ANNUAL REPORT 2015/2016

STAYING THE COURSE | CALIBRATING FOR SUCCESS | RAISING THE BAR

ISCA INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

THE WAY FORWARD

PROPELLING THE PROFESSION

Contents

ISCA is the national accountancy body of Singapore. Our vision is to be a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

THE WAY FORWARD PROPELLING THE PROFESSION

Our Strategic Plan 2016–2018 is set to bring us to the threshold of our 2020 vision of a globally recognised professional accountancy body.

The Institute of Singapore Chartered Accountants (ISCA) is an integral part of Singapore's growth story. For over five decades since our formation in 1963, we have played a role in every economic sector, profession and industry, and continue to do so. As the nation-state's jubilee celebrations come to a close, all of us at ISCA, including our members, are ready to journey alongside our fellow citizens towards SG100.

Like a modern vessel which inspires passengers with its state-of-the-art navigational equipment and experienced crew, our expertise has been honed over the last 50 years. Today, we continue to calibrate our bearings, keep pace with the evolving business climate and propel the profession.

We have come to the tail end of our second transformation phase, and are sailing into our third one. The upcoming Strategic Plan 2016–2018: Intensifying Global Prominence will bring us to the threshold of our 2020 vision of a globally recognised professional accountancy body.

In the year ahead, we will continue to navigate the high seas, refine our strategies, enhance technical excellence and forge stronger partnerships that will benefit our members, the profession and the wider community.

The direction is set. The gangplank is lowered. We look forward to welcoming you onboard.

Global Mindset, Asian Insights

As the national accountancy body, our vision is to be a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community. There are over 29,800 ISCA members making their strides in businesses across industries in Singapore and around the world.

Established in 1963, ISCA is an advocate of the interests of the profession. Possessing a Global Mindset with Asian Insights, we leverage our regional expertise, knowledge, and networks with diverse stakeholders to contribute towards Singapore's transformation into a global accountancy hub.

ISCA is the Administrator of the Singapore Qualification Programme (Singapore QP) and the Designated Entity to confer the Chartered Accountant of Singapore – CA (Singapore) – designation.

We are an Associate member of Chartered Accountants Worldwide, a group comprising the leading global institutes of chartered accountants to support, develop and promote the vital role that chartered accountants play throughout the global economy.

Staying The Course

Steering In The Right Direction

The year 2015 brought to a close our second phase of transformation: Building and Outfitting Structure, which began in 2013. We have stayed the course during this period, steering in the right direction.

We strive to establish strong engagement and collaboration with stakeholders and partners to advance the accountancy profession and sector. Such initiatives serve to enhance our members' career mobility and our standing as we coast into international waters.

We are always on the lookout for good harbours where we can refuel and reinforce our infrastructure, fortifying us as we go forth on the next leg of our journey. With members and key stakeholders onboard, it is essential for us to stand tall as a reputable and respected membership body, and a valued strategic partner.

Calibrating For Success

Charting Strategic Growth

We have made steady progress in our transformation efforts. Heartened by the strong support of our members and stakeholders, we are calibrating for success as we speed ahead. Over the next three years, the Strategic Plan will focus on helping to groom qualified and future-ready members with the competencies to handle the challenges of tomorrow. The passenger manifest will be an inclusive one which will widen the accountancy talent pipeline and add to the diversity of the talent pool.

Raising The Bar

Setting Industry Standards

We aim to establish ourselves as the leading accountancy body in ASEAN. Strong technical expertise and a high quality of research and thought leadership are among the important tenets of leading professional accountancy organisations (PAOs). We will continue to deepen our core areas of technical expertise, and help members weather the rapid changes in the environment.

The mast has been raised and the wind is filling our sails. As planned, ISCA and its passengers are going full steam ahead.

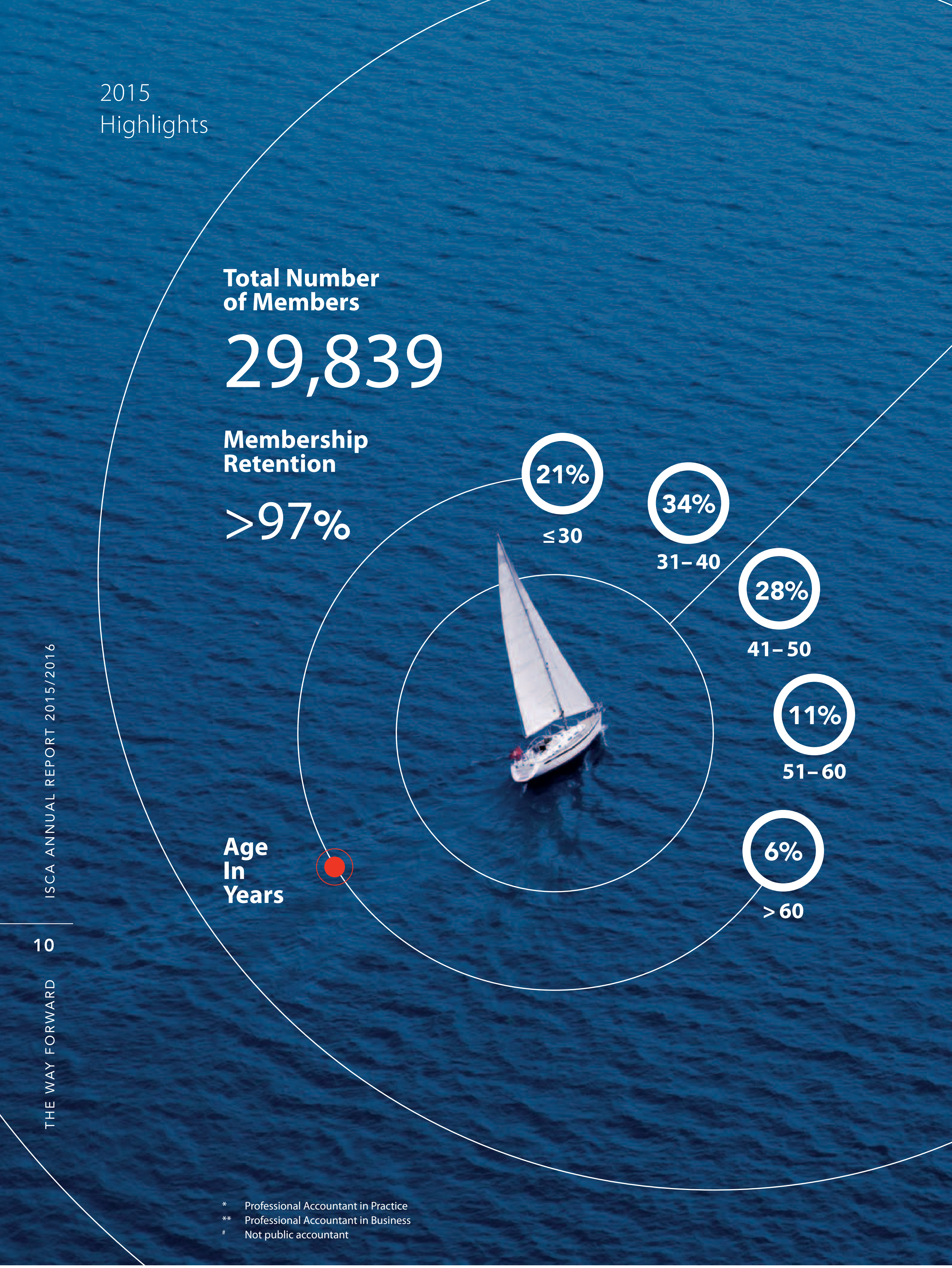
2015 Highlights

Total Number of Members

29,839

Membership Retention

>97%



* Professional Accountant in Practice
** Professional Accountant in Business
# Not public accountant

Membership Class

ASSOCIATE	7,053
CA (SINGAPORE)#	19,356
FELLOW CA (SINGAPORE)#	1,481
CA (SINGAPORE) WHO IS A PUBLIC ACCOUNTANT	756
FELLOW CA (SINGAPORE) WHO IS A PUBLIC ACCOUNTANT	330
MEMBER-IN-RETIREMENT	863

Membership Profession

NOT-FOR-PROFIT	384	1%
ACADEMIA	652	2%
PAIP*	7,421	25%
PUBLIC SECTOR	1,706	6%
PAIB** (COMMERCE)	17,803	60%
OTHERS	1,873	6%

Singapore Accountancy Convention 2015 brought together the best minds to address on-trend topics like disruptive technologies, and their implications on the accountancy profession.

Esteemed panellists: (from left) Gerard Ee, President, ISCA; Max Loh, Managing Partner, ASEAN and Singapore, EY; Samia Msadek, Director, Governance Global Practice, The World Bank; Fayezul Choudhury, CEO, IFAC, and Andrew Smith, Senior Economic Adviser, Centre for Economics and Business Research

Mr Gerard Ee, President, ISCA, gave a warm welcome to all participants.

Guest-of-Honour Lim Soo Hoon, Permanent Secretary (Finance) (Performance), Ministry of Finance, Singapore, delivered the keynote address.

Singapore Accountancy Convention 2015

More than 700 finance and accountancy professionals gathered at the Marina Bay Sands Expo and Convention Centre on 12 November 2015 to listen to some of the best minds in the industry. Since the inaugural event in 2010, Singapore Accountancy Convention has established itself as an industry beacon – the premier event for the profession and the flagship event of the Institute.

Singapore Accountancy Convention 2015 addressed the implications of the digital economy for the accountancy profession, and how accountants must step up to seize the opportunities, as well as manage the threats, brought on by disruptive technologies.

As the business landscape and regulatory regimes become more complex, accountants are expected to take on more strategic roles in their organisations. The event aimed to help participants gain the latest industry knowledge to enable them to take the lead in navigating a rapidly-changing world, from a uniquely Asian perspective.

Throughout the day of insightful presentations, robust debates and lively discussions, participants gained valuable knowledge from distinguished business leaders, luminaries and industry partners including Olivia Kirtley, President, International Federation of Accountants; Anthony Harbinson, Chairman, Anti-Money Laundering Task Force, UK Consultative Committee of Accountancy Bodies; Andrew Harding, Managing Director, Chartered Institute of Management Accountants; Andrew

Ratcliffe, President, Institute of Chartered Accountants in England and Wales, and Kenneth Yap, Chief Executive, Accounting and Corporate Regulatory Authority of Singapore.


Joining Chartered Accountants Worldwide increases ISCA's global recognition.

ISCA Advisor Teo Ser Luck, Minister of State for Manpower, spoke about ISCA Cares.

ISCA Cares

Having journeyed with independent Singapore every step of the way, and joining in the joyous celebrations marking SG50, we are keen to broaden and deepen the role of the Singapore accountancy profession as one of the key contributors to the country's economic development and nation-building.

ISCA Cares, a charity to champion giving by the accountancy profession, was launched at the Singapore Accountancy Convention 2015 Networking Dinner by ISCA Advisor Teo Ser Luck, Minister of State for Manpower.

ISCA Cares supports two charitable causes: Education and Community. The Education programme, which is targeted to take off in 2016, aims to raise S$1 million in its first year of establishment to help disadvantaged youths by subsidising their tuition fees and basic living expenses. The Community programme will begin in 2018.

In June 2015, ISCA became the first chartered accountancy body to be admitted to Chartered Accountants Worldwide since the group was founded in February 2013. As an Associate member, we join a group of leading global institutes of chartered accountants that are committed to enhancing the value of the Chartered Accountant brand.

Our entry into Chartered Accountants Worldwide is recognition that our members adhere to the highest professional, technical and ethical standards. Being part of the global organisation also enhances the stature of the Institute worldwide, and helps to raise the employability of Singapore accountants as the business environment becomes increasingly globalised.

The membership will enable us to deepen relations and partnership opportunities with other Chartered Accountants Worldwide member bodies, in line with Singapore's vision to develop into a global accountancy hub by 2020.

Message From Our President

Our EOIs and Associate membership in Chartered Accountants Worldwide go towards elevating the CA (Singapore) designation globally, providing ISCA and its members access to the combined expertise and networks of the world's leading chartered accountancy bodies.

Dear Members,

I am honoured to have the opportunity to serve you as ISCA President for the last two years. Together with the Council members, I would like to say thank you for giving us the mandate to bring the Institute forward and entrusting us with the responsibility to propel the profession to the next level. With your continued support, I am positive that we can achieve our vision to be a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

Setting the business context

Last year, when Singapore marked its 50 years of independence, the Institute rejoiced alongside the nation and our fellow citizens. It was as much a celebration of the country's progress as it was for the Institute, which has made invaluable contributions to Singapore's development over the last five decades; accountancy has played a part in every economic sector, profession, industry, and society at large.

Accountants provide essential services to businesses, and ISCA's success is predicated upon Singapore's success as a vibrant commercial hub. Clearly, it is in our interest to help businesses flourish. As Singapore embarks on its SG100 journey, we look forward to a more vital business landscape where companies of different types – from small enterprises to global conglomerates, across diverse industries – thrive. Many of our CA (Singapore) members are professional accountants in business (PAIBs) working in these companies, while members in accounting firms work with these companies, providing auditing and assurance, advisory, risk management, valuation, tax and other services.

As the business environment becomes increasingly complex, exacerbated by geopolitical issues, the digital revolution, a slowdown in the global economy and a tightened regulatory regime, accounting professionals need to have the right competencies and resources to address the challenges arising, and manage the expectations of them as finance professionals and strategic business partners. Globalisation is a reality, and as businesses cross borders, accountants must be knowledgeable about the developments beyond Singapore's shores. In this respect, the Institute's professional development agenda aims to entrench in our members a global mindset with Asian insights, readying them for today and tomorrow.

Five years ago, ISCA began its transformation journey to ensure its relevancy in a constantly-changing world, while keeping an eye firmly on its vision. Our goal is to enhance the profession and help strengthen the infrastructure of the accountancy sector while supporting our members in different ways, including through professional development and advocacy. As we come to the close of our three-year Strategic Plan: Building and Outfitting Structure, I am pleased to share with you our achievements, and our plans for the future.

Last year, ISCA, together with the Singapore Accountancy Commission (SAC), continued to develop partnerships with leading accountancy bodies to promote recognition of the CA (Singapore) designation. Such collaborations increase our members' career opportunities and international mobility, and raise the Institute's standing as a respected national accountancy body. ISCA concluded Expressions of Interest (EOIs) to explore routes to reciprocal membership with Chartered Accountants Ireland (CAI) and the South African Institute of Chartered Accountants (SAICA), and deepened our existing partnership with the Institute of Chartered Accountants in

England and Wales (ICAEW). An agreement with the Chartered Institute of Management Accountants (CIMA) established the ISCA-CIMA Pathway, enabling qualified ISCA members to fast-track their journey to obtain the globally-recognised Chartered Global Management Accountant (CGMA) designation. This renowned qualification and management accounting knowledge will equip members to navigate a multifaceted business landscape.

The EOIs we signed in the last two years with established accountancy bodies paved the way for ISCA's admission into Chartered Accountants Worldwide in 2015 as an Associate member. This membership elevates the CA (Singapore) designation globally, and provides the Institute and its members access to the combined expertise and networks of the world's leading chartered accountancy bodies.

In the perennial contest for the best talents, ISCA faces the challenge of limited resources. To build a healthy talent pipeline of accountants, the Institute has created new membership pathways. Non-graduates with the relevant experience and qualifications, including the upcoming ISCA Accredited Accounting Technician (AAT) Diploma, can apply for Affiliate membership. The Associate membership pathway will also be expanded, adding further diversity to the talent pool.

As the Institute looks ahead, it has not forgotten its responsibility to the wider community and its role in nation-building. ISCA Cares, which is an institute of public character, was set up to champion giving by the accountancy profession. The charity supports two causes – Education and Community. The Education programme, which commences this year, provides disadvantaged Singapore youths access to a quality accountancy education through financial and non-financial assistance; the Community component, which begins in 2018, will harness the knowledge, skills and expertise of our members for community development projects through collaborative programmes with partners.

Within the region, ISCA is playing a leading role in the ASEAN Federation of Accountants (AFA) to advance the role of the profession in the ASEAN Economic Community (AEC) and further afield. ISCA currently chairs the AFA Accounting Standards Group, and on behalf of Singapore, had led the negotiations of the ASEAN Mutual Recognition Arrangement (MRA) on Accountancy Services. On the invitation of the United Nations Conference on Trade and Development (UNCTAD), I shared Singapore's experience at the UNCTAD-International Standards of Accounting and Reporting (UNCTAD-ISAR)'s 32nd Session on Guidance on Good Practices in the Area of Compliance, Monitoring & Enforcement in Geneva. Such opportunities, leadership and advocacy roles enable us to raise the status of ISCA and its members, and participate in developments that will impact us. Together, they bring us closer to realising our vision.

ISCA supports members and the wider business community by preparing them for significant changes in the business and regulatory environment. Here, I would like to highlight that the Institute has re-constituted its Integrated Reporting Steering Committee as the Corporate Reporting Committee. This follows the recent announcement by the Singapore Exchange (SGX) to make sustainability reporting (SR) mandatory from the financial year ending on or after 31 December 2017, with reports published from 2018. The Committee will advance the value of holistic disclosures by listed companies in their corporate reporting, and provide strategic direction and oversight of the efforts and initiatives to promote good corporate reporting practices.

Since the release of the Committee to Develop the Accountancy Sector (CDAS) report in 2010, the Institute has been developing and implementing strategies to achieve its 2020 vision. We remain committed to this, and will continue to move full steam ahead with the Institute's new Strategic Plan: Intensifying Global Prominence, developed for the period 2016 to 2018. Our fortunes are inextricably linked to Singapore's, and like the city-state, our plans for the future are built around the five "futures" – jobs, companies, resources, technology and markets – supporting Singapore as it charts its new economic direction. The Institute will be rolling out a new range of talks and courses with certifications to enable members to keep pace with developments and build new skills for the "new" economy.

We have come this far because of the strong support of our members and stakeholders. With your continued support, I am confident we can achieve the success outcomes we desire. I would like to thank my fellow Council members who have served selflessly, and the ISCA management team and staff for their commitment, dedication and good work. I look forward to our working together to transform ISCA's vision into reality.

Gerard Ee
President

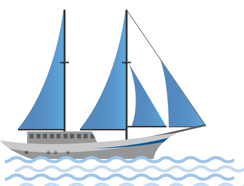
Creating Value For Our Stakeholders

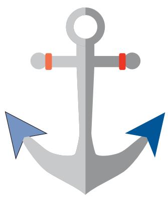
We have a three-pronged mission that is aligned with our vision to be a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community.

We commenced preparations for an epic 10-year voyage in 2010, when the government had adopted in full the 10 recommendations set out in the final report on "Transforming Singapore into a Leading Global Accountancy Hub for Asia Pacific". As the national accountancy body, it is our responsibility to contribute to Singapore's aspiration.

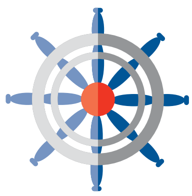
Going into uncharted waters, we took time to get the navigation plans in order, and were simultaneously gathering a strong captain and crew; building a reliable, modern vessel, and welcoming passengers onboard. Navigating the high seas requires careful, tactical planning, and our Strategic Plans are designed to achieve the desired outcomes at crucial junctures. Sailing from one port of call to another, we are now mid-way to our eventual destination.

Strategic Road Map 2020





2012
Laying the Foundation



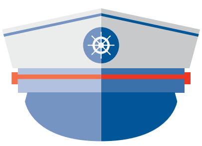
2013–2015
Building and Outfitting Structure

Delivering Value

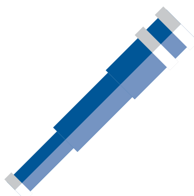
Our resources are aimed at fulfilling a three-pronged mission that is aligned with our vision to be a globally recognised accountancy body, bringing value to our members, the profession and the wider community. We do this by:

- **Empowering** members to achieve their aspirations;
- **Advocating** and being the voice of our members and the profession, and
- **Advancing** and promoting the accountancy profession, and contributing to Singapore's aspiration to develop into a leading global accountancy hub.

2016–2018
Intensifying Global Prominence



2019–2020
Achieving Recognition

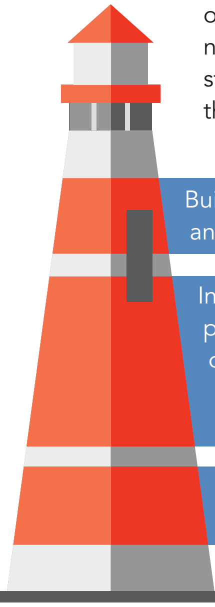


Beyond 2020
Globally Recognised Professional Accountancy Body

Strategic Pillars for 2016–2018

We are now approaching the tail end of our second transformation phase – Building and Outfitting Structure – which began in 2013, and are looking forward to our third phase of transformation covering a three-year period from 2016 to 2018.

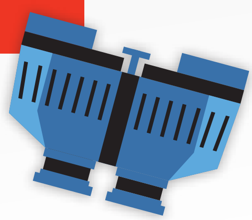
We recognise the need to develop into a state that is ready to achieve our 2020 vision of a globally recognised professional accountancy body by 2018. Thus, we have identified the corporate strategic theme of "Intensifying Global Prominence" to guide our transformation efforts over the next three years. The corporate strategic theme is characterised by the following three pillars:



- Building a competent, future-ready and inclusive profession;
- Intensifying our role as a leading professional accountancy organisation in ASEAN, to enable us to achieve greater presence on the global platform, and
- Elevating global recognition of the ISCA membership.

Strategic Priorities towards 2020

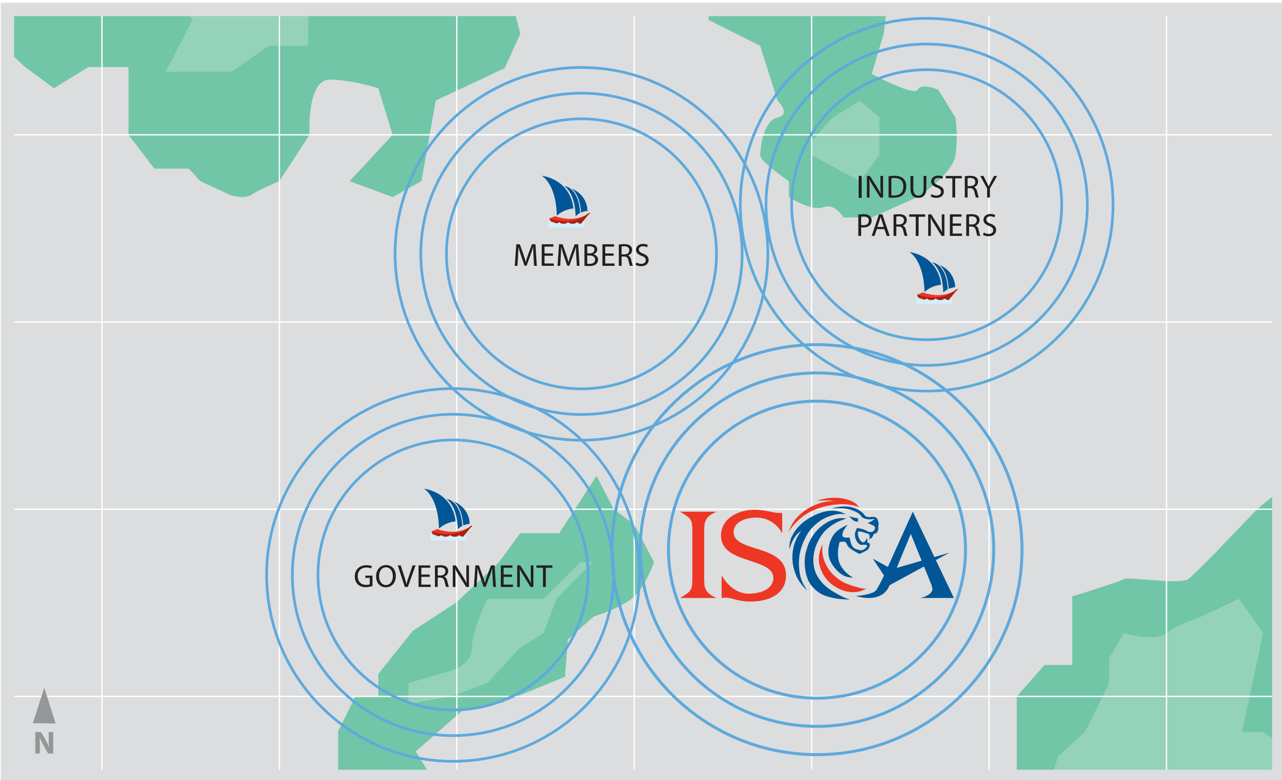
Inclusive Membership, Quality and Professional Development	Research & Thought Leadership for Technical Excellence with Advocacy	Accountancy Ecosystem
Branding and Marketing	Professional Development Pathways	International Relations
	Relationships with Key Stakeholders	



Our Key Stakeholders

Our Key Stakeholders

A key goal of our Strategic Plan is to create value for three important stakeholder groups – our members, our industry partners and the government.



Though the waters are not always calm nor the weather always fair, our stakeholders know that our efforts are centred on achieving our vision. Central to our Strategic Plan is the clear objective to create value for three important stakeholder groups – our members, our industry partners and the government. We do this in various ways, including:

- Addressing issues that shape and define the accountancy profession;
- Championing the interests of our members and the accountancy community;
- Strengthening the synergies between Singapore's accountancy community and the rest of the world.

Members

We are committed to improving the standing of the accountancy profession at home and abroad, and levelling up standards to gain recognition in the international sphere. We advocate the interests of our members, and support them in various ways throughout their professional journey.

With storm clouds hovering over the global economic landscape, and Singapore facing its own headwinds of economic restructuring, we will continue to focus on delivering quality products and services designed to help our members gain a competitive edge.

By equipping our members with future-ready skills and competencies, they can effectively support the businesses they serve, and ultimately become the preferred choice for employers and companies in Singapore and further afield.

We support over 29,000 members who come from both the PAIB and PAIP segments of the profession. Leveraging our technical knowledge, skills and expertise, we strive to outfit our members professionally by providing them with access to technical resources and industry updates, and safeguarding their professional interests.

We are pleased that the CA (Singapore) designation continues to gain traction as a mark of excellence across all aspects of business, placing our members a head above the rest. Our admission into Chartered Accountants Worldwide as an Associate also affirms the commitment of our members to the highest professional and ethical standards, adding to their standing as credible, top-notch finance and accounting professionals. The upcoming ISCA AAT Diploma, offered in partnership with the world-leading Association of Accounting Technicians, will further enrich the accountancy ecosystem and raise its overall proficiency.

We are also keen to promote the accountancy profession as a career of choice, especially among the next generation.

Many qualified accountants today work in non-conventional areas like risk management, forensic accounting, valuation, compliance and internal audit, among others. We will seek collaborations with appropriate partners to support these new emerging needs.

Industry partners

We work hand-in-hand with industry partners to strengthen the industry. To do this well, we have been enhancing our relationships with key stakeholders in the accounting industry. We also continue to nurture ties with leading global and regional agencies like the International Federation of Accountants (IFAC), International Auditing and Assurance Standards Board (IAASB) and AFA; recognised professional bodies, as well as academic institutions.

We aim to establish ourselves as a leading PAO in ASEAN. Among the essential requisites of leading PAOs are strong technical expertise and a high quality of research and thought leadership. We will continue to deepen our technical expertise in the core areas of financial reporting, auditing and assurance, and ethics.

Government

Government bodies such as the Ministry of Finance, SAC, Accounting Standards Council, and Accounting and Corporate Regulatory Authority (ACRA) take the lead in the development of Singapore into a global accountancy hub. As such, it is important that we strengthen our working relationships with them in order to develop the accountancy profession.

As our credibility and reputation strengthen over time, it will lend greater credence to our efforts towards becoming a trusted and valued strategic partner.

Pathways To Recognition

We expanded the pathways to recognition, propelling members' career trajectory and easing their passage.

As we coasted through last year, we stopped at various ports of call where we proposed passport and visa arrangements for our passengers to enter and exit these foreign lands smoothly.

In 2015, we expanded the pathways to recognition, propelling members' career trajectory and easing their passage to places beyond Singapore.

Passport to excel

- We partnered SAC to explore reciprocal memberships with other global accountancy bodies. EOIs were signed with CAI and SAICA. These arrangements paved the way for enhanced collaboration, opening up new possibilities for career mobility and advancement.

- Collaborating with CIMA, we established the ISCA-CIMA Pathway for Singapore accounting professionals. This partnership enables qualified ISCA members to hop on a speedboat to attain the globally-recognised CGMA designation. The CGMA qualification enhances the employability of ISCA members overseas, and the management accounting knowledge helps them weather the increasingly volatile business climate.

- We were admitted as the first Associate member of Chartered Accountants Worldwide, joining founding members Chartered Accountants Australia and New Zealand, CAI, ICAEW, Institute of Chartered Accountants of Scotland, and SAICA. This membership potentially gives ISCA members an open visa to discover new worlds in their professional pursuits.

- ISCA inked a Memorandum of Understanding (MOU) with ICAEW to deepen our collaboration in research and technical updates. The two Institutes will combine our respective strengths to conduct research and technical explorations that will support the accountancy sector in Singapore and the ASEAN region. This joint effort is designed to provide insights and help solve many of the pressing issues faced by accountancy firms, companies and regulators locally and regionally.

  The agreement sets a framework for cooperation on technical and professional matters relevant to Singapore and ASEAN, at both national and international levels. It will be valid for three years, during which the Institutes will explore collaborations on mutually beneficial projects.

  This is the second MOU signed between the two accountancy bodies. In January 2014, ISCA and ICAEW signed an MOU to establish the ICAEW-ISCA Pathways to membership scheme, enabling eligible ISCA members to become ICAEW Chartered Accountants. The scheme ended its run in December 2015.

Widening accountancy talent pipeline with more pathways

To further strengthen the profession, we have created more pathways for individuals to enter the accountancy profession. This is in line with the SkillsFuture national movement to provide Singaporeans with the opportunities to develop to their fullest potential throughout life, regardless of their starting points.

In 2016, we will have an Affiliate membership class that enables non-graduates to be ISCA members, providing them with professional support and recognition. The Affiliate membership is for accounting technicians who are able to perform a wide variety of accounting and financial roles, including accounts preparation, budgeting, payroll administration and tax returns. With this new membership class, we aim to professionalise the accounting technician segment, and provide them with support in continuing professional development.

To address the skills shortage and increasing demand for entry to mid-level accounting professionals, we have signed an MOU with the Association of Accounting Technicians in the UK to offer the ISCA AAT Diploma. The ISCA AAT Diploma is a flexible, skills-based programme for accounting technicians and is designed to meet the demands of the workplace. Upon completion of the programme as well as one year's relevant work experience, the ISCA AAT students will attain the Accredited Accounting Technician (Singapore) designation and be eligible for Affiliate ISCA membership.

In November 2015, the Association of Accounting Technicians also held its inaugural Roundtable discussion in Singapore. It was attended by representatives of professional accountancy bodies from around the globe, including ISCA CEO Lee Fook Chiew. The participants had a lively discussion about the role of accounting technicians and their professional development needs in light of the changing business landscape.

Expanded membership criteria for Associate membership, to include foreign graduates

We will add to the diversity as well as breadth of our talent pool by allowing accountancy graduates of foreign universities to become Associate members. Previously, only graduates of local universities, those who have completed the ISCA Professional Examination, or those with recognised accounting qualifications were eligible for Associate membership.

Nurturing symbiotic relationships

As we cruise into 2016 and further, we have onboard an efficient crew of diverse abilities. The accountancy profession, too, requires people of different skill sets to support various functions in its ecosystem. Creating more pathways contribute towards building a sustainable talent pipeline while simultaneously adding vibrancy to the profession.

- ISCA and the Association of Chartered Certified Accountants (ACCA) entered into a collaboration to encourage individuals from diverse backgrounds to embark on an enriching accountancy journey. ISCA and ACCA collaborate on the Fundamentals level of the ACCA Qualification where ISCA will contribute its local expertise to the Singapore law and tax papers, and work with ACCA on joint initiatives to boost student support and employability.

- The Singapore QP, launched in 2013 to provide a pathway to be a CA (Singapore), continues to be much sought after by aspiring accountants. 2015 marked the fourth and fifth intakes for the Singapore QP, whereby 335 and 408 examination enrolments were recorded.

- We continue to work with SAC to support Accredited Training Organisations (ATOs) and Candidates in their Singapore QP journey. As at December 2015, more than 250 employers have signed up as ATOs, providing support to Candidates in training, mentoring and practical experience.

Voice Of The Profession

We ensure that the views of our members and the profession are represented where it matters... locally, regionally and globally.

A modern vessel decked out in advanced equipment engenders the respect and confidence of its passengers, the authorities and others it comes into contact with. Its stature inspires others with similar aspirations to climb onboard, assured that they will be ferried to their desired destinations.

With a passenger load of over 29,000, we are mindful of our roles and responsibilities – to engage and interact with the passengers, and ensure that their views are addressed and represented where it matters – locally, regionally and globally. Passengers are constantly updated on what is happening around them, while the crew works hard to manage environmental uncertainties in order to protect and advance everyone's interests.

- We are proactive in monitoring developments in core focus areas such as financial reporting, auditing and assurance, and ethics. Leveraging the knowhow of our technical committees and through interactions with members via platforms such as focus group discussions and public consultations, we provide value-adding feedback to standard-setters to shape the development of standards and policies.

- We have submitted comment letters to facilitate dialogue in the areas of financial reporting, ethics, and auditing and assurance, engaging with global independent standard-setters like the International Ethics Standards Board for Accountants (IESBA), IAASB and International Accounting Standards Board.

- We continue to work at raising our profile in the global arena by speaking at international events. This deepens our engagement with our international counterparts and solidifies our standing as a credible, forward-looking body. Our efforts are being recognised. In November, on the invitation of the UNCTAD-ISAR, ISCA President Gerard Ee, the elected Vice-Chair-cum-Rapporteur, presented a paper at UNCTAD-ISAR's 32nd Session on Guidance on Good Practices in the Area of Compliance, Monitoring & Enforcement (CM&E) in Geneva, Switzerland, sharing Singapore's experience and practices in CM&E. In the same month, we also participated in Chartered Accountants Worldwide's Critical Success Factors Summit in Singapore.

ISCA President Gerard Ee (3rd from left) presented a paper at UNCTAD-ISAR's 32nd session.

ISCA President Gerard Ee and IFAC President Olivia Kirtley exchanged gifts as a gesture of goodwill and strong friendship between the two organisations.

- Enjoying good relations with IFAC, we have hosted or co-organised several notable IFAC events over the years including the 2015 IFAC Council and Board Meeting, the largest and most important annual IFAC event. This reflects the trust and confidence which IFAC has in ISCA.

- Regionally, we play an active role in AFA to advance the role and promote the value of the profession in light of the launch of AEC. For instance, we mooted the establishment of the AFA Accounting Standards Group (AASG), which was successfully set up in early 2015 with the approval of the AFA Council. We were elected Chair of the AASG.

  AASG will look into various accounting issues that are relevant to the region, including the development of the ASEAN micro accounting model. It will also study and provide ASEAN's views and perspectives on global accounting issues. This is important to help shape the formulation of international standards and policies that are appropriate for a large segment of businesses in developing economies like ASEAN, thus further promoting AEC as an important economic group.

- On September 30, the 10 ASEAN members instituted the ASEAN Chartered Professional Accountant Coordinating Committee (ACPACC) to operationalise the MRA on Accountancy Services. The ACPACC is an inter-government initiative and Singapore, which was represented by ISCA, was elected Chair of ACPACC. As Chair, we were responsible for ensuring the successful implementation of the MRA and promoting the acceptance of the ASEAN Chartered Professional Accountant across ASEAN.

- We produced opinion pieces and commentaries on business and accountancy issues. These ranged from corporate governance and practice management to funding and payment trends, digital technologies, security and risk governance, ethics, tax and sustainability. Our commentaries were frequently published in Singapore's leading business media as well as regional publications.

- We continued our collaboration with ACRA on the Financial Reporting Surveillance Programme. The Programme, which is into its second cycle, is aimed at strengthening the financial reporting system through the review of financial statements. It provides constructive feedback to directors in areas where the presentation or contents of their financial statements fall short of compliance with the requirements of the accounting standards. Improving the quality and reliability of financial statements will strengthen the financial reporting supply chain and better safeguard public interest.

Spearheading Excellence

Shipping lanes can get busy, and there may be restrictions of passage due to the width of a channel, water depth, navigational rules and other regulations, to name a few. Expertise, experience and the support of tools and technology guide the captain and crew to draw up the course line, and stay on course.

A safe passage for all vessels requires the collaboration of different parties, such as the harbour masters; wind, wave and weather monitoring agencies; captain and crew of other vessels plying the waters, and the people who maintain the vessels and keep the maritime infrastructure in shipshape condition. In enhancing ship safety, speed and efficacy, the more forward-looking will lead in research and implementation, helping others level up and raising overall standards.

Working with informed industry leaders, we study and share with members salient findings about leading issues.

- We again took the lead to gather the views of the business and accounting community at the annual Pre-Budget Roundtable and Pre-Budget Survey, focusing on the business outlook and other Budget-related matters. As an advocate for the profession, we submitted the pertinent points to the government for its consideration for Budget 2015. The findings and feedback also provided valuable insights to policymakers, the business and accounting community, and other stakeholders.

- We studied many leading issues in accountancy, apprising members and stakeholders of the latest knowledge. Among the trending topics is digital currencies, which are increasingly being used as both a medium of exchange and a store of value. There are as yet no clear guidelines from international standard-setters on how to account for them. Based on existing accounting standards, we analysed the potential accounting treatment for transactions and holdings in digital currencies.

- We studied the overall cost of capital of SGX-listed companies and highlighted key issues in both the theory on and practice of estimating the cost of capital, in particular the weighted average cost of capital. The cost of capital is fundamental to a firm's investment and financing decisions. It is essential to asset pricing as many of the valuation methodologies require it as a key input for discounting future cash flows. The study provided key insights to CFOs, and reinforced the importance of this information in making corporate decisions.

- If done right, budgeting can provide a high value-added service to the company. As there are wide variations in the practice and effectiveness of the budgeting approach used by practising accountants in their respective firms, we joined hands with NTU to survey members from the business and accounting community. Through this feedback, we can identify ways to help members acquire the skills to improve their business budgeting process and deliver higher value to their organisations.

- As a regional insurance hub, the Singapore insurance industry is affected by global and local regulatory and financial reporting developments including changes in the Risk-Based Capital framework, IFRS 4 and IFRS 9. We sought to understand the key developments and published our findings in the ***IS** Chartered **A**ccountant* journal.

Pre-Budget Roundtable panellists: (seated, from left) Tan Hee Teck, Honorary Treasurer, Singapore National Employers Federation; Sim Gim Guan, CEO, National Council of Social Service; co-chair Gerard Ee, President, ISCA; co-chair Liang Eng Hwa, Chairman, GPC, Finance and Trade & Industry; Max Loh, Managing Partner, ASEAN & Singapore, EY; Dr Jannie Chan, President, Singapore Retailers Association; Prof Sum Yee Loong, Board Member, SIATP; (standing, from left) Ho Meng Kit, CEO, Singapore Business Federation; Tay Hong Beng, Head of Tax, KPMG Advisory: Irene Khoo, Council Member, Association of Small and Medium Enterprises; Jeann Low, Group CFO, Singapore Telecommunications; Frankie Chia, Managing Partner, BDO; Low Hwee Chua, Head of Tax, Southeast Asia and Singapore, Deloitte & Touche; Chris Woo, Head of Tax, PwC Services

Doing More With Less

Our programmes are customised for specific groups so that issues common to them may be raised and addressed in greater depth.

Enhancements in maritime infrastructure, new technologies and nautical equipment, and improved knowledge and skills throughout the ecosystems of port development, ship construction and human resource training, have contributed to increased productivity, where more can be achieved with fewer resources. While there will not be major developments every day, incremental improvements can add value and give a boost up the value chain for all players in the ecosystem.

Getting the ballasts right

We are committed to meeting the needs of our members, who may be at different stages of their career development. Some of our programmes are designed for specific groups so that issues common to them may be raised and addressed in greater depth. Such customisation also optimises resources by providing appropriate input where it is most needed.

- In collaboration with SAP, we released the 3rd ISCA Productivity Scorecard and Benchmarking Report for the accountancy sector. Organisations can benchmark themselves against their local and global peers, and monitor their productivity improvements over time.

- The Distinguished Leaders series was conceptualised to provide members at the apex of their careers and organisations with a platform to interact and learn from one another. The invited speakers are leaders who have made an indelible mark in their respective fields. Group President of the Government of Singapore Investment Corporation Lim Siong Guan spoke at our session. The participants, most of whom were C-suite executives, benefited from the insights on a wide range of topics spanning leadership transition, ethics, organisational change, management, and cultivating the next generation.

UOB Deputy Chairman and CEO Wee Ee Cheong delivered the keynote address at the ISCA Business Financing Forum.

For PAIBs

- We worked closely with our CFO Committee to invite industry leaders to share their insights at the ISCA Business Financing Forum. Deputy Chairman & Chief Executive Officer of United Overseas Bank Limited Wee Ee Cheong gave the keynote address. Members also heard from a wide spectrum of speakers on topics including government support for start-ups; tips on raising venture capital; non-traditional financing options such as crowdfunding; nurturing a fruitful, long-term relationship with banks, and practical advice on preparing for an IPO.

- Aimed at adding value to our PAIB members, the ISCA-UOB Economic Updates series was designed to provide them with greater knowledge of the regional economy that can impact their businesses, planning and decision-making. The sessions were helmed by two UOB economists from the bank's research team, and covered the latest developments in ASEAN, United States of America, China and Singapore, and their likely effects.

For SMPs

By virtue of their size, the requirements of small and medium-sized practices (SMPs) differ from those of big organisations. We have dedicated initiatives aimed at driving innovation, quality and productivity in SMPs, which include the timely and relevant training of our members and the delivery of useful resources.

- With the support of the Singapore Workforce Development Agency (WDA), we developed 10 On-the-Job Training (OJT) Blueprints covering 10 audit topics. The Blueprints provide supervisors in SMPs a guide on providing structured in-house OJT for staff. The comprehensive guide highlights the key considerations to note and the task standards for each audit work procedure, as well as the recommended competencies for staff to effectively carry out their tasks.

- The Practical Audit Workshop (PAW) programme was developed following members' feedback on the need for practical audit training for staff. To date, the series of structured audit training programmes has received positive feedback from both participants and firms. The PAW series of programmes, which are jointly supported by SAC and ACRA, are now certifiable skills training courses funded by WDA.

- Our Technical Clinics provided public accountants with a platform to share and discuss auditing-related issues, thus helping to improve the quality of audits.

- The ISCA Quality Assurance Review Programme helps SMPs improve the quality of their audits through reviews of their signed-off audit engagement files. In 2015, the scope of review was expanded to include firm-level review to identify areas of improvement at the firm level in compliance with the Singapore Standard on Quality Control (SSQC) 1.

- To provide further guidance to SMPs in their implementation of SSQC 1, we developed and launched the first set of illustrative Quality Control Manual (IQCM) for adoption by SMPs. The policies and procedures contained in the IQCM are developed based on the requirements of SSQC 1.

- Improving practice management will lead to higher productivity. Our outreach efforts have led to the formation of two consortia leveraging on the Infocomm Development Authority of Singapore's Software-as-a-Service Call-for-Collaboration initiative. The early adopters of technology shared their experiences and benefits in the ***IS C**hartered **A**ccountant* journal. We will continue to promote good practice management, and update members on funding schemes and government incentives to advance productivity.

- SMPs can learn from each other through networking and sharing of best practices. Initiatives like the bi-annual SMP Dialogue provides a platform for SMPs to interact with each other, as well as learn from experienced practitioners. The two dialogue sessions centred on helping SMPs stay relevant while addressing the myriad of challenges they face in an increasingly complicated business landscape. Existing business models were examined and refined to better address technological advances, regulatory and compliance requirements, and business complexities.

The bi-annual SMP Dialogue provides a platform for members to learn from the more experienced practitioners.

Ready, Able And Equipped

We equip members with relevant skills and updates, giving them a leading edge in their work.

While the captain and crew are kept busy with their duties, other crew members are leading passengers in organised activities that are designed to educate, engage and entertain them. The activities cater to different interests and competency levels, and equip passengers with new and up-to-date skills which they can bring along with them when they disembark, thus enriching their lives. Those who prefer their own pursuits have a good selection of onboard facilities to discover and enjoy.

Cutting through the waves

We equip members with relevant skills and updates to support them in their work. Where there are major developments, we raise awareness of such developments in advance and where relevant, engage members to obtain their feedback. Through workshops, seminars and talks, we share with members the implications of regulatory and other changes, and the steps to take for smooth implementation. There were several developments of note last year, and we used various platforms to help our members navigate the unfamiliar waters.

Improving quality, raising standards

- Changes to the auditor's report is a key development impacting the auditing profession. We had engaged our members early, and will continue to help them in compliance and implementation. In July 2015, we issued the Singapore new and revised auditor reporting standards to facilitate timely implementation. Key stakeholder groups were engaged in constructive feedback sessions as part of the due process to ensure robustness and relevance of the standards. Since 2012, we have spearheaded outreach initiatives to raise the awareness level of this major development. In 2015, through numerous platforms such as forums and breakfast talks, we continued to engage the different stakeholders including auditors, directors, CFOs and investors on the changes, and to guide the profession in its implementation.

- At our second Quality Assurance Seminar, members learnt from ACRA about the key areas of audit quality concerns arising from the findings of the Practice Monitoring Programme. We also kept members in the know by exploring emerging issues such as the expanded auditor's report, and the application challenges of anti-money laundering (AML) and countering the financing of terrorism (CFT) requirements and guidelines.

- In our transformation to become a globally recognised professional accountancy body, our standards are aligned to international requirements and benchmarks and maintained at the highest levels. We set standards and guidance relating to professional ethics, which are issued as Ethics Pronouncements (EPs). In November, we issued EP 100 *Code of Professional Conduct and Ethics.* In addition, we issued EP 100 Implementation Guidance 1 in December to provide guidance to the auditing profession, in the area of management responsibility when providing non-assurance services to audit or assurance clients.

- In an agreement on due process with the Ethics Sub-Committee of ACRA's Public Accountants Oversight Committee, we can now adopt and customise pronouncements issued by IESBA in a timely manner to benchmark to international best practices.

  At the same time, the due process allows further customisation to supplement the

requirements, with due consideration to take into account the impact of the IESBA pronouncements on Singapore's regulatory and business environment. Thus, the due process lays the groundwork for a more robust and credible ethics standards-setting process; this will in turn enhance public confidence.

- We developed and launched the first set of Illustrative Financial Statements (IFS) for Private Entities to help the profession enhance the quality of financial reporting in Singapore. The IFS serves to provide illustration of annual financial statements of companies whose activities include manufacturing and trading. The disclosures contained in the IFS are based on disclosures required by the Singapore Financial Reporting Standards.

A beacon of light

Providing clarity

- We revised and issued the Singapore Standard on Assurance Engagements (SSAE) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The standard was revised largely to improve the clarity of existing requirements in light of experiences with the extant SSAE 3000, and the growing use of the standard internationally. For example, the revised standard provided greater clarity on the characteristics and responsibilities of engagement partners for the overall quality of assurance engagements.

- The Companies (Amendment) Act 2014 was passed by the Singapore Parliament in October 2014, and included the introduction of new criteria for qualification as a "small company" for audit exemption. Together with ACRA, we published a series of articles in the ***IS*** *C****hartered*** ***A****ccountant* journal to illustrate the application of the new "small company" and "small group" concepts through the use of case studies. These articles aimed to raise awareness and enhance the understanding of the profession on this key change which seeks to reduce regulatory burden on companies and provide greater business flexibility.

- The new revenue standard, FRS 115 *Revenue from Contracts with Customers*, which is effective from 1 January 2018, was issued in 2014.

  Revenue is a crucial number to users of financial statements in assessing a company's performance, and the new revenue recognition model is also significant to the entire financial reporting ecosystem. ISCA, through its Financial Reporting Committee (FRC), formed a Revenue Working Group to solicit, analyse and address the FRS 115 implementation issues for industries most impacted by it.

- ISCA issued a practical guidance titled "Application of FRS 110 *Consolidated Financial Statements*: Consolidation of Real Estate Investment Trusts (REITs) Managers by Sponsors".

  This practical guidance addresses an application issue faced by the REIT Sponsors in the marketplace – whether a REIT Sponsor still has control over its wholly-owned REIT Manager after relinquishing its right as the sole shareholder of the REIT Manager to appoint and remove the board of the REIT Manager. The purpose of this practical guidance is to ensure consistency in practice.

- ISCA's FRC approved the due process framework for the Technical Bite Size Initiative. This initiative is intended to provide technical guidance in a more understandable and easy-to-read manner for prevalent accounting issues faced by the accounting profession.

  This effectively paves the way for us to be the voice and key opinion leader on the application and interpretation of accounting standards in Singapore.

Anti-money laundering and countering the financing of terrorism

- We play a leading role in guiding the accountancy profession to contribute to Singapore's standing as a trusted financial and business hub. We continued to raise awareness of the importance of a robust AML and CFT infrastructure through various platforms and initiatives. These included ISCA-led focus group discussions, workshops, seminars, publications and surveys, as well as collaborative efforts with stakeholders such as ACRA, Monetary Authority of Singapore and Singapore Police Force.

- We have developed and issued two implementation guides and rolled out an e-learning course to support members in the implementation of AML and CFT requirements. We will continue to seek feedback from members on implementation challenges and provide useful tools to support the profession.

All aboard

Continuing Professional Education

- Continuing Professional Education (CPE) continues to provide continuing education programmes to meet members' needs for knowledge improvement, skills upgrading and professional development. Members have a choice of 800 continuing education programmes ranging from accounting and audit to risk management, finance, tax, insolvency and restructuring work.

- Members also accessed the library for e-learning which offers 400 courses in finance and business skills. The web-based modules are available to members round-the-clock, and on their preferred electronic devices – regardless of where they may be.

- The WDA training grant can be used to pay for up to 90% of course fees for eligible courses. From January 2016, members can also tap on their SkillsFuture Credit to defray the fees for approved courses. We are looking into courses that qualify for such schemes so that members can optimise their resources and learning opportunities.

Digital journal

The ***IS C****hartered* ***A****ccountant* journal has gone digital for members' convenience. Members can stay updated on the latest accountancy news and views by downloading the journal app from the Apple App Store or Google play store. Going digital provides users with 24/7 access and extra features including bookmarking, searching, sharing and saving of articles. We are also doing our part for the environment by reducing our carbon footprint.

Our People, Our Assets

The management shares information so that staff can be empowered to take the initiative and make decisions to improve service delivery.

They are experienced, skilled and committed to continuous learning. This crew will work with the captain to bring passengers to their destinations comfortably and efficiently. Not only do they look after the "hardware" – all things related to safe passage including vessel upkeep and maintenance, weather and tide changes, and maritime developments – they are equally adept at managing the "software" – seeing to the present and upcoming needs of the passengers so that when they disembark, they will possess the practised skills and new knowledge to perform, and excel in, their respective tasks. Constant communication between the crew and its passengers, the authorities and other stakeholders ensures that the vessel's bearing is accurate.

Growing with the Institute

Central to the Institute are its people – dedicated individuals who work hard to serve our ISCA members and deliver on our strategic objectives. Our talent and development framework enables our people to embark on a path of continuing progress, helping them to realise their potential and achieve their career goals.

As with any organisation, team members who are valued for their contributions and feel fulfilled at work are more motivated and confident in carrying out their responsibilities. We are proud to be the employer of choice, and will work towards keeping their faith and loyalty.

Staff engagement

Many activities and events were organised in 2015 where the management shared information so that the staff can be empowered to take the initiative and make decisions to solve problems and improve service and performance.

Town Hall
There was regular communication between the management and staff through Town Hall sessions. This enabled the staff to obtain a better understanding of our vision, strategy and the direction going forward, and how they can better contribute towards realising our vision.

CEO Dialogue
The CEO Dialogue is an important platform for staff members to communicate with the CEO, and for him to address their concerns. In 2015, the sessions were held outside the office to provide staff with a more relaxed ambience, thus encouraging them to be more forthcoming in sharing their thoughts. To obtain a better understanding of common issues faced by different segments, the sessions continued to be organised according to staff grades.

Staff social activities

Many social activities were organised during the year to enable staff to relax and rejuvenate. The social activities were also opportunities for staff and management to interact freely and enhance communication and *esprit de corps*.

"Lo Hei" and Chinese New Year Dinner

The annual ISCA Chinese New Year Dinner is a congregation of the ISCA family to welcome a brand new year. Together with ISCA President Gerard Ee, we enjoyed the traditional "lo-hei" to herald in all things good in the Year of the Goat.


ISCA staff enjoying the annual traditional Chinese New Year Dinner

Dinner and Dance

Inspired by the Singapore story and the nation's golden jubilee celebrations, the Dinner and Dance (D&D) was themed "Nostalgic Singapore". Staff members were encouraged to dress up as "pioneer" Singaporeans who lived and worked in the 1960s and 1970s. Our Council members joined in the fun at the D&D.

In line with the theme, the pre-event booths provided a walk down memory lane – with traditional games like *Tikam Tikam*, Snap and Five Stones; a green parrot assisting a fortune-teller, and a *Kachang Puteh* stall with a selection of treats. The scrumptious dinner and engaging programme of stage games, best-dressed contest, lucky draws and mass dance were very well received. Each staff member brought home an SG50 commemorative flash card.

ISCA staff having fun at the annual Dinner and Dance

We appreciate our staff, and the D&D was the obvious platform to honour our long serving staff. ISCA President presented 17 staff members with their long-service awards and thanked them for their dedication.

ISCA staff members and their children after a fun-filled day of activities

Bring Your Kids to Work

Staff members were encouraged to bring their children to work for one day as part of our efforts to promote family values and advocate work-life balance. The children had a guided tour of ISCA House, where they saw their parents' workstations and met the people they work with. They were then kept busy with a packed schedule of activities including handicrafts, face-painting, games and a Safari-themed party complete with a lion mascot.

This second Bring Your Kids to Work day continued our momentum to create a family-oriented organisation. By opening our doors to the children, we were able to show them that their parents play a vital role at work and in society; we also acknowledged the importance of family to our staff members.

Happy Hour

The Happy Hour sessions were introduced in 2012 to foster better relations between staff members and the senior management team. Given their success, we have retained the bi-annual late-Friday afternoon sessions. Over snacks and free-flowing drinks, colleagues saw a different side of each other in a social setting. Such interactions served to deepen the bonds among staff members, and contributed to a friendlier, warmer and more conducive work environment.

Healthy body, healthy mind

ISCA Run

The second ISCA Run was a gathering of ISCA staff, members and non-members for a morning workout with a charity element. The event boosted camaraderie among our members, and promoted family bonding and healthy living. It was also an opportunity for us and our members to give back to society. The Run, which is one of our corporate social responsibility efforts, succeeded in increasing awareness for two charity organisations – Movement for the Intellectually Disabled of Singapore, and Society for the Physically Disabled. Attracting more than 1,300 people, the event also raised funds for these organisations.

ISCA members and the public were off to a fast start.

Our Leaders

Council Members

Meet the team that has been tasked to guide the Institute as it moves towards realising its vision of becoming a globally recognised accountancy body.

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

2
Vice President
Mr R. Dhinakaran
Managing Director
Jay Gee Group of Companies

3
Treasurer
Mr Vincent Lim Boon Seng
Director of Finance – Asia, Motorola Solutions

4
Mr Chan Hon Chew
CFO
Keppel Corporation Limited

5
Mr Frankie Chia Soo Hien
Managing Partner & International Liaison Partner
BDO LLP

6
Mr Michael Chin Sek Peng
Deputy Managing Partner and Head of Audit & Assurance
PKF-CAP LLP

7
Mr Ho Tuck Chuen
Group CFO
JTC Corporation

8
Professor Ho Yew Kee
Head (Department of Accounting), NUS Business School
National University of Singapore

9
Mr Paul Lee Seng Meng
Managing Partner
RSM Chio Lim LLP

10
Ms Lee Shi Ruh
CFO
Genting Singapore PLC

11
Mr Lee Wai Fai
Group CFO
United Overseas Bank Limited

12
Ms Lim Kexin
Senior Manager, Tax (on secondment to PwC Indonesia)
PricewaterhouseCoopers LLP

13
Mr Max Loh Khum Whai
Managing Partner
ASEAN & Singapore
Ernst & Young LLP

14
Mr Anthony Mallek
CFO
Singapore Press Holdings Limited

15
Mr Ong Pang Thye
Deputy Managing Partner
KPMG LLP

16
Professor Pang Yang Hoong
Vice Provost (Undergraduate Matters and Student Development), Professor of Accounting
Singapore Management University

17
Mr Sim Hwee Cher
Vice Chairman, Operations, Assurance Leader
PricewaterhouseCoopers LLP

18
Mr Tam Chee Chong
Regional Managing Partner, Financial Advisory Services, Southeast Asia
Deloitte and Touche LLP

19
Mr Tan Khoon Guan
Founder & Director
K.G. Tan & Co PAC

20
Professor Gillian Yeo Hian Heng
Associate Dean (Faculty), Nanyang Business School
Nanyang Technological University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Principal Officers

Our Principal Officers provide leadership for our effective operation as the national accountancy body.

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1
Mr Lee Fook Chiew
Chief Executive Officer

2
Ms Goh Puay Cheh
Chief Operating Officer

3
Ms Janet Tan
Executive Director (Corporate Services)

4
Mr Titus Kuan
Director (Technical Advisory & Professional Standards)

5
Ms Jennifer Toh
Director (Communications, Member Services & Marketing)

6
Ms Joyce Tang
Director (Strategy, Global Alliances & Research)

Corporate Governance

Our ISCA Council sets the strategic direction and oversees the governance of the Institute.

Even with the best navigational equipment, a vessel requires those in charge to make critical decisions, such as the final destination, the different ports of call *en route*, as well as the most appropriate waterways to use. With consideration for existing and emerging circumstances including maritime regulations, sea traffic, routes and environmental conditions, the decision-makers are aware of their responsibilities to ensure the safe passage of the vessel and its passengers from embarkation to their respective journey's end.

Corporate Governance

The Council

The ISCA Council oversees and guides the strategies to forward the Institute's goal to become a globally recognised accountancy body, advance its members' interests, manage its risks and establish high standards of governance practices.

The Council meets seven times a year to review our operational performance and effectiveness in implementing our strategies and policies.

Among the various roles, the Council oversees the governance of the Institute. The Council members also actively participate in the Council meetings and in our different committees.

Strength in diversity

The diverse backgrounds of ISCA's Council members align with our conviction that diversity adds dynamism to the group, enhances vibrancy during discussions and promotes better decision-making. The width of perspectives and fresh ideas are particularly important in today's complex business environment.

The Council comprises leaders from the corporate sector, the public accounting profession and academia. These highly-respected individuals bring with them unique insights, wide-ranging experiences and extensive industry networks.

To help rejuvenate the Council, we have an ongoing initiative to draw new talent into its ranks. Recognising the importance of diversity, the Council inducts new members including senior business executives and accounting professionals.

Executive Committee

The Executive Committee (Exco) comprises the office bearers – President, Vice President, Treasurer – and two other Council members, as appointed by the Council. The Exco, which acts as the executive arm of the Council, exercises general oversight of the Institute's initiatives, and operational and financial matters.

Audit Committee

The Audit Committee comprises three Council members, all of whom are non-office bearers.

The Committee is tasked with ensuring the integrity of the financial statements through its oversight of the Institute's financial reporting process, and its internal and external audit functions.

In the course of discharging this role, the Committee reviews the selection and appointment of internal and external auditors, appraises the internal and external audit plans, as well as evaluates the Institute's risk management and internal control practices.

The Audit Committee also reviews significant findings arising from the audit and the annual financial statements prior to approval by the Council. The Committee is further able to investigate any matters within its purview as it deems appropriate.

Nominations Committee

The Nominations Committee assists the ISCA Council in sourcing and identifying candidates for internal and external appointments. It reviews and makes recommendations to the Council on the appointment of candidates to the different ISCA committees.

Report of the Council

The Council would like to present the 2015/2016 Annual Report and Accounts of the Institute for the year ended 31 December 2015.

At the first Council meeting held in April 2015, the following Council members were elected as office bearers:

President	-	Gerard Ee Hock Kim
Vice President	-	R. Dhinakaran
Treasurer	-	Vincent Lim Boon Seng

The Council

The 2015/2016 Council held seven ordinary meetings from April 2015 to March 2016. Column A indicates the number of Council meetings the member attended; column B shows the number of committees he/she sits on.

	A	B
Chan Hon Chew	5	1
Frankie Chia Soo Hien	6	2
Michael Chin Sek Peng	6	1
Gerard Ee Hock Kim	7	3
Ho Tuck Chuen	4	2
Ho Yew Kee	6	5
Paul Lee Seng Meng	6	3
Lee Shi Ruh	4	1
Lee Wai Fai	6	1
Vincent Lim Boon Seng	7	3
Lim Kexin	7	1
Max Loh Khum Whai	4	3
Anthony Mallek	3	3
Ong Pang Thye	6	3
Pang Yang Hoong	7	2
R. Dhinakaran	6	1
Sim Hwee Cher	2	1
Tam Chee Chong	5	2
Tan Khoon Guan	4	1
Gillian Yeo Hian Heng	5	2

List of Committees and Members

Executive Committee

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

Nominations Committee

1)	Ho Yew Kee	Chairman
2)	Gerard Ee Hock Kim	
3)	Ho Tuck Chuen	
4)	Ernest Kan Yaw Kiong	
5)	Steven Phan Swee Kim	

Audit Committee

1)	Max Loh Khum Whai	Chairman
2)	Ho Yew Kee	
3)	Paul Lee Seng Meng	

Auditing and Assurance Standards Committee

1)	Shariq Barmaky	Chairman
2)	Hans Koopmans	Deputy Chairman
3)	Chen Yiyi	
4)	Foo See Liang	
5)	Goh Kia Hong	
6)	Derek How Beng Tiong	
7)	Keung Ching Tung	
8)	Khor Boon Hong	
9)	Lau Soo Ching (Alternate: Bok-Tan Huey Fen)	
10)	Lee Eng Kian	
11)	Ng Hock Lee	
12)	Ng Kian Hui	
13)	Ong Pang Thye	
14)	Sydney Peh Xin Ni	
15)	Quek Su Lynn	
16)	Soh Gim Teik	
17)	Tan Boon Siong	
18)	Julia Tay (Observer) (Alternate: Sherry Quark)	
19)	John Teo Woon Keng	
20)	Toh Kim Teck	
21)	Gajendran Vyapuri	

Banking & Finance Committee

1)	Leong Kok Keong	Chairman
2)	Lian Wee Cheow	Deputy Chairman
3)	Balwinder Singh Bagary	
4)	Chow Khen Seng	
5)	Antony M Eldridge	
6)	Ho Kok Yong	
7)	Christine Lee	
8)	Jek Lim	
9)	Lim Lay Peng	
10)	Lim Tze Chern	
11)	Ong Ai Boon	
12)	Ong Siew Mooi	
13)	Tay Boon Suan	
14)	Sandy Tee Chee Han	
15)	Brian Thung Hock Lai	

Board of Education and Examiners

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

CFO Committee

1)	Lee Wai Fai	Chairman
2)	Chan Hon Chew	Deputy Chairman
3)	Chay Yee Meng	
4)	Chia Nam Toon	
5)	Goh Geok Cheng	
6)	Danny Heng Hock Kiong @ Heng Hang Siong	
7)	Anthony Mallek	
8)	Lee Shi Ruh	
9)	Anita Ler	
10)	Lim Cheng Cheng	
11)	Lelaina Lim	
12)	Grace Lim Siew Wah	
13)	Vincent Lim Boon Seng	
14)	Tommy Loke	
15)	Ng Eng Kiat	
16)	Ng Seok Keow @ Angie Lim	

Community, Social & Sports Advisory Panel

1)	Vincent Lim Boon Seng	Chairman
2)	Zahabar Ali	Deputy Chairman
3)	Philip Aw Vern Chun	
4)	Anna Chen Heung Kwan	
5)	Cheng Weng Hong	
6)	Esther Chng	
7)	Chua Siong Teck	
8)	Khoo Shee Fei	
9)	Lee Jian Wen	
10)	Helen Lee Lai Ken	
11)	Lee Puay Hien	
12)	David Leow	
13)	Ong Lei Lian	
14)	Eleana Tan Sze Ying	
15)	Wong Chee Ming	

Corporate Finance Committee

1)	Roger Tay Puay Cheng	Chairman
2)	Chan Yew Kiang	
3)	Chay Yiowmin	
4)	Robin Chin	
5)	Ho Kim Wai	
6)	Rebekah Khan	
7)	Mah Kah Loon	
8)	Ng Jiak See	
9)	Kaka Singh	
10)	Tan Tiong Heng	
11)	Tan Tze Gay	

Corporate Governance Committee

1)	Ho Tuck Chuen	Chairman
2)	Basil Chan	Deputy Chairman
3)	El'fred Boo Hian Yong	
4)	Anthony Cheong Fook Seng	
5)	Chow Kam Wing	
6)	Foo See Liang	
7)	Andy Gan	
8)	David Leow	
9)	Irving Low	
10)	Mak Yuen Teen	
11)	Anthony Mallek	
12)	Neo Sing Hwee	
13)	Seah Gek Choo	
14)	Tan Chin Poh	
15)	Teoh Teik Toe	

Ethics Committee

1)	Kwok Wui San	Chairman
2)	Sajjad Akhtar	
3)	Patrick Ang	
4)	Eng Chin Chin	
5)	David Gerald	
6)	Uantchern Loh	Observer
7)	Anthony Mallek	
8)	Ong Bee Yen	
9)	Tan Seng Choon	
10)	Julia Tay (Alternates: Sherry Quark and Angela Leow)	Observer

Financial Reporting Committee	
1) Chua Kim Chiu	Chairman
2) Reinhard Klemmer	Deputy Chairman
3) Shariq Barmaky	
4) Chen Voon Hoe	
5) Cheng Ai Phing	
6) Susan Foong Chooi Chin	
7) Keoy Soo Earn	
8) Irene Khoo	
9) Thanabalan Ladamuthu	
10) Mikkel Bilyk Larsen	
11) Lee Eng Kian	
12) Paul Lee Seng Meng	
13) Lim Chu Yeong	
14) Eric Lim Jin Huei	
15) Lim Jit Soon	
16) Loh Ji Kin	
17) Low Kin Yew	
18) Mak Keat Meng	
19) Ng Joo Khin	
20) Sim Hwee Cher	
21) Kenny Tan Choon Wah	
22) Paul Tan Poh Lee	
23) Tan Boon Siong	
24) Tan Seng Choon	
25) Jeremy Toh	

Financial Statements Review Committee	
1) Kok Moi Lre	Chairperson
2) Tan Swee Ho	Deputy Chairman & Sub-Group Chair
3) David Leaver	Deputy Chairman & Sub-Group Chair
4) Choo Eng Beng	Sub-Group Chair
5) Goh Swee Hong	Sub-Group Chair
6) Lee Eng Kian	Sub-Group Chair
7) James Xu	Sub-Group Chair
8) Ang Poh Choo	
9) Chan Weng Keen	
10) Chan Yew Kiang	
11) Yvonne Chiu	
12) Chua Lay See	
13) Adrian Koh	
14) Simon Lambert	
15) Paul Leow	
16) Jacqueline Lew	
17) Lo Mun Wai	
18) Peter Low	
19) Neo Keng Jin	
20) Ng Hock Lee	
21) William Ng	
22) Kevin Ohng	
23) Ong Soo Ann	
24) Poon Yew Wah	
25) Seah Gek Choo	
26) Soh Ling Leng	
27) Angeline Tan	
28) Patrick Tan	
29) Tan Peck Yan	
30) Tay Guat Peng	
31) Gajendran Vyapuri	

Information Technology Services Advisory Panel

1)	Yoong Ee Chuan	Chairman
2)	Benjamin Chiang Wing Wai	
3)	Foong Sew Bun	
4)	Philip Kwa Teow Huat	
5)	Jessie Leow Mei Ling	
6)	Ng Cheng Hwa	
7)	Lyon Poh Leong Yeow	
8)	Danny Yap Choh Tat	

Insolvency Practices Committee

1)	Bob Yap	Chairman
2)	Andrew Grimmett	Deputy Chairman
3)	Abuthahir Abdul Gafoor	
4)	Chan Yee Hong	
5)	Angela Ee	
6)	Kon Yin Tong	
7)	Leow Quek Shiong	
8)	Sam Kok Weng	

Insurance Committee

1)	Woo Shea Leen	Chairperson
2)	Lau Kam Yuen	Deputy Chairman
3)	Alistair John Chamberlain	
4)	Eileen Giam	
5)	Jeffrey Lowe	
6)	Jason Neo Choong Hua	
7)	Rina Tan Bee Hong	
8)	Yap Swee Gek	

Investigation & Disciplinary Panel

Members

1) Bill Bowman
2) Chan Weng Sern Vincent
3) Cheong Kum Foong
4) Vivienne Chiang Kok Ying
5) Khoo Teng Aun
6) Lee Eng Kian
7) Lee Jeng Wah
8) Winnie Liew
9) Lim Yeong Seng
10) Jocelyn Lim
11) Lo Wei Min
12) Loo Wen Lieh
13) Luar Eng Hwa
14) Seshadri Rajagopalan
15) Saw Meng Tee
16) Soh Gim Teik
17) Henry Tan Song Kok
18) Tang Shiuh Huei
19) Teo Cheow Tong
20) Yim Kam May

Lay Persons

21)	Adrian Chan	Lawyer
22)	Chan Seng Kee	Architect
23)	Jacqueline Loke	Lawyer
24)	Emily Tan	Engineer
25)	Raymond Tong	Lawyer
26)	Bertha Woon	Doctor
27)	Julia Yeo	Lawyer

IS Chartered Accountant Journal Editorial Advisory Panel

1)	Gerard Ee Hock Kim	Chairman
2)	Tan Hun Tong	Deputy Chairman
3)	Cheng Nam Sang	
4)	Edmund Keung Ching Tung	
5)	Koh Wei Chern	
6)	Paul Lee Seng Meng	
7)	Lelaina Lim Siew Li	
8)	Luke Lim	

Integrated Reporting <IR> Steering Committee

1)	Ernest Kan	Chairman
2)	Willie Cheng	
3)	Chng Lay Chew (Alternate: Darrell Lim)	
3)	David Gerald (Alternate: Andrew Kwek)	
5)	Ho Yew Kee	
6)	Mikkel Larsen	
7)	Max Loh Khum Whai	
8)	Uantchern Loh	
9)	Pang Yang Hoong	
10)	Geoff R Wilson (Alternate: Ong Pang Thye)	
11)	Kenneth Yap	
12)	Gillian Yeo Hian Heng	
13)	Yeoh Oon Jin	

Membership Committee

1)	Ho Yew Kee	Chairman
2)	Ong Pang Thye	
3)	Ho Kuen Loon	
4)	Tam Chee Chong	
5)	Rick Chan Hock Leong	

Public Accounting Practice Committee

1)	Frankie Chia	Chairman
2)	Michael Chin Sek Peng	Deputy Chairman
3)	Balasubramaniam Janamanchi	
4)	Raymond Chan Tuck Chee	
5)	Francis Chin Yoke Lan	
6)	Derek How	
7)	Eleanor Lee Kim Lin	
8)	Terence Ng Chi Hou	
9)	Ng Meow Ling	
10)	John Tan Hon Chye	
11)	Tan Khoon Guan	
12)	Denis Allen Usher	

Singapore Institute of Accredited Tax Professionals Board

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

Young Professionals Advisory Committee

1)	Lim Kexin	Chairperson
2)	Chris Loh Yu Jun	Deputy Chairman
3)	Chai Tse Whei	
4)	Shawn Goh Wenbang	
5)	Adeline Kee	
6)	Aanault Lee Chuan Feng	
7)	Lee Yean Ting	
8)	Adrian Lee Yu-Min	
9)	Alton Neo Chun How	
10)	Ong Jian He	
11)	Tam Chee Chong	
12)	Dominique Tan Chin Soon	
13)	Tang Shing Him	
14)	Kelvin Teo	
15)	Wee Boon Hoong	

Risks And Opportunities

We work hard to engender the support of our members, thus furthering our sustainability. We adapt and respond quickly to an environment where regulations and practices are constantly evolving.

Sailing the high seas is not without its challenges, even for a modern vessel. While technology can help in forewarning the crew of inclement weather and changes in wave and tide, and navigational equipment plays an essential role in ensuring true passage along a charted course, the core fundamentals – a sturdy, seaworthy vessel, manned by a capable captain and crew that is prepared for emergencies – must be in place to mitigate any emerging or unexpected hazards.

Risks

A risk generally refers to a threat or setback that stands in the way of achieving a goal. For a members-based Institute like us, the ability to fulfil our mission as the national accountancy body ultimately depends on the support of our members.

Members join the Institute to advance their professional goals, taking advantage of our training, accreditation and networking programmes. We risk losing our relevance if we are unable to offer the value that members seek.

A decrease in membership numbers will result in fewer resources and revenue for us, especially as membership fees are one of the main sources of our revenue stream. A smaller base will reduce our capacity to offer existing programmes, and hinder the roll-out of new initiatives to benefit members.

Our ability to effectively represent the views of our members as a professional accountancy body also depends to a large extent on the strength of our membership. A shrinking base will weaken our voice when engaging the government and other stakeholders, and affect our standing in the global accountancy arena. All these contribute to make the Institute less appealing to prospective members.

Staying relevant

We work hard to engender the support of our members, thus furthering our sustainability.

We will continue to adapt and respond quickly to a dynamic external environment where financial regulations, accounting and auditing practices are constantly evolving.

Although the slowing economic environment has cast a pall on business, the accountancy profession will remain an integral part of every business organisation.

As the nature of business transforms and more cross-border transactions take place, we will help members to meet the changing demands on, and additional expectations of, accounting professionals.

Accountants are increasingly being required to take on new, higher-order roles. Our responsibility is to equip members with the latest skills and knowhow to help them step up to these new challenges, and attain a competitive edge. To do this, we must keep in touch with the latest developments, and also be able to transfer the knowledge to our members in the most effective ways.

Keeping ourselves in the know about current issues and trends in international accounting, auditing and tax standards will bolster our ability to carry out our role as a partner to the government and stakeholders in transforming Singapore into a leading global accountancy hub.

Tapping on talents

The collective expertise and capability of our staff, and our organisational efficiency, are critical to our ability to implement the strategies set forth by the Council. The staff provide support to the various committees, organise events and activities for members, and deliver programmes under ISCA's centres of excellence. Thus, it is important that we are able to recruit and retain the best people for these responsibilities. Without them, our ability to carry out our role as the national accountancy body will be severely impacted. This is especially pertinent in a tight labour market where the competition for talent is intense.

We must maintain an exemplary human resource policy that meets an individual's

aspirations for fulfilment and development. Otherwise, we risk losing our ability to recruit and retain talents, which will adversely affect our ability to implement programmes that can attract more members to join the Institute.

Digital revolution

Rapid advances in technology pose both risks and opportunities to us, and the broader accountancy sector we serve.

Disruptive technologies have spawned innovative business models, and in particular, financial technologies are making the impossible possible – for example, data analytics can provide meaning to a mass of information, and accounting software can substantially improve productivity. But the advent of technology also brings with it attendant dangers linked to cyber security and money laundering and the financing of terrorism resources. Responding to these trends, we will ensure that our programmes can adequately equip members with the skills to reap the benefits of existing and emerging technologies, and also the competencies to avoid the problems.

Technology has led to a rise in web-based academic and professional education in recent years. Massive open online courses has emerged as a credible model for delivering course content online to anyone who wants to take a course, with little limitation on attendance.

This emerging form of learning could potentially threaten the more traditional classroom-based model offered by institutions such as ISCA. Leveraging the advantage of technology, we have launched an e-learning library with over 400 courses that members can easily access at their own time and convenience.

A fast-revolving business environment means that knowledge and skills have a shorter shelf life, and the Internet has become an essential platform for learners to pick up new knowledge and stay relevant over the course of their careers. As such, we will continue to capitalise on web-based learning to further our mission.

Financial Statements

STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Gerard Ee and Vincent Lim Boon Seng, being the President and Treasurer respectively, do hereby state that in our opinion, the consolidated financial statements of the Group and financial statements of the Institute set out on pages 63 to 98 are properly drawn up in accordance with the Societies Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Institute as at 31 December 2015 and of its results, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

Gerard Ee
President

Vincent Lim Boon Seng
Treasurer

8 March 2016

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

Report on the Financial Statements

We have audited the accompanying financial statements of the Institute of Singapore Chartered Accountants (the "Institute") and its subsidiaries (collectively, the "Group") set out on pages 63 to 98, which comprise the balance sheets of the Group and the Institute as at 31 December 2015, 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 a summary of significant accounting policies and other explanatory information.

The Council's Responsibility 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 Singapore Financial Reporting Standards, and for such internal control as Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Institute are properly drawn up in accordance with the Societies Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of the Group and the Institute as at 31 December 2015 and the results, changes in funds and cash flows of the Group and the Institute for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Institute have been properly kept in accordance with those regulations.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

Khor Boon Hong
Engagement Partner
(appointed since financial year ended 31 December 2012)

8 March 2016

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	Group 2015 $	Group 2014 $	Institute 2015 $	Institute 2014 $
Income					
Members' annual fees		**7,363,710**	7,299,505	**7,363,710**	7,299,505
Members' admission fees		**595,400**	700,200	**595,400**	700,200
Income from Continuing Professional Education		**4,865,643**	4,944,316	**4,866,223**	4,944,567
Income from other training courses		**11,852,350**	14,848,718	**4,078,473**	5,220,707
Other income	5	**5,912,927**	5,152,275	**5,846,491**	5,062,911
Total income		**30,590,030**	32,945,014	**22,750,297**	23,227,890
Less expenditure					
Operating expenses (excluding impairment)		**(31,900,430)**	(32,813,117)	**(22,850,736)**	(22,852,730)
Write-back of impairment loss of freehold land and building	9,10	**101,700**	2,147,300	**101,700**	2,147,300
Total expenditure		**(31,798,730)**	(30,665,817)	**(22,749,036)**	(20,705,430)
(Deficit)/surplus from operating activities	4	**(1,208,700)**	2,279,197	**1,261**	2,522,460
Share of profit of associate (net of tax)		**748**	1,818	**–**	–
(Deficit)/surplus before tax		**(1,207,952)**	2,281,015	**1,261**	2,522,460
Income tax (expense)/credit	6	**(34,377)**	41,791	**(27,000)**	84,000
(Deficit)/surplus for the year	7	**(1,242,329)**	2,322,806	**(25,739)**	2,606,460
(Deficit)/surplus from specific fund:					
Community Service Project Fund	19	**(95,888)**	13,487	**(95,888)**	13,487
Total comprehensive (loss)/income for the year		**(1,338,217)**	2,336,293	**(121,627)**	2,619,947

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

BALANCE SHEETS

At 31 December 2015

	Note	Group 2015 $	Group 2014 $	Institute 2015 $	Institute 2014 $
Non-current assets					
Property, plant and equipment	9	**13,071,649**	13,531,187	**2,092,707**	2,339,630
Investment properties	10	**26,052,328**	26,429,029	**36,689,528**	37,021,963
Subsidiaries	11	**–**	–	**300,003**	300,003
Associate	12	**107,856**	107,108	**–**	–
Deferred tax assets	13	**337,000**	364,000	**193,000**	220,000
Intangible assets	14	**558,081**	661,712	**460,471**	495,921
		40,126,914	41,093,036	**39,735,709**	40,377,517
Current assets					
Inventories		**15,240**	15,240	**15,240**	15,240
Trade and other receivables	15	**3,151,806**	2,550,734	**2,971,450**	2,411,343
Cash and cash equivalents	16	**18,202,275**	20,284,939	**12,638,283**	12,694,933
		21,369,321	22,850,913	**15,624,973**	15,121,516
Total assets		**61,496,235**	63,943,949	**55,360,682**	55,499,033
Non-current liabilities					
Provisions	17	**537,319**	532,856	**361,519**	357,056
Current liabilities					
Trade and other payables	18	**6,165,362**	6,499,822	**5,074,126**	5,114,497
Course fees received in advance		**2,192,054**	2,955,027	**445,962**	412,987
Subscription fees received in advance		**3,103,099**	3,116,490	**3,102,499**	3,116,290
Current tax payable		**9,272**	12,408	**–**	–
		11,469,787	12,583,747	**8,622,587**	8,643,774
Total liabilities		**12,007,106**	13,116,603	**8,984,106**	9,000,830
Net assets		**49,489,129**	50,827,346	**46,376,576**	46,498,203
Represented by					
Accumulated fund		**49,489,129**	50,731,458	**46,376,576**	46,402,315
Community Service Project Fund	19	**–**	95,888	**–**	95,888
		49,489,129	50,827,346	**46,376,576**	46,498,203

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

STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2015

	Accumulated fund $	Community Service Project fund $	Total $
Group			
Balance at 1 January 2014	48,408,652	82,401	48,491,053
Surplus and total comprehensive income for the year	2,322,806	13,487	2,336,293
Balance at 31 December 2014	50,731,458	95,888	50,827,346
Deficit and total comprehensive loss for the year	(1,242,329)	(95,888)	(1,338,217)
Balance at 31 December 2015	**49,489,129**	**–**	**49,489,129**
Institute			
Balance at 1 January 2014	43,795,855	82,401	43,878,256
Surplus and total comprehensive income for the year	2,606,460	13,487	2,619,947
Balance at 31 December 2014	46,402,315	95,888	46,498,203
Deficit and total comprehensive loss for the year	(25,739)	(95,888)	(121,627)
Balance at 31 December 2015	**46,376,576**	**–**	**46,376,576**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2015

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Cash flows from operating activities				
(Deficit)/surplus before tax	**(1,207,952)**	2,281,015	**1,261**	2,522,460
Adjustments for:				
Depreciation, write-back of impairment loss and amortisation of property, plant and equipment, investment properties and intangible assets	**1,451,118**	(645,068)	**1,092,296**	(1,021,744)
Finance cost	**4,463**	4,408	**4,463**	4,408
Interest income	**(127,780)**	(81,985)	**(94,960)**	(50,766)
Property, plant and equipment written off	**–**	329	**–**	–
Share of profit of associate	**(748)**	(1,818)	**–**	–
Operating surplus before working capital changes	**119,101**	1,556,881	**1,003,060**	1,454,358
Inventories	**–**	1,089	**–**	1,089
Receivables	**(596,310)**	439,170	**(552,875)**	900,577
Payables	**(334,460)**	(89,776)	**(40,371)**	(289,978)
Course fees received in advance	**(762,973)**	(1,005,482)	**32,975**	(132,558)
Subscription fees received in advance	**(13,391)**	2,763,872	**(13,791)**	2,765,562
Cash (used in)/generated from operations	**(1,588,033)**	3,665,754	**428,998**	4,699,050
Income tax paid	**(10,513)**	(14,683)	**–**	–
(Payments)/receipts from Community Service Project Fund	**(95,888)**	13,487	**(95,888)**	13,487
Net cash (used in)/from operating activities	**(1,694,434)**	3,664,558	**333,110**	4,712,537
Cash flows from investing activities				
Fixed deposit pledged	**(38)**	(38)	**–**	–
Interest received	**123,018**	81,595	**87,728**	49,262
Purchases of property, plant and equipment	**(342,981)**	(165,080)	**(327,811)**	(117,811)
Additions to intangible assets	**(168,267)**	(242,170)	**(149,677)**	(238,270)
Net cash used in investing activities	**(388,268)**	(325,693)	**(389,760)**	(306,819)
Net (decrease)/increase in cash and cash equivalents	**(2,082,702)**	3,338,865	**(56,650)**	4,405,718
Cash and cash equivalents at beginning of year	**20,269,769**	16,930,904	**12,694,933**	8,289,215
Cash and cash equivalents at end of year (Note 16)	**18,187,067**	20,269,769	**12,638,283**	12,694,933

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

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

1 Corporate information

The Institute (UEN No. T04SS0109E) is the national 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 11.

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 and Singapore Financial Reporting Standards ("FRS").

The financial statements, which are presented in Singapore dollar ("$"), have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

The preparation of financial statements in conformity with FRS 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 income or expenditure during the financial year. Although these estimates are based on the 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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

2 Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

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 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group and financial statements of the Institute, except as disclosed as follows:

New or revised FRS and INT FRS issued at balance sheet date but not effective

<u>FRS 115 Revenue from Contracts with Customers</u>

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 and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2018. The Group and the Institute will reassess their contracts with customers in accordance with FRS 115.

<u>FRS 109 Financial Instruments</u>

FRS 109 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. FRS 109, when effective, will replace FRS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will reassess the potential impact of FRS 109 and plans to adopt the standard on the required effective date.

b) Consolidation

Subsidiaries

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

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

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

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

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

2 Significant accounting policies (cont'd)

b) Consolidation (cont'd)

Associate

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

Accounting for subsidiaries and associate by the Institute

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

c) Functional and foreign currencies

Functional currency

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

Foreign currencies

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

d) Inventories

Inventories, comprising commemorative gold coins, 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.

2 Significant accounting policies (cont'd)

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

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

Freehold buildings	50 years
Furniture and office equipment	4 to 10 years
Computers	3 to 4 years
Renovation	3 to 12 years

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.

g) Intangible assets

Acquired intellectual property and website development are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives of 3 years.

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

2 Significant accounting policies (cont'd)

h) Impairment of non-financial assets

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

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

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

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

i) Financial assets

i) 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. The Group's only financial assets are 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.

ii) 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.

iii) Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

2 Significant accounting policies (cont'd)

i) Financial assets (cont'd)

iv) Subsequent measurement

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.

v) 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.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators 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 reversed date.

j) Financial liabilities

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

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

k) Provisions

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

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

2 Significant accounting policies (cont'd)

l) Operating leases

Lessee

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

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

Lessor

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

m) Cash and cash equivalents

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

n) Revenue recognition

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

Members' annual and admission fees are recognised when due.

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

Administrative fee income from the administration of Singapore Qualification Programme ("SQP") 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 SQP.

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

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

Management fees are recognised when services are rendered.

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

2 Significant accounting policies (cont'd)

o) Government grants

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

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

p) Employee benefits

Defined contribution plans

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

Employee leave entitlement

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

q) Income tax

Income tax for the financial year comprises current and deferred tax. Income tax is recognised in income or expenditure except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the liability method, providing for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

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

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

3 Critical accounting judgement 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, 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 with in the following paragraphs).

Deferred income tax assets

The Group and the Institute recognise deferred income tax assets on carried forward tax losses and other temporary differences to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group and the Institute are in compliance with certain provisions of tax legislation. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The unrecognised tax losses and the carrying values of deferred tax assets recognised of the Group and the Institute at 31 December 2015 are disclosed in Notes 6 and 13 respectively.

Key source of estimation uncertainty

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

Depreciation of property, plant and equipment and investment properties

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

The carrying amounts of the Group's and Institute's property, plant and equipment and investment properties as at 31 December 2015 and the annual depreciation charges for the financial year ended 31 December 2015 are disclosed in Notes 9 and 10 respectively.

4 (Deficit)/surplus from operating activities

	Secretariat 2015 $	Secretariat 2014 $
Group		
Income		
Members' annual fees	**7,363,710**	7,299,505
Members' admission fees	**595,400**	700,200
Income from Continuing Professional Education	**–**	–
Income from other training courses	**–**	–
Other income	**5,929,623**	5,545,909
Total income	**13,888,733**	13,545,614
Less expenditure		
Operating expenses (excluding impairment)	**(17,727,747)**	(17,915,956)
Write-back of impairment loss of freehold land and building	**101,700**	2,147,300
Total expenditure	**(17,626,047)**	(15,768,656)
(Deficit)/surplus from operating activities	**(3,737,314)**	(2,223,042)
Institute		
Income		
Members' annual fees	**7,363,710**	7,299,505
Members' admission fees	**595,400**	700,200
Income from Continuing Professional Education	**–**	–
Income from other training courses	**–**	–
Other income	**5,048,989**	4,699,367
Total income	**13,008,099**	12,699,072
Less expenditure		
Operating expenses (excluding impairment)	**(16,828,330)**	(17,147,181)
Write-back of impairment loss of freehold land and building	**101,700**	2,147,300
Total expenditure	**(16,726,630)**	(14,999,881)
(Deficit)/surplus from operating activities	**(3,718,531)**	(2,300,809)

Training division		Elimination		Total	
2015	2014	**2015**	2014	**2015**	2014
$	$	**$**	$	**$**	$
–	–	**–**	–	**7,363,710**	7,299,505
–	–	**–**	–	**595,400**	700,200
4,866,223	4,944,567	**(580)**	(251)	**4,865,643**	4,944,316
11,852,350	14,848,718	**–**	–	**11,852,350**	14,848,718
1,471,835	1,013,311	**(1,488,531)**	(1,406,945)	**5,912,927**	5,152,275
18,190,408	20,806,596	**(1,489,111)**	(1,407,196)	**30,590,030**	32,945,014
(15,661,794)	(16,304,357)	**1,489,111**	1,407,196	**(31,900,430)**	(32,813,117)
–	–	**–**	–	**101,700**	2,147,300
(15,661,794)	(16,304,357)	**1,489,111**	1,407,196	**(31,798,730)**	(30,665,817)
2,528,614	4,502,239	**–**	–	**(1,208,700)**	2,279,197
–	–	**–**	–	**7,363,710**	7,299,505
–	–	**–**	–	**595,400**	700,200
4,866,223	4,944,567	**–**	–	**4,866,223**	4,944,567
4,078,473	5,220,707	**–**	–	**4,078,473**	5,220,707
797,502	363,544	**–**	–	**5,846,491**	5,062,911
9,742,198	10,528,818	**–**	–	**22,750,297**	23,227,890
(6,022,406)	(5,705,549)	**–**	–	**(22,850,736)**	(22,852,730)
–	–	**–**	–	**101,700**	2,147,300
(6,022,406)	(5,705,549)	**–**	–	**(22,749,036)**	(20,705,430)
3,719,792	4,823,269	**–**	–	**1,261**	2,522,460

5 Other income

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Secretariat				
Government grants	**89,879**	53,788	**89,879**	37,265
Registration and subscription fees	**755,325**	758,715	**–**	–
Interest income from bank deposits and bank balances	**107,462**	60,601	**94,960**	50,766
Management fees	**936,655**	870,777	**936,655**	870,777
Practice Monitoring income and review fees	**150,000**	233,406	**150,000**	233,406
Seminar and talk fees	**985,765**	1,054,811	**877,979**	998,504
Rental income	**2,149,910**	1,791,675	**2,149,910**	1,791,675
Advertising income	**123,856**	223,065	**123,856**	223,065
Other fees	**126,031**	113,474	**126,031**	113,474
Sundry income	**504,740**	385,597	**499,719**	380,435
	5,929,623	5,545,909	**5,048,989**	4,699,367
Training Division				
Government grants	**155,843**	83,571	**9,000**	–
Interest income from bank deposits and bank balances	**20,318**	21,384	**–**	–
Seminar and talk fees	**105,515**	78,119	**96,715**	76,519
Rental income	**167,584**	165,804	**28,861**	47,817
SQP net administrative fee	**175,780**	206,597	**175,780**	206,597
Other fees	**285,237**	374,390	**13,580**	6,940
Sundry income	**561,558**	83,446	**473,566**	25,671
	1,471,835	1,013,311	**797,502**	363,544
Sub-total	**7,401,458**	6,559,220	**5,846,491**	5,062,911
Elimination	**(1,488,531)**	(1,406,945)	**–**	–
Combined	**5,912,927**	5,152,275	**5,846,491**	5,062,911

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

	$	$	**$**	$
Staff costs	**(624,394)**	(851,030)	**(624,394)**	(851,030)
Contributions to CPF	**(84,317)**	(106,441)	**(84,317)**	(106,441)
Rental expenses	**(69,887)**	(269,401)	**(69,887)**	(269,401)
Depreciation of property, plant equipment (Note 9)	**(23,700)**	(46,837)	**(23,700)**	(46,837)
Amortisation of intangible assets (Note 14)	**(53,357)**	(31,125)	**(53,357)**	(31,125)

6 Income tax expense/(credit)

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

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Current income tax	**7,103**	12,408	**–**	–
Deferred tax	**(143,000)**	(130,000)	**(105,000)**	(84,000)
	(135,897)	(117,592)	**(105,000)**	(84,000)
Under/(over) provision of income tax in prior years	**274**	(199)	**–**	–
Over recognition of deferred tax assets in prior years	**170,000**	76,000	**132,000**	–
	34,377	(41,791)	**27,000**	(84,000)

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 (deficit)/surplus before tax due to the following factors:

	$	$	**$**	$
(Deficit)/surplus before tax	**(1,207,952)**	2,281,015	**1,261**	2,522,460
Tax calculated at a tax rate of 17%	**(205,351)**	387,773	**215**	428,818
Singapore statutory stepped income exemption	**(9,788)**	(16,187)	**–**	–
Income not subject to tax	**(45,842)**	(383,341)	**(34,281)**	(370,332)
Expenses not deductible for tax purposes	**134,298**	104,733	**93,866**	85,341
Effect of tax incentive and tax rebate*	**(185,721)**	(213,939)	**(164,129)**	(206,307)
Deferred tax assets not recognised	**168,157**	23,789	**–**	–
Recognition of deferred tax assets previously not recognised	**–**	(21,000)	**–**	(21,000)
Under/(over) provision of income tax in prior years	**274**	(199)	**–**	–
Over recognition of deferred tax assets in prior years	**170,000**	76,000	**132,000**	–
Others	**8,350**	580	**(671)**	(520)
	34,377	(41,791)	**27,000**	(84,000)

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

6 Income tax expense/(credit) (cont'd)

At the balance sheet date, the Group and the Institute have unutilised tax losses of $2,214,000 (2014: $1,408,000) and $409,000 (2014: $524,000) respectively that 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 the Institute have recognised deferred tax assets in respect of $409,000 (2014: $1,074,000) and $409,000 (2014: $524,000) respectively of such losses, on the basis that there are sufficient estimated future taxable profits and taxable temporary differences against which the tax benefits can be utilised, based on the management projection of surplus from operations. No deferred tax assets have been recognised in respect of the remaining $1,805,000 (2014: $334,000) unutilised tax losses as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

7 (Deficit)/surplus for the year

This is arrived at after charging the following:

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Depreciation of property, plant and equipment (Note 9)	**880,519**	845,398	**551,034**	495,474
Depreciation of investment properties (Note 10)	**376,701**	376,701	**434,135**	434,135
Amortisation of intangible assets (Note 14)	**218,541**	202,171	**131,770**	117,985
Bad debts written off	**4,164**	13,496	**4,164**	390
Direct costs of providing training and other courses	**6,054,705**	6,306,839	**2,606,065**	2,850,442
Finance cost	**4,463**	4,408	**4,463**	4,408
Property, plant and equipment written off	**–**	329	**–**	–
Rental expenses	**3,523,373**	3,542,964	**2,328,354**	2,194,150
Staff costs (Note 8)	**14,606,603**	13,919,513	**11,785,935**	10,967,839

8 Staff costs

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and bonuses	**12,876,818**	12,341,528	**10,401,111**	9,742,377
Contributions to CPF	**1,483,451**	1,350,002	**1,181,478**	1,041,857
Other employee benefit expenses	**246,334**	227,983	**203,346**	183,605
	14,606,603	13,919,513	**11,785,935**	10,967,839

9 Property, plant and equipment

Group

	Freehold land $	Freehold buildings $	Furniture and office equipment $	Computers $	Renovation $	Total $
Cost						
Balance at 1 January 2014	8,799,321	2,871,686	2,239,939	1,942,252	1,610,325	17,463,523
Additions	–	–	36,611	229,225	–	265,836
Written off	–	–	(7,050)	(14,529)	–	(21,579)
Adjustments	–	–	(67,073)	–	(33,683)	(100,756)
Balance at 31 December 2014	8,799,321	2,871,686	2,202,427	2,156,948	1,576,642	17,607,024
Additions	–	–	28,825	314,156	–	342,981
Balance at 31 December 2015	**8,799,321**	**2,871,686**	**2,231,252**	**2,471,104**	**1,576,642**	**17,950,005**
Accumulated depreciation and impairment						
Balance at 1 January 2014	1,061,649	918,939	398,738	1,559,436	226,039	4,164,801
Depreciation charge for the year	–	57,434	344,635	253,096	237,070	892,235
Written off	–	–	(6,721)	(14,529)	–	(21,250)
Write-back of impairment loss	(959,949)	–	–	–	–	(959,949)
Balance at 31 December 2014	101,700	976,373	736,652	1,798,003	463,109	4,075,837
Depreciation charge for the year	–	57,434	343,735	265,514	237,536	904,219
Write-back of impairment loss	(101,700)	–	–	–	–	(101,700)
Balance at 31 December 2015	**–**	**1,033,807**	**1,080,387**	**2,063,517**	**700,645**	**4,878,356**
Carrying amount						
Balance at 31 December 2014	8,697,621	1,895,313	1,465,775	358,945	1,113,533	13,531,187
Balance at 31 December 2015	**8,799,321**	**1,837,879**	**1,150,865**	**407,587**	**875,997**	**13,071,649**

9 Property, plant and equipment (cont'd)

Group (cont'd)

(a) The Elite Building is classified as an investment property in the Institute's balance sheet as it is fully leased out. However in the Group's consolidated balance sheet, the portion that is occupied by its wholly-owned subsidiary, SAA Global Education Centre Pte. Ltd., is classified as property, plant and equipment.

(b) At the balance sheet date, the market value of certain units of the Elite Building (Note (e) below) classified as property, plant and equipment is valued at $12,000,000 (2014: $12,000,000). The valuation is determined based on the properties' highest and best use by an external and independent professional valuer, Suntec Real Estate Consultants Pte Ltd, using the Direct Comparison Approach, under which the property is assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing and all other factors affecting its value. The fair value measurement is categorised under Level 3 of the fair value hierarchy.

As the recoverable amount of the land portion of Elite Building units in the current financial year is higher than its carrying amount, a write-back of impairment loss of $101,700 (2014: $959,949) is recognised by the Group.

(c) The basis of determining fair values for measurement is as follows:

Information about significant unobservable inputs used in the valuation model

Description	**Valuation technique**	**Significant unobservable input**	**Range**
Elite Building Consisting of 2 floors (Units #04-01, #04-02, #05-01 and #05-02)	Direct comparison approach	Price per square metre	$8,750 to $15,077

A significant increase (decrease) in the significant unobservable input would result in a significantly higher (lower) fair value measurement.

(d) Depreciation charge is taken up as follows:

	2015 **$**	2014 $
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - SQP net administrative fee (Note 5)	**23,700**	46,837
- Operating expenses (Note 7)	**880,519**	845,398
	904,219	892,235

9 Property, plant and equipment (cont'd)

Group (cont'd)

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

Location	Floor area (Square metres)	Tenure
Elite Building 20 Aljunied Road Singapore 389805 Consisting of 2 floors (Units #04-01, #04-02, #05-01 and #05-02)	1,212	Freehold

Institute

	Furniture and office equipment $	Computers $	Renovation $	Total $
Cost				
Balance at 1 January 2014	1,531,665	1,710,195	1,161,291	4,403,151
Additions	23,775	194,792	–	218,567
Written off	(730)	(13,418)	–	(14,148)
Adjustments	(67,073)	–	(33,683)	(100,756)
Balance at 31 December 2014	1,487,637	1,891,569	1,127,608	4,506,814
Additions	18,721	309,090	–	327,811
Balance at 31 December 2015	**1,506,358**	**2,200,659**	**1,127,608**	**4,834,625**
Accumulated depreciation				
Balance at 1 January 2014	179,373	1,398,459	61,189	1,639,021
Depreciation charge for the year	217,579	203,177	121,555	542,311
Written off	(730)	(13,418)	–	(14,148)
Balance at 31 December 2014	396,222	1,588,218	182,744	2,167,184
Depreciation charge for the year	218,097	234,616	122,021	574,734
Balance at 31 December 2015	**614,319**	**1,822,834**	**304,765**	**2,741,918**
Carrying amount				
Balance at 31 December 2014	1,091,415	303,351	944,864	2,339,630
Balance at 31 December 2015	**892,039**	**377,825**	**822,843**	**2,092,707**

9 Property, plant and equipment (cont'd)

Institute (cont'd)

(aa) Depreciation charge is taken up as follows:

	2015 $	2014 $
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - SQP net administrative fee (Note 5)	**23,700**	46,837
- Operating expenses (Note 7)	**551,034**	495,474
	574,734	542,311

10 Investment properties

	Group 2015 $	Group 2014 $	Institute 2015 $	Institute 2014 $
Cost				
At beginning and end of year	**30,211,757**	30,211,757	**41,882,764**	41,882,764
Accumulated depreciation and impairment				
At beginning of year	**3,782,728**	4,593,378	**4,860,801**	6,573,966
Depreciation charge (Note 7)	**376,701**	376,701	**434,135**	434,135
Write-back of impairment loss	**–**	(1,187,351)	**(101,700)**	(2,147,300)
At end of year	**4,159,429**	3,782,728	**5,193,236**	4,860,801
Carrying amount	**26,052,328**	26,429,029	**36,689,528**	37,021,963

Group

(a) At the balance sheet date, the market values of certain units of the Elite Building (Note (b) below) classified as investment properties and #23-00, 6 Raffles Quay are valued at $16,130,000 (2014: $16,130,000) and $27,000,000 (2014: $27,000,000) respectively. The valuations are determined based on the properties' highest and best use by an external and independent professional valuer, Suntec Real Estate Consultants Pte Ltd, 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.

As the recoverable amount of the Elite Building units in the previous financial year was higher than its carrying amount, a write-back of impairment loss of $1,187,351 was recognised by the Group in the previous financial year.

10 Investment properties (cont'd)

Group (cont'd)

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

Location		Floor area (Square metres)	Tenure
i)	Elite Building 20 Aljunied Road Singapore 389805 Consisting of 3 floors (Units #01-01, #01-03, #01-04, #01-05, #01-06, #02-01, #02-02, #06-01 and #06-02)	1,567	Freehold
ii)	6 Raffles Quay #23-00 Singapore 048580	941	Freehold

Institute

(aa) At the balance sheet date, the market values of certain units of the Elite Building (consisting of 5 floors) classified as investment properties and #23-00, 6 Raffles Quay are valued at $28,130,000 (2014: $28,130,000) and $27,000,000 (2014: $27,000,000) respectively. The valuations are determined based on the properties' highest and best use by an external and independent professional valuer, Suntec Real Estate Consultants Pte Ltd, 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.

As the recoverable amount of the land portion of Elite Building units in the current financial year is higher than its carrying amount, a write-back of impairment loss of $101,700 (2014: $2,147,300) is recognised by the Institute.

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

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

10 Investment properties (cont'd)

Group and Institute

(i) The basis of determining fair values for measurement is as follows:

Information about significant unobservable inputs used in the valuation model

Description	Valuation technique	Significant unobservable input	Range
Elite Building	Direct comparison approach	Price per square metre	\$8,750 to \$15,077
#23-00, 6 Raffles Quay	Direct comparison approach	Price per square metre	\$26,370 to \$37,692

A significant increase (decrease) in the significant unobservable input would result in a significantly higher (lower) fair value measurement.

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

	Group		Institute	
	2015	2014	**2015**	2014
	\$	\$	**\$**	\$
Rental income	**1,633,286**	1,275,051	**2,149,910**	1,791,675
Direct operating expenses arising from investment properties that generated rental income	**(297,766)**	(281,754)	**(407,112)**	(388,030)
Write-back of impairment loss	**–**	1,187,351	**101,700**	2,147,300
Depreciation charge	**(376,701)**	(376,701)	**(434,135)**	(434,135)

11 Subsidiaries and intra-group transactions

a) Investments in subsidiaries

	Institute	
	2015	2014
	\$	\$
Unquoted equity shares, at cost		
At beginning and end of year	**300,003**	300,003

11 Subsidiaries and intra-group transactions (cont'd)

b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group 2015	2014
			%	%
Association of Taxation Technicians (S) Limited*#	Singapore	To administer the structured training program and to set and to manage the syllabus and examination which will lead to the Diploma in Taxation	**100**	100
Certified Accounting Technicians (Singapore) Ltd*#	Singapore	To support and advance the status and interests of Certified Accounting Technicians	**100**	100
Institute of Singapore Chartered Accountants Pte. Ltd.#	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
SAA Global Education Centre Pte. Ltd.#	Singapore	Operating a private education centre which offers higher education programmes	**100**	100
Singapore Institute of Accredited Tax Professionals Limited*#	Singapore	Accreditation body for tax professionals	**100**	100

* 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.

\# These subsidiaries are considered to be wholly-owned subsidiaries of the Institute as the members of the subsidiaries are trustees of the Institute and the Council of the Institute has direct control over these subsidiaries.

11 Subsidiaries and intra-group transactions (cont'd)

c) Intra-group transactions

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

	Institute	
	2015	2014
	$	$
Income		
Management fees	**921,100**	856,614
Rental income	**516,624**	519,879
Seminar and talk fees	**28,500**	8,600
Expenditure		
Disbursement of expenses	**5,021**	4,662
Rental expenses	**11,534**	16,158

12 Associate

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Investment in associate	**107,856**	107,108	**–**	–*

	Group	
	2015	2014
	$	$
Share of profit		
At beginning of year	**107,108**	105,290
Share of profit	**748**	1,818
At end of year	**107,856**	107,108

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group	
			2015	2014
			%	%
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.

12 Investment in associate (cont'd)

The summarised financial information of the associate not adjusted for the proportion of ownership interest held by the Group is as follows:

	2015	2014
	$	$
Assets and liabilities		
Current assets	**243,251**	239,331
Current liabilities	**27,540**	25,116
Results		
Revenue	**25,438**	25,548
Profit after taxation	**1,496**	3,636

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

	Group and Institute	
	2015	2014
	$	$
Management fee income	**15,555**	14,163

13 Deferred tax assets

	Group		**Institute**	
	2015	2014	**2015**	2014
	$	$	**$**	$
Deferred tax assets comprise tax effect of temporary differences arising from:				
Depreciation and amortisation for tax purposes	**150,000**	14,000	**6,000**	(19,000)
Provisions and accruals	**85,000**	98,000	**85,000**	84,000
Unutilised tax losses	**70,000**	183,000	**70,000**	89,000
Unabsorbed capital allowances	**–**	49,000	**–**	49,000
Unabsorbed approved donations	**32,000**	20,000	**32,000**	17,000
	337,000	364,000	**193,000**	220,000
Representing:				
Non-current				
Deferred tax assets	**337,000**	364,000	**193,000**	220,000

14 Intangible assets

Group

	Computer software $	System work-in-progress $	Others $	Total $
Cost				
Balance at 1 January 2014	966,820	–	19,388	986,208
Additions	212,170	–	30,000	242,170
Balance at 31 December 2014	1,178,990	–	49,388	1,228,378
Additions	45,565	111,202	11,500	168,267
Balance at 31 December 2015	**1,224,555**	**111,202**	**60,888**	**1,396,645**
Accumulated amortisation				
Balance at 1 January 2014	313,982	–	19,388	333,370
Amortisation charge for the year	231,630	–	1,666	233,296
Balance at 31 December 2014	545,612	–	21,054	566,666
Amortisation charge for the year	261,578	–	10,320	271,898
Balance at 31 December 2015	**807,190**	**–**	**31,374**	**838,564**
Carrying amount				
Balance at 31 December 2014	633,378	–	28,334	661,712
Balance at 31 December 2015	**417,365**	**111,202**	**29,514**	**558,081**

Amortisation charge is taken up as follows:

	2015 $	2014 $
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - SQP net administrative fee (Note 5)	**53,357**	31,125
- Operating expenses (Note 7)	**218,541**	202,171
	271,898	233,296

14 Intangible assets (cont'd)

Institute

	Computer software $	System work-in-progress $	Others $	Total $
Cost				
Balance at 1 January 2014	548,380	–	19,388	567,768
Additions	208,270	–	30,000	238,270
Balance at 31 December 2014	756,650	–	49,388	806,038
Additions	26,975	111,202	11,500	149,677
Balance at 31 December 2015	**783,625**	**111,202**	**60,888**	**955,715**
Accumulated amortisation				
Balance at 1 January 2014	141,619	–	19,388	161,007
Amortisation charge for the year	147,444	–	1,666	149,110
Balance at 31 December 2014	289,063	–	21,054	310,117
Amortisation charge for the year	174,807	–	10,320	185,127
Balance at 31 December 2015	**463,870**	**–**	**31,374**	**495,244**
Carrying amount				
Balance at 31 December 2014	467,587	–	28,334	495,921
Balance at 31 December 2015	**319,755**	**111,202**	**29,514**	**460,471**

Amortisation charge is taken up as follows:

	2015 **$**	2014 $
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - SQP net administrative fee (Note 5)	**53,357**	31,125
- Operating expenses (Note 7)	**131,770**	117,985
	185,127	149,110

Group and Institute

System work-in-progress refers to membership and financial management system which is still in the process of implementation. The capital commitment is disclosed in Note 21(c).

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

15 Trade and other receivables

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade receivables				
- third parties	**1,186,053**	731,371	**1,054,926**	681,203
- subsidiaries	**–**	–	**412,282**	321,609
- associate	**16,644**	15,154	**16,644**	15,154
Amount due from a subsidiary	**–**	–	**100,000**	150,000
Accrued practice review fee receivable	**128,700**	137,500	**128,700**	137,500
Deposits	**978,929**	984,484	**603,329**	608,884
Interest receivables	**34,967**	30,205	**27,677**	20,445
Prepayments	**734,195**	588,064	**583,747**	452,648
Others	**72,318**	63,956	**44,145**	23,900
	3,151,806	2,550,734	**2,971,450**	2,411,343

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

16 Cash and cash equivalents

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

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Interest bearing accounts	**13,750,205**	18,238,425	**10,319,810**	11,608,821
Non-interest bearing accounts	**4,452,070**	2,046,514	**2,318,473**	1,086,112
	18,202,275	20,284,939	**12,638,283**	12,694,933
Less: Fixed deposit pledged	**(15,208)**	(15,170)	**–**	–
As per statements of cash flows	**18,187,067**	20,269,769	**12,638,283**	12,694,933

Included in interest bearing accounts of the Group and Institute are fixed deposits totaling $12,175,234 (2014: $14,773,245) and $8,744,839 (2014: $9,189,458) respectively which are placed for varying periods of between 1 to 18 months (2014: 1 and 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.1% to 1.8% (2014: 0.02% to 1.35%) per annum. Fixed deposit of the Group of $15,208 (2014: $15,170) is pledged to bank for banking facilities.

17 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	
	2015	2014	**2015**	2014
	$	$	**$**	$
At beginning of year	**532,856**	528,448	**357,056**	352,648
Unwind of discount	**4,463**	4,408	**4,463**	4,408
At end of year	**537,319**	532,856	**361,519**	357,056

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 leases including the renewal options range from 2 to 11 years (2014: 3 to 12 years).

18 Trade and other payables

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Trade payables	**1,166,352**	1,657,128	**796,108**	968,616
Other payables	**–**	1,740	**–**	1,740
Amount due to a subsidiary	**–**	–	**2,403**	1,853
Accrued operating expenses	**4,289,069**	4,118,203	**3,565,674**	3,419,537
Deposits received	**413,322**	413,321	**413,322**	413,321
Advance received	**–**	36,383	**–**	36,383
Billings in advance	**296,619**	273,047	**296,619**	273,047
	6,165,362	6,499,822	**5,074,126**	5,114,497

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

19 Community Service Project Fund

The fund is made up of donations from members, money from fund-raising projects and contributions from the Institute. It is used for the Institute's community service projects and is made up as follows:

	Group and Institute	
	2015	2014
	$	$
At beginning of year	**95,888**	82,401
Add: Donations from members	**–**	13,487
Less: Seed donation to ISCA Cares Limited	**(95,888)**	–
At end of year	**–**	95,888

Related parties comprise firms and companies which are controlled or jointly controlled by certain Council Members of the Institute, and ISCA Cares Limited - the charity arm of the Institute where the Institute has a non-majority representation on the governing board.

20 Related party transactions

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

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
With key management personnel				
CPE course fees	**1,300**	–	**1,300**	–
SQP facilitation fees	**2,720**	–	**2,720**	–

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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Short-term employee benefits	**1,539,535**	1,643,344	**1,454,535**	1,514,380
Contribution to CPF	**70,185**	70,492	**68,060**	60,050
	1,609,720	1,713,836	**1,522,595**	1,574,430

21 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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Within one year	**3,431,896**	4,004,428	**2,236,847**	2,252,396
After one year but within five years	**5,558,356**	8,816,746	**5,551,818**	7,788,665

21 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	
	2015	2014	**2015**	2014
	$	$	**$**	$
Within one year	**1,633,286**	1,633,286	**2,020,754**	2,149,910
After one year but within five years	**1,392,288**	3,025,574	**1,392,288**	3,240,834

(c) Capital commitment

Capital commitment not provided for in the financial statements:

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Capital commitment in respect of intangible assets	**1,000,822**	–	**1,000,822**	–

22 Financial instruments

(a) Categories of financial instruments

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

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	**20,619,886**	22,247,609	**15,025,986**	14,653,628
Financial liabilities				
Amortised cost	**5,281,384**	5,608,950	**4,279,165**	4,310,902

22 Financial instruments (cont'd)

(b) Financial risk management

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

Interest rate risk

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

Credit risk

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

The Group and the Institute place cash and fixed deposits with banks and financial institutions which are regulated.

The credit risk is as follows:

Financial assets that are neither past due nor impaired

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

Financial assets that are past due but not impaired

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

There are no trade receivables that are impaired at balance sheet date. The age analysis of trade receivables past due but not impaired is as follows:

	Group		Institute	
	2015	2014	**2015**	2014
	$	$	**$**	$
Past due 0 to 3 months	**1,074,317**	661,690	**1,356,132**	934,247
Past due 3 to 6 months	**118,186**	42,596	**117,663**	41,480
Past due over 6 months	**10,194**	42,239	**10,194**	42,239
	1,202,697	746,525	**1,483,989**	1,017,966

22 Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Liquidity risk

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

The 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.

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 hedging and speculative purposes.

The Group and the Institute have no significant financial assets and liabilities held in foreign currency.

23 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 (ie derived from prices); and
c) Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) 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
	$	$	$	$
2015				
Group				
Investment properties	**26,052,328**	**–**	**–**	**43,130,000**
Institute				
Investment properties	**36,689,528**	**–**	**–**	**55,130,000**
2014				
Group				
Investment properties	26,429,029	–	–	43,130,000
Institute				
Investment properties	37,021,963	–	–	55,130,000

23 Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities not carried at fair value but which fair values are disclosed (cont'd)

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.

(c) Determination of fair values

Investment properties

The basis of determining fair values for disclosure at balance sheet date is described in Note 10.

24 Fund management

The Group's and the Institute's objectives when managing these funds are to safeguard the Group's and the Institute's ability to maintain adequate working capital to continue as going concern, 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.

25 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 2015 were authorised for issue by the Council on 8 March 2016.

NOTICE OF ANNUAL GENERAL MEETING 2016

Notice is hereby given that in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting 2015/2016 of the Institute of Singapore Chartered Accountants will be held on **Saturday, 23 April 2016 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 2014/2015 of Members held on 25 April 2015.

3 To receive the Report of the Council for the year 2015/2016 and Accounts of the Institute for the year ended 31 December 2015.

4 To elect eight members to the Council in accordance with Article 33 comprising:

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

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

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

Chartered Accountants of Singapore who are Public Accountants	Chartered Accountants of Singapore who are not Public Accountants
Frankie Chia Soo Hien Michael Chin Sek Peng Sim Hwee Cher Tam Chee Chong	Ramasamy Dhinakaran Gerard Ee Hock Kim Vincent Lim Boon Seng Anthony Mallek

Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
G Arull	Chan Hock Leong Rick Tan Chee Tyan Chen Ningxin Lai Keng Wei Tan Chin Soon
Frankie Chia Soo Hien	Peter Leong Hon Mun Goh Chern Ni Poon Yew Wah Ng Kian Hui Jacqueline Lew Wan Ming
Michael Chin Sek Peng	Sajjad Akhtar Lee Eng Kian Lim Geok Peng Pong Siew Inn Sia Boon Tiong
Kon Yin Tong	Seat Mei Chern Cheong Wenjie Jack Tan Hui Tze Lau Bee Bee Irene Ho Teik Tiong

NOTICE OF
ANNUAL GENERAL MEETING 2016

Chartered Accountants of Singapore who are Public Accountants	**Nominated by**
Sim Hwee Cher	Peter Low Eng Huat Marcus Lam Hock Choon Theresa Sim May Ling Yeow Chee Keong Choo Eng Beng
Tam Chee Chong	Philip Yuen Ajit Prabhu Ernest Kan Low Hwee Chua Shariq Barmaky
Chartered Accountants of Singapore who are not Public Accountants	**Nominated by**
Gerard Ee Hock Kim	Tay Woon Teck Kenneth Aik Cze Pin David Eu Chee Wei Teo Cheow Tong Lim Lee Meng
Vincent Lim Boon Seng	Lee Lai Ken Cheong Kum Foong Koh Kong Min Lim Hang Chuan John Wong Lai Yong Frances
Anthony Mallek	Loh Uantchern Chng Lay Chew Lee Sze Yeng Peter Low Eng Huat Chia Nam Toon

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2016 and to authorize the Council to fix their remuneration.

By order of the Council

JANET TAN
Secretary
28 March 2016

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 23 April 2016 and any adjournment of such meeting.

Signature of member: ______________________________

Dated this ______________ day of ______________ 2016

NOTES:

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