Excellence Awards. The Special Recognition Award was also introduced to recognise senior ISCA members who have retired from the profession but continued to make significant contributions to the accountancy sector. The 2018 winner of the Special Recognition Award was Ms Euleen Goh, Chairman of SATS Ltd.

LAUNCH OF LEARNING ROADMAPS

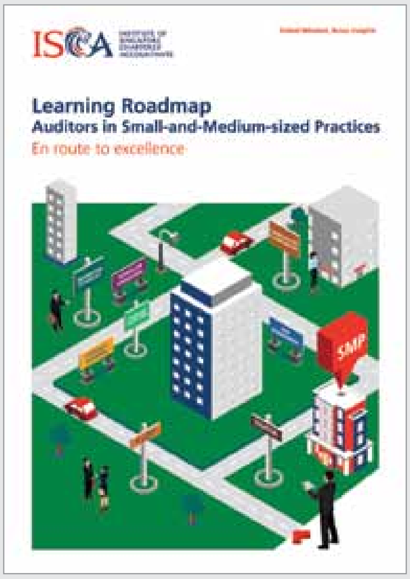
In January 2018, ISCA launched the Small-and-Medium-Sized Practices (SMP) Learning Roadmap, designed for professional accountants working in the external audit function. The Learning Roadmap is useful for public accountants and Human Resource personnel in SMPs to chart out the training plans of their audit staff.

The roadmap is developed with reference to the External Audit track under the national Skills Framework for Accountancy. It featured a series of competencies which prescribed the requisite skill sets and learning needs of audit professionals in SMPs, based on their proficiency levels. Members can then match their learning needs with ISCA's Continual Professional Education (CPE) courses.

The ISCA PAIB Framework and PAIB Learning Roadmap for Financial Accountants and Management Accountants were launched at the PAIB Conference in September. The PAIB Framework was developed to help ISCA members better understand the traits of future finance professionals so that they are able to harness the opportunities and tackle the challenges ahead. The Learning Roadmap helps financial and management accountants take charge of their professional development with a progressive learning plan for skills upgrading and career planning. It also helps employers and talent development professionals chart the learning and development programmes of their staff to fulfil their development needs.

LAUNCH OF ISCA-SUSS BUSINESS ANALYTICS CERTIFICATION PROGRAMME

The ISCA-SUSS Business Analytics Certification Programme, offered in partnership with Singapore University of Social Sciences (SUSS), was launched on 11 January 2018, with the first batch of 89 candidates accepted into the certification programme. The programme equips individuals with in-depth practical skills and knowledge in topics such as data mining, statistics and business forecasting.



To support our members in their professional development journey, ISCA launched the SMP Learning Roadmap and the PAIB Framework and Learning Roadmap, which recommend relevant opportunities based on members' learning needs and proficiency levels.

ROUTE MARKERS

GUIDANCE ON CYBERSECURITY RISKS IN AUDIT

ISCA released the publication *Cybersecurity Risk Considerations in a Financial Statements Audit*, the first publication of its kind in Southeast Asia, at the ISCA Practitioners Conference. It demonstrated how cybersecurity risk and cyber attacks could impact an entity's financial statements and its related audit. It also provided guidance on how cybersecurity risk considerations can be incorporated as part of risk assessment during audit planning, as well as the appropriate audit responses to the cybersecurity risk identified and cyber incidents that have occurred.

ISCA-TEMASEK FOUNDATION INTERNATIONAL SPECIALIST TRAINING IN LAOS

As part of the ISCA-Temasek Foundation International Public Administration Programme in Accountancy, ISCA conducted a two-week specialist workshop for 32 Lao government officials in early 2018, covering a broad overview of topics such as principles of accounting and public sector financial management. The workshop equipped the officials with skills and knowledge that can be readily applied in their work.

Using the Train-the-Trainer model, the Lao officials who have completed the programme will share their knowledge with their colleagues so as to help build a core team of skilled accounting officials. The programme is aligned with the Lao Ministry of Finance's aim to move from rules-based accounting to a principles-based accounting system and build the foundation for Lao PDR to adopt international accounting standards.

On 2 February 2018, 32 Lao government officials completed a two-week specialist workshop, which equipped them with skills and knowledge that can be applied in their daily course of work. The workshop concluded with a media event, officiated by His Excellency Dr Athsaphangthong Siphandone, Vice Minister of the Ministry of Finance, Lao PDR, and witnessed by Mr Dominic Goh, Singapore Ambassador to Laos and then-ISCA President Dr Gerard Ee.

10TH ANNUAL ASIAN-OCEANIAN STANDARD-SETTERS GROUP MEETING

ISCA, together with the ASC, hosted the 10th Annual Asian-Oceanian Standard-Setters Group (AOSSG) meeting on 21-22 November 2018. The meeting, which was attended by representatives from 20 national accounting standard-setters in the Asian-Oceanian region as well as key representatives from the International Accounting Standards Board (IASB) and IFRS Foundation, saw lively discussions on IASB developments and topics including primary financial statements, financial instruments, business combinations under common control, virtual currencies, and jurisdiction-specific implementation issues.

After the AOSSG meeting, ISCA and ASC hosted the delegates to a fintech experience by OCBC at The Open Vault. Delegates were given insights into fintech developments in the Singapore banking sector and visited artificial intelligence and fintech demo booths.

FUTURE-READY TALENT VIDEO CAMPAIGN

ISCA's Future-Ready Talent video campaign, which showcased the career journeys of five of its members, showed how ISCA members add value to diverse businesses and highlighted the value of ISCA membership.

The five videos, which were screened at lift lobbies, large outdoor LED billboards and on digital and social media platforms, each told the story of an ISCA member's professional journey, which included their career-changing decisions and defining moments, and showed how the Institute has supported them in their professional journeys. In total, the campaign reached more than 1.4 million professionals, managers, executives and businessmen daily via the outdoor screens and garnered more than 5 million impressions and over 33,800 interactions on digital channels.





The "Future-Ready Talent" video campaign, which highlights the value of the ISCA membership, showcases how ISCA members, with their expertise and professionalism, add value to diverse businesses.

The AOSSG meeting was attended by business leaders, government officials, and representatives from standard setters including IASB Chairman Mr Hans Hoogervorst, IASB Vice Chair Ms Sue Lloyd, Guest-of-Honour Minister Ms Indranee Rajah, ISCA President Mr Kon Yin Tong and ASC Chairman Mr Kevin Kwok.

FLAGGING OFF

"2018 HAS BEEN ANOTHER FULFILLING AND SUCCESSFUL YEAR FOR ISCA AS WE CONTINUE WORKING TOWARDS BECOMING A WORLD-CLASS INSTITUTE THAT IS MEMBER-CENTRIC, WHILE BRINGING VALUE TO THE PROFESSION AND THE WIDER COMMUNITY."

KON YIN TONG
President, ISCA

DEAR MEMBERS,

I am honoured to serve as President of the Institute. In the last few years, ISCA has made important progress in raising our global visibility, broadening our professional development offerings and providing more resources to support our diverse membership. I would like to offer my deepest thanks and appreciation to former President Dr Gerard Ee for all he has done for ISCA. I hope to carry on the good work he has started and bring the Institute to greater heights.

2018 has been another fulfilling and successful year for ISCA as we continue working towards becoming a world-class institute that is member-centric, while bringing value to the profession and the wider community. Notably, we have introduced new disciplines to broaden our members' career options, continued to make strides globally and rolled out more programmes to support SMPs. I am pleased to share some of our key achievements over the year with you as well as several initiatives lined up for 2019.

KEEPING MEMBERS FIGHTING FIT

To enable our members to take charge of their professional development, we have launched learning roadmaps to guide our members in mapping their professional development journeys and continued to expand our online learning offerings to cater to the needs of members who prefer learning anytime, anywhere. The PAIB Framework and corresponding PAIB Learning Roadmap launched in the past year guide financial and management accountants on key competencies and skills required at different proficiency levels, while the SMP Learning Roadmap delineates the skill sets and related learning needs for audit professionals in SMPs.

Our seminars, guidance materials and other offerings continue to keep members up to date on the latest standards. We also kept members informed on latest developments in the profession via the SAAC Series. For the first time, we lined up a series of conferences under the SAAC banner – ISCA Budget Update Seminar, Practitioners Conference, Technology Conference (TechCountx), Professional Accountants in Business (PAIB) conference and the Singapore Accountancy Awards. Each event was targeted at specific audience segments, in line with our goal to be a member-centric organisation. In addition, we are collaborating with the Chartered Institute of Management Accountants (CIMA) to grant members mutual access to a range of CPE programmes at preferential rates.

ISCA is the voice of the profession in the application of accounting standards on emerging issues and new accounting standards. Where a matter is pervasive to the accountancy profession, ISCA issues communiques to promulgate our views and guide the Singapore accountancy profession. Examples of such communiques include the treatment of variable rent leases by JTC Corporation under SFRS(I) 16; and the accounting of costs incurred in fulfilling contracts with customers under SFRS(I) 15.

In early 2019, we issued a series of five Tech Bites on the principles to consider when performing the solely payments of principal and interest on the principal amount outstanding test. During the rest of the year, we will develop practical guidance publications on topics like initial coin offerings (ICOs) and the use of data analytics in financial statements audits.

NEW DISCIPLINES

In 2018, we introduced new disciplines to enable our members to broaden their career options. Launched in January 2018, the ISCA-SUSS Business Analytics Certification Programme enables individuals to deepen their skill sets in data analytics. The ISCA Financial Forensic Accounting Qualification (FFA Qualification) was launched in March 2018. These specialisation pathways enable our members to deepen their expertise and build skills in high-demand areas. This enhances their career portability and elevates their career prospects.

In 2019, we will be organising a conference on financial forensics and cybersecurity, areas that are growing in importance in the digital economy. Additionally, we are developing the ISCA Infrastructure Finance Qualification with Ernst & Young (EY), to equip members for finance roles in the dynamic infrastructure sectors. We are also exploring the development of a cybersecurity certificate programme, which will equip participants with competencies beyond the traditional field of accounting.

SUPPORTING SMPS

We continue to help SMPs build capabilities and improve productivity, partnering Enterprise Singapore to drive transformation under the Local Enterprise and Association Development programme. To support SMPs' internationalisation efforts, we continue to organise overseas business missions that enable audit practitioners from SMPs to explore opportunities in other countries.

We also continue to encourage implementation of the "Audit Singapore" software, which enables SMPs to automate and streamline their audit work flow. To support audit professionals from SMPs in carrying out group audits, we published the ISCA Audit Manual for Group Entities. The manual helps audit professionals apply Singapore Standard on Auditing 600

"Singapore Considerations - Audits of Group Financial Statements (Including the work of Component Auditors)" in group audits.

NEW PROGRAMMES

To enhance the prestige as well as to show our appreciation for our members, we launched the Member Recognition Programme in October last year. For the first time, members who have attained 50 years of membership received their 50 Years Recognition Award. In 2019, the programme will be expanded to include members who have been with the Institute for 10, 20, 30, and 40 years. They will be issued digital badges that can be displayed on social media platforms. This will make their achievements visible to their employers, colleagues and peers.

The Institute is also looking to recruit ISCA members who are either based in ASEAN or conduct business in ASEAN to be ISCA ASEAN Ambassadors who will promote and connect ISCA to the overseas business and accountancy community. Through the ambassadors, the ASEAN market can get to know the ISCA brand. Members will benefit from access to a wider and more diverse network in the ASEAN markets, bringing more business and employment opportunities.

MAKING STRIDES GLOBALLY

Beyond our initiatives to advance the accountancy profession in Singapore, we have enhanced our prominence on the global platform. ISCA representatives shared our views at the United Nations Conference on Trade and Development (UNCTAD) in May and October 2018. And I spoke at the 2018 World Congress of Accountants in my capacity as the President of the ASEAN Federation of Accountants (AFA) about the profession's role in supporting the growth of Southeast Asia as an economic region. ISCA also played host to the Chartered Accountants Worldwide Board and CEO meetings in Singapore, and together with the ASC, organised the 10th annual AOSSG meeting, which brought together representatives from 20 national accounting standard-setters in the Asian-Oceanian region as well as key representatives from the International Accounting Standards Board (IASB) and The International Financial Reporting Standards (IFRS) Foundation.

In November 2017, the Monitoring Group issued a consultation paper setting out various options to enhance the governance, accountability and oversight of the international audit standard-setting process. The Monitoring Group comprises a group of international financial institutions and regulatory bodies committed to advancing the public interest in areas related to international audit standard-setting and audit quality. As part of the series of roundtables held around the world by the Monitoring Group, I represented ISCA to give our views on the consultation. Subsequently, ISCA hosted a roundtable in Singapore in June 2018 to enable the Monitoring Group to further discuss the proposals from the consultation in smaller groups. The session was attended by local auditors, directors, academia, regulators as well as representatives from International Federation of Accountants (IFAC).

We have also intensified our role as a leading professional accountancy body in ASEAN. As part of our Memorandum of Understanding (MOU) with the Lao Chamber of Professional Accountants and Auditors to co-develop the accountancy sector in Lao PDR, we continue to conduct training for Lao government officials. Supported by Temasek Foundation International and developed in partnership with the Lao Ministry of Finance, the ISCA-Temasek Foundation Public Administration Programme in Accountancy trains senior and mid-level Lao government officials in leadership and accountancy skills.

Similarly, ISCA has held training programmes in Myanmar, following our MOU with the Myanmar Institute of Certified Public Accountants (MICPA) in 2017 to co-develop the accountancy profession in Myanmar through capability-building programmes. In 2018, the Institute conducted training on ISCA Audit Manual for Standalone Entities for MICPA members. Following positive feedback, MICPA requested ISCA to conduct another training on the ISCA Audit Manual for Group Entities in May 2019.

The Institute is working with the Vietnam Association of Certified Public Accountants on an MOU regarding the country's adaptation and translation of the ISCA Audit Manual. Cambodia's accounting standard-setting body, National Accounting Council (NAC) has also expressed its intention to legislate for the use of ISCA's Micro-Accounting Model (MAM) in the country.

These activities reaffirm ISCA's role as a regional thought leader in accountancy. In an increasingly globalised world, it is important for the Institute to elevate our brand visibility not just across the ASEAN region, but also internationally. As ISCA elevates its brand internationally, the stature and employability of Singapore accountants will correspondingly be enhanced globally.

Through our efforts, we aim to open more doors for our members in the global marketplace, offering them greater career portability, market access and professional recognition. To be an effective influencer in the region and

beyond, ISCA will have to continually develop intellectual property (IP). We can then leverage our IP to enhance ISCA's standing and thus have greater credibility when we promote various qualification and pathway programmes in the region.

I would also like to encourage our members, especially the younger ones entering the profession, to look beyond Singapore for career opportunities. This is important for ISCA to make strides globally. As an institution, we can only do so much. The key to making waves is when our members make an impact on the ground. We need our members to venture beyond Singapore. Accountancy training truly offers you a myriad of opportunities globally. There are also many opportunities in the growing ASEAN region. As you broaden your experience and gain exposure in global markets, more growth opportunities will be open to you in the increasingly globalised business landscape and make you more competitive.

LOOKING AHEAD

During my tenure as ISCA President, I hope to develop the Institute into a world-class organisation that embodies the following elements – **inclusiveness, innovation, infrastructure and impact**. A world-class Institute is one that the profession and market would look to, to champion certain areas like thought leadership, deep technical expertise or development of our members. Being member-centric means placing our members at the core of what we do. For example, to ensure that our members can access our services and information easily, we will be revamping our website to be more user-friendly and will roll out a mobile app for on-the-go convenience. We will continue to enhance our CPE offerings too.

By **Inclusiveness**, we will strive to ensure that the needs of all segments of our membership are well taken care of. To that end, we have a range of service offerings to meet our members' diverse needs. **Innovation** means we constantly deliver new and relevant offerings centred on enhancing member-centricity and improving productivity. **Infrastructure** refers to the systems and services we have in place for our members to plan their development and achieve their career aspirations. **Impact** refers to how we execute our strategy – by focusing on what matters most and creates value for our members. Together, these four elements work synergistically to further our mission to 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, and empower members to achieve their aspirations.

The world has become more complex and changes are coming at a much more rapid pace. But the professional judgment and knowledge that accountants bring to the table remain the same and are just as valuable in the changing environment, if not even more so. No matter what role they are playing – risk manager, auditor, CEO or CFO – accountants deliver value through exercising and communicating judgment. These are complex human skills that deal with matters beyond pure hard facts, numbers and automation.

This is a time of accelerated change. The adage that an accountant must never stop learning is now more relevant than ever. With any new endeavour, it is inevitable that there will be a learning curve. For some members, the learning curve may be steeper. ISCA, in partnership with government and industry, will continue to support our members in their professional aspirations in the shift to Industry 4.0.

With a strong management team and together with the astute leadership of the Council, I am confident that the Institute is well-prepared for the race ahead. Together, we will strive to bring the Institute and the profession to the next level as we go for gold.

Kon Yin Tong
President

KEY MEMBERSHIP STATISTICS

MEMBERSHIP RETENTION

97%

TOTAL NUMBER OF MEMBERS

32,419

AGE GROUPS

<31	31-40	41-50	51-60	>60
19%	32%	29%	12%	8%
6,184	10,468	9,475	3,873	2,419

MEMBERSHIP CLASS

157
Affiliates

4,489
Associates*

24,159
CA (Singapore)**

1,274
Fellow CA (Singapore)**

782
CA (Singapore) who are public accountants

278
Fellow CA (Singapore) who are public accountants

678
Members-In-Retirement

602
Life Members#

MEMBERSHIP PROFESSION

6,235
19%
Professional Accountants in Practice

19,528
60%
Professional Accountants in Business

1,908
6%
Public Sector

476
1%
Not-For-Profit

712
3%
Academia

3,560
11%
Others

* Includes Associate (Specialist)
** Not public accountant
\# Include 76 members who are public accountants. These members are either Fellow CA (Singapore) or CA (Singapore)

TRAINING PLAN

To compete in a race, you must be prepared. A training plan keeps athletes focused on their goals. Similarly, ISCA's Strategic Roadmap is a plan to build up the Institute's capabilities and provide a guide for the Institute to work towards its goals.

TRAINING PLAN

ISCA's Strategic Roadmap 2020 charts the milestones for the Institute to achieve our vision of becoming a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

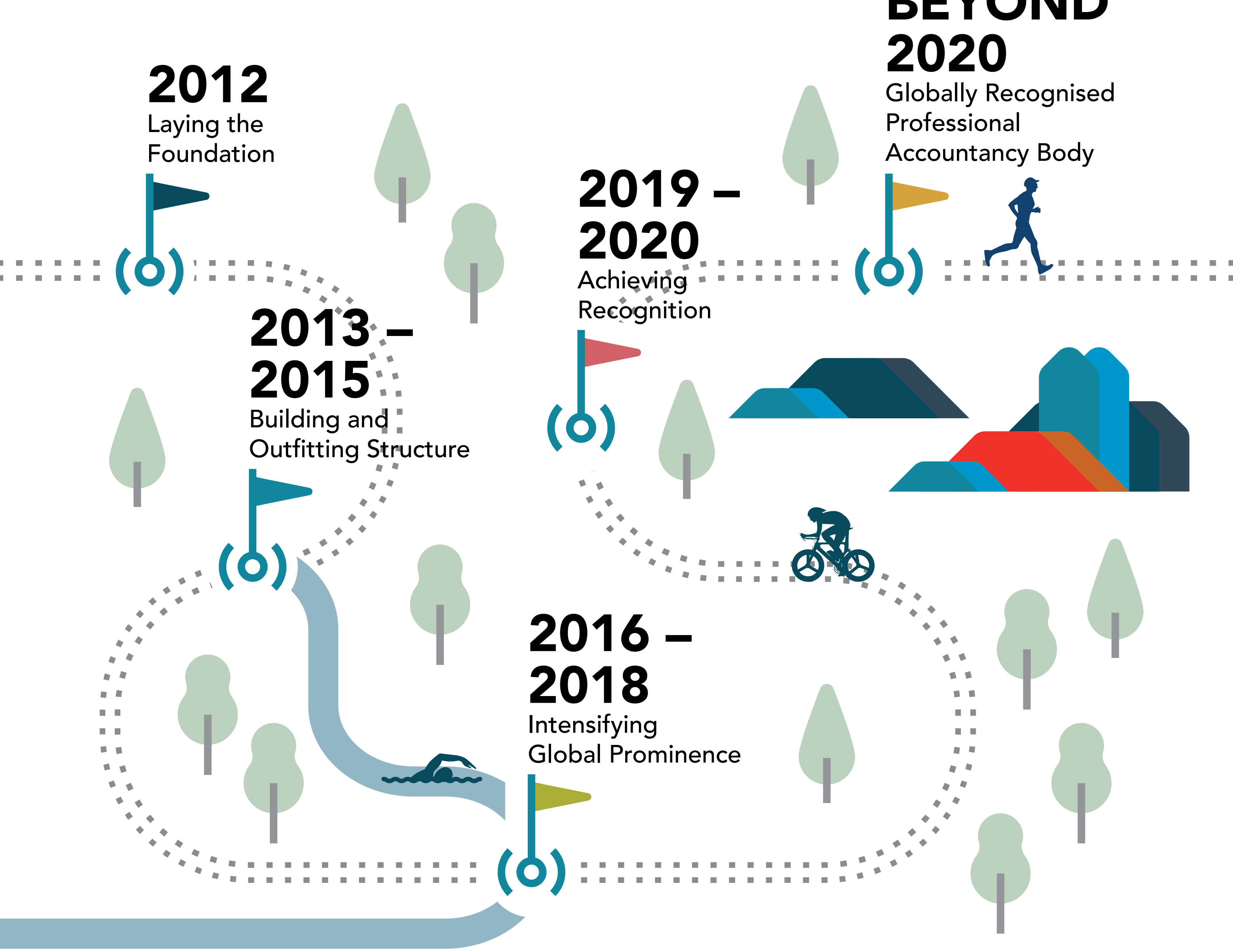
To achieve our vision, ISCA has the following mission:

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

ISCA has used this ten-year strategic roadmap to guide our activities and initiatives.

We have since laid a strong foundation, strengthened our competencies and grown in international stature, which sets us up for the last lap of the journey, covering 2019 - 2020, entitled "Achieving Recognition".

STRATEGIC ROADMAP 2020



TRAINING PLAN

STRATEGIC PRIORITIES FOR 2019 – 2020

FANS AND SUPPORTERS

Continuing success and increasing participation in a sport requires the cooperation of stakeholders and a willingness to work together towards a common goal. The same goes for ISCA, which counts on our stakeholders – members, industry partners and government agencies – to develop and steer the accountancy profession in the right direction.

FANS AND SUPPORTERS

Our activities and initiatives are tailored to serve our members and stakeholders, our biggest fans and supporters. We are committed to working with industry partners to develop the profession and work in close collaboration with government agencies to achieve our common aspirations for the profession. At the same time, we support our members through the different stages of their professional journey, and equip them with the skills they need to gain a competitive edge and be the preferred choice among employers in the new economic landscape.

PRE-BUDGET ROUNDTABLE 2018
The Roundtable brought together business luminaries and industry leaders to discuss and provide recommendations on Singapore Budget 2018.

MEMBERS

ISCA supports more than 32,000 members who work as professional accountants in practice or as professional accountants in business by keeping them informed on the latest industry developments and through upskilling initiatives delivered via a range of platforms, including seminars, workshops and CPE programmes. The CA (Singapore) designation is recognised as a mark of excellence for accountancy professionals and places our members a notch above the rest. Our membership in Chartered Accountants Worldwide – the first among professional accountancy bodies in Asia Pacific – opens doors for CA (Singapore) members to enjoy greater international career opportunities around the world.

In recent years, disruptive technologies have impacted the profession and changed the business environment immensely, bringing challenges as well as opportunities for our members. ISCA has been proactive in preparing our members for Industry 4.0 and the new economy. We collaborate with industry partners to provide members with greater professional recognition in specialised fields that are in demand, such as financial forensics and business analytics. We are also developing a specialisation pathway on infrastructure finance, in partnership with EY. In addition, our CPE courses, which include e-learning and classroom lessons, enable accountancy professionals to delve into a wide range of topics, including ethics, business valuation and financial analysis.

INDUSTRY PARTNERS

Over the years, we have forged close relationships with global and regional partners such as the International Federation of Accountants, International Accounting Standards Board, Chartered Accountants Worldwide, United Nations Conference on Trade and Development, World Bank, Temasek Foundation International and ASEAN Federation of Accountants. We also partner other professional bodies, business organisations and academic institutions on projects that advance the profession.

Such partnerships deepen our engagement with our international partners and the global accountancy community, which goes towards solidifying ISCA's position as a credible national accountancy body and raises our international standing and prominence.

GOVERNMENT

As the national accountancy body, ISCA is a trusted strategic partner to government agencies and regulators. The Institute works in close collaboration with the Ministry of Finance, the Accounting and Corporate Regulatory Authority (ACRA), the Accounting Standards Council, Enterprise Singapore, the Info-Communications Media Development Authority, Monetary Authority of Singapore, Singapore Exchange, and the Singapore Accountancy Commission to develop the accountancy profession. We hold regular dialogue sessions with these agencies and discuss related issues to advocate the profession's interests.

ISCA also works with the government by serving as a conduit for feedback on the Budget. Prior to the Budget announcement in 2018, we held a focus group discussion with representatives from the accountancy profession, trade associations and chambers as well as SMEs to gather feedback on their Budget Wishlist. We also organised the ISCA Pre-Budget Roundtable, which brought together leaders of trade associations and accounting firms to discuss ideas and provide recommendations to the Ministry of Finance in its preparation of the Singapore Budget. We then held another focus group discussion after the Budget announcement to gather feedback on the key measures presented in Budget 2018.

DISCIPLINES

Like the triathlon, which combines three disciplines in a sequential endurance race, ISCA has specialisation pathways for our members to deepen their knowledge in particular areas, allowing them to go further in a specific field and fulfil their career aspirations. For students, our outreach activities provide them with an understanding of the profession and the various career options within the sector.

DISCIPLINES

We strive to support our members in fulfilling their career aspirations and have developed various pathways to help them acquire new skills and knowledge in different areas of specialisation. The past year saw the launch of the ISCA FFA Qualification, which aims to help our members build their capabilities in the financial forensics field. In the same period, student numbers for the ISCA Accredited Accounting Technician (ISCA-AAT) qualification doubled.

At the same time, our student outreach initiatives aim to attract new talent to the profession and promote accountancy as a career of choice, while continuing to engage current accountancy professionals.

SPECIALISATION PATHWAYS

Financial Forensics

The ISCA FFA Qualification pathway was launched on 1 March 2018. The programme was the first applied learning financial forensic qualification developed by a professional body in the region, with inputs from leading financial forensic experts from public and private sectors. The qualification aims to build and shore up capabilities in the financial forensic field for the public and private sectors by providing a pathway that leads to the conferment of the ISCA Financial Forensic Professional (FFP) credential.

The qualification includes the following focus areas:

- Forensic accounting methodology and investigation approaches
- Digital forensics including data analytics and cyber response
- Financial crime compliance and investigation in the banking and financial sector

Since the launch of the qualification, ISCA has admitted over 100 candidates. 25 of them were in the pioneer batch of graduates. Through the limited period grandfathering scheme, 14 ISCA members were conferred the ISCA FFP credential for their contributions in the financial forensic community.

The Institute is also developing other specialisation pathways in areas that are in demand, such as infrastructure finance and cybersecurity.

PATHWAY TO MEMBERSHIP

Accounting Technicians

The number of students in the ISCA-AAT programme, offered in collaboration with the Association of Accounting Technicians (UK), has also doubled since its launch in 2017. Accounting technicians take on a wide variety of accounting and financial roles such as auditing and assurance, bookkeeping, accounts preparation, costing and credit control, budgeting, and payroll administration and tax returns. The qualification provides them with an alternative pathway to Affiliate (ISCA) membership, and equips them with practical skills, including core technical skills in accounting, tax, law and IT, and problem-solving skills. ISCA CEO Mr Lee Fook Chiew represented the Institute at the Fourth Accounting Technician Roundtable organised by the Association of Accounting Technicians (UK) in Sydney, Australian in November. There, he discussed the joint IFAC and AAT publication, which sought to define and clarify the roles of accounting technicians in the ecosystem and the competencies that they should be equipped with.

ATTRACTING NEW TALENT TO THE PROFESSION

Outreach Programmes

In 2018, ISCA connected with over 4,000 potential and existing members through outreach activities such as company visits, info-sessions, panel discussions, and industry talks. These talks, which were conducted at universities, polytechnics, and roadshows, provide a platform where we could share information on the ISCA membership pathways and initiatives.

Awards for Academic Excellence

Top-performing candidates of the Singapore Chartered Accountant Qualification and ISCA Professional Examination were also accorded awards in their respective programmes.

A total of 27 awards were presented at the New Members Ceremony on 13 March 2018, in recognition of their academic excellence and achievements in accountancy. Students enrolled in accountancy-related degrees at Nanyang Technological University, National University of Singapore, Singapore Management University, Singapore Institute of Technology and Singapore University of Social Sciences were presented ISCA Achievement Awards based on their stellar academic achievements, exceptional leadership qualities and strong community involvement.

Another 12 medals and 13 awards were presented to top-performing accountancy students from the ITEs, polytechnics and universities at their graduation ceremonies.

ACHIEVING PEAK PERFORMANCE

Athletes are always looking for ways to improve their game. They take care of their bodies to ensure they stay in shape and perform at their best as they can to avoid injury. Strength and conditioning specialists and sports physiotherapists use the most current methods in sports science and sports medicine to enhance the performance of athletes. In the same way, ISCA strives to keep our members at the top of their game. We promote technical excellence by supporting the profession on matters related to financial reporting, audit and assurance and ethics. We also facilitate the implementation and application of accounting standards as well as shape the formulation of accounting, auditing and ethical standards. We continually add to our plethora of resources that support our members' professional development.

ACHIEVING PEAK PERFORMANCE

From CPE courses, seminars and conferences to publications and guidance materials, ISCA provides a range of initiatives to support different segments of the membership. We continually add to our CPE offerings, with new courses in emerging skills and knowledge areas. We also keep the profession updated on topical issues such as combating anti-money laundering and terrorism financing as well as latest developments in ethics. Publications such as the ***IS Chartered Accountant*** Journal provide readers with skills that enhances their knowledge and know-how.

ISCA is the voice of the profession in the application of existing and new accounting standards and accounting standards in emerging issues. This is achieved through the provision of technical support to members and stakeholders; issuance of technical guidance to promote and enhance quality, consistency and best practices' outreach efforts to members and contribution towards the global accounting standard-setting process.

HELPING MEMBERS GAIN NEW SKILLS AND KNOWLEDGE

CPE Courses

New CPE courses in emerging skills and knowledge areas, such as cryptocurrency, Robotic Process Automation, Artificial Intelligence, blockchain and cybersecurity were introduced in 2018 to meet the specific learning needs of our members. Additionally, the Institute continued to roll out courses on entrepreneurial skills, communication, presentation and business writing during the year.

At the same time, to meet demand for remote and on-demand learning, we expanded our library of online courses by partnering with an external e-learning course provider. The courses included bite-size programmes in areas like business partnering, strategic business planning and change management. New e-learning courses that focus on fraud investigation and transfer pricing were also developed in line with the *Report of the Working Group on Legal & Accounting Services* (April 2017). These are high-value niche specialisations that accountants can venture into.

Combating Anti-Money Laundering and Terrorism Financing

To support nationwide efforts to combat money laundering and terrorism financing, the Institute jointly developed a training programme with ACRA and the Chartered Secretaries Institute of Singapore (CSIS) for corporate service providers (CSP). The training programme helps to meet a Registered Filing Agent (RFA)'s needs in anti-money laundering (AML) and countering the financing of terrorism (CFT). The training is also part of ACRA's ongoing efforts to raise the professional standards of the CSP sector and to strengthen resilience against money laundering and terrorist financing.

Ethics Seminar

ISCA's Ethics Seminar, titled "Ethics Developments – Knowing Where to Draw the Line" explored how ethics is continually evolving, so that professional accountants may continue to act in the public interest.

Mr Kwok Wui San, immediate-past Chairman of ISCA Ethics Committee highlighted during his presentation on anti-money laundering that EP 200 requires professional accountants in public practice to have the necessary internal policies, procedures and controls.

The Chairman of ISCA Ethics Committee, Mr Tan Seng Choon provided participants with an in-depth diagnosis on the revised Long Association provisions, highlighting the issues, key changes and why the need for change.

The participants also gained interesting and useful insights from Mr Hamidul Haq, Partner from Rajah and Tann

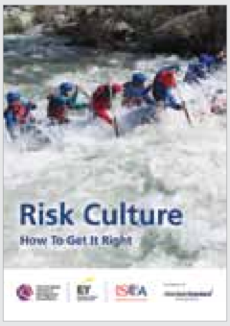
(From left) Mr Kwok Wui San, immediate-past Chairman, ISCA Ethics Committee; Mr Tan Seng Choon, Chairman, ISCA Ethics Committee; Mr Hamidul Haq, Partner, Rajah and Tann LLP, and Ms Caroline Lee, Board Member, IESBA addressed questions from the audience at the 2018 ISCA Ethics Seminar.

LLP, who presented an overview of the corruption landscape and anti-corruption laws in Singapore.

During her presentation on IESBA Updates, Ms Caroline Lee, Board Member, International Ethics Standards Board for Accountants (IESBA) brought to the audience's attention IESBA's restructured international ethics code, which includes enhancements to areas such as safeguards, professional judgement, professional scepticism and inducements.

Budget Update Seminar 2018

In addition, ISCA once again organised the Budget Update Seminar for our members to learn about the proposed Budget 2018 measure and how it would affect them and their businesses. Held on 15 March, over 800 members attended the sell-out event that covered the highlights of the Budget, Singapore's economic outlook against the backdrop of current economic factors like China's Belt and Road Initiative and the aspiration to build a smart and inclusive nation.



Risk Culture: How to Get it Right?, aims to obtain an understanding of how good risk culture facilitates business growth, and how it helps businesses make risk-responsive decisions in today's dynamic business environment.

Risk Culture

The Working Group on Legal and Accounting Services, set up under the Committee on the Future Economy, made the recommendation for accountants to look beyond conventional accounting services and build future specialisations such as risk management. In this vein, the publication *Risk Culture: How to Get It Right*, co-authored with CIMA, EY and knowledge partner Aberdeen Standard Investments, was released in May.

The report sought to help members and the business community understand how good risk culture can facilitate business growth and achieve good governance. By providing them with issues and case studies to consider, the report aimed to help businesses make risk-responsive decisions in today's dynamic business environment. The report was based on insights gathered from a series of interviews with business leaders of Singapore-based companies and a roundtable discussion with business leaders and investors, to gather perspectives on the practical takeaways.

Intangible Assets Management

The seminar "Embedding Intangible Assets Management in Your Strategy" on 3 October was organised in partnership with RSM Singapore to keep our members abreast of emerging issues relating to intellectual property. The audience learned the importance of strategic intangible asset management in maximising a company's value and how unlocking the value of intangible assets can enable the company to gain a competitive advantage in today's knowledge-based economy.

A lively panel discussion on the publication launch event Risk Culture: Is there a right one for you?

(From left) Mr Neo Sing Hwee, Asia Pacific Risk Advisory (Internal Audit) Leader, Ernst & Young Advisory Pte Ltd, and Member of the ISCA Corporate Governance and Risk Management Committee; Dr Ian Selby, Vice President – Research and Development (Management Accounting), Association of International Certified Professional Accountants; Mr Hugo Teixeira, Deputy General Manager & Head of Risk Management, Energy Finance Asia Australia, Siemens Bank GmbH Singapore Branch; Mr David Low, Independent Director, Mencast Holdings.

The ***IS C**hartered **A**ccountant* Journal's new interactive Read and Reap Game clinched the Top Award in two international awards: the Asia-Pacific Excellence Awards 2018 – Winner in the Website Category, and the 2018 Hermes Creative Awards – Platinium Award.

ACHIEVING PEAK PERFORMANCE

IS Chartered Accountant Journal Read & Reap Game

In August, ISCA unveiled the interactive Read & Reap Game, which replaced the First Look Quiz in the ***IS** Chartered **A**ccountant* Journal. It encourages journal readers to read articles on-the-go on its mobile app. Readers are rewarded for answering questions on the articles in the latest issue. Read & Reap clinched two international awards: Winner, Website category at the Asia-Pacific Excellence Awards 2018, which recognises achievements through communication strategy and creative execution; and the Platinum Award in the 2018 Hermes Creative Awards, an international competition for creative professionals in concept, writing and design of works in traditional and emerging media.

DEVELOPING ROBUST TECHNICAL SKILLS

Providing technical support to members and stakeholders

International Financial Reporting Standards are principles-based and often require the use of judgement in the application of accounting principles. ISCA provides the Technical Enquiry Service for its members, to assist them with their technical enquiries. The Technical Enquiry Service is supported by a team of technical staff, who will provide a written response to members' queries. Where warranted, ISCA technical staff would speak to the member to discuss the issues further.

Promoting and enhancing quality, consistency and best practices to uphold technical excellence

Being close to the ground, we see the issues faced by the accountancy profession. Where a matter is pervasive to the accounting profession, ISCA issues communiques to promulgate our views and guide the Singapore accountancy profession.

One example of such communiques is the series of five Tech Bites on the principles to consider when performing the solely payments of principal and interest on the principal amount outstanding test under SFRS(I) 9 Financial Instruments. These Tech Bites resulted from the deliberations by ISCA's SFRS(I) 9 Financial Instruments Working Group that is formed under ISCA's Financial Reporting Committee (FRC). This working group, chaired by Mr Chen Voon Hoe, is a platform for the financial services industry to discuss issues, challenges and resolutions.

Other pervasive accounting issues that relate to complex accounting areas were deliberated by ISCA's FRC Core Sub-Committee chaired by Mr Reinhard Klemmer. This sub-committee is the technical accounting arm of ISCA's FRC and comprises various technical accounting subject matter experts from the accounting firms. The deliberations resulted in the issuance of four Tech Bites in the following areas:

- Costs deferment/capitalisation for a single performance obligation satisfied over time in accordance with paragraph 35(c) of FRS 115
- Treatment of variable rent leases by JTC Corporation under FRS 116
- Amounts due from related parties - classification and asymmetrical treatment by lender and borrower (FRS 1)
- IFRIC Tentative Agenda Decision - Capitalisation of borrowing costs

Performance reporting in the digital era

With the growth of digital companies and their increasing market capitalisation, much of the value of digital companies lies in volatile intangibles, which under existing accounting standards, would fail to be capitalised as assets on the financial statements. This balance sheet dilemma was discussed at the panel discussion during the ASC-ISCA Financial Reporting Technical Forum (Technical Forum) that was jointly organised by ISCA and the Singapore Accounting Standards Council (ASC) on 23 November 2018. The panel discussion was moderated by Mr Reinhard Klemmer (Chairman of ISCA's FRC) and featured panelists – Mr. Hans Hoogervorst (Chair, International Accounting Standards Board (IASB)), Mr. Marcus Lam (Council Member, ASC) and Mr. Samba Natarajan (CEO, Singtel Group Digital Life).

During the Technical Forum, various representatives from the IASB also addressed key implementation questions relating to specific aspects of the revenue and leases standards raised by stakeholders in Singapore.

The ASC-ISCA Financial Reporting Technical Forum, jointly organised by ISCA and the ASC, saw key implementation takeaways to aid preparers in their implantation of the new accounting standards.

Mr Reinhard Klemmer, Chairman of ISCA's Financial Reporting Committee, giving a presentation at the 10th AOSSG meeting.

Contributing towards global accounting standard-setting process

ISCA, together with the ASC, hosted the 10th Annual Asian-Oceanian Standard-Setters Group (AOSSG) meeting on 21-22 November 2018. The AOSSG meeting was attended by delegates from 20 national accounting standard-setters in the Asian-Oceanian region as well as key representatives from the International Accounting Standards Board (IASB) and IFRS Foundation.

During the AOSSG meeting, there were discussions on challenges faced by countries in the Asian-Oceanian region when implementing IFRS and how international standard-setting could potentially address these challenges. Mr. Reinhard Klemmer (Chairman of ISCA's FRC) also presented on three topics – lessons learnt from Singapore's IFRS convergence journey; Singapore-specific challenges in applying IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers; and performance reporting and the digital era.

After the AOSSG meeting, ISCA and ASC hosted the AOSSG delegates to a fintech experience by OCBC at The Open Vault (TOV). Delegates were given insights into fintech developments in the Singapore banking sector and visited artificial intelligence and fintech demo booths in TOV. The fintech experience offer the delegates valuable takeaways into the future of the financial sector that may provide inputs to future accounting standard-setting work arising from fintech developments.

ASC-ISCA Financial Reporting Roundtable for CFOs and Users

ISCA and ASC also jointly organised the ASC-ISCA Financial Reporting Roundtable for CFOs and Users (Roundtable) on 23 November 2018. The Roundtable was attended by representatives from the IASB, preparers of financial statements, analysts as well as representatives from the accounting firms. One key topic discussed was the future of financial reporting and how financial statements could better communicate value of companies to the users.

UPHOLDING STANDARDS

Financial Reporting Surveillance Programme

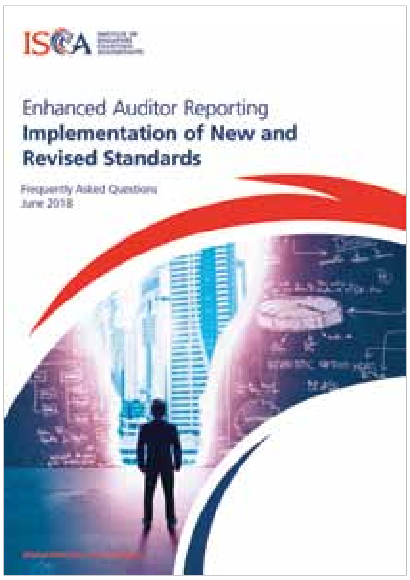
We continued our collaboration with ACRA on the Financial Reporting Surveillance Programme in 2018 to enhance the quality of corporate financial reporting in Singapore by reviewing selected financial statements to ensure compliance with the prescribed accounting standards.

EP 200 and EP 100

ISCA made some conforming amendments to EP 200 Implementation Guidance 1, which arose from the amendments to EP 200: Anti-Money Laundering and Countering the Financing of Terrorism – Requirements and Guidelines for Professional Accountants in Singapore in 2017. This guidance comprised frequently asked questions to help professional accountants and professional firms implement the requirements in EP 200.

We issued EP 100 Implementation Guidance (IG) 2 on 14 March to provide clarification on the definition, identification and determination of key audit partners (KAPs), including terms such as "key decisions or judgment" and indicators to identify significant subsidiaries and divisions. The second section of EP 100 IG 2 included FAQs on certain illustrative scenarios to provide broad guidance when assessing if a partner is a KAP.

ISCA made amendments to the Long Association provisions in EP 100, which deal with familiarity and self-interest threats created when a firm uses the same senior personnel on an audit or assurance engagement over a long period of time. This arose from the final



The updated *Enhanced Auditor Reporting – Implementation of New and Revised Standards: Frequently Asked Questions"* includes new FAQs to tackle practical implementation issues and differences in interpretation.

ACHIEVING PEAK PERFORMANCE

proposed amendments to the Long Association provisions issued by the International Ethics Standards Board for Accountants (IESBA) as part of its Long Association Project.

Enhanced Auditor Reporting

In June, we added new FAQs to the publication *Enhanced Auditor Reporting – Implementation of New and Revised Standards.* This was first published in November 2017 after a focus group discussion with our members, who detailed their experiences in the implementation of the auditor reporting standards as well as the practical challenges they faced. The new FAQs provided guidance on new practical implementation issues and where there were differences in the interpretation of the auditor reporting standards.

Auditor's Report on Financial Statements

New FAQs were also published for the *Auditor's Report on Financial Statements Prepared in Accordance with Singapore Financial Reporting Standards (International) [SFRS(I)s]*, issued by the ASC. The SFRS (I) is Singapore's equivalent of the International Financial Reporting Standards issued by IASB.

SUPPORTING SMPS

Practitioner's Package

The Practitioner's Package facilitates professional development in public accounting firms and provides technical support through ISCA's quality assurance initiatives. The Practitioner's Package comprises four components: CPE bundle, a 15% discount on CPE courses, Quality Assurance (QA) Diagnostic, and Technical Call Helpdesk. The Package can also be customised with optional add-ons to suit the needs of practitioners. The QA Diagnostic session is a one-off high-level assessment aimed at helping public accounting firms identify gaps in their firm-level processes which may be affecting their audit quality. The Technical Call Helpdesk offers an alternative avenue to practitioners where they can seek technical clarifications over the phone on financial reporting, auditing and ethical matters.

Audit Manual Guidelines

Additionally, we have expanded the scope of our customised technical training to include EP 200, ISCA Audit Manual for Standalone Entities and other audit-related topics. ISCA's *Illustrative Financial Statements* (IFS), crafted for a Singapore-incorporated private limited company whose financial statements are prepared in accordance with Financial Reporting Standards in Singapore (FRS), was also updated. The latest 2018 edition featured additional illustrations on investment properties, investment in joint venture, investment securities, pledged deposits and finance leases. It also included sample new disclosures required under FRS 109 Financial Instruments and FRS 115 Revenue from Contracts with Customers.

Quality Assurance Review Programme

In terms of ongoing initiatives to enhance audit quality, our Quality Assurance Review Programme helps SMPs improve the quality of their audit engagements and firm practices by reviewing their signed-off audit engagement files and/or firm-level

The 2018 update to ISCA's *Illustrative Financial Statements* came with additional illustrations on investment properties, investment in joint venture, investment securities, pledged deposits and finance leases.

Panel discussion on "Building the Right Mindset for Successful Consolidation" at the 7th SMP Dialogue; (from left) Moderator Mr Mak Keat Meng, Partner, Assurance Services, Ernst & Young LLP, with panellists Mr Frankie Chia, Managing Partner, BDO LLP; Mr John Lim, Partner, PKF Singapore; Mr Wayne Soo, Managing Partner, Fiducia LLP, and Mr Tim Underwood, Managing Director Singapore, Foulger Underwood.

quality control systems which need to comply with the Singapore Standard on Quality Control (SSQC) 1, EP 200 and SSAs. The programme also suggests recommendations to public accountants on areas to improve.

Dialogues, Seminars, and Workshops

SMP Dialogue

The 7th SMP Dialogue, "The Know-Hows of SMP Consolidation", which took place on 23 January 2018, provided practical advice for practitioners who were keen to explore mergers with or the acquisition of other firms, as well as insights into common valuation methods and market benchmarks.

Practice Leadership Workshop

We also organised a practice leadership workshop in April – "Building a Blueprint to Develop Sustainable Business Advisory Services" – to help members who were keen to grow their firms and expand into business advisory services. The two-day workshop provided guidance and toolkits for SMP practitioners, and participants had the opportunity to apply tools to deliver a business advisory engagement for a prospective client, based on real client data.

Mr Shariq Barmaky, Chairman of ISCA's Auditing and Assurance Standards Committee, delivered the welcome address at the ISCA Audit Quality Seminar. The seminar was attended by more than 370 audit professionals.

Audit Quality Seminar

The Audit Quality Seminar, held on 23 October, gave over 350 audit professionals valuable insights into ACRA's 2018 Practice Monitoring Programme (PMP). ACRA touched on the audit deficiencies raised in its 2018 PMP report and how auditors could avoid the same pitfalls and improve the quality of audit work.

At the same time, ISCA launched the new Audit Manual for Group Entities, an illustrative guidance to assist audit professionals in carrying out group audits and apply SSA 600: Special Considerations – Audits of Group Financial Statements (Including the Work of Component Auditors).

Tech Lab Series

We have also continued the Tech Lab series (previously known as Technical Clinics), which provides a platform for public accountants to share and discuss technical issues in a focus group setting moderated by an experienced facilitator. There were six Tech Lab sessions in 2018, covering topics such as planning an effective and efficient audit, overcoming common pitfalls in the audit of inventories and trade receivables, challenges in auditing accounting estimates and how to overcome them, key auditing issues arising from the adoption of FRS 115, and accounting for and auditing cryptocurrencies.

NETWORKING

CFO Networking Sessions

The first of a series of CFO networking sessions for the year was organised in April, supported by BDO and United Overseas Bank. The first addressed strategic resourcing in the ever-changing business environment, while the latter provided a five-year outlook of the Singapore economy in relation to the 2018 Singapore Budget and highlighted

the challenges the country would face in light of a rapidly ageing population.

Breakfast Talks

Our Breakfast Talks series, which saw our members networking over breakfast and learning more about topical issues from subject matter experts, continued to be well-attended, with more than 80 members per session. Subjects explored ranged from technical issues like cybersecurity risk considerations in a financial statements audit, to business issues such as the challenges of modern financial reporting, as well as cryptocurrencies and the implementation of analytics.

ISCA-Law Society Singapore Networking

The inaugural ISCA–Law Society Singapore networking evening in October allowed women in accountancy and law firms to mingle and explore business opportunities, reflecting the growing impetus for the legal and accounting professions to work closely together to enhance the competitiveness of the professional services sector.

Singapore Stewardship Principles Networking Series

We also jointly organised the third Singapore Stewardship Principles (SSP) Networking Series with the SSP Steering Committee on 23 March, to facilitate conversations on the importance of stewardship within the wider business and investment ecosystem, including investors and investee companies.

ACHIEVING PEAK PERFORMANCE

DEVELOPING YOUNG PROFESSIONALS

One Young World Summit

In May, ISCA embarked on the search for an outstanding Chartered Accountant to represent ISCA and Chartered Accountants Worldwide at the One Young World Summit 2018. The annual summit brings together young talent from global and national companies, non-governmental organisations, universities and other forward-thinking organisations worldwide. The eventual winner who represented ISCA was Jamie Ting, Business Planning and Governance Leader from Procter & Gamble Singapore. Jamie showed an impressive ability to connect with the judges through her clear articulation of thoughts and opinions. She joined over 1,800 other young leaders at the One Young World summit in the Netherlands in October to debate, formulate, connect and share innovative solutions for pressing issues facing the world today.

ISCA member Ms Jaime Ting (middle) joined more than 1,800 young delegates from over 190 countries at the ninth One Young World Summit at The Hague, Netherlands.

ISCA Young Professionals Symposium

The inaugural ISCA Young Professionals Symposium was held on 6 August with the theme "Today's Millennials, Tomorrow's Leaders". The conference aimed to pave the way for millennials in this transformative age and empower them with the knowledge and skills to boost their careers and be future-ready. Discussions included the evolving job market and the skills necessary to stay competitive, design thinking, as well as the latest FRS update, finance business partnering and sustainability. The Symposium concluded on a jubilant note, with the presentation of awards to the winner and finalists of the ISCA One Young World Competition 2018.

ISCA Advisor Mr Teo Ser Luck delivered the keynote address at the ISCA Young Professionals Symposium.

Young Finance Leaders Network

The past year also saw the establishment of the Young Finance Leaders Network, which comprises CFOs and Heads of Finance of large organisations/multinational corporations and partners from the Big 4 and selected mid-tier firms. This platform allows high achievers below the age of 45 to strengthen and expand their professional network, learn and share with their peers from different industries, and discuss trends and challenges. The Young Finance Leaders Network has held activities such as a digital leadership seminar and a get-together session. More activities, including roundtable discussions, networking events, lunchtime talks and company tours, are in the pipeline.

CELEBRATING EXCELLENCE

Singapore Accountancy Awards

Organised by ISCA, and supported by ACRA, the Singapore Accountancy Awards are a mark of excellence for businesses and individuals, while promoting good practices and strengthening the branding of the profession. Singapore Accountancy Awards 2018 featured two new categories – Special Recognition Award and Project Excellence Awards. Mrs Tan Ching Yee, Permanent Secretary for Finance, was the Guest of Honour at the awards ceremony in September.

The Singapore Accountancy Awards 2018 comprised three main award categories, the "Business Excellence Awards", the newly added "Project Excellence Awards" and the "Individual Excellence Awards". The Special Recognition Award was given to senior ISCA members who had continued to make significant contributions to the accountancy sector beyond retirement.

The Project Excellence Awards category recognised innovative finance teams for their ability to transform with the times. Comprising the Best Finance Transformation Project Awards for Private and Public Sectors, the Project Excellence Awards aimed to recognise finance teams which had leveraged innovation and technology to improve operational effectiveness and business performance.

The Business Excellence Awards sought to honour practices which were leaders in innovation, talent management, diversity, client service, and corporate social responsibility. In an increasingly competitive marketplace, these attributes are important for firms to sustain and grow their practice. The awards were open to all accounting practices registered in Singapore. In 2018, the Business Excellence Awards were expanded to four categories, the Best Practice Award, Growth Award, Innovation Award, and the People & Talent Award.

Young finance professionals who displayed exemplary efforts towards their personal development were recognised in the Rising Star Awards. The awards

WINNERS OF SINGAPORE ACCOUNTANCY AWARDS 2018

Special Recognition Award:
Ms Euleen Goh
Chairman of Sats Ltd.

Business Excellence Awards (Best Practice):
Deloitte Singapore
(International Practice Category)
Precursor Assurance PAC
(Small & Medium Practice Category)

Business Excellence Awards (Growth):
Crowe Singapore

Innovation Award:
Ernst & Young Singapore

People & Talent Award:
PwC Singapore

Project Excellence Award winners:
Best Finance Transformation Project (Private Sector):
Select Group Limited

Best Finance Transformation Project (Public Sector):
Accountant-General's Department, State Courts

Individual Excellence Awards – Rising Star Award winners:
Professional Accountants in Practice
Tania Harsono
Audit Manager,
Deloitte Singapore

Muhammad Ashiq Chu
Manager,
PwC Singapore

Professional Accountants in Business
Chan Ying Jian
Group Chief Financial Officer,
BreadTalk Group Limited

Professional Accountants in Business, Highly Commended
Ang Jin Eng Alina
Chief Financial Officer,
Chubb Insurance Singapore Limited

Thomas Sim
Head, Salaries and Pensions,
Accountant-General's Department

were open to accounting professionals aged 35 and below and employed in a Singapore company.

ISCA Honorary Members

ISCA conferred honorary lifetime memberships to three government officials in 2018. They are Mr Benny Lim, Chairman of National Parks Board; Mr David Chew, Director of Commercial Affairs Department of the Singapore Police Force and Mr Wong Hong Kuan, Deputy Secretary (Development) of the Ministry of National Development.

The honorary membership is a privilege accorded on an exceptional basis to distinguished individuals who are non-ISCA members. It is conferred to individuals who have made significant contributions to the accountancy sector and wider business community. Honorary Members are elected by the ISCA Council from among those who have rendered service to the profession and business community and who are not members of ISCA.

Singapore Corporate Awards

Finally, to encourage our members to continually uphold high standards in the course of their work, we honoured outstanding listed companies and individuals who displayed exemplary corporate governance practices at the Singapore Corporate Awards on 18 July. Jointly organised with the Singapore Institute of Directors and The Business Times, the black-tie gala dinner lived up to its reputation as the "Oscars of the Singapore business world". ISCA was the award organiser for the Best Chief Financial Officer award and Best Annual Report award, given to three individuals and 14 listed companies respectively.

Mr David Chew, Director, Commercial Affairs Department of the Singapore Police Force, receiving the honorary membership certificate from ISCA President, Mr Kon Yin Tong, at the Singapore Accountancy Awards Ceremony. Mr Chew was among the three distinguished government officials to receive the ISCA honorary membership.

EXCELLING ON THE GLOBAL STAGE

Many great sporting connections have been formed on the bedrock of mutual respect and friendship. Like athletes that pursue excellence on the world stage, ISCA's activities globally has helped forge stronger ties with our counterparts abroad, which in turn raises the profile of the Institute and our members.

EXCELLING ON THE GLOBAL STAGE

The past year has seen ISCA continue to deepen our engagement with our counterparts globally. In particular, our hosting of several high-profile events for the profession has elevated the Institute's visibility, and the regional initiatives we organised have strengthened our position as a leading professional accountancy body in ASEAN.

ISCA Deputy Director, Corporate Reporting & Ethics Ms Lim Ju May, sharing the details of ISCA's Micro Accounting Model (MAM) at a public consultation organised by Cambodia's National Accounting Council (NAC).

DEEPENING GLOBAL ENGAGEMENT

International Standards of Accounting and Reporting Consultative Group meeting

In May, ISCA was invited by the UNCTAD to participate in the International Standards of Accounting and Reporting Consultative Group meeting on enterprise reporting and the Sustainable Development Goals (SDGs) at the Palais des Nations in Geneva, Switzerland, where then ISCA President Dr Gerard Ee and ISCA's Director of Global Alliance, Strategy and Insights & Intelligence Ms Joyce Tang discussed and provided inputs on UNCTAD's guidance on core indicators for enterprise reporting on the SDGs. In October, ISCA President Mr Kon Yin Tong and ISCA's Deputy Director of Corporate Reporting & Ethics Ms Lim Ju May shared their views on enhancing comparability of sustainability reporting and issues of practical implementation of international standards in accounting and reporting.

Chartered Accountants Worldwide Board and CEO Meetings

We hosted the Chartered Accountants Worldwide Board and CEO meetings in Singapore on 30 August, attended by the CEOs of 11 member bodies, who shared ideas on how to promote the prestige and value of Chartered Accountants globally. They were joined by four representatives from the Big 4 firms and the Regional Director of the Institute of Chartered Accountants in England and Wales (ICAEW), Mr Mark Billington, for a roundtable discussion on the current issues impacting the profession, particularly in light of corporate failures in the United Kingdom (UK) and South Africa.

IFAC PAIB Committee Meeting

ISCA hosted more than 40 IFAC delegates over a two-day committee meeting in Singapore. Local CFOs, including ISCA Vice President Ms Yvonne Chan, were invited to share their respective finance function's transformation journey. The meeting discussed key focus areas of the PAIB Committee including data analytics, data modelling, risk management, effective communication and storytelling, governance and professional ethics. The two-day meeting, held in conjunction with the SAAC PAIB Conference 2018, concluded with a closed-door dinner between the ISCA leadership and the IFAC delegates.

BECOMING A LEADING VOICE IN THE REGION

ISCA continues to share our expertise with our neighbours in emerging markets like Myanmar, Laos and Cambodia through training programmes and sharing best practices.

Cambodia

In October, Cambodia's accounting standard-setting body, National Accounting Council (NAC), invited ISCA to participate in a public consultation with Cambodian stakeholders who wanted to better understand the Micro Accounting Model (MAM), and how it would help businesses in Cambodia comply with local statutory financial reporting requirements. The MAM was developed by ISCA to facilitate the adoption of accrual accounting by micro, small and medium businesses (MSMEs) operating in ASEAN. ISCA's Deputy Director of Corporate Reporting & Ethics represented the Institute at the consultation session to address questions posed by Cambodian stakeholders. Following the consultation, the NAC expressed its intention to legislate the use of the MAM in Cambodia. The invitation, and Cambodia's intention to adopt the MAM, affirmed ISCA's role as a regional thought leader in accountancy.

Laos and Myanmar

ISCA conducted a two-week specialist workshop for 32 Lao government officials in early 2018, covering a broad overview of topics such as principles of accounting and public sector financial management. In December, we were given the opportunity to contribute towards the development of the accountancy sector in Myanmar by providing training on the overview of ISCA's Audit Manual for Standalone Entities to 54 Burmese audit practitioners in Yangon, with an emphasis on the methodology and forms used.

World Congress of Accountants

Finally, ISCA President Mr Kon Yin Tong, in his capacity as the President of the ASEAN Federation of Accountants, shared ASEAN and Singapore perspectives at the World Congress of Accountants in Sydney, Australia in November, providing insights on doing business in Southeast Asia.

EMBRACING TECHNOLOGY

From the introduction of the electronic automated timing system in 1964, to the use of high-tech athletic apparel that measures heart rate, respiratory activity, posture, speed and weight distribution since the 2010s, technological innovation has made sports better for everyone, improving the accuracy, enjoyment and experience of both athletes and spectators. ISCA similarly has initiatives to prepare our members to embrace technology and stay relevant in the future economy.

EMBRACING TECHNOLOGY

New technologies such as Big Data, the Internet of Things and machine learning are contributing to profound changes in the business landscape. Through our initiatives over the past year, ISCA enables our members to be ready for the future. These included reports on emerging areas such as fintech and Artificial Intelligence, digital marketing workshops and overseas business missions for SMPs.

The digital marketing talk held at Google enabled members to find out how modern accounting firms can leverage opportunities in the digital world.

BECOMING FUTURE-READY

Technology Conference

To explore how technology has transformed the role of accountants and changed the business landscape, ISCA organised its inaugural Technology Conference (TechCountx) in August 2018. At the conference, business leaders shared how technology has propelled the growth of their businesses during the panel discussion. Subject matter experts also shed light on topics such as AI, data analytics and cybersecurity. The conference included a technology showcase and Tech Talk arena, featuring demonstrations of various solutions and tools for accountancy professionals.

Digital Marketing for SMPs

A digital marketing talk at Google Singapore on 28 April created an opportunity for our members to hear from experts about how modern accounting firms can leverage the opportunities in the digital world. In addition, an on-site digital audit clinic allowed SMPs to receive a diagnostic assessment of the performance of their websites and apply the lessons learned.

Publications

Cybersecurity

Another pertinent issue for businesses today is cybersecurity. To educate our members on the importance of managing cybersecurity risk, ISCA published *ISO 27001: A Framework to Manage Information Assets*, which discussed how companies can practise good cybersecurity to protect their information assets, in the September 2018 issue of the ***IS C**hartered **A**ccountant* Journal.

Fintech

ISCA worked with ICAEW on a project that looked at what drives successful fintech innovation, and the strengths and challenges of Singapore and London as leading fintech hubs. ISCA and ICAEW also convened a roundtable discussion in Singapore, which brought together fintech innovators, banks, advisors and investors to share their different perspectives. The resulting publication, *Fintech Innovation: Perspectives from Singapore and London*, was launched on 29 October. It explored the implications for the accountancy profession and encourages the profession to act on the opportunities, such as advising fintech start-ups on financial matters, as well as helping them to make sense of the regulatory and tax requirements.

Artificial Intelligence

ISCA launched its publication *Artificial Intelligence: Opportunities, Risks and Implications* on 14 September. Featuring case studies, the publication includes responses by regulators, financial institutions, technology companies and the legal fraternity on issues surrounding the use of Artificial Intelligence (AI).

Besides a demonstration of AI applications by technology companies, the launch event also featured a panel that included representatives from Microsoft and DBS Bank. The panelists discussed the topic "Pain or Gain: What AI can do to Businesses and Society". Through the publication and panel discussion, ISCA sought to promote dialogue on the topic and contribute to building a future-ready profession.

LEARNING FROM OUR COUNTERPARTS

The ISCA Business Study Mission to the UK in May saw a delegation of 21 SMPs explore and learn the best practices from their counterparts in London, which are embracing technology to enhance productivity and efficiency. The five-day programme included a visit to Accountex UK 2018, the country's largest accounting tradeshow. The delegates used this opportunity to attend technology and practice management seminars to gain insights into emerging accounting trends and practice areas. The tradeshow provided a platform for our practitioners to learn about how certain processes have been automated, and also exposed them to solutions not yet available in Singapore.

The Singapore delegates at the Accountex UK 2018, the largest accounting tradeshow in the UK.

TEAM CULTURE

The values, attitudes and goals of a sports club impact its members' performance. ISCA takes an active role in creating a culture that supports teamwork and team performance. From our staff to our members, we seek to build an inclusive, supportive community with activities that promote bonding and work-life balance and foster a culture of giving back to the community.

TEAM CULTURE

At ISCA, we believe that a profession that works hard also plays hard. We have organised a range of activities – from networking events to talk and leisure events – to nurture our members' professional development and bring the profession closer together. We also believe in continuous learning and developing our staff with challenging and meaningful work, and support them with a range of leisure activities and engagement programmes and strive to build an environment that is both conducive and inspiring, and encourage our people to harmonise their work and personal life.

The annual ISCA Run brings together members of the accountancy profession, as well as the public together in a time of bonding through exercise.

ISCA CEO Lee Fook Chiew presenting the ISCA Games 2018 Overall Championship trophy to KMPG representative (Mr Amit Sadana, Rec Club Partner I/C)

Team ISCA ranked top spot in Table Tennis in the Inter-Professional Games.

FOR OUR MEMBERS

FOSTERING CAMARADERIE

ISCA Run 2018

The annual ISCA Run, which took place on 26 May, attracted 1,400 participants from different segments of the profession and countries like the United States, Malaysia, Philippines, Nepal, Switzerland and the UK. There were participants of all ages, from four-year-olds in the Family Fun Dash to a 72-year-old running the five-kilometre category.

ISCA Games

Close to 260 teams took part in the ISCA Games, which saw friendly competition in 27 games in 2018. The event closed with a night of celebrations for all participants, with KPMG emerging as the year's overall winners.

Inter-Professional Games

ISCA ranked second overall in the annual Inter-Professional Games, clinching the top spot for Basketball, Floorball and Table Tennis and second place in Badminton, Squash, Tennis and Volleyball. The competition was hosted by the Law Society of Singapore, and included teams from professional bodies like ISCA, Singapore Institute of Architects, Singapore Medical Association, the Institute of Engineers Singapore, and the Singapore Institute of Surveyors and Valuers.

Mingles

ISCA members had an opportunity to wind down and network at the Mingles events, which included the Bartending and Mixology Night with Chartered Accountants Australia and New Zealand in March, a preview of the new Lexus RX350L in June, and an evening of art and wine in November.

ISCA CARES

ISCA Cares, ISCA's charity arm, continued to receive strong support from the accountancy profession. Baker Tilly and RSM Singapore provided the largest corporate donations in 2018, and PwC offered the use of its new premises at Marina One for the ISCA Cares Bursary Awards Ceremony. Bursaries totalling over $80,000 were distributed to 29 students from needy families to support their school tuition fees and daily basic needs. ISCA Cares Chairperson, Mrs Lim Hwee Hua, delivered the opening address at the event and extended her appreciation to donors and ISCA members who have mentored the youths.

ISCA Cares also actively promotes skilled volunteerism among its members. Currently, it matches charities looking for skill-based volunteers and ISCA members who are keen to help out in finance and accounting activities. Moving forward, ISCA Cares hopes to harness the knowledge, skills and expertise of the accountancy community and collaborate with appropriate partners on community development projects targeted at improving the community.

In addition to receiving financial support from donors, ISCA Cares also set up booths to create awareness and raise funds by selling merchandise, such as notebooks and pouches, at various ISCA events.

The ISCA Cares Education Programme aims to provide needy youths with access to quality accountancy education in the local polytechnics and mainstream universities. In 2018, ISCA Cares disbursed over $80,000 to 29 beneficiaries.

TEAM CULTURE

FOR OUR STAFF

Our employee bonding activities and events focus on fostering teamwork and communications to build a unified and effective team to serve our members and the community.

Staff activities in the past year included the Lunar New Year Celebration Dinner, Movie Night, Happy Hour and the annual Dinner & Dance. Employee dialogue sessions, such as Townhall 2018, CEO Dialogue 2018 and Senior Management bonding sessions, were platforms for our staff to communicate their views to the senior management.

ISCA staff enjoying the Lunar New Year Celebration Dinner.

Movie Night (Jurassic World: Fallen Kingdom) with Family & Friends.

The format of the CEO Dialogue was revamped in 2018. Staff dialogued and built close bonds with the senior management team through activities such as board games and workshops on leather craft, terrarium making, soy candles and art jamming.

In line with the theme of promoting employee health and wellness, ISCA held a lunchtime talk followed by a health screening for our staff. Mr David Seah, an educator and resource speaker from Fei Yue's Family Central shared tips on effective inter-generational communication and building good family ties. Our staff members were provided with a complimentary health screening at ISCA House, including a bone density test and back and spine screening.

Lastly, we have continued to build a learning culture by providing opportunities for staff to attend courses and seminars.

ISCA staff were provided a complimentary health screening, which include a bone density test, as well as back and spine screening.

The SM Bonding sessions allowed the Senior Management to bond with junior level employees over a series of hands-on activities such as leather crafting, terrarium making, soy candle making, and art jamming.

The ISCA staff dressed up as their favourite 'Cartoon Heroes' in the annual Dinner & Dance.

COACHES

Successful athletes distinguish themselves by recognising the role of their coaches and coaching strategies that enable them to perform at the highest level. ISCA's Council Members bring together years of knowledge and experience in the profession to set the direction for ISCA to realise its vision of becoming a globally recognised professional accountancy body.

COACHES

THE OFFICE BEARERS

01 PRESIDENT
MR KON YIN TONG
Managing Partner
Foo Kon Tan LLP

02 VICE PRESIDENT
MS YVONNE CHAN MEI CHUEN
Chief Financial Officer and Director
(Corporate Development)
Maritime and Port Authority of Singapore

03 TREASURER
MR BALASUBRAMANIAM JANAMANCHI
Managing Partner/Director
JBS Practice PAC

04 SECRETARY
MR KELVIN TAN WEE PENG

THE COUNCIL MEMBERS

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

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

07 PROFESSOR CHENG QIANG
Dean, School of Accountancy
Singapore Management University

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

09 MR DENNIS CHIA CHOON HWEE
Chief Financial Officer
StarHub Ltd

10 MS LAI CHIN YEE
Finance Director
Qian Hu Corporation Limited

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

12 MR PAUL LEE SENG MENG
Managing Partner
RSM Chio Lim LLP

13 MS LEE SHI RUH
Chief Financial Officer
Genting Singapore PLC

14 MR LEE WAI FAI
Group Chief Financial Officer
United Overseas Bank Ltd

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

16 MR MAX LOH KHUM WHAI
EY ASEAN & Singapore Managing Partner
Ernst & Young LLP

17 MR DARREN TAN SIEW PENG
Chief Financial Officer
OCBC Bank

18 MR HENRY TAN SONG KOK
Managing Director
Nexia TS Public Accounting Corporation

19 MR ROGER TAY PUAY CHENG
Head of Audit, Partner
KPMG LLP

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

21 MS YIONG YIM MING
Group Chief Financial Officer
City Development Ltd

CAPTAINS

Captains are leaders and authority figures who are responsible for taking what their coach does off the field and implementing it on race day. The ISCA Senior Management team is the profession's captain that lifts the team to victory.

CAPTAINS

01 CHIEF EXECUTIVE OFFICER LEE FOOK CHIEW

02 JANET TAN
Executive Director, Corporate Services

03 JENNIFER TOH
Director, Communications, Member Services & Marketing

04 JOYCE TANG
Director, Strategy, Global Alliances & Insights and Intelligence

05 SOH SUAT LAY
Director, Pathways Development & Qualifications

06 FANN KOR
Director, Audit Quality & Standards Development, Continuing Professional Education, and Industry Support

07 LIM JU MAY
Deputy Director, Corporate Reporting & Ethics

GOVERNING BODIES

Like sporting associations that are responsible for growing and developing a sport, the ISCA Council and the Institute's various committees help steer the association from the starting blocks to the finish line.

GOVERNING BODIES

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

EXECUTIVE COMMITTEE

The Executive Committee, otherwise known as EXCO, is made up of the office bearers—president, vice president, treasurer, secretary—and another Council member 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

This Committee is appointed by Council and consists of five Council members who are non-office bearers. Its role is to ensure the integrity of financial statements 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, appraises their audit plans, and reviews 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 statements.

NOMINATIONS COMMITTEE

The Nominations Committee is appointed by Council and comprises six members, majority of whom are Council members to assist 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 the various ISCA Committees.

GOVERNING BODIES

REPORT OF THE ISCA COUNCIL

It is our pleasure to present our 2018 Annual Report and Financial Statements for the year ended 31 December 2018. The following Council members were elected as office bearers during the first Council meeting held in April 2018:

President
Kon Yin Tong

Vice President
Yvonne Chan Mei Chuen

Treasurer
Balasubramaniam Janamanchi

Secretary
Kelvin Tan Wee Peng

THE COUNCIL

The 2018 Council held 7 ordinary meetings. "Column A" indicates the number of Council meetings members attended, and "Column B" indicates the number of committees he/she sits on.

	A	B
Mohammad Shariq Sayeed Barmaky	6	2
Yvonne Chan Mei Chuen	6	2
Chan Yoke Kai	5	2
Cheng Qiang	3	1
Dennis Chia Choon Hwee	5	1
Choo Teck Min	4	1
Balasubramaniam Janamanchi	7	4
Kon Yin Tong	7	4
Lai Chin Yee	6	2
Marcus Lam Hock Choon	3	1
Paul Lee Seng Meng	7	2
Lee Shi Ruh	5	4
Lee Wai Fai	3	1
Lelaina Lim Siew Li	6	1
Max Loh Khum Whai	3	2
Darren Tan Siew Peng	3	2
Henry Tan Song Kok	6	1
Kelvin Tan Wee Peng	7	5
Roger Tay Puay Cheng	4	4
Belinda Teo Hui	6	1
Yiong Yim Ming	7	1

LIST OF COMMITTEES AND MEMBERS

EXECUTIVE COMMITTEE

01. Kon Yin Tong	President
02. Yvonne Chan Mei Chuen	Vice President
03. Balasubramaniam Janamanchi	Treasurer
04. Kelvin Tan Wee Peng	Secretary
05. Max Loh Khum Whai	

NOMINATIONS COMMITTEE

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

AUDIT COMMITTEE

01. Max Loh Khum Whai	Chairman
02. Shariq Barmaky	
03. Choo Teck Min	
04. Marcus Lam Hock Choon	
05. Paul Lee Seng Meng	

AUDITING AND ASSURANCE STANDARDS COMMITTEE

01. Shariq Barmaky	Chairman
02. Hans Koopmans	Deputy Chairman
03. El'fred Boo	
04. Chiang Yong Torng Jonathan	
05. Chin Chee Choon	
06. Foo See Liang	
07. Derek How Beng Tiong	
08. Balasubramaniam Janamanchi	
09. Keung Ching Tung	
10. Koh Yeong Kheng	
11. Lau Soo Ching	Alternate: Tan Soh Hian
12. Lee Eng Kian	
13. Clare Suqing Lim	
14. Ng Hock Lee	
15. Ng Kian Hui	
16. Quek Su Lynn	Till 30 September 2018
17. Ashley Seow Chuan Beng	Alternate: Dorothy Goh Mei Shiuan
18. Soh Gim Teik	
19. Tan Chee Khiang	Alternate: Tan Boon Siong
20. Toh Kim Teck	
21. Gajendran Vyapuri	
22. James Xu Jun	
23. Lee Tze Shiong	Observer, till 20 November 2018
24. Ng Meow Ling	Observer, from 21 November 2018

ACCOUNTING TECHNICIANS LEARNING AND DEVELOPMENT BOARD

01. Lee Shi Ruh	Chairperson
02. Alex Lee Tiong Wee	
03. Daniel Ng Soon Huat	
04. Jocelyn Goh Chern Ni	
05. Steven Yeow Kinn Leong	
06. Victor Lai Kuan Loong	
07. Yeo Li Juen	
08. Sharon Lhu Siok Hwee	Till 31 March 2018

BANKING AND FINANCE COMMITTEE

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

CFO COMMITTEE

01. Lee Wai Fai	Chairman
02. Choo Chek Siew	Deputy Chairman
03. Gokul Chandar	
04. Kenneth Cheung	
05. Dennis Chia Choon Hwee	
06. Chua Hwee Song	
07. Ronald Ede	
08. Edwin Lee Boon Yong	
09. Lee Kai Nee	
10. Lee Shi Ruh	
11. Andrew Lim	
12. Angie Lim @ Ng Seok Keow	
13. Grace Lim Siew Wah	
14. Lelaina Lim Siew Li	
15. Victor Mills	
16. Darren Tan Siew Peng	
17. Eleana Tan	
18. Evan Law	Observer
19. Philip Cheng	Observer

GOVERNING BODIES

CORPORATE FINANCE COMMITTEE

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

CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

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

CORPORATE REPORTING COMMITTEE

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

CONTINUING PROFESSIONAL EDUCATION COMMITTEE

01. Yvonne Chan Mei Chuen	Chairperson
02. Ravinthran Arumugam	
03. Chong Cheng Yuan	
04. Lai Chin Yee	
05. Lee Boon Teck	
06. Neo Sing Hwee	
07. Soong Wee Choo	
08. Patricia Tan Mui Siang	
09. Kelvin Tan Wee Peng	
10. Don Wee Boon Hoong	
11. Wee Tee Heng	
12. Yiong Yim Ming	

ETHICS COMMITTEE

01. Tan Seng Choon	Chairman
02. Sajjad Akhtar	
03. G Arull	
04. Abdul Jabbar Bin Karam Din	
05. El'fred Boo	
06. Eng Chin Chin	
07. Balasubramaniam Janamanchi	
08. Lim Chuang	
09. Anthony Mallek	
10. Ong Bee Yen	
11. Sim Tzi Yong	
12. Soh Kok Leong	
13. Evan Law	Observer
14. Caroline Lee	Observer
15. Lee Tze Shiong	Observer, till 20 November 2018 Alternate: Sherry Quark

FINANCIAL FORENSIC ACCOUNTING OVERSIGHT COMMITTEE

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

FINANCIAL REPORTING COMMITTEE

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

FINANCIAL STATEMENTS REVIEW COMMITTEE

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

INSOLVENCY AND RESTRUCTURING PRACTITIONERS COMMITTEE

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

INSURANCE COMMITTEE

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

INVESTMENT COMMITTEE

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

INVESTIGATION & DISCIPLINARY PANEL

MEMBERS

01. Anthony Cheong Fook Seng
02. Cheong Mun Hong
03. Vivienne Chiang Kok Ying
04. Benjamin Chiang Wing Wai
05. Robin Chin Sin Beng
06. Danny Heng Hock Kiong
07. Michael Heng Yeow Meng
08. Khoo Shee Fei
09. Khoo Teng Aun
10. Lee Eng Kian
11. Lee Jeng Wah
12. Winnie Liew
13. Lim Tze Chern
14. Lim Yeong Seng
15. Lo Wei Min
16. Ong Woon Pheng
17. Saw Meng Tee
18. Seah Gek Choo
19. Tan Kuang Hui
20. Tham Tuck Seng
21. Christopher Wong Mun Yick
22. Wong Sook Yee
23. Woo Shea Leen
24. Yap Choh Tat Danny

LAY PERSONS

01. Ashvinkumar Kantilal	Architect
02. Joseph Goh	Engineer
03. Kang Choon Seng	Engineer
04. Koh Beng Thong	Engineer
05. Lee Chow Soon	Lawyer
06. Lee Hsien Chieh Daniel	Doctor
07. Allen Wang Aik Loon	Doctor
08. Julia Yeo	Lawyer

GOVERNING BODIES

IS CHARTERED ACCOUNTANT JOURNAL EDITORIAL ADVISORY PANEL

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

MEMBERSHIP COMMITTEE

01. Roger Tay Puay Cheng	Chairman
02. Rick Chan Hock Leong	
03. Chan Yoke Kai	
04. Frankie Chia Soo Hien	

PUBLIC ACCOUNTING PRACTICE COMMITTEE

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

SINGAPORE MONITORING COMMITTEE

01. Kon Yin Tong	Chairman
02. Lee Fook Chiew	Deputy Chairman
03. Chan Yoke Kai	
04. Roger Tay Puay Cheng	

SINGAPORE INSTITUTE OF ACCREDITED TAX PROFESSIONALS BOARD

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

YOUNG PROFESSIONALS ADVISORY COMMITTEE

01. Belinda Teo Hui	Chairperson
02. Seah Yi'En Annie	Deputy Chairperson Till 10 October 2018
03. Chai Tse Whei	
04. Goh Hong Chuan	
05. Goh Kai Yi	
06. Goh Siew Min	
07. Goh Wenbang Shawn	
08. Mark Alphonsus Koh	
09. Lee Jianwen	
10. Lee Sing Ying	
11. David Lim Xixiang	
12. Lye Jiaming Wesley	
13. Muhammad Ashiq Chu Bin Muhd Hisham Chu	
14. Tai Wei Li Willy	
15. Teo Eng Siong	
16. Wang Guangzhao	

INJURY PREVENTION

Even when training is done right, injury can strike. Taking care and precaution can stack the odds in your favour. Similarly, ISCA continually monitors external and internal risks and proactively mitigates these risks.

INJURY PREVENTION

An injury can happen to anyone, no matter their experience or fitness level. Similarly, in today's economy, one must be proactive in mitigating risks and seizing opportunities to ensure continued relevance. To this end, ISCA constantly monitors the risks in the external environment to ensure that our strategies and initiatives remain relevant and meet the needs of our members and the profession. Internally, we continually review our processes and systems to better support our members in a rapidly changing business environment.

STAYING MEMBER-FOCUSED

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

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. Maintaining a strong membership base is important for the Institute to be able to continue rolling out more initiatives and benefits for our members.

EMBRACING TECHNOLOGICAL DISRUPTION

Disruptive technologies such as AI, robotics, Internet of Things and blockchain are transforming the economy at an unprecedented pace, and the accountancy sector must be agile enough to respond if we want to stay relevant. We recognise the need to be proactive when it comes to digital transformation – non-tech industries like accountancy need to embrace and invest in technology.

The automation of routine accounting functions, cloud accounting and the development of AI are just some of the areas that are transforming the role of accountants in the digital economy. As such, ISCA works with stakeholders in the accountancy profession to explore opportunities to innovate and grow in the digital era, and to uncover new growth opportunities for the profession.

One of the chief concerns among professionals, managers and executives in the digital economy is the fear of losing their livelihoods to automation, AI and robots. These are changing the ways in which we perform tasks and the skills required to do so, and as technological breakthroughs speed up, skills previously acquired become obsolete. As such, to stay relevant in the digital age, ISCA encourages a culture of continuous learning and upskilling, and plays an active role in preparing the accountancy profession for the future economy. An important part in this is our growing e-learning library and CPE classroom courses.

Lastly, with the rise of automation, we recognise the growing importance of soft skills in the workplace. We support accountancy professionals in their development of soft skills such as creative thinking, emotional intelligence and collaboration so that they are equipped for the digital economy.

KEEPING AND DEVELOPING TALENT

Our staff is crucial to the growth and success of the Institute. ISCA strives to keep our staff on board and attract talent by providing growth and development opportunities, recognising their achievements, and ensuring a healthy work-life balance. At the same time, our HR team is bolstering our talent acquisition strategies with the use of enterprise technology and automation, and deploy HR data to make better decisions, including recruitment and candidate selection.

CYBER AND DATA SECURITY

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

As the national accountancy body, ensuring our members' data privacy is of paramount importance to us. Our members' personal data is securely stored in our access restricted systems. The systems are secured with several restrictions, including access only within the office network as well as encryption. User access is also segregated according to the system's security access matrix to ensure information is kept confidential. During the year, we have reviewed and made enhancements to our policies and internal processes, controls and guidelines, updates and patches. We also send email reminders to ISCA employees to further enhance the culture of vigilance when handling personal data.

Securing our data is of utmost importance to ISCA. We will find innovative solutions to safeguard against sensitive data breaches, computer hacking, dumpster diving, computer viruses, pilferage of information and identity theft. We are constantly enhancing our perimeter security and protecting our user access control with multiple factor authentication. We perform monthly vulnerability scanning, yearly penetration testing on our application, networks and servers with constant daily monitoring of activities. We provide the latest cyber information and known data breaches or threats to all staff. At the same time, we provide security training to our IT team.

REPUTATIONAL RISK MANAGEMENT

ISCA takes a holistic, integrated approach to managing reputation risk as this impacts the ISCA brand and the trust and relationships we have built with our members, regulators and other stakeholders. The Institute is proactive in brand and reputation management, with policies to protect the consistency of our brand usage 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. Our staff also uphold quality, professional and ethical standards in our work.

FINANCIAL STATEMENTS

STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Kon Yin Tong and Lee Fook Chiew, being the President and Chief Executive Officer respectively, do hereby state that in our opinion, the consolidated financial statements of the Institute and its subsidiaries (the "Group") and financial statements of the Institute set out on pages 61 to 117 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 2018 and of its financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

Kon Yin Tong
President

Lee Fook Chiew
Chief Executive Officer

11 March 2019

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Institute of Singapore Chartered Accountants (the "Institute") and its subsidiaries (the "Group") as set out on pages 61 to 117, which comprise the balance sheets of the Group and the Institute as at 31 December 2018, 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 2018 and the financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Council is responsible for the other information. The other information comprises the Statement by Council as set out on page 57 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

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 (CONT'D)

TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion,

(i) the accounting and other records required to be kept by the Institute have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act; and

(ii) the fund-raising appeal held during the financial year ended 31 December 2018 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.

BakerTillyTFW

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

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

11 March 2019

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2018

	Note	Group 2018 $	Group 2017 $	Institute 2018 $	Institute 2017 $
Continuing operations					
Income					
Members' annual fees		**12,202,040**	11,893,110	**12,202,040**	11,893,110
Members' admission fees		**930,300**	727,000	**930,300**	727,000
Income from Continuing Professional Education		**5,733,037**	5,225,644	**5,733,037**	5,225,644
Income from other training courses		**2,669,908**	2,699,282	**2,669,908**	2,699,282
Practice Monitoring income		**391,300**	435,000	**391,300**	435,000
Other registration and subscription fees		**793,281**	798,045	**–**	–
Income from seminars, event and talks		**1,481,964**	1,237,610	**1,353,587**	1,161,602
Other income:					
– Interest income from financial institutions		**234,686**	194,321	**222,771**	182,535
– Others	4	**2,545,121**	19,928,356	**2,707,172**	21,120,543
Total income		**26,981,637**	43,138,368	**26,210,115**	43,444,716
Less expenditure					
Expenses		**(24,052,235)**	(23,266,799)	**(23,333,419)**	(22,894,311)
Surplus before results of associate	5, 7	**2,929,402**	19,871,569	**2,876,696**	20,550,405
Share of results of associate (net of tax)		**(12,211)**	(1,116)	**–**	–
Surplus before tax		**2,917,191**	19,870,453	**2,876,696**	20,550,405
Income tax (expense)/credit	8	**(372,180)**	1,226	**(367,000)**	–
Surplus from continuing operations		**2,545,011**	19,871,679	**2,509,696**	20,550,405
Discontinued operation					
Net surplus from discontinued operation, net of tax	9	**–**	15,552	**–**	–
Surplus for the year		**2,545,011**	19,887,231	**2,509,696**	20,550,405
Surplus from specific fund:					
ISCA Cares Fund	25	**115,752**	228,208	**–**	–
Net surplus and total comprehensive income for the year		**2,660,763**	20,115,439	**2,509,696**	20,550,405

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

BALANCE SHEETS

At 31 December 2018

	Note	Group 2018 $	Group 2017 $	Institute 2018 $	Institute 2017 $
Non-current assets					
Property, plant and equipment	10	**1,277,889**	1,406,141	**1,268,466**	1,391,702
Investment properties	11	**11,392,109**	11,694,555	**11,392,109**	11,694,555
Subsidiaries	12	**–**	–	**3**	3
Associate	13	**95,225**	107,436	**–**	–
Deferred tax assets	14	**–**	193,000	**–**	193,000
Intangible assets	15	**809,268**	1,080,335	**800,055**	1,057,063
Available-for-sale financial assets	16	**–**	290,921	**–**	290,921
Financial assets at fair value through profit or loss	17	**47,115,304**	–	**47,115,304**	–
		60,689,795	14,772,388	**60,575,937**	14,627,244
Current assets					
Inventories	18	**22,906**	16,427	**19,272**	15,240
Contract assets	19	**238,800**	–	**238,800**	–
Trade and other receivables	21	**3,611,424**	3,037,842	**3,899,437**	3,339,189
Cash and cash equivalents	22	**15,734,065**	63,243,758	**13,307,720**	60,940,819
		19,607,195	66,298,027	**17,465,229**	64,295,248
Total assets		**80,296,990**	81,070,415	**78,041,166**	78,922,492
Non-current liabilities					
Deferred tax liabilities	14	**63,000**	–	**63,000**	–
Provisions	23	**322,490**	318,509	**322,490**	318,509
		385,490	318,509	**385,490**	318,509
Current liabilities					
Trade and other payables	24	**5,113,897**	8,449,282	**5,000,757**	8,289,847
Course fees received in advance		**–**	566,732	**–**	564,772
Subscription fees received in advance		**–**	3,188,597	**–**	3,187,410
Contract liabilities	20	**3,475,884**	–	**3,472,269**	–
Current tax payable		**115,007**	1,346	**111,000**	–
		8,704,788	12,205,957	**8,584,026**	12,042,029
Total liabilities		**9,090,278**	12,524,466	**8,969,516**	12,360,538
Net assets		**71,206,712**	68,545,949	**69,071,650**	66,561,954
Represented by					
Accumulated fund		**70,647,709**	68,102,698	**69,071,650**	66,561,954
ISCA Cares Fund	25	**559,003**	443,251	**–**	–
		71,206,712	68,545,949	**69,071,650**	66,561,954

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

STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2018

	Accumulated Fund $	ISCA Cares Fund $	Total $
Group			
Balance at 1 January 2017	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
Net surplus and total comprehensive income for the year	2,545,011	115,752	2,660,763
Balance at 31 December 2018	**70,647,709**	**559,003**	**71,206,712**
Institute			
Balance at 1 January 2017	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
Net surplus and total comprehensive income for the year	2,509,696	–	2,509,696
Balance at 31 December 2018	**69,071,650**	**–**	**69,071,650**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2018

	Group		Institute	
		Restated		Restated
	2018	2017	**2018**	2017
	$	$	**$**	$
Cash flows from operating activities				
Surplus before tax from continuing operations	**2,917,191**	19,870,453	**2,876,696**	20,550,405
Surplus before tax from discontinued operation	**–**	15,552	**–**	–
Net surplus before tax, total	**2,917,191**	19,886,005	**2,876,696**	20,550,405
Adjustments for:				
Bad debts written off	**19,234**	–	**19,234**	–
Depreciation of property, plant and equipment, investment properties and amortisation of intangible assets	**996,020**	1,233,585	**988,501**	1,175,358
Finance cost	**3,981**	3,932	**3,981**	3,932
Interest income	**(234,686)**	(194,497)	**(222,771)**	(182,535)
Net fair value loss on financial assets at fair value through profit or loss	**629,027**	–	**629,027**	–
Property, plant and equipment written off	**4,130**	288	**4,130**	288
Gain on disposal of financial assets at fair value through profit or loss	**(74,737)**	–	**(74,737)**	–
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 results of associate (net of tax)	**12,211**	1,116	**–**	–
Operating surplus before working capital changes	**4,272,371**	2,624,006	**4,224,061**	3,303,921
Contract assets	**(238,800)**	–	**(238,800)**	–
Inventories	**(6,479)**	(1,187)	**(4,032)**	–
Receivables	**(662,126)**	(324,789)	**(648,559)**	(709,091)
Payables	**(436,653)**	(774,394)	**(401,914)**	(1,466,952)
Contract liabilities	**3,475,884**	–	**3,472,269**	–
Course fees received in advance	**(566,732)**	(1,012,169)	**(564,772)**	251,406
Subscription fees received in advance	**(3,188,597)**	(166,233)	**(3,187,410)**	(166,260)
Cash generated from operations	**2,648,868**	345,234	**2,650,843**	1,213,024
Income tax paid	**(2,519)**	(4,595)	**–**	–
ISCA Cares Fund (Note 25)	**115,752**	228,208	**–**	–
Net cash generated from operating activities	**2,762,101**	568,847	**2,650,843**	1,213,024

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2018

	Group		Institute	
	2018	Restated 2017	**2018**	Restated 2017
	$	$	**$**	$
Cash flows from investing activities				
Disposal of discontinued operation, net of cash disposed of (Note 12(c))	**–**	(147,956)	**–**	–
Fixed deposits pledged	**(8,035)**	(42,789)	**(8,035)**	(58,035)
Interest received	**303,996**	264,283	**291,848**	255,733
Proceeds from disposal of property, plant and equipment	**–**	2,749	**–**	2,749
Proceeds from disposal of investment property	**–**	42,116,359	**–**	42,116,359
Goods and services tax on disposal of investment property	**(2,948,145)**	2,948,145	**(2,948,145)**	2,948,145
Financial assets at fair value to profit or loss	**(47,520,000)**	–	**(47,520,000)**	–
Purchases of property, plant and equipment	**(157,879)**	(184,875)	**(157,879)**	(174,145)
Additions to intangible assets (Note 15)	**(93,740)**	(125,175)	**(93,740)**	(125,175)
Proceeds from disposal of financial assets at fair value through profit or loss	**143,974**	–	**143,974**	–
Net cash (used in)/generated from investing activities	**(50,279,829)**	44,830,741	**(50,291,977)**	44,965,631
Net (decrease)/increase in cash and cash equivalents from continuing operations	**(47,517,728)**	45,399,588	**(47,641,134)**	46,178,655
Cash and cash equivalents at beginning of year	**63,185,723**	17,786,135	**60,882,784**	14,704,129
Cash and cash equivalents at end of year (Note 22)	**15,667,995**	63,185,723	**13,241,650**	60,882,784

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

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

1 CORPORATE INFORMATION

The 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 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 2018

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, except as disclosed below:

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 entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting and incremental costs of obtaining a contract and the cost directly related to fulfilling a contract.

The Group adopted FRS 115 using the modified retrospective approach 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 accumulated fund as at 1 January 2018.

Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed as at this date. The Group has elected the practical expedient to apply the standard to contracts that are not completed at the date of initial application.

At the date of initial application and 31 December 2018, the Group has assessed that the adoption of FRS 115 does not have any material impact to the financial position and results of the Group and the Institute.

Upon adoption of FRS 115, the Group and the Institute have also changed the presentation of the accrued practice review fee receivable of $238,800 as at 31 December 2018 as contract assets.

The adoption of FRS 115 did not have a material impact on other comprehensive income or the Group's operating, investing and financing cash flows.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It 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 and the Institute applied FRS 109 using a modified retrospective approach, with date of initial application on 1 January 2018. The Group and the Institute have not restated the comparative information, which continues to be reported under FRS 39.

(a) Classification and measurement

Under FRS 109, the Group and the Institute classify its financial assets based on entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Group's and the Institute's business model was made as of the date of initial application on 1 January 2018. The assessment of whether contractual cash flows on debt instruments solely comprised principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The following are the changes in classification and measurement arising from adopting FRS 109:

- Loans and receivables (including trade and other receivables (excluding prepayments) and cash and cash equivalents) as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 January 2018; and

- Investment in quoted equity shares classified as available-for-sale ("AFS") financial asset as at 31 December 2017 are classified and measured at fair value through profit or loss beginning 1 January 2018.

The Group and the Institute have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

FRS 109 Financial Instruments (cont'd)

(a) *Classification and measurement (cont'd)*

The following summarises the required or elected reclassifications as at 1 January 2018 upon adoption of FRS 109:

	Original carrying amount	**FRS 109 measurement category**	
		FVTPL	**Amortised cost**
	$	**$**	**$**
Group			
FRS 39 measurement category			
Loans and receivables			
Trade and other receivables	2,627,136	–	2,627,136
Cash and cash equivalents	63,243,758	–	63,243,758
Available-for-sale financial assets			
Quoted equity shares	290,921	290,921	–
Institute			
FRS 39 measurement category			
Loans and receivables			
Trade and other receivables	2,956,448	–	2,956,448
Cash and cash equivalents	60,940,819	–	60,940,819
Available-for-sale financial assets			
Quoted equity shares	290,921	290,921	–

(b) *Impairment*

FRS 109 requires the Group to record expected credit losses on all of its financial assets at amortised cost, either on a 12-month or lifetime basis. Management has assessed that there is no material impact of applying the new standard on the Group's financial statements.

At the date of initial application and 31 December 2018, the Group and the Institute have assessed that the adoption of FRS 109 does not have any material impact to the financial position and results 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 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Institute, except as follows:

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

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. In addition, the nature of expenses related to those leases will change as FRS 116 replaces straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $1,738,896 (Note 27(a)). These commitments relate to short term leases and leases of low value items which will be recognised on a straight-line basis as expense in profit or loss. As at year end, the Group has commenced negotiations for the renewal of the leased property that will be expiring in 2019. On completion of the negotiations and extension of the leased property, the Group will perform an assessment of the impact and adjustments on its financial statements on the application of FRS 116.

The Group does not expect any significant impact on the financial statements from its activities as a lessor.

b) Basis of consolidation

Subsidiaries

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

The consolidated financial statements comprise the financial statements of the Company 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Basis of consolidation (cont'd)

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

Accounting for subsidiaries and associate by the Institute

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

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Inventories

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

e) Property, plant and equipment

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Intangible assets

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

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

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over their estimated useful lives of 3 to 5 years.

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

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in 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 of disposal and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets

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

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-sale 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

The accounting policies for financial assets before 1 January 2018 are as follows (cont'd):

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 assets 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

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

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

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

Classification and measurement

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

The Group classifies its financial assets in the following measurement categories:
- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

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

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

Subsequent measurement

i) Debt instruments

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

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

The accounting policies for financial assets from 1 January 2018 onwards are as follows (cont'd):

Subsequent measurement (cont'd)

i) Debt instruments (cont'd)

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

Fair value through profit or loss ("FVTPL")

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

ii) Equity instruments

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

iii) Funds placed with funds managers

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

The accounting policies for financial assets from 1 January 2018 onwards are as follows (cont'd):

Impairment

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

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

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

j) Financial liabilities

Financial liabilities include trade and other payables (excluding accrual for unutilised annual leave). Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

k) Provisions

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

The Group recognises the estimated costs of dismantlement, removal or restoration of items of 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 in the statements of cash flows

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

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) 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.

o) Revenue recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 January 2018: Revenue is measured based on the consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to the customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

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

The Group provides members administrative services in the application of membership status. The admission fees are due upon submission of membership application and non-refundable. The admission fees are recognised as income upon processing of the membership application.

(ii) Services

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

The Group provides its members training courses relating to the continuing professional education for its members. Such services are recognised as a performance obligation satisfied over time. Income from course fees, subscription fees and management fees are recognised as a performance obligation satisfied over time and are recognised over the duration of the programmes and in the period during which service is provided, having regards to the stage of completion of the service. Unearned income relating to service to be rendered in future periods is included in contract liabilities. Subscription fees are recognised as income in the year to which the subscription relates. Unearned income relating to future year is included in contract liabilities. The above fees are due upon registration, and non-refundable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o) Revenue recognition (cont'd)

(ii) Services (cont'd)

– Administrative fee income

Administrative fee income from the administration of Singapore CA Qualification ("CA Qualification") is recognised net of expenditure incurred. The net amount of the income recognised is derived based on a pre-determined fixed percentage of the pre-approved expenditure incurred for the CA Qualification. The Group will bill customer in accordance to the billing terms in the service agreement and are required to pay within 30 days from the invoice date.

– Practice monitoring review income

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

(iii) Interest income

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

(iv) Rental income

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

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 2018

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

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

Business model assessment

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

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

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

Key sources of estimation uncertainty

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

Income taxes

The Group and the Institute recognise liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payables and deferred tax liabilities at the balance sheet date was $115,007 (2017: $1,346) and $63,000 (2017: deferred tax assets of $193,000), respectively. The carrying amounts of the Institute's income tax payable and deferred tax liabilities at the balance sheet date was $111,000 (2017: $Nil) and $63,000 (2017: deferred tax assets of $193,000), respectively.

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

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 the Institute's property, plant and equipment and investment properties as at 31 December 2018 and the annual depreciation charges for the financial year ended 31 December 2018 are disclosed in Notes 10 and 11 respectively.

Amortisation of intangible assets

The Group and the Institute review the useful lives of intangible assets at the balance sheet date in accordance with the accounting policy in Note 2(g). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful lives differing from the management's current estimates. The net carrying amount of intangible assets at 31 December 2018 and the annual amortisation charge for the financial year ended 31 December 2018 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.

Calculation of loss allowance

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

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

As the calculation of loss allowance on trade receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of trade receivables. Details of ECL measurement and carrying value of trade receivables at reporting date are disclosed in Note 28.

Impairment of non-current assets

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

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

Key sources of estimation uncertainty (cont'd)

Impairment of non-current assets (cont'd)

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's and Institute's property, plant and equipment, investment properties and intangible assets are disclosed in Notes 10, 11 and 15 respectively.

4 OTHER INCOME

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Other income				
Secretariat				
Advertising income	**90,440**	98,749	**90,440**	98,749
Government grants	**173,892**	189,847	**173,892**	189,847
Gain on disposal of financial assets at FVTPL	**74,737**	–	**74,737**	–
Management fees	**15,535**	15,369	**175,491**	180,102
Other fees	**154,137**	128,358	**154,137**	133,593
Rental income from investment properties	**940,781**	1,229,087	**940,781**	1,229,087
Sundry income	**419,347**	71,880	**421,442**	67,340
	1,868,869	1,733,290	**2,030,920**	1,898,718
Distribution upon strike-off of subsidiary	**–**	–	**–**	1,026,219
Gain on disposal of investment property	**–**	17,555,407	**–**	17,555,407
	1,868,869	19,288,697	**2,030,920**	20,480,344
Training Division				
CA Qualification net administrative fee	**117,446**	143,683	**117,446**	143,683
Other fees	**19,760**	12,530	**19,760**	12,530
Rental income	**14,552**	22,828	**14,552**	23,368
Sundry income	**524,494**	460,618	**524,494**	460,618
	676,252	639,659	**676,252**	640,199
	2,545,121	19,928,356	**2,707,172**	21,120,543

4 OTHER INCOME (CONT'D)

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:

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Staff costs	**(660,626)**	(745,308)	**(660,626)**	(745,308)
Contributions to CPF	**(88,671)**	(100,256)	**(88,671)**	(100,256)
Rental expenses	**(116,783)**	(123,745)	**(116,783)**	(123,745)
Website expenses	**(27,090)**	(13,545)	**(27,090)**	(13,545)
Depreciation of property, plant equipment (Note 10)	**(4,506)**	(8,169)	**(4,506)**	(8,169)
Amortisation of intangible assets (Note 15)	**(26,433)**	(46,715)	**(26,433)**	(46,715)

5 SURPLUS BEFORE RESULTS OF ASSOCIATE

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Advertisement expenses	**686,657**	368,076	**688,111**	368,076
Amortisation of intangible assets (Note 15)	**324,315**	349,721	**324,315**	349,721
Bad debts written off	**19,234**	–	**19,234**	–
Depreciation of investment properties (Note 11)	**302,446**	324,394	**302,446**	324,394
Depreciation of property, plant and equipment (Note 10)	**335,817**	450,178	**330,801**	446,359
Direct costs of providing training and other courses	**2,944,281**	2,881,859	**2,928,319**	2,844,779
Finance cost	**3,981**	3,932	**3,981**	3,932
Net fair value loss with respect to financial assets at FVTPL	**629,027**	–	**629,027**	–
Loss on disposal of subsidiary	–	–	–	338,099
Property, plant and equipment written off	**4,130**	288	**4,130**	288
Rental expenses	**1,922,476**	2,141,581	**1,920,316**	2,148,210
Repair and maintenance	**301,194**	413,633	**301,194**	413,633
Publications	**431,055**	452,746	**431,055**	452,746
Seminar and talk expenses	**1,142,503**	835,846	**1,112,915**	821,239
Staff costs (Note 6)	**12,070,325**	12,287,514	**11,493,656**	11,707,507
Website and IT expenses	**740,951**	712,248	**712,655**	686,113
Write-back of doubtful receivables (Note 28)	–	(74,323)	–	(74,323)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

6 STAFF COSTS

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Salaries and bonuses	**10,522,225**	10,742,638	**10,022,026**	10,243,974
Contributions to CPF	**1,284,031**	1,285,976	**1,214,936**	1,215,470
Other employee benefit expenses	**264,069**	258,900	**256,694**	248,063
	12,070,325	12,287,514	**11,493,656**	11,707,507

7 SURPLUS BEFORE RESULTS OF ASSOCIATE

	Secretariat		Training division		Total	
	2018	2017	**2018**	2017	**2018**	2017
	$	$	**$**	$	**$**	$
Group						
Income						
Members' annual fees	**12,202,040**	11,893,110	**–**	–	**12,202,040**	11,893,110
Members' admission fees	**919,200**	727,000	**11,100**	–	**930,300**	727,000
Income from Continuing Professional Education	**–**	–	**5,733,037**	5,225,644	**5,733,037**	5,225,644
Income from other training courses	**–**	4,785	**2,669,908**	2,694,497	**2,669,908**	2,699,282
Practice Monitoring income	**391,300**	435,000	**–**	–	**391,300**	435,000
Other registration and subscription fees	**793,281**	798,045	**–**	–	**793,281**	798,045
Income from seminars, event and talks	**1,242,605**	957,890	**239,359**	279,720	**1,481,964**	1,237,610
Other income						
– Interest income from financial institutions	**234,686**	194,321	**–**	–	**234,686**	194,321
– Others	**1,868,869**	19,288,697	**676,252**	639,659	**2,545,121**	19,928,356
Total income	**17,651,981**	34,298,848	**9,329,656**	8,839,520	**26,981,637**	43,138,368
Less expenditure						
Expenses	**(17,820,170)**	(16,708,570)	**(6,232,065)**	(6,558,229)	**(24,052,235)**	(23,266,799)
(Deficit)/surplus	**(168,189)**	17,590,278	**3,097,591**	2,281,291	**2,929,402**	19,871,569

7 SURPLUS BEFORE RESULTS OF ASSOCIATE (CONT'D)

	Secretariat		Training division		Total	
	2018	2017	**2018**	2017	**2018**	2017
	$	$	**$**	$	**$**	$
Institute						
Income						
Members' annual fees	**12,202,040**	11,893,110	**–**	–	**12,202,040**	11,893,110
Members' admission fees	**919,200**	727,000	**11,100**	–	**930,300**	727,000
Income from Continuing Professional Education	**–**	–	**5,733,037**	5,225,644	**5,733,037**	5,225,644
Income from other training courses	**–**	4,785	**2,669,908**	2,694,497	**2,669,908**	2,699,282
Practice Monitoring income	**391,300**	435,000	**–**	–	**391,300**	435,000
Income from seminars, event and talks	**1,114,228**	881,882	**239,359**	279,720	**1,353,587**	1,161,602
Other income						
– Interest income from financial institutions	**222,771**	182,535	**–**	**–**	**222,771**	182,535
– Others	**2,030,920**	20,480,344	**676,252**	640,199	**2,707,172**	21,120,543
Total income	**16,880,459**	34,604,656	**9,329,656**	8,840,060	**26,210,115**	43,444,716
Less expenditure						
Expenses	**(17,099,900)**	(16,325,624)	**(6,233,519)**	(6,568,687)	**(23,333,419)**	(22,894,311)
(Deficit)/surplus	**(219,441)**	18,279,032	**3,096,137**	2,271,373	**2,876,696**	20,550,405

(a) Revenue recognised during the financial year from:

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Amounts included in contract liability at beginning of the financial year	**3,755,329**	4,933,731	**3,752,182**	3,667,036

(b) Disaggregation of revenue

	Group		Institute	
	2018	2017	**2018**	2017
Timing of transfer of good or services				
At a point in time	**2,277,056**	2,444,483	**2,105,667**	2,308,575
Over time	**21,924,774**	20,571,208	**21,174,505**	19,833,063
	24,201,830	23,015,691	**23,280,172**	22,141,638

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

7 SURPLUS BEFORE RESULTS OF ASSOCIATE (CONT'D)

(c) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2018 is $217,200. The Group and Institute expect to recognise $217,200 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2018 in the financial year 2019.

8 INCOME TAX EXPENSE/(CREDIT)

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Current income tax provision	**114,842**	–	**111,000**	–
Deferred tax	**256,000**	–	**256,000**	–
Under/(over) provision in respect of previous financial years				
– current income tax	**1,338**	(1,226)	**–**	–
	372,180	(1,226)	**367,000**	–

The income tax expense/(credit) 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	**2,917,191**	19,870,453	**2,876,696**	20,550,405
– discontinued operation	**–**	(735,464)	**–**	–
	2,917,191	19,134,989	**2,876,696**	20,550,405
Tax calculated at a tax rate of 17%	**495,922**	3,252,948	**489,038**	3,493,569
Singapore statutory stepped income exemption	**(31,577)**	(2,025)	**(25,925)**	–
Income not subject to tax	**–**	(3,177,456)	**–**	(3,177,371)
Expenses not deductible for tax purposes	**175,549**	387,511	**175,289**	145,467
Benefits from previously unrecognised capital allowances	**(236,000)**	**–**	**(236,000)**	**–**
Benefits from previously unrecognised tax losses and donations	**(25,691)**	(342,349)	**(25,691)**	(342,349)
Effect of tax incentive and tax rebate*	**(10,960)**	(132,068)	**(10,000)**	(131,361)
Deferred tax assets not recognised	**3,829**	14,866	**–**	12,045
Under/(over) provision in respect of prior years	**1,338**	(1,226)	**–**	–
Others	**(230)**	(1,427)	**289**	–
	372,180	(1,226)	**367,000**	–

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

8 INCOME TAX EXPENSE (CONT'D)

At the balance sheet date, the Group and the Institute have unabsorbed capital allowances of $Nil (2017: $1,684,000). 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 amounting to $Nil (2017: $50,000). 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.

9 DISCONTINUED OPERATION

In 2017, the Group completed the disposal of SAA Global Education Centre Pte. Ltd. ("SAA GE"), a wholly-owned subsidiary of the Company to Malvern International Plc ("Malvern") for a total consideration of $290,921, which was satisfied through the issue of 5,630,350 new ordinary shares in Malvern. A surplus of $15,552 arising from the sales of the discontinued operation and a loss on disposal of subsidiary of $338,099 have been recognised in the income or expenditure of the 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 previous financial year were presented separately as continuing operations and discontinued operation following the sale of SAA GE.

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

	Group 2017 $
Income for the year	
Income from other training courses	3,412,081
Other income	169,838
Total income	3,581,919
Less expenditure	
Expenses	4,317,383
Deficit before tax from discontinued operation	(735,464)
Income tax expense	–
Deficit after tax from discontinued operation	(735,464)
Gain on disposal of discontinued operation (Note 12)	751,016
Surplus from discontinued operation, net of tax	15,552

9 DISCONTINUED OPERATION (CONT'D)

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

	Group 2017 $
Operating cash flow	(1,171,921)
Investing cash flow	122
Financing cash flow	370,000
	(801,799)

10 PROPERTY, PLANT AND EQUIPMENT

Group

	Furniture and office equipment **$**	**Computers** **$**	**Renovation** **$**	**Total** **$**
Cost				
Balance at 1 January 2017	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
Additions	24,549	191,652	–	216,201
Written off	(8,961)	(93,545)	–	(102,506)
Balance at 31 December 2018	**1,317,097**	**1,727,036**	**983,539**	**4,027,672**
Accumulated depreciation and impairment				
Balance at 1 January 2017	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
Depreciation charge for the year	101,582	152,738	86,003	340,323
Written off	(4,831)	(93,545)	–	(98,376)
Balance at 31 December 2018	**862,939**	**1,440,060**	**446,784**	**2,749,783**
Carrying amount				
Balance at 31 December 2017	535,321	248,062	622,758	1,406,141
Balance at 31 December 2018	**454,158**	**286,976**	**536,755**	**1,277,889**

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Institute

	Furniture and office equipment $	Computers $	Renovation $	Total $
Cost				
Balance at 1 January 2017	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
Additions	24,549	191,652	–	216,201
Written off	(8,961)	(85,554)	–	(94,515)
Balance at 31 December 2018	**1,312,700**	**1,696,633**	**983,539**	**3,992,872**
Accumulated depreciation				
Balance at 1 January 2017	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
Depreciation charge for the year	101,143	148,161	86,003	335,307
Written off	(4,831)	(85,554)	–	(90,385)
Balance at 31 December 2018	**861,583**	**1,416,039**	**446,784**	**2,724,406**
Carrying amount				
Balance at 31 December 2017	531,841	237,103	622,758	1,391,702
Balance at 31 December 2018	**451,117**	**280,594**	**536,755**	**1,268,466**

Depreciation charge is taken up as follows:

	Group		Institute	
	2018 $	2017 $	**2018 $**	2017 $
Statement of Profit or Loss and Other Comprehensive Income				
Continuing operations:				
– Other income – CA Qualification net administrative fee (Note 4)	**4,506**	8,169	**4,506**	8,169
– Operating expenses (Note 5)	**335,817**	450,178	**330,801**	446,359
Discontinued operation:				
– Operating expenses	**–**	45,170	**–**	–
	340,323	503,517	**335,307**	454,528

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group and Institute

Included in additions of property, plant and equipment of the Group and Institute is an amount of $58,322 (2017: $81,923) payable to a third party. The cash outflows on additions to property, plant and equipment of the Group and Institute were $157,879 (2017: $184,875) and $157,879 (2017: $174,145) respectively.

11 INVESTMENT PROPERTIES

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Cost				
Balance at 1 January	**15,122,263**	41,882,764	**15,122,263**	41,882,764
Disposal	**–**	(26,760,501)	**–**	(26,760,501)
Balance at 31 December	**15,122,263**	15,122,263	**15,122,263**	15,122,263
Accumulated depreciation and impairment				
Balance at 1 January	**3,427,708**	5,627,371	**3,427,708**	5,627,371
Depreciation charge (Note 5)	**302,446**	324,394	**302,446**	324,394
Disposal	**–**	(2,524,057)	**–**	(2,524,057)
Balance at 31 December	**3,730,154**	3,427,708	**3,730,154**	3,427,708
Carrying amount				
Balance at 31 December	**11,392,109**	11,694,555	**11,392,109**	11,694,555

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Rental income from investment properties	**940,781**	1,229,087	**940,781**	1,229,087
Direct operating expenses arising from investment properties that generated rental income	**(154,176)**	(366,544)	**(154,176)**	(366,544)
Depreciation charge	**(302,446)**	(324,394)	**(302,446)**	(324,394)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

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
6 Raffles Quay #23-00 Singapore 048580	941	Freehold

12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

(a) Investments in subsidiaries

	Institute	
	2018	2017
	$	$
Unquoted equity shares, at cost	**3**	3
	3	3

(b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2018	2017
			%	%
Association of Taxation Technicians (S) Limited[1][2]	Singapore	To administer the structured training program and to set and to manage the syllabus and examination which will lead to the Diploma in Taxation	**100**	100
Institute of Singapore Chartered Accountants Pte. Ltd.[2]	Singapore	To undertake and perform the office and duties of trustee of and for the ISCA in accordance with the constitution of the ISCA	**100**	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

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

(b) Details of subsidiaries are as follows: (cont'd)

Name of subsidiaries	**Country of incorporation**	**Principal activities**	**Effective interest held by the Group 2018 %**	**Effective interest held by the Group 2017 %**
Held by Institute of Singapore Chartered Accountants Pte. Ltd.				
Singapore Institute of Accredited Tax Professionals Limited(1)(3)	Singapore	Accreditation body for tax professionals	**100**	100
ISCA Cares Limited(1)(4)	Singapore	To provide 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) In the event of winding up or dissolution, any remaining assets after satisfaction of debts or liabilities, of the Singapore Institute of Accredited Tax Professionals Limited shall be given or transferred in equal proportions to the Institute or some other institution or institutions having similar objects to the company or to some charitable objects.

(4) ISCA Cares Limited is an approved Institution of a Public Character and its fund balance is disclosed separately on balance sheet of the Group (Note 25).

(c) Disposal of a subsidiary

In 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.

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

(c) Disposal of a subsidiary (cont'd)

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

	2017 $
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 assets	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 (Note 9)	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 2018

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	
	2018	2017
	$	$
Income		
Management fees	**159,956**	164,733
Rental income	**–**	540
Seminar and talk fees	**3,000**	8,000
Expenditure		
Disbursement of expenses	**5,725**	6,113
Donation to ISCA Cares Limited	**6,432**	6,576
Rental expenses	**–**	8,406

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

13 ASSOCIATE

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Investment in associate	**95,225**	107,436	**–**	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group 2018 %	2017 %
Insolvency Practitioners Association of Singapore Limited*	Singapore	Professional body for insolvency practitioners	**50**	50

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

13 ASSOCIATE (CONT'D)

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

	2018	2017
	$	$
Revenue	**34,449**	24,563
Profit after tax	**(24,422)**	(2,231)
Non-current assets	**874**	–
Current assets	**213,173**	242,356
Current liabilities	**(23,596)**	(27,483)
Net assets	**190,451**	214,873
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	**95,225**	107,436

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

	Group and Institute	
	2018	2017
	$	$
Management fee income	**16,622**	15,369

14 DEFERRED TAX (LIABILITIES)/ASSETS

	Group		**Institute**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Deferred tax (liabilities)/assets comprise tax effect of temporary differences arising from:				
Depreciation and amortisation for tax purposes	**(203,000)**	72,000	**(203,000)**	72,000
Provisions and accruals	**140,000**	113,000	**140,000**	113,000
Unabsorbed approved donations	**–**	8,000	**–**	8,000
	(63,000)	193,000	**(63,000)**	193,000
Representing:				
Non-current				
Deferred tax assets	**–**	193,000	**–**	193,000
Deferred tax liabilities	**(63,000)**	–	**(63,000)**	–
	(63,000)	193,000	**(63,000)**	193,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

15 INTANGIBLE ASSETS

Group

	Computer software $	Others $	Total $
Cost			
At 1 January 2017	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
Additions	16,740	77,000	93,740
Adjustment	(11,556)	–	(11,556)
At 31 December 2018	**2,111,908**	**226,863**	**2,338,771**
Accumulated amortisation			
At 1 January 2017	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
Amortisation charge for the year	302,635	50,616	353,251
At 31 December 2018	**1,413,022**	**116,481**	**1,529,503**
Carrying amount			
At 31 December 2017	996,337	83,998	1,080,335
At 31 December 2018	**698,886**	**110,382**	**809,268**

15 INTANGIBLE ASSETS (CONT'D)

Institute

	Computer software $	Others $	Total $
Cost			
At 1 January 2017	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
Additions	16,740	77,000	93,740
At 31 December 2018	**2,099,389**	**226,863**	**2,326,252**
Accumulated amortisation			
At 1 January 2017	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
Amortisation charge for the year	300,132	50,616	350,748
At 31 December 2018	**1,409,716**	**116,481**	**1,526,197**
Carrying amount			
At 31 December 2017	973,065	83,998	1,057,063
At 31 December 2018	**689,673**	**110,382**	**800,055**

Amortisation charge is taken up as follows:

	Group		Institute	
	2018 $	2017 $	**2018 $**	2017 $
Statement of Profit or Loss and Other Comprehensive Income				
Continuing operations:				
– Other income – CA Qualification net administrative fee (Note 4)	**26,433**	46,715	**26,433**	46,715
– Operating expenses (Note 5)	**324,315**	349,721	**324,315**	349,721
Discontinued operation:				
– Operating expenses	**–**	8,435	**–**	–
ISCA Cares Fund	**2,503**	803	**–**	–
	353,251	405,674	**350,748**	396,436

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

15 INTANGIBLE ASSETS (CONT'D)

Group and Institute

Computer software comprise membership, financial management and administrative systems.

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

Included in additions of intangible assets of the Group and Institute are payable to a third party of $Nil (2017: $55,575) and $Nil (2017: $31,500) respectively. The cash outflows on additions to intangible assets of the Group and Institute were $93,740 (2017: $125,175).

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group and Institute	
	2018	2017
	$	$
Available-for-sale financial assets		
– Quoted equity shares, at fair value (Note 12)	**–**	290,921

Investment in quoted equity shares classified as available-for-sale financial assets as at 31 December 2017 are classified and measured at fair value through profit or loss beginning at 1 January 2018 (Note 17).

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Institute	
	2018	2017
	$	$
Financial assets measured at FVTPL		
– Quoted equity investment in the United Kingdom	**240,505**	–
– Funds placed with fund managers	**46,874,799**	–
	47,115,304	–

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

18 INVENTORIES

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Medallions	**15,240**	15,240	**15,240**	15,240
Notebooks	**936**	1,187	**–**	–
Merchandise for E-store	**4,032**	–	**4,032**	–
Pouches	**2,698**	–	**–**	–
	22,906	16,427	**19,272**	15,240

19 CONTRACT ASSETS

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

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

The following table provides information about contract assets from contracts with customers:

	Group		Institute	
	2018	1.1.2018	**2018**	1.1.2018
	$	$	**$**	$
Contract assets	**238,800**	369,000*	**238,800**	369,000*

* The amount is presented under trade and other receivables (Note 21) as at 31 December 2017.

There were no significant changes in the contract asset balances during the financial year.

20 CONTRACT LIABILITIES

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

The following table provides information about contract liabilities from contracts with customers:

	Group		Institute	
	2018	1.1.2018	**2018**	1.1.2018
	$	$	**$**	$
Contract liabilities	**3,475,884**	3,755,329*	**3,472,269**	3,752,182*

* As at 31 December 2017, the amount is presented as course fees received in advance amounting to $566,732 and $564,772 and subscription fees received in advance amounting to $3,188,597 and $3,187,410, respectively on the Group's and the Institute's balance sheet.

There were no significant changes in the contract liability balances during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

21 TRADE AND OTHER RECEIVABLES

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Trade receivables				
– third parties	**1,533,844**	1,640,555	**1,528,601**	1,629,861
– subsidiaries	**–**	–	**253,976**	260,878
– associate	**16,622**	16,445	**16,622**	16,445
	1,550,466	1,657,000	**1,799,199**	1,907,184
Non-trade amount due from a subsidiary	**–**	–	**95,591**	90,347
Accrued practice monitoring review fee receivable	**–**	369,000	**–**	369,000
Deposits	**489,228**	488,838	**489,228**	488,838
Interest receivables	**31,727**	101,037	**25,742**	94,819
Prepayments	**572,898**	410,706	**532,743**	382,741
Recoverable administrative costs	**653,796**	–	**653,796**	–
Others	**313,309**	11,261	**303,138**	6,260
	3,611,424	3,037,842	**3,899,437**	3,339,189

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

22 CASH AND CASH EQUIVALENTS

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Interest bearing accounts	**13,234,276**	61,217,368	**11,560,736**	59,633,132
Non-interest bearing accounts	**2,499,789**	2,026,390	**1,746,984**	1,307,687
	15,734,065	63,243,758	**13,307,720**	60,940,819
Less: Fixed deposits pledged	**(66,070)**	(58,035)	**(66,070)**	(58,035)
Cash and cash equivalents per Statements of Cash Flows	**15,667,995**	63,185,723	**13,241,650**	60,882,784

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to $11,975,830 (2017: $58,803,857) and $10,376,465 (2017: $57,619,116) respectively which are placed for varying periods between 1 to 18 months (2017: 1 to 18 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.25% to 1.90% (2017: 0.25% to 1.30%) per annum. Fixed deposits of the Group and Institute amounting to $66,070 (2017: $58,035) are pledged to bank for banking facilities.

Included in interest bearing accounts of the Group is the bank balance of ISCA Cares Fund amounting to $552,603 (2017: $442,860), of which $26,553 (2017: $43,416) is held in the bank balance of the Institute.

23 PROVISIONS

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

Movements in provisions are as follows:

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
At beginning of year	**318,509**	490,377	**318,509**	314,577
Unwind of discount	**3,981**	3,932	**3,981**	3,932
Disposal of a subsidiary	**–**	(175,800)	**–**	–
At end of year	**322,490**	318,509	**322,490**	318,509

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 7 years (2017: 8 years).

24 TRADE AND OTHER PAYABLES

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Trade payables	**910,845**	3,800,422	**897,275**	3,799,864
Amount due to a subsidiary	**–**	–	**29,124**	45,987
Accrued operating expenses	**2,788,028**	3,116,957	**2,677,672**	2,939,874
Accrual for unutilised annual leave	**515,464**	530,863	**501,344**	513,259
Deposits received	**239,280**	222,572	**239,280**	222,572
Billings in advance	**260,175**	316,498	**255,957**	306,321
Grants received	**400,105**	461,970	**400,105**	461,970
	5,113,897	8,449,282	**5,000,757**	8,289,847

Amount due to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

Included in trade payables of the Group and Institute are consultancy fee payable amounting to $139,564 (2017: $243,420) and $127,045 (2017: $219,345) 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 2018

25 ISCA CARES FUND

	Group 2018 $	Group 2017 $
At beginning of year	**443,251**	215,043
Donations received		
– Tax deductible receipts	**193,482**	317,891
– Non-tax deductible receipts	**10,227**	9,857
Donations in Kind	**2,000**	–
Other income		
– Miscellaneous sales	**15,859**	18,312
– Interest income	**3,340**	121
Cost of notebooks	**(3,867)**	(4,894)
Bursary awards	**(87,129)**	(100,305)
Administrative expenses	**(18,160)**	(12,774)
At end of year	**559,003**	443,251
Represented by:		
Non-current assets		
Intangible assets	**9,213**	23,273
Current assets		
Cash and cash equivalents	**552,653**	442,910
Trade and other receivables	**11,527**	5,000
Inventories	**3,634**	1,187
	567,814	449,097
Total assets	**577,027**	472,370
Current liabilities		
Trade and other payables, representing total liabilities	**(18,024)**	(29,119)
Net assets	**559,003**	443,251

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.

26 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	
	2018	2017	**2018**	2017
	$	$	**$**	$
CPE course fees				
Company related to a council member	**–**	1,500	**–**	1,500

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	
	2018	2017	**2018**	2017
	$	$	**$**	$
Continuing operations				
Short-term employee benefits	**1,815,280**	1,890,757	**1,815,280**	1,890,757
Contribution to CPF	**108,084**	112,371	**108,084**	112,371
	1,923,364	2,003,128	**1,923,364**	2,003,128

27 COMMITMENTS

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

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

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Within one year	**1,595,816**	2,022,836	**1,595,816**	2,022,836
After one year but within five years	**143,080**	1,641,176	**143,080**	1,641,176

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

27 COMMITMENTS (CONT'D)

(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	
	2018	2017	**2018**	2017
	$	$	**$**	$
Within one year	**957,120**	163,764	**957,120**	163,764
After one year but within five years	**3,844,925**	–	**3,844,925**	–
Above five years	**180,939**	–	**180,939**	–

(c) Capital commitment

Capital commitment not provided for in the financial statements:

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Capital commitment in respect of intangible assets	**18,900**	18,900	**–**	–

(d) Other commitment – Institute

As at 31 December 2018, the Institute has provided continuing financial support of $9,457 (2017: $Nil) to a subsidiary in net liability position.

28 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
Financial assets				
Available-for-sale financial assets	**–**	290,921	**–**	290,921
Loans and receivables (including cash and cash equivalents)	**–**	65,870,894	**–**	63,897,267
Financial assets at fair value through profit or loss	**47,115,304**	–	**47,115,304**	–
Financial assets at amortised costs	**18,772,591**	–	**16,674,414**	–
	65,887,895	66,161,815	**63,789,718**	64,188,188
Financial liabilities				
At amortised cost	**3,938,153**	7,139,951	**3,843,351**	7,008,297

(b) Financial risk management

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

Credit risk

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

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

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

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

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

Significant increase in credit risk

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

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

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

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Significant increase in credit risk (cont'd)

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

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

Definition of default

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

Credit-impaired financial assets

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

Estimation techniques and significant assumptions

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

Trade receivables and contract assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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

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

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

Other financial assets at amortised cost

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

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

Previous accounting policy for impairment of financial assets

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.

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Previous accounting policy for impairment of financial assets (cont'd)

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	
	2018	2017	**2018**	2017
	$	$	**$**	$
Past due 0 to 3 months	**952,241**	555,743	**947,296**	587,812
Past due 3 to 6 months	**97,373**	109,627	**97,075**	109,627
Past due over 6 months	**46,469**	89,071	**43,898**	89,071
	1,096,083	754,441	**1,088,269**	786,510

Financial assets that are past due and impaired

There are no trade and other receivables that are impaired either individually or collectively as at the end of each reporting period.

Movement in allowance for doubtful receivables:

	Group		Institute	
	2018	2017	**2018**	2017
	$	$	**$**	$
At beginning of year	**–**	74,323	**–**	584,420
Write-back	**–**	(74,323)	**–**	(74,323)
Write-off	**–**	–	**–**	(510,097)
At end of year	**–**	–	**–**	–

In 2017, trade receivables that are individually determined to be impaired at the balance sheet date were related 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Liquidity risk

In the management of liquidity risk, the Group and the Institute monitor and maintain a level of cash and bank balances deemed adequate by the Management to finance the Group and the Institute 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 the 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	
	2018	2017
	$	$
Gross-settled foreign exchange forward contracts		
– Gross inflow	–	238,000
– Gross outflow	–	(240,054)

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.

Price risk

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

28 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

Price risk (cont'd)

Sensitivity analysis

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

Funds placed with fund managers comprise a portfolio of equity instruments, debt instruments, derivatives and cash and cash equivalents. The Group and the Institute are exposed to changes in market prices, interest rate risk and foreign exchange risk with respect to its funds placed with fund managers. Fair values of debt instruments at fixed rates may fluctuate due to changes in market interest rates. A 2% increase/(decrease) in the fair value of the portfolio at the balance sheet date would increase/(decrease) the Group's and the Institute's profit or loss by $937,496 (2017: $Nil).

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.

29 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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

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

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

The following table presents the assets measured at fair value at 31 December 2018.

	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurement				
2018				
Group and Institute				
Financial assets at fair value through profit or loss				
– Quoted investment	**240,505**	**–**	**–**	**240,505**
– Funds placed with fund managers	**–**	**46,874,799**	**–**	**46,874,799**
2017				
Group and Institute				
Available-for-sale financial assets				
– Quoted investment	290,921	–	–	290,921

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

	Carrying amount $	Fair value measurement at balance sheet date Level 1 $	Level 2 $	Level 3 $
2018				
Group and Institute				
Investment property	**11,392,109**	**–**	**–**	**28,000,000**
2017				
Group and Institute				
Investment property	11,694,555	–	–	27,300,000

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.

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

(d) Determination of fair values

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

Quoted equity security

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

Funds placed with fund managers

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

Investment property

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

30 FUND MANAGEMENT

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 December 2018

31 COMPARATIVES

Prior year reclassification has been made to reclassify goods and services tax on disposal of investment property from operating activities to investing activities to better reflect the nature of the transaction.

The comparative figures have been restated as follows:

	As previously reported $	Reclassification $	As restated $
Group			
Statement of Cash Flows			
Cash flows from operating activities			
Change in working capital			
– Payables	2,173,751	(2,948,145)	(774,394)
Net cash generated from operating activities	3,516,992	(2,948,145)	568,847
Cash flows from investing activities			
– Goods and services tax on disposal of investment property	–	2,948,145	2,948,145
Net cash generated from investment activities	41,882,596	2,948,145	44,830,741
Institute			
Statement of Cash Flows			
Cash flows from operating activities			
Change in working capital			
– Payables	1,481,193	(2,948,145)	(1,466,952)
Net cash generated from operating activities	4,161,169	(2,948,145)	1,213,024
Cash flows from investing activities			
– Goods and services tax on disposal of investment property	–	2,948,145	2,948,145
Net cash generated from investment activities	42,017,486	2,948,145	44,965,631

32 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 2018 were authorised for issue by the Council on 11 March 2019.

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 2018/2019 of the Institute of Singapore Chartered Accountants will be held on **Saturday, 27 April 2019** 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 2017/2018 held on 21 April 2018.

3. To receive the Report of the Council for the year 2018/2019 and Financial Statements of the Institute for the year ended 31 December 2018.

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
Balasubramaniam Janamanchi	Yvonne Chan Mei Chuen
Paul Lee Seng Meng	Lee Wai Fai
Max Loh Khum Whai	Darren Tan Siew Peng
Roger Tay Puay Cheng	Kelvin Tan Wee Peng

   Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Balasubramaniam Janamanchi	Phang Lay Koon Terence Ng Chi Hou Thio Khiaw Ping Kelvin Sarjit Singh Tan Lye Heng Paul
Tan Kuang Hui	Alfred Cheong Keng Chuan Catherine Cheng Sam Tai Goh Sia Angeline Tan Lay Hong Adeline Ng Cheah Chen
Roger Tay Puay Cheng	Barry Lee Chin Siang Lee Shu Pei Karen Lo Mun Wai Eng Chin Chin Leong Kok Keong

NOTICE OF ANNUAL GENERAL MEETING

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Christopher Wong Mun Yick	Mak Keat Meng Gajendran Vyapuri Chan Yew Kiang Neo Sing Hwee Angela Ee
Chartered Accountants of Singapore who are not Public Accountants	**Nominated by**
Yvonne Chan Mei Chuen	Ho Yew Kee Michael Kee Cheng Kong Cindy Sim Poh Leng Kenny Tan Choon Wah Lee Kai Nee
Ho Kuen Loon	Ho Yew Kee Eric Teo Yong Soon Adeline Chan Wei Lin Tam Chee Chong Chee Ying Fang Angeline
Darren Tan Siew Peng	Ang Suat Ching Kwang Chan Chee Tan Sok Hong Ng Choon Kiat Chiang Lee Yoon
Kelvin Tan Wee Peng	Xu Jun Choo Boon Poh Lay Xiu Bing Yee Woon Yim Noel Chen
Don Wee Boon Hoong	Cheryl Bong Sin Yee Oh Xiao Hui Geetha d/o Ammaiyappan Chitra d/o Ammaiyappan Gokkilam d/o Ammaiyappan

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2019 and to authorise the Council to fix their remuneration.

By order of the Council

KELVIN TAN WEE PENG
Secretary
1 April 2019

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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 27 April 2019 and any adjournment of such meeting.

Signature of member: ____

Dated this ______________________ day of ______________________ 2019

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]

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