REPORT OF THE ISCA COUNCIL

(Year Ended 31 December 2024)

It is our pleasure to present our 2024/2025 Annual Report and Financial Statements for the year ended 31 December 2024.

The following Council members were elected as office bearers during the first Council meeting held in April 2024:

President
Teo Ser Luck

Vice President
Choo Eng Beng

Vice President
Judy Ng May Lian

Treasurer
Jocelyn Goh Chern Ni

Secretary
Lee Boon Teck

COUNCIL MEETING ATTENDANCE

The 2024 Council held 7 ordinary meetings. “Column A” indicates the number of Council meetings members attended, and “Column B” indicates the number of committees he/she sits on.

	A	B
Teo Ser Luck	7 / 7	4
Choo Eng Beng	6 / 7	2
Judy Ng May Lian	6 / 7	2
Jocelyn Goh Chern Ni	7 / 7	1
Lee Boon Teck	7 / 7	2
Choo Kok Wei Eric	7 / 7	1
Koh Wee Kwang	6 / 7	3
Lim Him Chuan	5 / 7	3
Lim Wei Kiat William	6 / 7	1
Lo Mun Wai	7 / 7	2
Ow Fook Chuen	5 / 7	1
Cyndi Pei Siang Teng	7 / 7	1
Song Yeow Chung	7 / 7	1
Helmi Bin Ali Bin Talib	7 / 7	3
Tan Kuang Hui	7 / 7	1
Maria Teo Yen Shan	7 / 7	2
Don Wee Boon Hong	6 / 7	2
Christopher Wong Mun Yick	6 / 7	2

ISCA COMMITTEES 2024/25

EXECUTIVE COMMITTEE

1 Teo Ser Luck (President)
2 Choo Eng Beng (Vice President)
3 Judy Ng May Lian (Vice President)
4 Jocelyn Goh Chern Ni (Treasurer)
5 Lee Boon Teck (Secretary)

NOMINATIONS COMMITTEE

1 Lo Mun Wai (Chairperson)
2 Teo Ser Luck
3 G Arull
4 Ow Fook Chuen
5 Christopher Wong
6 Yiong Yim Ming

AUDITING AND ASSURANCE STANDARDS COMMITTEE

Practitioners

1 Yeow Hui Cheng (Chairperson)
2 Tan Bee Nah (Deputy Chairperson)
3 Narissa Chen Ningxin
4 Yvonne Chiu Sok Hua
5 Susan Foong Chooi Chin
6 Gregory Ho Teik Tiong
7 Lee Tze Shiong
8 Adrian Lee Yu-Min
9 Sanjay Gordhan Panjabi
10 Damien Tai Chee Chiaw
11 Suyanti Toh
12 Woo E-Sah
13 Yang Chi Chih

Public Members

1 Ang Hao Yao
2 Basil Chan
3 Chan Ruiqi
4 Chua Wan Rong
5 Goh Kia Hong
6 Assoc Prof Edmund Keung Ching Tung
7 Irene Khoo Gaik Suan
8 Lim Sio Hoon
9 Assoc Prof Ng Kai Teck
10 Ng Lip Nin
11 Irene Tok Ling Ling

Observer

1 Ng Meow Ling (ACRA)
2 Alice Wong (ACRA)

AUDIT COMMITTEE

1 Christopher Wong (Chairman)
2 Lo Mun Wai
3 Cyndi Pei Siang Teng
4 Tan Kuang Hui
5 Don Wee Boon Hong

BANKING AND FINANCE COMMITTEE

1 Christine Lee Siew Ling ((Chairperson)
2 Ho Hean Chan (Deputy Chairman)
3 Lucretia Aik Meijun
4 Mark Chew Han Jin
5 Cheryl Chiong Huiling
6 Chua Wan Ping
7 Ian Hong Cho Hor
8 Hong Teck Khiam
9 Vincent Loh
10 Lalit Lohia
11 Low Hwee Ming
12 Ng Chun Wei
13 Ong-Ang Ai Boon
14 Quek Kian Leong
15 Peter See Kim Siong
16 Gabriel Seow Chong Howe
17 Gerard Toh Wen-Wei
18 Serena Yong

CHARITY ACCOUNTING COMMITTEE

1 Professor Ang Hak Seng (Chairman)
2 Goh Puay Cheh
3 Adeline Kee Yi Jean
4 Woo E-Sah
5 Susan Foong Chooi Chin
6 Alan Chang Chi Hsung

CHARTERED ACCOUNTANT LAB CONTENT ADVISORY COMMITTEE

1 Shariq Barmaky (Chairman)
2 Prof Chng Chee Kiong
3 Benny Chwee Bo Chong
4 Prof Clarence Goh
5 Prof Kevin Ow Yong Keng
6 Tashna Rajah
7 Philip Shin An
8 Prof Patricia Tan Mui Siang
9 Vincent Toong

ISCA COMMITTEES 2024/25

CFO COMMITTEE

1 Lai Chin Yee (Chairperson)
2 Aga Fredy Jehangir
3 Chan Ying Jian
4 Choo Joo Kwang Vincent
5 Choo Kok Wei Eric
6 Chua Siew Hwi
7 Adrian Chua Teng Aik
8 Ho Mang Chan
9 Kwek You Cheer
10 Vincent Lim Boon Seng
11 Lim Him Chuan
12 Lim Joo Lee
13 Ng Tiang Poh
14 Jamie Omahony
15 Song Yeow Chung
16 Norman Tan
17 Tan Yuan Ching Darrell
18 Tham Wei Hsing Paul
19 Esther Wee Yu
20 Jenny Wong
21 Alan Wong Tuan Keng
22 Yong Yenn Leng

CORPORATE FINANCE COMMITTEE

1 Sharon Peh (Chairperson)
2 Darren Chin Bo Wui
3 Fu Chuanjie
4 G Arull
5 Goh Chyan Pit
6 Rhys Goh Hien Kang
7 Jimmy Lim Tin Boon
8 Darren Ng Meng Chuan
9 Doreen Quek
10 Alex Toh Wee Keong
11 Yap Wee Kee
12 Yeo Siok Yong

CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

1 Seah Gek Choo (Chairperson)
2 Assoc Prof El'fred Boo Hian Yong
3 Victor Lai Kuan Loong
4 Dennis Lee Hock Leong
5 Prof Lawrence Loh
6 Neo Sing Hwee
7 Daniel Ngo
8 Lisa Ooi Hsia Ling
9 Punjabi Rajesh Hiranand
10 Tea Wei Li
11 Stacey Tee Hwee Teng
12 Gary Teo Khong Hui
13 John Teo Woon Keng
14 David Toh

ETHICS COMMITTEE

1 Eng Chin Chin (Chairperson)
2 Lorraine Chay Yeow Mei
3 Vivienne Chiang Kok Ying
4 Goh Yin Shian
5 Gregory Ho Teik Tiong
6 Mohamad Khairil Bin Suhairee
7 Khong Yew Cheong
8 Lee Bee Leng
9 Michelle Liew
10 Lim Tze Yuen
11 Amos Ng Chiau Meng
12 Lisa Ooi Hsia Ling
13 Premila Gowri Shankar
14 Woo E-Sah
15 Woo Shea Leen

Observer

1 Karen Lim (MAS)
2 Ng Meow Ling (ACRA)
3 Oh Hong Guan (ACRA) (Observer from 4 February 2025)
4 Jake Yeo (ACRA) (Observer till 4 February 2025)

FINANCIAL FORENSIC ACCOUNTING OVERSIGHT COMMITTEE

1 Belinda Tan SW (Chairperson)
2 Ang Seng Leong
3 Aaron Lee TC
4 Dylan Lee
5 Lim Kok Meng
6 Ramesh Moosa
7 Ong Kim Yan Jennifer
8 Mabel Watt

ISCA COMMITTEES 2024/25

FINANCIAL REPORTING COMMITTEE

1 Chen Voon Hoe (Chairman)
2 Aylwin How Chin Hong (Deputy Chairman)
3 Karen Chay
4 Chin Chee Choon
5 Andrew Goh Lip Kuan
6 Helmi Bin Ali Bin Talib
7 Assoc Prof Jian Ming
8 Joseph Lam Wei Pin
9 Lee Kuang Hon
10 Lee Soon Wee
11 Lim Sio Hoon
12 Ng Choon Kiat
13 Uthaya Chandrikaa D/O Ponnusamy
14 Senthilnathan Sampath
15 Preethi Sarma
16 Benjamin Tan Jingwei
17 Tan Yong Choo
18 Sherley Tang Hui Lin
19 Teo Soo Chuen
20 Valerie Toh Sze Peng
21 Assoc Prof Wang Jiwei
22 Wong Yew Chung

INSURANCE COMMITTEE

1 Steven Goh Kim Chuah (Chairman)
2 Jacky Chew Tuck Hua
3 Chock Ker Ching
4 Jaslin Du Xiaolin
5 Celina Goh
6 Low Hwee Ming
7 Ng Ai Ming
8 Johannes Gregor Patig
9 Philip Shin
10 Tan Yan Song
11 Tay Siang Leng
12 Penny Ying Pui Nee

STRENGTHENING SMP TASKFORCE

1 Helmi Bin Ali Bin Talib (Co-Chairman)
2 Koh Wee Kwang (Co-Chairman)
3 Saurav Bhattacharyya
4 Charles Ng
5 Ryan Piper

VOLUNTARY COMPLIANCE PROGRAMME PANEL

1 Derek How (Co-Chairman)
2 Lee Eng Kian (Co-Chairman)
3 Angeline Tan
4 Lao Mei Leng
5 Quek Siew Eng
6 Susan Foong
7 Tan Bee Nah
8 William Ng
9 Yeow Hui Cheng
10 Yvonne Chiu

Observer

1 Ng Meow Ling (ACRA)
2 Han Xinjuan (ACRA)

MEMBERSHIP COMMITTEE

1 Lelaina Lim (Chairperson)
2 Lai Chin Yee
3 Lim Him Chuan
4 Lim Wei Kiat William
5 Belinda Teo

PUBLIC ACCOUNTING PRACTICE COMMITTEE

1 Lee Eng Kian (Chairman)
2 Chiang Kok Ying, Vivienne (Deputy Chairperson)
3 Alan Chang Chi Hsung
4 Aw Vern Chun, Philip
5 Chan Hock Leong, Rick
6 Chee Siew Fai
7 Cheong Keng Chuan, Alfred
8 Cheong Kum Foong
9 Helmi Bin Ali Bin Talib
10 Kew Dek Kai, Zenith
11 Lim Ann Loo, Andrew
12 Lim Yeong Seng
13 Tan Lye Heng, Paul
14 Teo Li Ling
15 Wee Ling Na @ Yvonne Au

RESEARCH FUND EVALUATION COMMITTEE

1 Judy Ng May Lian (Chairperson)
2 Lee Dah Khang
3 Dennis Lee
4 Eric Lim
5 Lawrence Wu

ISCA COMMITTEES 2024/25

SINGAPORE CHARTERED ACCOUNTANT QUALIFICATION LEARNING AND ASSESSMENT COMMITTEES

Learning and Assssment Committee – Foundation Programme

1 Assoc Prof Low Kin Yew (Chairman)
2 Assoc Prof Annette Foo
3 Goh Bun Hiong
4 Timothy Ling
5 Assoc Prof Premilia Gowri Shankar
6 Yeap Lay Huay
7 Yeo Leng Tiong
8 Yeo Lick Koon

Observer

9 Evan Law (ACRA)

Learning and Assessment Committee – Professional Programme

1 Prof Ho Yew Kee (Chairman)
2 Assoc Prof Cheng Nam Sang
3 Assoc Prof Chng Chee Kiong
4 David Lee
5 Low Eng Kiat
6 Assoc Prof Low Kin Yew
7 Punjabi Rajesh Hiranand
8 Damien Tai
9 Esther Wee
10 Wong Yew Chung

Observer

11 Evan Law (ACRA)

SINGAPORE MONITORING COMMITTEE

1 Teo Ser Luck (Chairman)
2 Fann Kor (Deputy Chairperson)
3 Lelaina Lim
4 Koh Wee Kwang

STRATEGY AND INVESTMENT COMMITTEE

1 Choo Eng Beng (Chairman)
2 Anthony Chuah Khoon Yew
3 Lee Boon Teck
4 Lim Him Chuan
5 Teo Ser Luck

SUSTAINABILITY AND CLIMATE CHANGE COMMITTEE

1 Fang Eu-Lin (Chairperson)
2 Beh Siew Kim
3 Yvonne Chan
4 Pamela Fan Yuanling
5 Giam Ei Leen
6 Grace Goh Bee Kheng
7 Goh Yin Shian
8 Koh Wee Kwang
9 Lee Dah Khang
10 Lee Hui Mien
11 Eric Lim Jin Huei
12 Ken Ong Beng Lee
13 Tan Boon Gin
14 Tan Boon Siong
15 Maria Teo Yen Shan

YOUNG PROFESSIONALS ADVISORY COMMITTEE

1 Maria Teo Yen Shan (Chairperson)
2 Katherine Ang Li Nah
3 Terence Cheng
4 Jeremy Cheong
5 Chong Shu Hui Jean
6 Hoe Huisheng Bryan
7 Lau Jun Ngee Emersius
8 Lee Xian Yao Sam
9 Lee Yew Jie Sebastian
10 Long Hui En Emelia
11 Low Yuan Yi
12 Mo Hongrui
13 Jackson Ng Jin Jie
14 Ng Wei Han
15 Nithin Nagarajan
16 Jeannie Ong Wei Jin
17 See Wei Ren Malcolm
18 Tan Cihui
19 Samuel Tan Weicheng
20 Teo Wan Lin Angelique
21 Tong Jia Hui Audrey

Advisor

22 Don Wee Boon Hong

STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Teo Ser Luck and Kor Wan Hoon, being the President and Chief Executive Officer respectively, do hereby state that in our opinion and to the best of our knowledge, the consolidated financial statements of the Institute and its subsidiaries (the "Group") and the financial statements of the Institute set out on pages 92 to 128 are properly drawn up in accordance with the Societies Act 1966 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Group and the Institute as at 31 December 2024 and of the financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

Teo Ser Luck
President

Kor Wan Hoon
Chief Executive Officer

12 March 2025

INDEPENDENT AUDITOR'S REPORT

To Members of the Institute of Singapore Chartered Accountants

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Institute of Singapore Chartered Accountants (the "Institute") and its subsidiaries (the "Group") as set out on pages 92 to 128, which comprise the statements of financial position of the Group and the Institute as at 31 December 2024, the statements of profit or loss and other comprehensive income, statements of changes in funds and statements of cash flows of the Group and the Institute for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Institute are properly drawn up in accordance with the Societies Act 1966 (the "Societies Act") and Singapore Financial Reporting Standards ("FRSs") so as to present fairly, in all material respects, the financial position of the Group and the Institute as at 31 December 2024 and the financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.

Basis for Opinion

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

Other Information

The Council is responsible for the other information. The other information comprises the Statement by Council as set out on page 88 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information being the Statement by Council and "Our Sustainability Strategy – Supporting Future Accountants" sub-section included in the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Council for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

To Members of the Institute of Singapore Chartered Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

INDEPENDENT AUDITOR'S REPORT

To Members of the Institute of Singapore Chartered Accountants

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required to be kept (i) by the Institute have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act; and (ii) by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act 1967.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
Singapore,

Ho Teik Tiong
Engagement Partner

12 March 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

		Group		Institute	
	Note	**2024**	2023	**2024**	2023
		$'000	$'000	**$'000**	$'000
Income					
Membership fees		**11,667**	12,254	**11,667**	12,254
Income from courses, programs and events		**9,260**	7,684	**9,260**	7,684
Practice Monitoring review income		**422**	405	**422**	405
Singapore Chartered Accountant (CA) Qualification fee		**3,530**	789	**3,530**	789
Revenue under FRS 115	4(a)	**24,879**	21,132	**24,879**	21,132
Rental income from investment property		**1,000**	962	**1,000**	962
Interest income from financial institutions		**536**	422	**536**	422
Other income	4(d)	**1,285**	825	**1,325**	825
Total income		**27,700**	23,341	**27,740**	23,341
Less expenditure					
Expenses		**(26,522)**	(21,775)	**(26,522)**	(21,775)
Surplus from operations	5	**1,178**	1,566	**1,218**	1,566
Net fair value gain on financial assets at fair value through profit or loss	14	**4,069**	3,023	**4,069**	3,023
Surplus before results of associate		**5,247**	4,589	**5,287**	4,589
Share of results of associate (net of tax)		**53**	64	**–**	–
Surplus before tax		**5,300**	4,653	**5,287**	4,589
Income tax expense	7	**(156)**	(323)	**(156)**	(323)
Surplus for the financial year		**5,144**	4,330	**5,131**	4,266
Surplus from specific fund:					
ISCA Cares Fund	24	**203**	363	**–**	–
Net surplus and total comprehensive income for the financial year		**5,347**	4,693	**5,131**	4,266

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

STATEMENTS OF FINANCIAL POSITION

At 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Institute 2024 $'000	Institute 2023 $'000
Non-current assets					
Property, plant and equipment	8	**1,909**	2,232	**1,909**	2,232
Right-of-use assets	9	**7,334**	9,277	**7,334**	9,277
Investment property	10	**9,577**	9,880	**9,577**	9,880
Subsidiaries	11	–	–	–	–
Associate	12	**250**	197	–	–
Intangible assets	13	**664**	585	**664**	585
Financial assets at fair value through profit or loss	14	**60,895**	56,914	**60,895**	56,914
		80,629	79,085	**80,379**	78,888
Current assets					
Inventories		–*	–*	–	–
Contract assets	15	**341**	533	**341**	533
Trade and other receivables	17	**3,357**	4,161	**3,112**	4,135
Cash and bank balances	18	**25,021**	23,073	**23,102**	21,122
		28,719	27,767	**26,555**	25,790
Total assets		**109,348**	106,852	**106,934**	104,678
Non-current liabilities					
Deferred tax liabilities	19	**158**	180	**158**	180
Lease liabilities	20	**5,654**	7,577	**5,654**	7,577
Provisions	21	**350**	350	**350**	350
Other payables	22	**252**	–	**252**	–
		6,414	8,107	**6,414**	8,107
Current liabilities					
Trade and other payables	22	**6,036**	4,928	**6,022**	4,938
Contract liabilities	16	**6,351**	8,456	**6,351**	8,456
Lease liabilities	20	**1,923**	1,867	**1,923**	1,867
Current tax payable		**231**	448	**231**	448
		14,541	15,699	**14,527**	15,709
Total liabilities		**20,955**	23,806	**20,941**	23,816
Net assets		**88,393**	83,046	**85,993**	80,862
Represented by					
Accumulated Fund		**86,203**	81,059	**85,993**	80,862
ISCA Cares Fund	24	**2,190**	1,987	–	–
		88,393	83,046	**85,993**	80,862

* represents amount less than $1,000

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

STATEMENTS OF CHANGES IN FUNDS

For the financial year ended 31 December 2024

	Accumulated Fund $'000	ISCA Support Fund $'000 (Note 23)	ISCA Cares Fund $'000 (Note 24)	Total $'000
Group				
Balance at 1 January 2023	74,990	1,739	1,624	78,353
Transfer to accumulated funds	1,739	(1,739)	–	–
Net surplus and total comprehensive income for the financial year	4,330	–	363	4,693
Balance at 31 December 2023	81,059	–	1,987	83,046
Net surplus and total comprehensive income for the financial year	5,144	–	203	5,347
Balance at 31 December 2024	**86,203**	–	**2,190**	**88,393**
Institute				
Balance at 1 January 2023	74,857	1,739	–	76,596
Transfer to accumulated funds	1,739	(1,739)	–	–
Net surplus and total comprehensive income for the financial year	4,266	–	–	4,266
Balance at 31 December 2023	80,862	–	–	80,862
Net surplus and total comprehensive income for the financial year	5,131	–	–	5,131
Balance at 31 December 2024	**85,993**	–	–	**85,993**

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2024

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Cash flows from operating activities				
Surplus before tax	**5,300**	4,653	**5,287**	4,589
Adjustments for:				
Bad debts written off/(recovered) (Note 5)	**19**	(10)	**19**	(10)
Depreciation of property, plant and equipment, investment property, right-of-use assets and amortisation of intangible assets (Note 5)	**3,190**	3,170	**3,190**	3,170
Interest income	**(536)**	(422)	**(536)**	(422)
Accretion of interest on lease liabilities (Note 20)	**260**	315	**260**	315
Net fair value gain on financial assets at fair value through profit or loss	**(4,069)**	(3,023)	**(4,069)**	(3,023)
Property, plant and equipment written off (Note 5)	**2**	–	**2**	–
Intangible assets written off (Note 5)	–	3	–	3
Gain on disposal of right-of-use assets (Note 5)	–	(3)	–	(3)
Share of results of associate (net of tax)	**(53)**	(64)	–	–
Operating surplus before working capital changes	**4,113**	4,619	**4,153**	4,619
Contract assets	**192**	(118)	**192**	(118)
Inventories	**–***	1	–	–
Receivables	**757**	(719)	**956**	(736)
Payables	**1,535**	2,043	**1,511**	2,093
Contract liabilities	**(2,105)**	1,327	**(2,105)**	1,327
Cash generated from operations	**4,492**	7,153	**4,707**	7,185
Income tax paid	**(395)**	(265)	**(395)**	(265)
ISCA Cares Fund	**203**	366	–	–
ISCA Support Fund	–	870	–	870
Net cash generated from operating activities	**4,300**	8,124	**4,312**	7,790
Cash flows from investing activities				
Interest received	**564**	242	**584**	246
Additions to property, plant and equipment (Note 8)	**(456)**	(1,341)	**(456)**	(1,341)
Additions to intangible assets (Note 13)	**(333)**	(338)	**(333)**	(338)
Net cash used in investing activities	**(225)**	(1,437)	**(205)**	(1,433)
Cash flows from financing activities				
Fixed deposits (pledged)/released from pledges (Note 18)	**(30)**	56	**(30)**	56
Repayment of lease liabilities (Note 20)	**(1,867)**	(1,814)	**(1,867)**	(1,814)
Interest paid on lease liabilities (Note 20)	**(260)**	(315)	**(260)**	(315)
Net cash used in financing activities	**(2,157)**	(2,073)	**(2,157)**	(2,073)
Net increase in cash and cash equivalents	**1,918**	4,614	**1,950**	4,284
Cash and cash equivalents at beginning of the financial year	**23,062**	18,448	**21,111**	16,827
Cash and cash equivalents at end of the financial year (Note 18)	**24,980**	23,062	**23,061**	21,111

* represents amount less than $1,000

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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 body for 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 and 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 an associate.

2 MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the Societies Act 1966 and Singapore Financial Reporting Standards ("FRSs").

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

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

Use of estimates and judgements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

a) Basis of preparation (Cont'd)

New and revised standards that are adopted

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

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

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the statements of financial position date which may be early adopted but are not yet effective for the financial year ended 31 December 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Institute.

b) Basis of consolidation

Subsidiaries

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

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

Intragroup balances and transactions, including income, expenditure and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

b) Basis of consolidation (Cont'd)

Associate

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

Accounting for subsidiaries and associate by the Institute

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

c) Functional 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.

d) Property, plant and equipment

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

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

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

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

	Years
Furniture and office equipment	4 to 10
Computers	3 to 4
Renovation	remainder of lease term of 6 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 profit or loss when the changes arise.

Renovation-in-progress are not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

e) Investment property

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

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

f) Intangible assets

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

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

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

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 statements of financial position date. The effects of any revision are recognised in profit or loss when the changes arise.

g) Impairment of non-financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

h) Financial assets

Amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost comprised trade and other receivables, and cash and bank balances.

Fair value through profit or loss ("FVTPL")

Funds placed with fund managers

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

Impairment

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

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

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

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date. The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

i) Financial liabilities

Financial liabilities include trade and other payables (excluding Goods and Services Tax payable, accrual for unutilised annual leave, advance billings for rental and other income and deferred grants). Financial liabilities are recognised on the statements of financial position 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 net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

j) 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 statements of financial position date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

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

k) Leases

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

When a Group entity is the lessee

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

k) Leases (Cont'd)

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

Lease liabilities

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

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

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

Right-of-use assets

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

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset, as follows:

	Years
Lease property	6
Office equipment	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meets the definition of an investment property) are presented as a separate line in the statements of financial position. The Group applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

k) Leases (Cont'd)

When a Group entity is the lessor

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

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

l) Cash and cash equivalents in the statements of cash flows

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

m) Revenue recognition

Revenue is measured based on the consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to the customer. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

The Institute is the national body for the accountancy profession in Singapore and provides membership services to its members. Such members' annual fees are recognised as a performance obligation satisfied over time. Member's annual fee is recognised as income in the period to which the annual fees relates. Unearned income relating to future period is included in contract liabilities. The members' annual fees are non-refundable and payable upon membership renewal. Members' fees are stated net of all fee waivers granted during the year and goods and services tax.

The Group provides members administrative services in the application of membership status. The admission fees are due upon submission of membership application and are non-refundable. The admission fees are recognised as income in the year during which membership commences, or upon an event that the application is unsuccessful. Such members administrative services are recognised as a performance obligation satisfied at a point in time.

(ii) Services

– Course fees (from continuing professional education, seminars and events) and subscription fees.

The Group provides training courses relating to the continuing professional education for its members. Income from workshops, seminars and events are recognised as a performance obligation satisfied at a point in time when the performance is completed within the day.

Subscription fees from e-learning courses and platforms are recognised as a performance obligation satisfied over time, over the period whereby participant is granted access to the e-learning courses or platform. The fees are due upon registration, and non-refundable.

Course fees are stated net of course credits or discounts and excludes the value of complimentary courses.

Unearned income relating to service to be rendered in future periods is included in contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

m) Revenue recognition (Cont'd)

(ii) Services (Cont'd)

– Singapore Chartered Accountant (CA) Qualification fee

The Singapore CA Qualification is the national CA qualification and the programme is administered by the Institute. The module examinations fees are recognised as a performance obligation at a point in time as the examinations are typically conducted in June and December of the year. Annual candidature fees are non-refundable and payable upon renewal. The annual fees are recognised as a performance obligation satisfied over time and in the period to which the annual fees relate.

Singapore CA Qualification fee relates to administrative fee and is recognised as a performance obligation satisfied over time. Revenue is recognised over the duration of the service period provided, having regards to the stage of completion determined based on man hours incurred to date over the budgeted man hours.

– Practice Monitoring review income

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

(iii) Interest income

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

(iv) Rental income

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

(v) Donations

Donations are recognised as and when they are received. Income from fund-raising events is recognised at the later of (a) occurrence of the event or (b) upon receipt of the donations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

n) 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 statements of financial position date.

o) Income tax

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

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

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

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

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

p) 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 statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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

Business model assessment

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

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

4 INCOME

a) Disaggregation of revenue

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Timing of transfer of goods or services				
At a point in time	**7,649**	2,256	**7,649**	2,256
Over time	**17,230**	18,876	**17,230**	18,876
Revenue under FRS 115	**24,879**	21,132	**24,879**	21,132

b) Revenue recognised during the financial year from:

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Amounts included in contract liabilities at beginning of the financial year	**8,456**	7,129	**8,456**	7,129

c) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations included in contract assets as at 31 December 2024 is $199,000 (2023: $208,000). The Group and Institute expect to recognise $199,000 (2023: $208,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 in the financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4 INCOME (CONT'D)

d) Others

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Other income				
Government grants	**364**	184	**364**	184
Advertising income	**31**	36	**31**	36
Rental of ISCA House facilities	**582**	246	**582**	246
Membership reinstatement and late fee	**48**	70	**48**	70
Quality Assurance Review Programme and content fee	**127**	85	**127**	85
Sundry income	**133**	204	**173**	204
	1,285	825	**1,325**	825

5 SURPLUS FROM OPERATIONS

The following items have been included in arriving the surplus from operations:

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Expenses				
Advertisement and promotion expenses	**516**	235	**516**	235
Bad debts written off/(recovered)				
– Third parties	**19**	(10)	**19**	(10)
Amortisation of intangible assets	**266**	289	**266**	289
Depreciation of property, plant and equipment (Note 8)	**678**	631	**678**	631
Depreciation of right-of-use assets (Note 9)	**1,943**	1,946	**1,943**	1,946
Depreciation of investment property (Note 10)	**303**	304	**303**	304
	3,190	3,170	**3,190**	3,170
Direct costs of providing qualification, training and other courses	**2,945**	1,659	**2,945**	1,659
Interest expense on lease liabilities (Note 20)	**260**	315	**260**	315
Property, plant and equipment written off	**2**	–	**2**	–
Intangible assets written off	–	3	–	3
Gain on disposal of right-of-use assets	–	(3)	–	(3)
Repair and maintenance	**317**	286	**317**	286
Publications	**208**	348	**208**	348
Conferences and events expenses	**1,232**	926	**1,232**	926
Staff costs (Note 6)	**13,719**	11,810	**13,719**	11,810
Website and cybersecurity expenses	**1,556**	1,203	**1,556**	1,203

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

6 STAFF COSTS

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Salaries and bonuses	**11,928**	10,323	**11,928**	10,323
Contributions to CPF	**1,584**	1,296	**1,584**	1,296
Other employee benefit expenses	**207**	191	**207**	191
	13,719	11,810	**13,719**	11,810

7 INCOME TAX EXPENSE

Income tax expense attributable to results is made up of:

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Current income tax – current year	**231**	207	**231**	207
Deferred tax – current year	**34**	116	**34**	116
Over provision in respect of previous financial years:				
– Current income tax	**(53)**	–	**(53)**	–
– Deferred tax	**(56)**	–	**(56)**	–
	(109)	–	**(109)**	–
	156	323	**156**	323

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

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Surplus before tax	**5,300**	4,653	**5,287**	4,589
Tax calculated at a tax rate of 17% (2023 – 17%)	**901**	791	**899**	780
Singapore statutory stepped income exemption	**(17)**	(17)	**(17)**	(17)
Income not subject to tax[(a)]	**(792)**	(558)	**(792)**	(558)
Expenses not deductible for tax purposes[(b)]	**185**	89	**185**	89
Over provision in respect of previous financial years	**(109)**	–	**(109)**	–
Others	**(12)**	18	**(10)**	29
	156	323	**156**	323

(a) Income not subject to tax relate mainly to net fair value gain with respect to financial assets at fair value through profit or loss and website development grant.

(b) Expenses not deductible for tax purposes relate mainly to depreciation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8 PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment $'000	Computers $'000	Renovation $'000	Renovation in-progress $'000	Total $'000
Group and Institute					
Cost					
Balance at 1 January 2023	351	2,132	–	1,439	3,922
Additions	681	210	–	–	891
Reclassifications	361	–	1,078	(1,439)	–
Written off	(101)	(403)	–	–	(504)
Balance at 31 December 2023	1,292	1,939	1,078	–	4,309
Additions	81	259	17	–	357
Written off	(12)	(6)	–	–	(18)
Balance at 31 December 2024	**1,361**	**2,192**	**1,095**	–	**4,648**
Accumulated depreciation and impairment					
Balance at 1 January 2023	334	1,616	–	–	1,950
Depreciation charge (Note 5)	172	293	166	–	631
Written off	(101)	(403)	–	–	(504)
Balance at 31 December 2023	405	1,506	166	–	2,077
Depreciation charge (Note 5)	199	288	191	–	678
Written off	(10)	(6)	–	–	(16)
Balance at 31 December 2024	**594**	**1,788**	**357**	–	**2,739**
Carrying amount					
Balance at 31 December 2024	**767**	**404**	**738**	–	**1,909**
Balance at 31 December 2023	887	433	912	–	2,232

Reconciliation of additions to property, plant and equipment in the statement of cash flows

Included in trade and other payables are outstanding balances of $2,000 (2023: $101,000) for property, plant and equipment acquired during the financial year. The cash outflow on additions to property, plant and equipment of the Group and Institute was $456,000 (2023: $1,341,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9 RIGHT-OF-USE ASSETS

	Lease property $'000	Office equipment $'000	Total $'000
Group and Institute			
Cost			
Balance at 1 January 2023	19,365	182	19,547
Additions (Note 20)	–	76	76
Disposals	–	(145)	(145)
Balance at 31 December 2023	19,365	113	19,478
Additions (Note 20)	–	–	–
Disposals	–	–	–
Balance at 31 December 2024	**19,365**	**113**	**19,478**
Accumulated depreciation			
Balance at 1 January 2023	8,241	135	8,376
Depreciation charge (Note 5)	1,922	24	1,946
Disposals	–	(121)	(121)
Balance at 31 December 2023	10,163	38	10,201
Depreciation charge (Note 5)	1,920	23	1,943
Disposals	–	–	–
Balance at 31 December 2024	**12,083**	**61**	**12,144**
Carrying amount			
Balance at 31 December 2024	**7,282**	**52**	**7,334**
Balance at 31 December 2023	9,202	75	9,277

<u>Reconciliation of additions to right-of-use assets in the statement of cash flows</u>

In 2023, there were non-cash additions to the Group's and Institute's right-of-use assets of $76,000 through entering into new leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

10 INVESTMENT PROPERTY

	Group and Institute	
	2024	2023
	$'000	$'000
Cost		
Balance at 1 January and 31 December	**15,122**	15,122
Accumulated depreciation		
Balance at 1 January	**5,242**	4,938
Depreciation charge (Note 5)	**303**	304
Balance at 31 December	**5,545**	5,242
Carrying amount		
Balance at 31 December	**9,577**	9,880

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

	Group and Institute	
	2024	2023
	$'000	$'000
Rental income from investment property	**1,000**	962
Direct operating expenses arising from investment property that generated rental income	**(176)**	(162)
Depreciation charge	**(303)**	(304)

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

Location	**Floor area (Square metres)**	**Tenure**
6 Raffles Quay #23-00 Singapore 048580	941	Freehold

The fair value of investment property is disclosed in Note 29(d).

11 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

a) Investments in subsidiaries

	Institute	
	2024	2023
	$'000	$'000
Unquoted equity shares, at cost	**–***	–*

* Amount of $3 for unquoted equity shares, at cost, held in Institute of Singapore Chartered Accountants Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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 2024 %	2023 %
Institute of Singapore Chartered Accountants Pte. Ltd.[1]	Singapore	To undertake and perform the office and duties of trustee of and for the Institute in accordance with the Constitution of the Institute	**100**	100
Held by Institute of Singapore Chartered Accountants Pte. Ltd.				
ISCA Cares Limited[2][3]	Singapore	To provide needy Singapore youths access to quality accountancy education through pecuniary and non-pecuniary assistance	**100**	100

(1) This subsidiary is considered to be a wholly-owned subsidiary of the Institute as the members of the subsidiary are trustees of the Institute.

(2) There is no cost of investment for this subsidiary as it is a company limited by guarantee. Under such structure, each member of this subsidiary agrees to contribute towards the subsidiary's debts and liabilities in the event of liquidation, up to $1 per member.

(3) ISCA Cares Limited is an approved Institution of a Public Character and its fund balance is disclosed separately on statements of financial position of the Group (Note 24).

c) Intra-group transactions

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

	Institute 2024 $'000	2023 $'000
Income		
Management fee	**40**	–
Expenditure		
Disbursement of expenses	**10**	8

The Institute, as part of supporting ISCA Cares Limited (the "Charity") contributed 1,507 hours (2023: 1,589 hours) to support the administration of the Charity with a charge of $40,000 as management fee for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12 ASSOCIATE

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Investment in an associate	**250**	197	**–**	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group	
			2024	2023
			%	%
Insolvency Practitioners Association of Singapore Limited*	Singapore	Professional body for insolvency practitioners	**50**	50

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

The summarised financial information of the associate (before adjustment of its effective equity interest) based on its management account and reconciliation to the carrying amount of the investment in the consolidated financial statements is as follows:

	Group	
	2024	2023
	$'000	$'000
Revenue	**596**	625
Profit after tax	**107**	128
Non-current assets	**–**	2
Current assets	**654**	567
Current liabilities	**(153)**	(176)
Net assets	**501**	393
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	**250**	197

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13 INTANGIBLE ASSETS

	Computer software $'000	Others $'000	Total $'000
Group			
Cost			
At 1 January 2023	2,086	697	2,783
Additions	192	115	307
Written off	–	(81)	(81)
At 31 December 2023	2,278	731	3,009
Additions	52	364	416
Reclassifications	–	(71)	(71)
At 31 December 2024	**2,330**	**1,024**	**3,354**
Accumulated amortisation			
At 1 January 2023	1,636	574	2,210
Amortisation charge	188	104	292
Written off	–	(78)	(78)
At 31 December 2023	1,824	600	2,424
Amortisation charge	205	61	266
At 31 December 2024	**2,029**	**661**	**2,690**
Carrying amount			
At 31 December 2024	**301**	**363**	**664**
At 31 December 2023	454	131	585
Institute			
Cost			
At 1 January 2023	2,063	697	2,760
Additions	192	115	307
Written off	–	(81)	(81)
At 31 December 2023	2,255	731	2,986
Additions	52	364	416
Reclassifications	–	(71)	(71)
At 31 December 2024	**2,307**	**1,024**	**3,331**
Accumulated amortisation			
At 1 January 2023	1,616	574	2,190
Amortisation charge	185	104	289
Written off	–	(78)	(78)
At 31 December 2023	1,801	600	2,401
Amortisation charge	205	61	266
At 31 December 2024	**2,006**	**661**	**2,667**
Carrying amount			
At 31 December 2024	**301**	**363**	**664**
At 31 December 2023	454	131	585

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13 INTANGIBLE ASSETS (CONT'D)

Amortisation charge is taken up as follows:

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Statement of Profit or Loss and Other Comprehensive Income:				
– Operating expenses (Note 5)	**266**	289	**266**	289
– ISCA Cares Fund	**–**	3	**–**	–
	266	292	**266**	289

Computer software comprises membership, financial management and administrative systems.

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

Reconciliation of additions to intangible assets in the statement of cash flows

Included in trade and other payables are outstanding balances of $97,000 (2023: $14,000) for intangible assets acquired during the financial year. The cash outflow on additions to intangible assets of the Group and Institute was $333,000 (2023: $338,000).

14 FINANCIAL ASSETS AT "FAIR VALUE THROUGH PROFIT OR LOSS" (FVTPL)

	Group and Institute	
	2024	2023
	$'000	$'000
Financial assets measured at FVTPL		
– Funds placed with fund managers	**60,895**	56,914
Accumulated fair value gains since initial investment		
At 1 January	**4,896**	1,873
Fair value gains during the year in statement of profit or loss	**4,069**	3,023
At 31 December	**8,965**	4,896

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

15 CONTRACT ASSETS

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

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

	Group and Institute		
	2024	2023	1.1.2023
	$'000	$'000	$'000
Trade receivables from contracts with customers (Note 17)	**1,006**	1,113	713
Contract assets	**341**	533	415

Significant changes in the contract assets balances during the financial year are as follows:

	Group and Institute	
	2024	2023
	$'000	$'000
Unbilled amounts for Practice Monitoring review services and fee income from Singapore CA Qualification	**639**	1,023
Contract assets reclassified to trade receivables	**(831)**	(905)

16 CONTRACT LIABILITIES

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

	Group and Institute		
	2024	2023	1.1.2023
	$'000	$'000	$'000
Contract liabilities (represent performance obligations to be realised in the next 12 months)	**6,351**	8,456	7,129

Contract liabilities have decreased mainly due to a reduction in the advances received from subscription fees of $2,123,000 (2023: an increase of $690,000) and an increase in advances received from course fees of $86,000 (2023: $728,000) in the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

17 TRADE AND OTHER RECEIVABLES

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Trade receivables (Note 15)	**1,006**	1,113	**1,006**	1,113
Amount due from subsidiaries	**–**	–	**27**	–
Rental deposits	**658**	533	**658**	533
Interest receivables	**187**	215	**157**	205
Others	**139**	79	**122**	63
At amortised cost	**1,990**	1,940	**1,970**	1,914
Prepayments	**827**	685	**795**	685
Grant receivable	**540**	1,536	**347**	1,536
	3,357	4,161	**3,112**	4,135

Trade receivables are non-interest bearing and are generally on 30 days' terms.

18 CASH AND BANK BALANCES

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Interest bearing accounts	**23,774**	17,361	**21,855**	15,410
Non-interest bearing accounts	**1,247**	5,712	**1,247**	5,712
	25,021	23,073	**23,102**	21,122
Less:				
Fixed deposits pledged	**(41)**	(11)	**(41)**	(11)
Cash and cash equivalents per Statements of Cash Flows	**24,980**	23,062	**23,061**	21,111

<u>Reconciliation of financing activities</u>

	Group and Institute	
	2024	2023
	$'000	$'000
Fixed deposits pledged		
Balance at 1 January	**(11)**	(67)
Fixed deposits (pledged)/released from pledges as per statement of cash flows	**(30)**	56
Balance at 31 December	**(41)**	(11)

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to $21,336,000 (2023: $15,215,000) and $19,510,000 (2023: $14,077,000) respectively which are placed for varying periods between 3 to 12 months (2023: 3 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 1.58% to 3.25% (2023: 0.10% to 3.90%) per annum.

Included in interest bearing accounts of the Group is the bank balance of ISCA Cares Fund amounting to $1,928,000 (2023: $1,969,000), of which $8,000 (2023: $18,000) is held by the Institute.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19 DEFERRED TAX LIABILITIES

Deferred tax liabilities are presented on a net basis. Movements in deferred tax assets / (liabilities) during the financial year were as follows:

	At 1 January 2023 $'000	Recognised in profit or loss $'000	At 31 December 2023 $'000	Recognised in profit or loss $'000	**At 31 December 2024 $'000**
Group and Institute					
Deferred tax assets/(liabilities):					
Lease liabilities	1,899	(322)	1,577	(330)	**1,247**
Right-of-use assets	(1,899)	322	(1,577)	330	**(1,247)**
Difference in depreciation for tax purposes	(181)	(114)	(295)	24	**(271)**
Provisions and accruals	117	(2)	115	(2)	**113**
	(64)	(116)	(180)	22	**(158)**

20 LEASE LIABILITIES

	Group and Institute	
	2024 $'000	2023 $'000
Non-current		
Lease liabilities	**5,654**	7,577
Current		
Lease liabilities	**1,923**	1,867
	7,577	9,444

<u>Reconciliation of movements of liabilities to cash flows arising from financing activities</u>

	Group and Institute	
	2024 $'000	2023 $'000
Balance at 1 January	**9,444**	11,209
Additions (Note 9)	**–**	76
Disposals	**–**	(27)
Changes from financing cash flows:		
– Repayments	**(1,867)**	(1,814)
– Interest paid	**(260)**	(315)
	(2,127)	(2,129)
Non-cash changes:		
– Accretion of interest	**260**	315
Balance at 31 December	**7,577**	9,444

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

21 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.

The provisions represent the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate the leased property to its original state. The estimates have been made on the basis of quotes obtained from external contractors. The unexpired term of the lease is 3.8 years (2023: 4.8 years).

22 TRADE AND OTHER PAYABLES

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Non-current				
Rental deposits received	**252**	–	**252**	–
Current				
Trade payables	**908**	931	**908**	931
Amount due to subsidiaries	**–**	–	**–**	24
Accrued operating expenses	**3,638**	2,496	**3,624**	2,482
Rental deposits received	**25**	256	**25**	256
At amortised cost	**4,571**	3,683	**4,557**	3,693
Goods and Services Tax payable	**519**	692	**519**	692
Accrual for unutilised annual leave	**312**	324	**312**	324
Advance billings for rental and other income	**466**	210	**466**	210
Deferred grants	**168**	19	**168**	19
	6,036	4,928	**6,022**	4,938

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

Amount due to subsidiaries was non-trade in nature, unsecured, interest-free and repaid during the year.

23 ISCA SUPPORT FUND

Support for Small and Medium Enterprises

A $3 million funding was set up in 2021 with the support of Enterprise SG's STEER programme. The qualifying period for the funding support ended in 2022 and the ISCA Support Fund ceased for the financial year ended 31 December 2022.

As the qualifying period for funding support ended in 2022, the undisbursed portion of the advance from Enterprise Singapore of $869,000 was returned in March 2023. The undisbursed funding set aside by the Institute, amounting to $1,739,000 was transferred back to the accumulated fund in 2023 upon the cessation of the ISCA Support Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24 ISCA CARES FUND

	Group	
	2024	2023
	$'000	$'000
At beginning of financial year	**1,987**	1,624
Donations received:		
– Tax deductible receipts	**67**	105
– Non-tax deductible receipts	**3**	3
Donations-in-kind	**10**	33
Other income:		
– Fund raising activity	**216**	280
– Government grant	**193**	250
– Interest income	**57**	37
Bursary awards	**(252)**	(221)
Fund raising expenses	**(64)**	(65)
Donations-in-kind expenses	**(10)**	(33)
Amortisation of intangible assets	**–**	(3)
Administrative and other operating expenses	**(17)**	(23)
Surplus for the year	**203**	363
At end of financial year	**2,190**	1,987
Represented by:		
Current assets		
Cash and bank balances	**1,920**	1,969
Receivables	**271**	26
Inventories	**–***	–*
	2,191	1,995
Total assets	**2,191**	1,995
Current liabilities		
Payables, representing total liabilities	**(1)**	(8)
Net assets	**2,190**	1,987

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

* represents amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation comprises:

	Group and Institute	
	2024	2023
	$'000	$'000
Short-term employee benefits	**1,805**	1,432
Contribution to CPF	**193**	118
	1,998	1,550

26 CAPITAL COMMITMENT

Capital commitment not provided for in the financial statements:

	Group and Institute	
	2024	2023
	$'000	$'000
Capital commitment in respect of property, plant and equipment	**254**	88

27 LEASES

a) The Group and the Institute as a lessee

<u>Nature of the Group's and the Institute's leasing activities</u>

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

The maturity analysis of the lease liabilities is disclosed in Note 28(b).

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

<u>Carrying amount of right-of-use assets</u>

The carrying amount and additions of right-of-use assets are disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27 LEASES (CONT'D)

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

Amounts recognised in profit or loss

	2024 $'000	2023 $'000
Depreciation charge for the financial year		
Leased property	**1,920**	1,922
Office equipment	**23**	24
Total	**1,943**	1,946
Interest expense on lease liabilities (Note 20)	**260**	315

Total cash outflow for leases amounted to $2,127,000 (2023: $2,129,000) and $2,127,000 (2023: $2,129,000) for the Group and the Institute respectively.

b) The Group and the Institute as a lessor

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

Rental income from investment property is disclosed in Note 10.

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

	Group and Institute	
	2024 **$'000**	2023 $'000
Within one year	**1,009**	177
Between 1 and 2 years	**1,029**	–
Between 2 and 3 years	**1,031**	–
Between 3 and 4 years	**1,060**	–
Between 4 and 5 years	**1,064**	–
More than 5 years	**193**	–

The lease for the Group's investment property was extended in March 2024 for another 6 years, until March 2030.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

Financial instruments at their carrying amounts as of the statements of financial position date are as follows:

	Group		Institute	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at fair value through profit or loss	**60,895**	56,914	**60,895**	56,914
Financial assets at amortised cost				
– Trade and other receivables	**1,990**	1,940	**1,970**	1,914
– Cash and bank balances	**25,021**	23,073	**23,102**	21,122
	87,906	81,927	**85,967**	79,950
Financial liabilities				
At amortised cost				
– Trade and other payables	**4,823**	3,683	**4,809**	3,693
– Lease liabilities	**7,577**	9,444	**7,577**	9,444
	12,400	13,127	**12,386**	13,137

b) Financial risk management

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

Credit risk

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

As the Group and the Institute do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments, is the carrying amount of that financial instruments presented in the respective statements of financial position.

The Group and the Institute place cash and fixed deposits with the established banks and financial institutions in Singapore. Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. As at 31 December 2024, the banks and financial institutions that the Group had deposits with were rated by Moody's at Aa1 to A3 (Investment Grade).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (Cont'd)

Credit risk (Cont'd)

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

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

Significant increase in credit risk

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

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

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

Definition of default

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (Cont'd)

Credit risk (Cont'd)

Credit-impaired financial assets

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

Estimation techniques and significant assumptions

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

Trade receivables and contract assets

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

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

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

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

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

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

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and cash and bank balances. Credit risk exposure in relation to other financial assets at amortised cost as at 31 December 2024 and 31 December 2023 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2024 and 31 December 2023. During the year, the bad debts written-off by the Group and the Institute was $19,000 (2023: bad debts recovered of $10,000) and $19,000 (2023: bad debts recovered of $10,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (Cont'd)

Liquidity risk

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

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

	2024 $'000				2023 $'000			
	1 year or less	**1 to 5 years**	**Over 5 years**	**Total**	1 year or less	1 to 5 years	Over 5 years	Total
Group								
Trade and other payables*	4,571	252	–	4,823	3,683	–	–	3,683
Lease liabilities	2,127	8,028	–	10,155	2,143	8,419	1,663	12,225
Institute								
Trade and other payables*	4,557	252	–	4,809	3,693	–	–	3,693
Lease liabilities	2,127	8,028	–	10,155	2,143	8,419	1,663	12,225

* excluding Goods and Services Tax payable, accrual for unutilised annual leave, advance billing for rental and other income and deferred grants

Interest rate risk

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

Price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Institute's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group and the Institute are exposed to equity price risk arising from its investment in quoted equity instruments. These instruments were classified as financial assets at fair value through profit or loss. To manage price risk arising from investment in quoted equity instruments, the Group and the Institute diversify its portfolio in accordance with the limits set by the Group. The Institute's investment policy, investment approach and asset allocation are under the oversight of the Strategy and Investment Committee. The Committee also oversees the selection and appointment of external investment/fund managers and evaluates/monitors the performance of the fund managers and the risks associated with the investment's decisions.

<u>Sensitivity analysis</u>

Funds placed with fund managers comprise a portfolio of equity instruments, bonds, derivatives and cash and cash equivalents. The Group and the Institute are exposed to changes in market prices, interest rate risk and foreign exchange risk with respect to its funds placed with fund managers. Fair values of debt instruments at fixed rates may fluctuate due to changes in market interest rates. A 3% (2023: 3%) increase/(decrease) in the fair value of the portfolio at the statements of financial position date would increase/(decrease) the Group's and the Institute's profit or loss by $1,827,000 (2023: $1,707,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

28 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (Cont'd)

Foreign currency risk

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

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

29 FAIR VALUE OF ASSETS AND LIABILITIES

a) Definition of fair value

FRS 113 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

b) Fair value hierarchy

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

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

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

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

c) Fair value measurement of assets that are measured at fair value

The following table presents the assets measured at fair value at 31 December 2024.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Group and Institute				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	**32,648**	**28,247**	**–**	**60,895**
2023				
Group and Institute				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	31,274	25,640	–	56,914

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

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

	Carrying amount	Fair value measurements at statement of financial position date		
		Level 1 $'000	Level 2 $'000	Level 3 $'000
2024				
Group and Institute				
Investment property	9,577	–	–	35,000
2023				
Group and Institute				
Investment property	9,880	–	–	28,500

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

e) Determination of fair values

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

Funds placed with fund managers

The fair values of funds placed with fund managers are determined based on market prices of the financial instruments provided by financial institutions at the statements of financial position date. These instruments are included in Level 1 or 2.

Investment property

The fair value is determined based on the property's highest and best use by an external and independent professional valuer who specialises in valuing these types of investment properties. A Direct Comparison Approach is used, under which the property is assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing, and all other factors affecting their value. The most significant input into the valuation model is the price per square foot of the property. The fair value measurement is categorised under Level 3 of the fair value hierarchy. The Group has determined that the highest and best use of the property used for office space is its current use.

30 FUND MANAGEMENT

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

31 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 2024 were authorised for issue by the Council on 12 March 2025.