

ANNUAL REPORT
2021/2022



SUSTAIN ABILITY

MAINTAINING OUR EDGE

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SUSTAINABILITY

MAINTAINING
OUR EDGE

In today's fast-changing business landscape, it is more important than ever for the Institute of Singapore Chartered Accountants (ISCA) to evolve and maintain its edge as Singapore's national accountancy body. ISCA is perfectly positioned to empower more than 33,000 members and the accountancy profession to not only sustain their relevance, but thrive in a dynamic business landscape. By moving forward together, we help our members achieve their professional aspirations while contributing towards a sustainable and innovative economy.



ABOUT ISCA



OUR VISION

A world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy



OUR MISSION

Our vision is supported by our mission statements, represented by the acronym

R.I.S.E.

- R**epresent our members on matters affecting and of interest to the profession
- I**nfluence the development of the accountancy profession and ecosystem positively
- S**erve the public interest by helping to instil sound values and ensuring right ethical standards among our members and the profession
- E**nable our members to achieve their professional aspirations



HOW WE CREATE VALUE

As the national accountancy body, ISCA empowers the accountancy profession to make a difference in businesses and the community. We create value by building a trusted profession that is vital to a sustainable economy – a profession distinguished by its breadth of skills, commitment to ethics and global expertise.



MEMBERSHIP STATISTICS

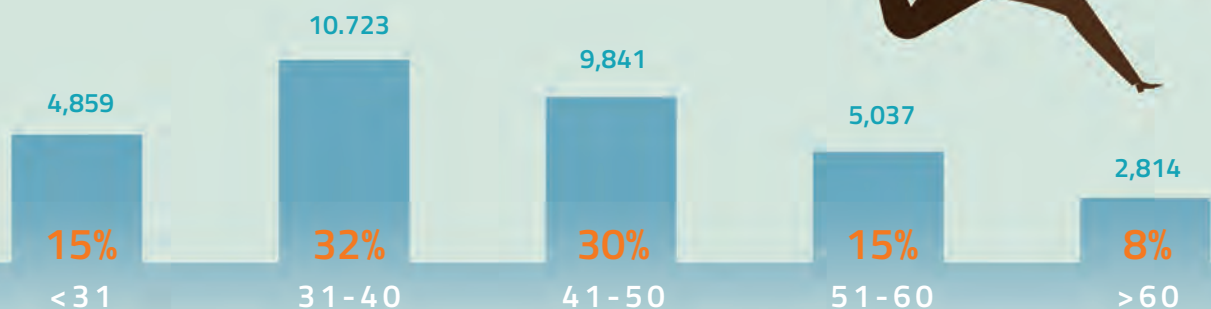
(as at 31 December 2021)

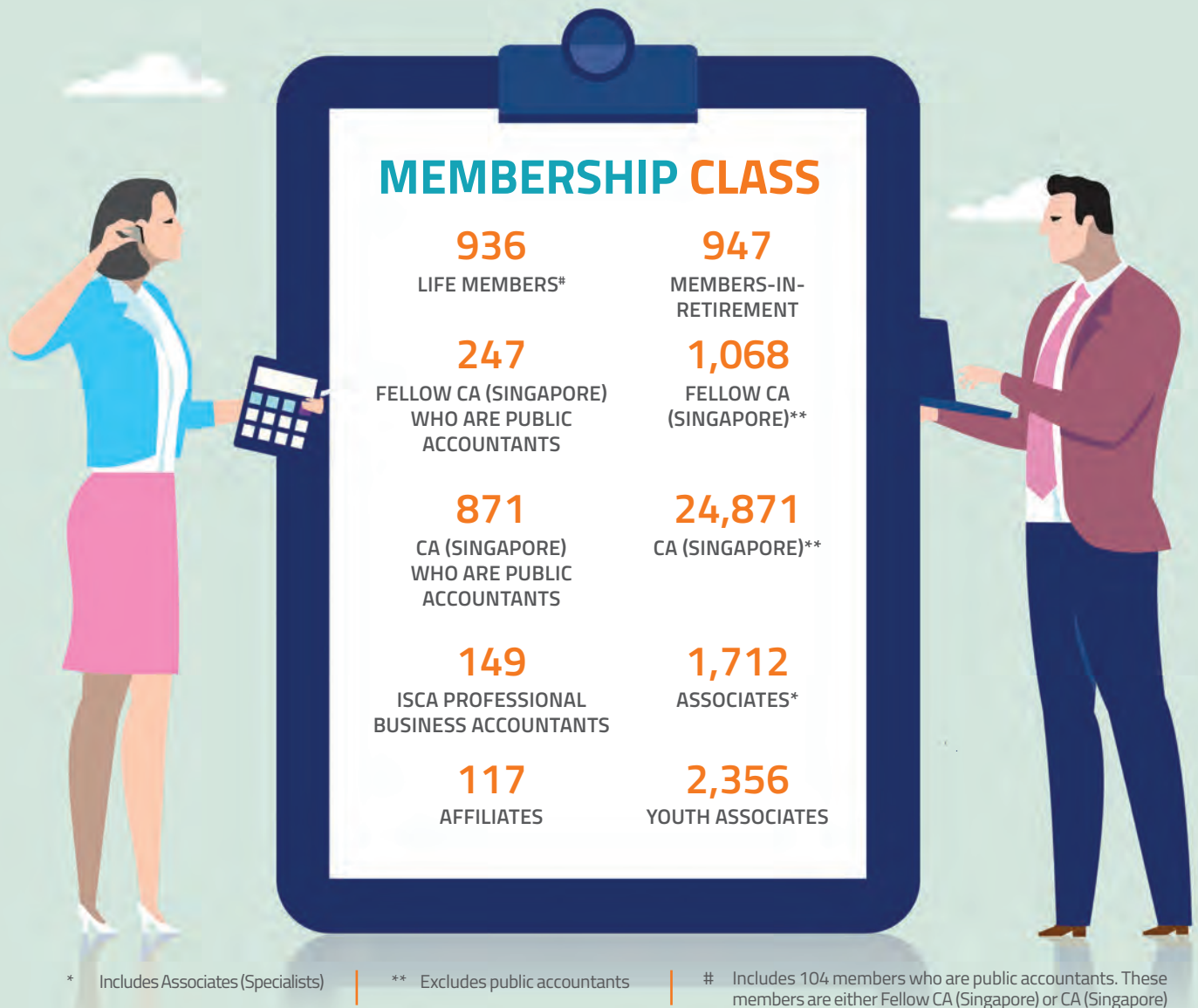
98.0%

MEMBER
RETENTION

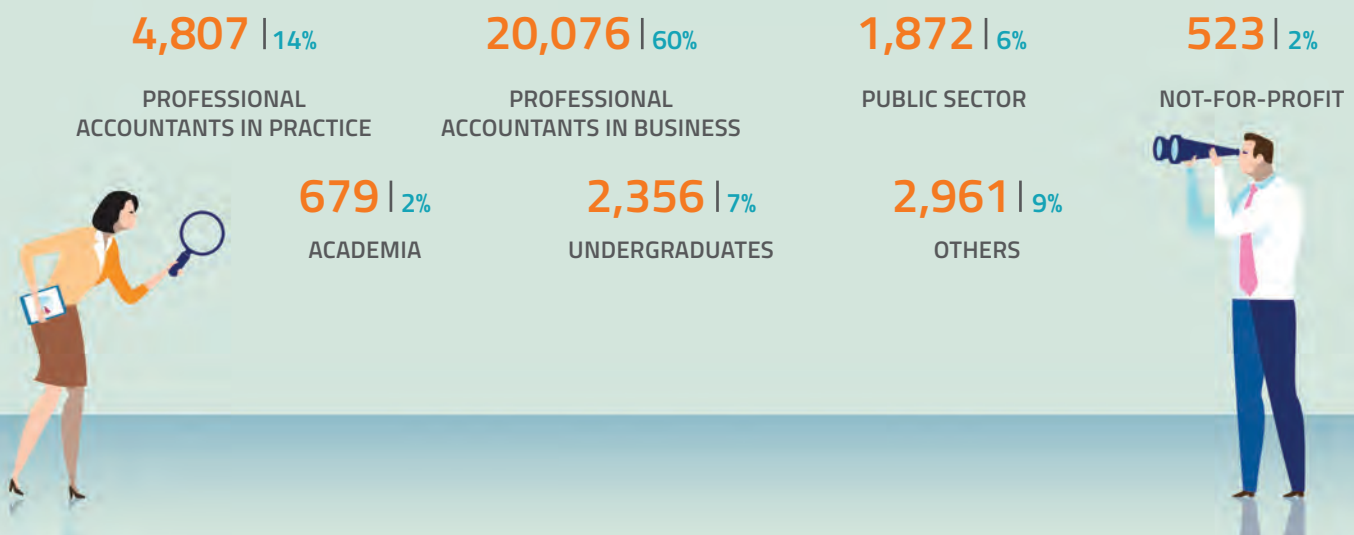


AGE GROUPS





MEMBERSHIP STATISTICS BY PROFESSION



OUR KEY STAKEHOLDERS

REGIONAL AND INTERNATIONAL ACCOUNTANCY BODIES

Deeper engagement with international partners and the global accountancy community helps solidify ISCA's reputation as a world class accountancy body and raises our international standing and prominence. ISCA is a member of:

- ASEAN Federation of Accountants
- Chartered Accountants Worldwide
- Jeju Group (comprising ISCA, Japanese Institute of Certified Public Accountants and Korean Institute of Certified Public Accountants)
- International Federation of Accountants

Organisations that ISCA engages with include:

- International Accounting Standards Board
- International Auditing and Assurance Standards Board
- International Ethics Standards Board for Accountants
- United Nations Conference on Trade and Development – International Standards of Accounting and Reporting

MEMBERS

We count more than 33,000 accountancy professionals as our members. As a membership organisation, we are focused on empowering members to achieve their professional aspirations. In addition, our engagement with key stakeholders as well as our advocacy for the profession contribute towards the enhancement of the eco-system. This benefits our members and the profession. Our members are at the heart of what we do and we will continue to focus on delivering value to them.

PROFESSIONAL SERVICES FIRMS AND ACCOUNTING ENTITIES

We work closely with the professional services firms in Singapore to advance the development of the profession. In addition to the Big Four firms, we support the mid-tier and SMPs sectors through programmes that enhance audit quality, accelerate digitalisation, uphold technical excellence and provide opportunities for growth.



GOVERNMENT BODIES

The Institute works with government agencies to spearhead initiatives that contribute to the development of the accountancy profession. We also conduct regular exchange sessions with government agencies to advocate and represent the profession's interests as well as discuss issues relating to the accountancy profession. Government bodies that we engage with include:

- Accountant-General's Department
- Accounting and Corporate Regulatory Authority
- Accounting Standards Council
- Auditor-General's Office
- Corrupt Practices Investigation Bureau
- Enterprise Singapore
- Family Justice Courts
- Infocomm Media Development Authority
- Inland Revenue Authority of Singapore
- Ministry of Culture, Community and Youth
- Ministry of Finance
- Ministry of Manpower
- Ministry of Trade and Industry
- Monetary Authority of Singapore
- Professional Services Programme Office
- Singapore Accountancy Commission
- Singapore Police Force
- SkillsFuture Singapore
- Workforce Singapore

FELLOW PROFESSIONAL BODIES

ISCA engages with other professional bodies to represent the profession's interests and discuss issues pertaining to the accountancy profession. Through cooperation with fellow professional bodies, ISCA aims to strengthen and shape the development of the accountancy profession. Fellow professional bodies include:

- Association of Chartered Certified Accountants
- Chartered Institute of Management Accountants
- CPA Australia
- Institute of Internal Auditors Singapore
- Institute of Management Accountants
- Institution of Engineers Singapore
- Singapore Chartered Tax Professionals
- The Law Society of Singapore

TRADE ASSOCIATIONS & CHAMBERS AND OTHERS

ISCA engages with Trade Associations and Chambers (TACs) and other organisations to advocate common interests and explore mutually-beneficial collaborations. Through identifying synergies and joining forces with other TACs, ISCA is better able to support the development of the accountancy profession. Some TACs and other organisations that we have engaged with include:

- Association of Small and Medium Enterprises
- e2i
- Singapore Business Federation
- Singapore Institute of Directors
- The Association of Banks in Singapore



OUR PRESIDENT SPEAKS



Dear Members,

With the volatility, uncertainty and complexity throughout the world this past year, there have been tremendous changes across our business landscape. Indeed, the pandemic has altered work and life as we know it, with new norms and practices that cater to an unprecedented time. We are also dealing with a deepening global climate crisis, which calls for urgent, drastic change.

Undoubtedly, sustainability has become a focal point for businesses, communities and governments around the world. Against this backdrop, it is more important now than ever for the Institute and the accountancy profession to evolve and adapt, sustaining our relevance and thriving in today's climate.

In combating climate change, the accountancy profession has a pivotal role to play. Being stewards of capital and corporate reporting, we are in an influential position to help businesses infuse a sustainability culture and accelerate business practices in sustainability, from planning and strategy to improving processes and measuring performance.

FOCUSED ON SUSTAINABILITY

At ISCA, we aim to support our members and the profession in being difference makers, driving the sustainability agenda in their organisations. As the national accountancy body, it is also important that we "walk the talk" and lead by example. We have developed a holistic sustainability strategy based on the three pillars of Capability Building, Corporate Citizenship and Collaboration with Like-minded Organisations. With this, we plan to build capabilities in accountancy professionals to enable them to identify, promote and pursue sustainability opportunities for their organisations. The strategy will also drive sustainability practices within ISCA.

In this annual report, you will find ISCA's Sustainability Policy Statement, which sets out our policies on sustainability practices, and a section on ISCA's Environmental, Social and Governance (ESG) efforts.

As part of our sustainability strategy, ISCA has developed a sustainability roadmap, which includes the establishment of policies and processes to measure, track and report the Institute's sustainability targets.

We have formed a sustainability reporting taskforce, which is chaired by ISCA CEO and includes staff from various departments, who have knowledge of ESG matters and the Institute's operations. This cross-functional team is responsible for developing and implementing ESG initiatives and delivering reporting and disclosures relating to the Institute's ESG performance.

While our endeavours to promote the sustainability agenda started much earlier, we have ramped up our efforts in 2021 amid the intensifying climate crisis. Our publication, *Fueling Sustainable Ecosystems — Insights from the Financial Services Sector*, shares actionable insights from the financial services sector to help businesses embark on their sustainability journey. This was launched at the 2021 PAIB Conference “Sustainability & Trust: Taking Centrestage in a New Era of Business”, which had segments focused on the sustainability topics related to the profession.

Representing ISCA, I shared the state of sustainability reporting in Singapore and ISCA’s initiatives in this area at the United Nations Conference on Trade and Development (UNCTAD), where I addressed delegates at the International Standards of Accounting and Reporting (ISAR) meeting in November 2021. ISAR is the United Nations’ focal point on accounting and ESG matters. I also spoke on the same subject at the UNCTAD – Consultative Group meeting on national infrastructure for high quality sustainability reporting in March this year. The sharing at this meeting is ISCA’s contribution towards UNCTAD’s development of a policy recommendations document that complements its sustainability reporting toolkit.

The Institute also took part in the Sustainability Assurance Roundtable co-hosted by the Jeju Group and International Federation of Accountants (IFAC), as well as the Jeju Group’s Webinar on Sustainability Reporting and Assurance. Our participation in these events has raised ISCA’s global prominence. More importantly, it gave us the opportunity to be part of the profession’s collective efforts to promote sustainability reporting and assurance.

We will continue our efforts to equip our members with the skills that enable them to contribute to the sustainability sector. To this end, we will embed sustainability-related content in our CPD courses, seminars, events and programmes. We will also bolster our efforts in providing sustainability-focused research and publications.

SUSTAINING OUR MEMBERS AMID THE PANDEMIC

By the time you read my message, it may well be that the worst of the pandemic is over. It has indeed not been an easy journey for everyone. I am heartened that our efforts to support members and the profession through the pandemic in 2021 made a difference.

The ISCA Support Fund has helped close to 140 Small and Medium Practices (SMPs), enabling them to tap into new opportunities and build digital capabilities. It has also provided financial respite for about 500 members affected by the pandemic through membership fee waivers and complimentary Continuing Professional Development (CPD) training courses.

To support members in upskilling amid the pandemic, ISCA organised more than 40 complimentary webinars on topics such as strengthening governance, fighting climate change and supporting green finance, driving finance transformation and trends, mitigating financial fraud risk, and coping with stress and anxiety in uncertain times. These webinars cumulatively garnered more than 17,000 signups.

Recognising the potential impact of the pandemic and its accompanying stresses on our members’ well-being, we ramped up our offerings on mental wellness. ISCA designated October 2021 as its mental wellness month, rolling out resources such as a dedicated Mental Wellness section on ISCA’s website, a cover story in *IS Chartered Accountant Journal* (ISCA Journal) and two webinars on the subject.

To keep our members updated about the latest developments in an evolving situation, we released regularly-updated guides such as the ISCA COVID-19 Navigator, as well as sector-specific advisories about the latest safe-distancing requirements.

In an uncertain economic environment, we boosted our career support for members. Our job matching scheme has enabled our members to discreetly connect with potential employers by posting their job history online anonymously. In 2021, we fulfilled more than 420 employer requests to connect with members looking for career opportunities. Together with Workforce Singapore, we held the Virtual Career Fair for Accountancy and Finance Professionals again in 2021 to help our members seek new career opportunities.

The pandemic accelerated the pace of digital transformation and technology adoption. With new technologies and innovations rapidly changing the business landscape, ISCA provided new avenues for our members to gain in-demand skills and remain relevant, helping them thrive in today’s dynamic environment.

Our Memorandum of Understanding (MOU) with the Corrupt Practices Investigation Bureau (CPIB) paved the way for eligible CPIB officers to become ISCA members and be conferred the ISCA Financial Forensic Professional (FFP) credential. In addition, the ISCA Audit Committee Programme launched in 2021 equips members with essential financial reporting skills to strengthen the quality of financial reporting disclosures and best practices in corporate governance and risk management.

With the pervasive use of technology, businesses must understand and manage technology-related risks. ISCA, with the support of the Singapore Accountancy Commission (SAC), worked with industry experts to develop the ISCA Information Systems Risk Management (ISRM) Certificate to upskill practitioners in information systems risk management.

OUR PRESIDENT SPEAKS

As organisations undergo digital transformation, we launched the Digital Learning Guide to help members select the right courses to meet their upskilling needs. The guide highlights 12 potential roles amid five focus areas of digital transformation. Our publication, *The State of Play of Intelligent Automation in the Finance Function*, also helps those in management roles understand the challenges and benefits of implementing Intelligent Automation solutions in the finance function, including upskilling and training considerations for finance employees.

To enhance the Chartered Accountant brand and elevate our members' employability, we rolled out "Difference Makers", part of a global campaign which positions Chartered Accountants as the people employers and governments trust to get businesses and economies moving again. The campaign featured a 30-second video and a series of Q&A interviews showcasing ISCA members who embody the characteristics of a "difference maker".

SUSTAINING THE SMP SECTOR

SMPs play an important role in supporting businesses. The overwhelming majority of businesses in Singapore are Small and Medium Enterprises (SMEs) – many of which turn to SMPs for their professional service needs. Hence, supporting SMPs has always been an important part of what we do at ISCA. Our initiatives to drive the quality, digitalisation and growth of SMPs are guided by the ISCA Quality Assurance Framework. The framework has four pillars: Quality Assurance, Digital Capability, Knowledge Circle and Opportunities Creation.

Quality Assurance

Under the Quality Assurance pillar, the Institute runs programmes that raise the quality of audit practices.

Through our Quality Assurance Review (QAR) Programme, participating firms receive support in reviewing signed-off engagement files, firm-level quality control systems and/or policies, procedures and controls on Anti-Money Laundering/Combating the Financing of Terrorism. The programme also covers tailored training sessions on the key findings and/or recurring findings from the review.

We also provide guidance materials for SMPs that are updated regularly. These include the *ISCA Audit Manual for Standalone*

Entities, the *ISCA Audit Manual for Group Entities* and *ISCA's Illustrative Financial Statements*.

In 2021, ISCA expanded its database of On-the-Job Training (OJT) Blueprints, producing a new set of blueprints covering 10 new audit topics. These blueprints were developed to boost the in-house training of auditing firms and guide audit personnel. ISCA has also created platforms for dialogue and discussions on topics related to audit quality. Through the virtual ACRA-ISCA Dialogue Session held in October, practitioners provided feedback on ACRA's Practice Monitoring Programme (PMP), an important regulatory instrument that promotes audit quality and provides quality assurance.

In November, ISCA organised two focus group discussions with accounting firms to gather feedback regarding ACRA's Proposed Amendments to the Accountants Act. The key insights from the discussions were included in ISCA's comment letter to the Ministry of Finance (MOF) and the Accounting and Corporate Regulatory Authority (ACRA).

Digital Capability

Under the Digital Capability pillar, we support SMPs in digitalisation, upskilling, diversification and internationalisation via the virtual SMP Centre.

The SMP Centre provides digital advisory support and conducts Robotic Process Automation (RPA) workshops to support firms in automating routine and repetitive auditing and internal processes. Resources such as the self-assessment toolkit also help SMPs to determine their digital readiness and digital and training roadmap, which identifies the digital solutions and training required for their stage of digital development. We also work closely with government agencies to help SMPs defray costs when adopting new digital solutions.

Our first ASEAN Tech Fair introduced members to new digital offerings, including accounting and auditing tools. The fair featured 13 plenary sessions and tech talks, as well as 15 virtual booths, which had live demonstrations of innovative digital solutions for the accounting sector. We have also organised "tech talks" to support SMPs in their digitalisation journey. In 2021, we organised five tech talks, which provided insights on how to tap into government grants for digitalisation and exposed firms to digital solutions that enhance efficiency and precision for work processes.

ISCA co-organised the Robotic Process Automation (RPA) Hackathon in July. The hackathon challenged its participants to develop an RPA script for categories including the audit process, finance, planning and treasury process. Through such events,

ISCA aims to boost the development of innovative technology solutions that accelerate the digitalisation for SMPs, enhancing the sector as a whole.

Knowledge Circle

Under the Knowledge Circle pillar, ISCA helps SMPs to build new skills and strengthen domain knowledge, while promoting lifelong learning among practitioners. We also identify high-growth areas and skill gaps for SMPs and develop qualifications and certification programmes to equip them with relevant skills. This enables SMPs to tap into new opportunities. An example is the ISCA Information Systems Risk Management (ISRM) Certificate introduced in 2021 to enhance the capabilities of the profession in information systems risk management.

In addition to a suite of CPD courses curated specially for SMPs, we provide customised technical training sessions and materials tailored to the needs of different firms. The scope of the training includes ISCA Audit Manuals, Ethics Pronouncement 200 and other audit-related topics. To support firms in the implementation of the new quality management standards, ISCA has also developed a quality management toolkit comprising implementation tips, practical examples, suggested policies and procedures, and forms.

Opportunities Creation

At ISCA, we create opportunities for SMPs to grow their businesses by expanding into overseas markets or new service offerings. Over the years, we have organised overseas mission trips for practitioners from Singapore to network with SMPs in other countries, including China, Australia, the United Kingdom and Myanmar.

During the year, in view of pandemic-related travel restrictions, we collaborated with the Vietnam Association of Certified Public Accountants (VACPA) for a virtual business mission trip via zoom. The virtual business trip featured discussions on the business and regulatory landscapes in Singapore and Vietnam, with breakout rooms for ISCA members and representatives from Vietnamese SMPs to explore potential collaborations.

Beyond these four pillars, ISCA has provided further support via various schemes for SMPs under the ISCA Support Fund. This is because we recognise that SMPs may need greater support during these economically tumultuous and uncertain times. To help SMPs stay updated about the latest developments amid the pandemic, we have created the ISCA Navigator, which summarises the pandemic assistance packages from the government and ISCA, and worked with the SAC on advisories for accounting practices on safe management measures. These documents are regularly updated to reflect the latest changes.

A BIG THANK YOU

It has been heartening for me to see ISCA making a positive difference to the profession, including the SMP sector, during my tenure as ISCA President. This is especially so in the last two years when the pandemic created unprecedented challenges for most businesses.

During this period, it was crucial that we developed the right strategy to support the profession in navigating the complexities, uncertainties and change brought about by COVID-19. I am pleased that we were able to support the segments of the profession that were in need during that crucial period, now that the worst of the pandemic is behind us.

After serving two terms, I will be stepping down as ISCA President. It has been a fruitful, if challenging, journey. I am encouraged that we as a profession have met the diverse challenges that arose with agility and resilience, and I am looking forward to the increasingly vital role the accountancy profession will play in driving sustainability and being part of the solution regarding the climate crisis.

My heartfelt appreciation goes to my office bearers, fellow Council members as well as the management team and staff at ISCA for stepping up during this challenging time to support members and the profession with dedication, while tackling the numerous obstacles arising from the pandemic.

Most of all, I would like to thank our members for their unwavering support and confidence in ISCA. Our members inspire us to do our very best each and every day. Indeed, it has been my deepest honour and pleasure to serve the profession over the past four years.

From the bottom of my heart, thank you.

Yours sincerely,

KON YIN TONG

President





OUR SUSTAINABILITY JOURNEY

At ISCA, we aim to support our members and the profession in being difference makers, driving the sustainability agenda in their organisations. Leading by example, we have developed a sustainability strategy that builds the profession's capabilities in contributing to the sustainability sector as well as driving sustainability practices within the Institute.

LEADING OUR JOURNEY

The Institute is developing a sustainability roadmap in 2022 to drive sustainability efforts in support of the Singapore Green Plan 2030 and the UN Sustainable Development Goals. The roadmap will include the establishment of policies and processes to measure, track and report the Institute's sustainability targets.

We are committed to being environmentally responsible, actively support initiatives that reduce the Institute's environmental impact and embed sustainability (and social responsibility) within the Institute's strategy and operations. We seek to understand the effects our activities have on the environment by supporting initiatives such as:

- Reduction of energy and water consumption
- Waste minimisation
- Recycling of resources

At the Institute, we recognise the important role of sustainability as a catalyst for businesses to evolve their corporate strategies to stay competitive and meet the future demands and challenges. At the same time, we also see tremendous potential and opportunity for the accountancy profession. As stewards of financial resources and corporate reporting, accountancy professionals are well-placed to take

on a more prominent and active role in spearheading and driving sustainability practices within their organisations. We envisage accountancy professionals to galvanise their organisations into adopting green initiatives and producing high-quality sustainability reporting.

On this note, ISCA is committed to take the lead to influence and help our members in this space. We will educate and create awareness among our members on the role that accountancy professionals can play in driving sustainability. We will dedicate resources to drive initiatives which aim to raise the capabilities of our members in sustainability. This will include developing relevant certification programmes and CPD courses, producing guidances and publications. To harness synergy in collaborations, we will also work with like-minded bodies to achieve common goals in sustainability.

We have formed a sustainability reporting taskforce, which is chaired by ISCA CEO and includes staff from various departments who have knowledge of ESG matters and the Institute's operations. This cross-functional team is responsible for developing and implementing ESG initiatives and delivering reporting and disclosures relating to the Institute's ESG performance.



ENVIRONMENTAL

Greenhouse gas (GHG) emissions
Renewable energy
Energy efficiency
Water management
Waste minimisation
Recycling processes



SOCIAL

Ethical working practices
Employee benefits
Diversity and inclusion
Succession planning
Impact on local communities



GOVERNANCE

Ethical standards
Board diversity and governance
Stakeholder engagement
Transparency

DRIVING SUSTAINABILITY

SUSTAINABILITY POLICY STATEMENT

ISCA is committed to:

- Integrating Environmental, Social and Governance (ESG) factors into our strategy and operations
- Driving sustainability within the accountancy community by raising awareness, advocating sustainability reporting in businesses, and building capabilities in accountants to drive sustainable practices within their organisations
- Collaborating with like-minded organisations to achieve mutual sustainability goals

Environmental

ISCA is committed to being environmentally responsible. We seek to reduce the effects our activities have on the environment by supporting initiatives such as:

- Reduction of energy and water consumption
- Waste minimisation
- Recycling of resources

Social

We aim to foster a supportive and inclusive workplace, promote diversity and social mobility within our community and provide opportunities for our members and employees to achieve their career aspirations. Such initiatives include:

- Corporate Social Responsibility (CSR) or volunteering programmes to encourage giving back to the community
- Our charity arm, ISCA Cares, supports youths from disadvantaged backgrounds with quality accountancy education
- Implement socially driven policies to drive increased staff welfare, safety and progression plans
- Collaborate with partner(s) to grow skills-based volunteerism in the accountancy profession

Governance

ISCA is committed to employing sound governance and oversight. We seek to enhance our ESG reporting processes and controls by integrating ESG related disclosures to promote accountability and reporting transparency. Our governance structure is as follows:

- ISCA Council
- Executive Committee
- Audit Committee
- Nominations Committee
- ISCA Sustainability Reporting Taskforce

We will ensure that this policy and all related procedures are understood, implemented and maintained by all ISCA staff.



DRIVING SUSTAINABILITY

1. Environment

We will identify opportunities and implement actions which reduce our environmental impact whilst improving the well-being of our staff and wider community:

A. Energy Policy

Implement energy efficient measures and work towards reducing our greenhouse gas (GHG) emissions by using less carbon-intensive fuels, and by improving energy efficiency.

- Promote the use of renewable energy (e.g. switch electricity plan to solar energy solutions)
- Install 100% LED Lighting with motion sensors
- Reduce energy consumed IT equipment (e.g. servers, storage)
- Travel only when necessary and choose a method of travel that minimises impact to the climate
- Encourage the use of virtual collaboration tools where appropriate

B. Water Policy

Monitor and review water consumption by adopting the "Reduce, Replace and Reuse" approach to use water wisely.

- Install water efficient fittings and adopt water efficient flow rates/flush volumes
- Repair leaks promptly
- Choose NEWater, seawater and/or rainwater, instead of potable water, for non-potable use, general washing and cooling tower, when applicable.
- Reuse potable water that is clean enough after one-time use for non-potable use like toilet flushing, etc.

C. Waste Policy

Minimise waste and encourage recycling by promoting the 3Rs (Reduce, Reuse, Recycle).

- Reduce paper usage
 - Print on both sides of paper
 - Flash reference materials during meetings on screen instead of printing them for distribution
 - If print copies are needed, distribute a few copies of a document for sharing
 - Proofread documents on screen before printing
- Reduce single-use items
 - Avoid the use of disposable items
 - Do not ask for plastic carriers if packet food can be held in hand
 - Bring own reusable lunchbox and cutlery for takeaways
 - Bring own mug to meetings to reduce use of plastic or styrofoam cups
- Reduce food waste
 - Order just adequate amount of drinks and food for meeting, seminars, conference and events
 - Set up a food waste management system and implement best practices
- Reuse materials
 - Reuse used envelopes for sending internal mail
 - Remove old documents and reuse files for filing again
 - Use unused side of used paper for drafting, printing and taking notes, etc

- Recycle materials
 - Set up a recycling programme
 - Provide recycling bins with appropriate labelling at strategic locations
 - Instil awareness and engage staff regularly through circulars, newsletters, talks and activities
 - Educate the cleaners to keep the recyclables separate from general waste during collection to avoid contamination

- Procurement Policy
 - Think about the whole life-cycle when purchasing. Apply sustainable procurement duties, choosing goods and services which reduce carbon/waste
 - Buy longer-lasting and useful items as corporate gifts
 - Source/provide food that is good for the environment and people



ENVIRONMENTAL

Minimising The Environmental Impacts Of Our Physical Operations

While the environmental impacts of our operations are not as significant as other business sectors, we continue to look at ways to minimise our carbon footprint as an organisation.

In 2021, the Institute ventured into new ways of working and operating that led to environmental gains. For instance, with the adoption of digital tools, we digitalised the procurement process. Coupled with ISCA staff being able to work from home, the usage of paper reduced from 500 reams in 2020 to 200 reams in 2021.

Moving forward, we will be adopting a hybrid work arrangement, offering employees greater flexibility while reducing our organisation's carbon footprint.

In 2021, we also transformed our physical conferences, courses and events into virtual events. While this was mainly to comply with pandemic safe management measures, the virtual format resulted in obliterating waste associated with physical events such as used water bottles, paper cups, lanyards and stationery. We have also reduced the usage of paper by moving our transactions with our members and course participants to the ISCA eServices portal.

At ISCA House, only eco-friendly electrical appliances and energy-efficient LED lights are used. Recycling bins are placed at designated areas and classrooms to encourage recycling of papers and bottles. We are introducing policies for our departments to purchase products from environmental-friendly suppliers. There will also be a campaign to educate staff on reducing consumption of resources and maximising energy efficiency.

DRIVING SUSTAINABILITY

2. Social

We will foster a supportive and inclusive workplace, promote diversity and social mobility within our community, increasing opportunities for more people to achieve their career aspirations:

- Be a welcoming and inclusive organisation which celebrates diversity, recruiting and supporting staff from diverse backgrounds
- Ensure fair, progressive and ethical working practices within the Institute
- Increase opportunities for staff to interact with the wider community and promote volunteering
- Provide youths from disadvantaged backgrounds with opportunities to participate in higher education through financial and non-financial assistance.

Our People

In 2021, we supported our employees' well-being by organising workout classes and a mental wellness talk "Effective Stress Management for a Happy Work-Life Balance". We will be offering more flexible work arrangements, such as flexible hours and working from home as part of our talent attraction and retention strategy.

We have in place a rigorous performance review system to evaluate staff performance, identify employee development needs and enforce a performance-driven reward structure. We provide training and development opportunities to upskill employees for increased productivity and prepare them for higher responsibilities. We are also reviewing our policies on attracting and retaining talent and fair employment practices.

In 2021, we formed a staff welfare committee, comprising staff from different departments to provide feedback to senior management, with the aim of improving employee engagement and enhancing HR policies.

The total number of full-time employees as at 31 December 2021 is 97 (as at 31 December 2020: 107).

The age and gender diversity of our full-time employees are set out below:

AGE DIVERSITY

26-30	31-45	46-55	56-65
9%	66%	21%	4%

The spread of employees across the different age categories reflects the age diversity across ISCA and a diverse mix of experiences that adds depth and breadth to the Institute, while working to build talent pipeline in the younger age categories to support our growth forward.

GENDER DIVERSITY

Male	Female
24%	76%

Female employees accounted for more than 75% of the Institute workforce which reflects the nature of the industry - the non-profit sector has largely been a female dominant industry.

Succession Planning

The Institute recognises the importance of succession planning to prevent potential disruptions to workplace processes. This is done through creating a talent pipeline and preparing our employees to fill vacancies within the organisation as others retire or move on. By having a succession plan in place, the Institute aims to identify critical management positions to ensure business continuity and growth, respond to talent scarcity and demographic changes and retain key talents by providing development, and rewarding opportunities.

Giving Back To The Community

As the national accountancy body, ISCA aims to galvanise the profession towards making a difference to the community.

Via our charity arm, ISCA Cares, we provide youths from financially challenged backgrounds with quality accountancy education through financial and non-financial assistance. We have awarded close to \$650,000 to more than 230 ISCA Cares Ambassadors (our student beneficiaries) since the inception of ISCA Cares. ISCA Cares represents a collective effort of the accountancy profession to give back to society which supported them in achieving success. It also signifies the efforts of the Institute, in its role as the national accountancy body, to provide a platform for the profession to support worthy and meaningful causes.

In 2021, ISCA Cares disbursed over \$133,000 to 40 accountancy students from financially challenged families. BDO, EY, JKhoo Consultancy and RSM Chio Lim were some of the largest corporate donors in 2021. EY also offered its office - EY Wavespace - for the ISCA Cares Bursary Awards Ceremony held in December 2021, with close to 80 guests attending in person and virtually.



ISCA Cares Chairman Mr Max Loh gave the welcome address at the ISCA Cares Bursary Awards Ceremony 2021, with ISCA Cares Board members (seated, from left), Ms Fann Kor, Mr John Teo, Mrs Noor Quek and ISCA President Mr Kon Yin Tong and students listening on.

DRIVING SUSTAINABILITY

In March 2021, we held the inaugural ISCA Cares Charity Golf event. The event drew 140 golfers and raised over \$421,000 - including matching funds from the Tote Board - in aid of ISCA Cares beneficiaries.

As part of ISCA's collaboration with Singapore Polytechnic (SP), SP's accountancy students contributed RPA bots they had built to support the SMPs in automating their processes. In turn, the SMPs who received the timesheet and email bots were encouraged to pay it forward by donating to ISCA Cares. The students had built various RPA robots for audit, accounting, tax and corporate secretarial processes as part of their Final Year Projects.



The ISCA Cares Charity Golf event was made possible with the support of donors and sponsors.

Fostering a Culture of Giving

In May 2021, ISCA signed an MoU with the Ministry of Community, Culture and Youth (MCCY) 's SG Cares Office to grow skills-based volunteerism in the accountancy profession. As a key national intermediary, ISCA will, through SG Cares Office and SG Cares Volunteer Centres, deploy skills-based volunteers from ISCA's membership base to benefit non-profit organisations in Singapore.

To encourage volunteering and for the Institute to give back to the community, we will provide more opportunities for

our staff to do good in the community by establishing a corporate volunteer programme such as an Institute-wide volunteer work day.

In conjunction with SG Cares Giving Week in December 2021, ISCA partnered four Bazaar Sponsors - Deloitte, EY, KPMG and PwC - and Outreach Partners from 14 accounting firms to organise the "Counting on You" Giving Bazaar. Held online via Fairmarch, an online marketplace for socially and environmentally responsible businesses, the bazaar's proceeds go directly to the supported social enterprises and charities.

ISCA collaborated with 18 partners to hold an online bazaar that raises funds for social enterprises and charities.

3. Governance

The Institute's sustainability reporting taskforce is responsible for overseeing the progress in implementing the sustainability plan on behalf of ISCA Council, as well as monitoring and reviewing.

At the Institute level, monitoring of strategic objectives will be undertaken via the following governance structure.

ISCA Council

The ISCA Council oversees and directs all strategies to establish ISCA as a world-class accountancy body, advance our members' interests, as well as manage our risks and establish high standards of governance practice.

The Council usually meets seven times a year to review ISCA's operations and the effectiveness of the Institute's strategies and policies. Reflecting our diverse membership base, the Council comprises leaders from the corporate sector, the public accounting profession and academia. These highly regarded members, with their wide range of experiences and professional networks, provide valuable counsel during council meetings and serve on various committees, offering their expert opinions.

Council members volunteer their time to serve the Institute and the profession, and they do not receive any payment for service on the Council. However, a Council member will be reimbursed for out-of-pocket expenses or other direct expenses incurred in connection with the performance of their duties. New Council members take part in an induction session, where they are informed of the Institute's mission, strategic priorities, role of the Council, code of conduct of Council members and the Institute governance/management structure. Council members are also required to sign an annual confidentiality agreement and a declaration of interest.

Executive Committee

The Executive Committee (EXCO) is made up of the office bearers – president, vice president, treasurer, secretary – and another Council member appointed by the Council. Its key role is to serve as the executive arm of the Council, overseeing ISCA's initiatives, and operational and financial matters.

Audit Committee

The Council appoints the Audit Committee, which comprises three Council members who are non-office bearers. Its role is to ensure the integrity of financial statements through a system of internal controls and due financial reporting process. The Committee is also tasked to review the appointment of internal and external auditors, appraise their audit plans, and review their findings. It also has oversight of ISCA's risk management policies and practices. In addition, the Audit Committee addresses significant findings that arise from the audit of the financial statements before the Council approves these statements.

Nominations Committee

The Nominations Committee is appointed by Council and comprises seven members, the majority of whom are Council members. Its role is to assist the Council in identifying suitable candidates for both internal and external appointments. It reviews and makes recommendations to the Council about the appointment of individuals to the various ISCA Committees. The members of the ISCA Committees are central to the effective functioning of ISCA. When considering candidates for the ISCA Committees, the Nominations Committee reviews a variety of factors including gender, age, skill sets, experience and membership mix of the Institute. The Nominations Committee also spearheads the succession planning process and embeds diversity in the selection of Committee members.

RISK MANAGEMENT

RELEVANCE AND VALUE

As the national accountancy body, ISCA continues to entrench itself as an influencer and active contributor in the global profession and ecosystem, proactively being at the forefront not only in terms of profession-driven capabilities and knowledge, but sustainability and corporate citizenship as well.

ISCA strives to maintain good working relations and hold regular dialogues with key local stakeholders such as government bodies and agencies, policymakers and regulators to advance the accountancy profession in Singapore. Internationally, ISCA has cultivated and strengthened ties with leading member bodies of the global accounting profession, IFAC – the global organisation for the accountancy profession – and relevant accountancy groups such as Chartered Accountants Worldwide (CAW), ASEAN Federation of Accountants (AFA) and the Jeju Group. These interactions not only help to facilitate the identification of mutually beneficial areas of collaboration and the sharing of best practices, but also enable ISCA to represent our members and provide insightful perspectives regarding accountancy matters that are of interest to the profession on global platforms. In addition, our standing as a global PAO positions us to be at the forefront of sustainability when it comes to the profession.

Moving forward, ISCA will engage more in sustainability-focused research and publications to enhance its thought leadership in the arena. ISCA will also focus more on sustainability as a whole across the organisation, and embed sustainability-oriented content into our CPD courses, seminars, events and programmes, raising awareness in Sustainability and climate change, and creating a better ecosystem.

As the voice for our members and the profession, ISCA works closely with standard setters, regulators and the industry to actively shape and maintain high ethical and professional standards within our financial ecosystem. For instance, ISCA regularly submits comment letters on exposure drafts drawn up by international standard-setting bodies, and issues guidance on relevant accounting and auditing standards.

In order to constantly deliver value to our members through quality initiatives and services, ISCA actively monitors the trends and developments affecting the profession and further refines our initiatives to remain relevant and prepare members to be future-ready.



CYBER AND DATA SECURITY

The COVID-19 pandemic has driven a shift towards remote work, and cybercriminals see this as an opportunity to proliferate their criminal activities and exploit the vulnerability of employees working from home.

To manage cybersecurity risks, ISCA conducts an annual Tabletop Exercise that evaluates our cyber crisis processes, tools and proficiency in responding to cyberattacks – from both an executive strategic perspective and a technical incident response perspective.

ISCA also conducts awareness training for our staff, enabling them to identify phishing emails and report them to ISCA's Technology department. We have also implemented antivirus and malware scanning tools to pro-actively detect and filter malicious incoming emails.

In addition, ISCA's corporate devices are equipped with virtual private network (VPN) technologies, requiring employees to log in before they can access corporate data. Frequent checks are conducted on the vulnerabilities of ISCA's servers and applications are proactively scanned. Any vulnerabilities that are discovered will have patches applied as soon as possible.

While preventive measures are important, there is also a need for cyberattack detection, response and recovery capabilities. ISCA reviews our response and backup plan annually with our management, as well as with professional cybersecurity firms.

The Institute is preparing to obtain ISO 27001 certification. The ISO 27001 certification demonstrates that an organisation has invested in the people, processes, and technology (e.g. tools and systems) to protect its data. It provides an independent, expert assessment of whether the organisation's data is sufficiently protected. ISCA expects to achieve ISO27001 certification in the latter part of 2022.

To promote a culture of vigilance when handling personal data, we hold training courses for employees related to the PDPA. New employees are required to watch a training video on PDPA as part of the staff induction programme. We also send email reminders to employees about our personal data protection policies, such as encrypting and securing files containing personal data. We encourage good password hygiene among our staff as a simple but consequential way to prevent data breaches, and to stay vigilant against phishing scams and other malicious communications that can expose the Institute to devastating ransomware attacks.

ATTRACTING AND RETAINING TALENT

Workforce planning and ensuring a sustainable talent pipeline is part of our comprehensive talent management strategy. We recognise that if individuals are to remain valuable to our team, they need to continue to strengthen their skills. Hence, ISCA continually focuses on training and developing our staff for long-term success and supports each individual's career aspirations.

We take steps to retain talent and ensure that each member of our team is recognised for his/her achievements, treated with dignity, and maintains work-life balance.

MANAGING REPUTATIONAL RISKS

Our reputation is one of the Institute's most valuable assets. The positive perception of ISCA in the minds of our members, regulators and other stakeholders is vital to our success and the trust and relationships we have built with them.

Managing this strategically starts with building an accurate picture of our strengths and weaknesses to quantify the impact of identified risks on our reputation and to create a baseline for measurement and improvement.

The Institute has an ongoing process to detect and manage issues that can affect our corporate identity and reputation. We also manage, protect, and improve our reputation through sound corporate values as well as robust policies and processes to identify, assess and respond to risks in a manner that is consistent with the Institute's culture.

PREPARING THE PROFESSION FOR THE SUSTAINABILITY SECTOR

PUBLICATION ON FUELING SUSTAINABLE ECOSYSTEMS

During the year, ISCA issued *Fueling Sustainable Ecosystems – Insights From the Financial Services Sector*. The publication shares views from the financial services sector that are pertinent to businesses charting their sustainability journey. By leveraging the perspectives of the financial services sector as a key capital provider and forerunner in the sustainability space, the publication sets out why businesses should adopt sustainable practices. The publication also highlights considerations for businesses that are on the sustainability journey and shares actionable insights.

As ISCA grows as a sustainability thought leader for the profession, we will produce more publications in sustainability.



To underscore why companies should integrate sustainability into their business, ISCA published "Fueling Sustainable Ecosystems – Insights From the Financial Services Sector".

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Representing ISCA, ISCA President Mr Kon Yin Tong spoke at the United Nations Conference on Trade and Development (UNCTAD) in November 2021.

Addressing the delegates at the International Standards of Accounting and Reporting (ISAR) meeting, Mr Kon spoke about the state of sustainability reporting in Singapore, highlighting both the headwinds and tailwinds. He also shared ISCA's initiatives in this area.

ISAR is the United Nations' focal point for accounting and corporate governance matters, and this exposure raises ISCA's standing as a leading professional accountancy organisation

(PAO) on the global stage. Moving forward, ISCA will build upon this foundation to collaborate with other PAOs to drive sustainability for the profession.



ISCA President Mr Kon Yin Tong (on-screen) elaborated on the state of sustainability reporting in Singapore and shared the Institute's initiatives in sustainability reporting at the 38th UNCTAD – ISAR meeting.

SGX FOCUS GROUP ON SUSTAINABILITY REPORTING

In August 2021, SGX RegCo published two consultation papers, namely 'Climate and Diversity: The Way Forward' and 'Starting with a Common Set of Core ESG Metrics'.

To solicit feedback for these consultation papers, ISCA held a focus group in September 2021 comprising Chief Financial Officers and representatives from ISCA's Sustainability and Climate Change Committee. Key considerations arising from the robust discussions at the focus group were included in our response to SGX RegCo, which had since mandated climate and board diversity disclosures in December 2021.

PAIB CONFERENCE 2021

ISCA held its virtual PAIB Conference on 19 August 2021, which saw more than 1,000 attendees tuning in.

The PAIB Conference 2021's theme was "Sustainability & Trust: Taking centre-stage in a new era of business", reflecting how sustainability and climate change are business imperatives of our time. The keynote address was delivered by Minister for Sustainability and the Environment Ms Grace Fu, who commended ISCA's initiative to develop future-ready accountants who are ready to lead and drive sustainability.



Ms Grace Fu, Minister for Sustainability and the Environment, was the Guest of Honour at the PAIB Conference.

In her plenary presentation, Vice Chair of the Task Force on Climate-Related Financial Disclosures (TCFD) and ISCA

SCCC member Ms Yeo Lian Sim provided insights on the business implications of sustainability and climate change, as well as an insider's perspective on TCFD's work. Ms Yeo also highlighted the role that CFOs and accountants play in driving climate action within their organisations. This message was reiterated at the panel discussion that followed – "Accountants: Spearheading Business Change... and now, Sustainability".

The conference had break-out tracks on Financial Forensics and Intelligent Automation. Speakers for the Financial Forensics track "Financial Forensics: Fortify Business Trust" shed light on how organisations could fortify trust by combatting white-collar crime and managing risks. Participants on the Intelligent Automation track discovered how intelligent automation opened new doors for the finance function.



At the panel discussion "Accountants: Spearheading Business Change... and now, Sustainability", panelists emphasised the role of the accountant in spearheading sustainability within their organisation.

SHARING ABOUT SUSTAINABILITY REPORTING AT THE 22ND AFA CONFERENCE

ISCA engages in activities that improve our professional standing regionally and globally, including taking the lead to raise the collective standard of the profession in the region.

As a founding member of AFA, we actively contribute towards AFA's mission to develop and promote the growth of the accountancy profession in ASEAN.

At the November biennial virtual AFA Conference, a key platform for ASEAN accountants and stakeholders to glean

quality insights from global experts on current topics of relevance, ISCA President Mr Kon Yin Tong facilitated a session on the future of reporting in view of the global trend towards mandatory sustainability reporting,



At the virtual AFA Conference, ISCA President Mr Kon Yin Tong (1st row, middle) facilitating a session at the AFA Conference.

PREPARING THE PROFESSION FOR THE SUSTAINABILITY SECTOR

SUSTAINABILITY REPORTING AND ASSURANCE WEBINAR

ISCA participated in the Jeju Group webinar on “Sustainability Reporting and Assurance”, which was held on 30 September 2021.

During the panel discussion, ISCA emphasised the need for a universal sustainability language, as well as a sustainability statement that reveals an entity’s sustainability performance and condition. ISCA also proposed for IFAC to develop a comprehensive assurance framework to address the various assurance aspects, such as ESG risk management, data collection, materiality and stakeholder engagement.

Supported by the ASEAN Federation of Accountants (AFA), the Confederation of Asian and Pacific Accountants (CAPA) and the South Asian Federation of Accountants (SAFA), the webinar’s speakers included trustees of the International Financial Reporting Standards (IFRS) Foundation, IFAC and member countries of Jeju Group.



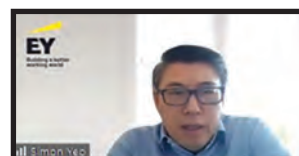
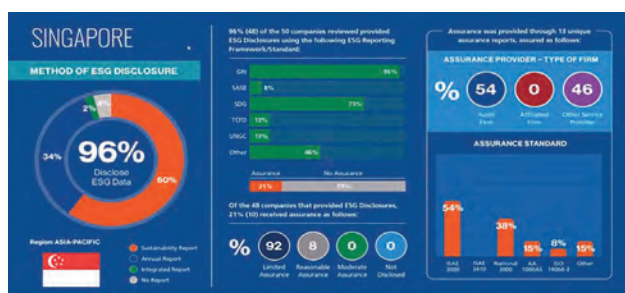
Ms Lim Ju May, former Deputy Director, ISCA Technical Division, spoke at the Webinar for Sustainability Reporting and Assurance organised by Jeju Group.

SUSTAINABILITY ASSURANCE ROUNDTABLE

Representing ISCA, ISCA SCCC Member Mr Simon Yeo participated in the Sustainability Assurance Roundtable in August 2021.

Co-hosted by IFAC and the Jeju Group, the event was attended by representatives from 10 professional accounting bodies in the Asia-Pacific region.

Mr Yeo shared his view that professional accountants are well positioned to take the lead in the provision of sustainability assurance services, along with a multi-disciplinary team with complementary skills and experience. As there is divergence in practice on both the scope and level of assurance in a sustainability report, he also highlighted the need to address and reconcile these discrepancies to ensure consistency.



*Speakers from the Asia-Pacific region shared about current practices for assuring sustainability information at the **Sustainability Assurance Roundtable** hosted by IFAC and the Jeju Group in August 2021.*

COVID-19 RESPONSES AND INITIATIVES

CAREER SUPPORT INITIATIVES

To support members affected by the pandemic, ISCA rolled out initiatives to provide them with career support. Our career microsite housed a jobs portal and relevant government career schemes for accountancy and finance professionals.

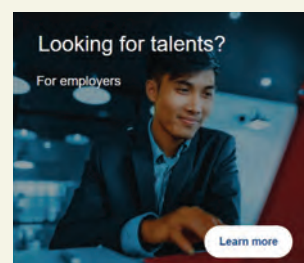
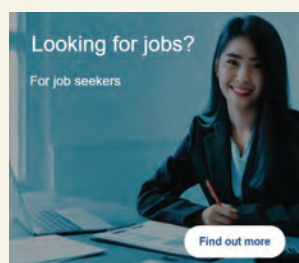
ISCA has a members-only service for job-seeking members to profile themselves to potential employers by posting their career history anonymously on the job-matching site.

Employers seeking to hire will be able to search for suitable candidates and inform ISCA to connect them to these candidates. To date, ISCA has profiled 260 members on this database and fulfilled more than 630 employer requests.

Over the year, ISCA organised career support webinars, which provided advice and resources for both jobseekers and employers.

For jobseekers, the Institute held “Resume writing & interview tips” in April 2021. Over 300 members attended the webinar, which received an average rating of 8.7/10.

In June 2021, “How to build your team with the right recruitment processes” was held to support employers. Over 300 members attended the webinar, which received an average rating of 8.6/10.

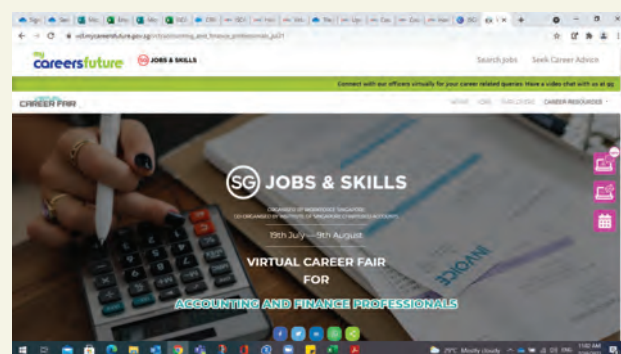
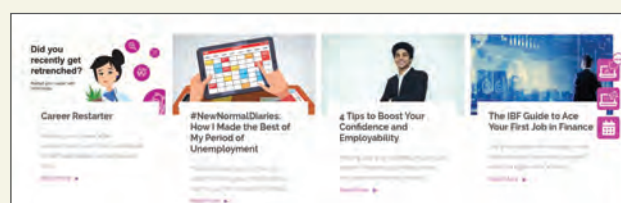


ISCA's job matching service matches members with potential employers.

VIRTUAL CAREER FAIR

ISCA partnered Workforce Singapore (WSG) to organise the Virtual Career Fair (VCF) for accounting and finance professionals from 19 July to 9 August 2021. In addition, the VCF featured a webinar titled “Navigate your Career in the Accountancy Space”.

The VCF matched employers with accounting and finance talent, especially for roles in Advisory and Tax Services, Assurance and Risk Management, Financial and Management Accounting and Technology. There were more than 3,800 visitors to the website, with more than 100 unique applicants submitting almost 350 applications during the fair.



ISCA and WSG jointly organised the Virtual Career Fair for Accounting and Finance Professionals to connect employers with suitable talent for various roles in accounting and finance.

COVID-19 RESPONSES AND INITIATIVES

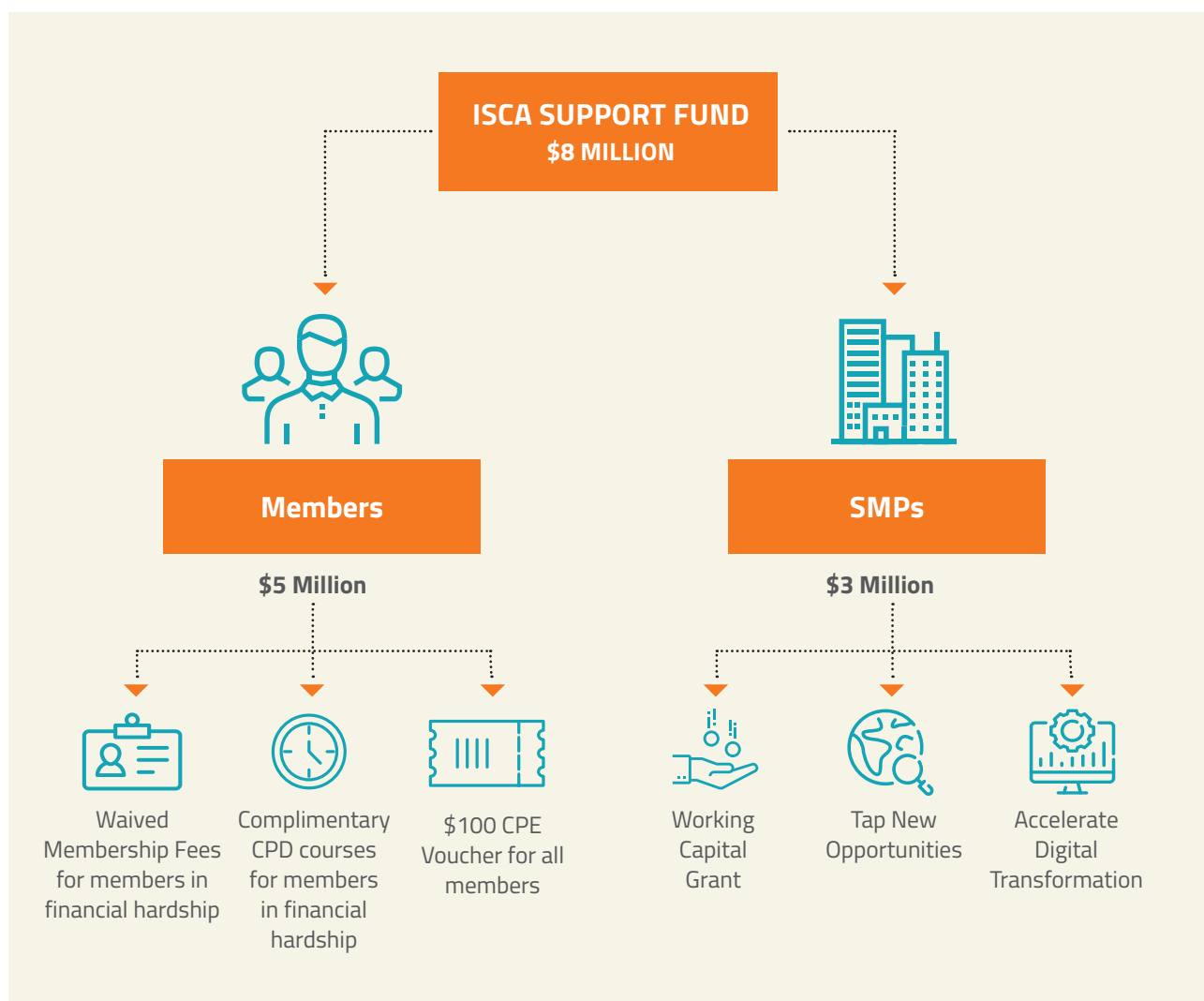
ISCA SUPPORT FUND

To position the accountancy profession for success in the post-COVID-19 environment, the Institute established the ISCA Support Fund – a scheme that caters to the differing needs of accountancy professionals and small and medium practices (SMPs) – in February 2021.

Worth \$8 million, the Fund aims to support businesses, sustain the livelihoods of accountancy professionals and safeguard professional credentials. To strengthen and transform businesses, \$3 million was allocated to accelerate the digital transformation and upskilling efforts of SMPs, as well as provide working capital for SMPs affected by the

pandemic. To date, close to 140 SMPs have benefitted from the scheme, enabling them to tap new opportunities and build digital capabilities.

The other \$5 million was allocated towards supporting ISCA members, of which \$3 million was allocated towards upskilling and reskilling members for the post COVID-19 environment. The remaining \$2 million is being used to help members who are experiencing financial difficulties due to the economic impact of COVID-19. Membership fees will be waived for these members, who will also receive complimentary training, enabling them to acquire new skills that enhance employability. In 2021, about 500 members received membership fee waivers and complimentary training courses.



COVID-19 NAVIGATOR

Among the diverse initiatives and resources ISCA rolled out to support our members amid the pandemic, the ISCA COVID-19 Navigator stood out for its utility and relevance to businesses and individuals by helping them navigate through the plethora of assistance schemes from the government and ISCA, and identifying the ones that are relevant to them. The 2021 edition of the ISCA COVID-19 Navigator incorporated the support schemes from Budget 2021.

Started in 2020, ISCA and the Singapore Accountancy Commission (SAC) jointly issued three sector-specific advisories that provided guidance to accounting firms on planning and implementing work arrangements, following the government's implementation of safe management measures. A fourth advisory was issued in mid-2021, enabling accounting firms to update their practices and understand the impact of these measures on their work arrangements.

COVID-19 RESOURCE CENTRE

At our online COVID-19 Resource Centre, members can find technical guidance and FAQs that address auditing and accounting issues arising from COVID-19. The online resource centre also houses news related to the business and economic implications of the pandemic and an eLearning Centre with a plethora of courses to address to members' upskilling needs.



COVID-19 RESPONSES AND INITIATIVES

COMPLIMENTARY WEBINARS

Amid safe management measures to combat COVID-19 in 2021, ISCA utilised webinars as a digital platform to meet our members' professional development needs. In 2021, ISCA organised 43 complimentary webinars, with a total of more than 17,000 signups.

Topics covered in the webinars include finance digitalisation and automation, career support and advice, taxation, fraud, risk, government regulation, green financing and ethics. Besides providing in-depth analysis of various issues pertaining to the accountancy profession, the webinars also provided actionable insights for the participants.

Via the webinars, ISCA was able to continue upskilling and reskilling the profession safely amid the pandemic.



Complimentary webinars drew over 17,000 signups with their coverage of a wide range of topics.

SUPPORTING MEMBERS' MENTAL WELLNESS

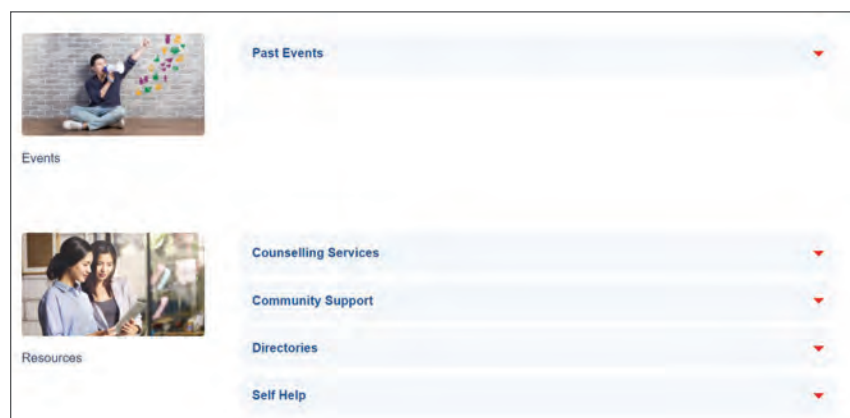
To support members' mental wellbeing during the COVID-19 pandemic, ISCA rolled out a range of activities in 2021 to generate awareness about the importance of mental wellness.

In conjunction with World Mental Health Day on 10 October 2021, the Institute designated October as ISCA's mental wellness month. ISCA kick-started its mental wellness initiatives with a microsite focused on mental wellness, as well as a cover story about mental wellness in the *ISChartered Accountant Journal*.

In addition, ISCA organised two webinars in October 2021. The first webinar entitled "Enhancing Mental Wellness at the Workplace" started with a short breathing exercise for relaxation led by the moderator. The second webinar, "Coping with Stress and Anxiety in Uncertain Times" by mental health expert Dr Tan E-Ching shared information on the mental health landscape in Singapore and how mindfulness brings immense health benefits in coping with the stressors of work and personal lives. Participants also received practical tips on practising mindfulness.



To raise awareness on the importance of mental wellness, ISCA organised a series of events on maintaining mental wellbeing for our members in October 2021.



STRENGTHENING OUR FOUNDATION

Our members work in diverse roles across different industries, in Singapore and around the world. By strengthening our members' skill sets and knowledge base, ISCA enables our members to achieve their professional aspirations. Our role in serving the public interest also involves upholding the professional conduct and ethical standards of our members, thereby upholding the integrity and reputation of the profession. With their breadth of skills, commitment to ethics and global experience, our members are equipped to contribute to various businesses, which are the foundation of any economy.



UPSKILLING AND RESKILLING THE PROFESSION

BUDGET UPDATE SEMINAR 2021

The ISCA Budget Update Seminar is one of ISCA's most highly-anticipated seminars. For the past three years, the ISCA Budget Update Seminar has attracted more than 800

attendees annually. The event was attended by professionals from diverse backgrounds, and featured experts from various industry segments to discuss the impact of the tax changes in the national Budget on companies and individuals.



Speakers and panellists at the annual ISCA Budget Update Seminar analysed the impact of tax changes in Budget 2021.

DIGITAL LEARNING GUIDE

To partner members in their digital transformation journey, ISCA launched the Digital Learning Guide, which identifies 12 potential roles amid five focus areas of digital transformation, in 2021.

The guide facilitates the matching of roles and relevant courses, making it easy for members to select the right courses to meet their upskilling requirements. The digital-related courses feature over 70 topics that range from introduction-level insights to on-trend ones like data management, analytics and visualisation, as well as emerging technologies and their applications.



The Digital Learning Guide empowers members to advance their digital transformation.

PRACTITIONERS CONFERENCE 2021

More than 800 practitioners and audit professionals attended the virtual ISCA Practitioners Conference on 28 October 2021.

With the theme "At the Lead of Change", the conference focused on the role of auditors as leaders in the face of change, and how they must respond to this change quickly to add value for their stakeholders.

In her keynote address, Mrs Tan Ching Yee, Permanent Secretary, Ministry of Finance, highlighted that in the face of COVID-19 and climate change, auditors can take the lead in boosting a country's "trust premium" by

ensuring high audit quality and providing investors with reliable information through credibility of sustainability disclosures. Mrs Tan stressed that auditors must be adaptable and pre-empt changes in the business environment as organisations look to them for counsel in their change agenda.

At the conference, ACRA Public Accountants Oversight Committee (PAOC) Ethics Sub-Committee Chair and IESBA Deputy Chair Ms Caroline Lee addressed the role of auditors as ethical leaders under the Ethics Code, especially in the face of change in a dynamic world. She also discussed strengthening the guard rails around auditor independence, which increase in importance when business and operating models change.



Attended by more than 800 audit professionals, the Practitioners Conference highlighted the role of auditors as leaders and enablers of change.



Guest-of-Honour Mrs Tan Ching Yee, Permanent Secretary, Ministry of Finance, delivered the opening address of the Conference.



Ms Caroline Lee, Chair of ACRA PAOC Ethics Sub-Committee and Deputy Chair of IESBA, addressed the role of auditors as leaders under the Ethics Code in a dynamic world at ISCA's Practitioners Conference.



UPSKILLING AND RESKILLING THE PROFESSION

PATHWAY FOR FINANCIAL FORENSIC PROFESSIONALS

In February 2021, ISCA entered into a Memorandum of Understanding (MOU) with the Corrupt Practices Investigation Bureau (CPIB) to deepen the talent pipeline for qualified financial forensic professionals.

The MOU provides a pathway for eligible CPIB officers to become ISCA members and be conferred the ISCA Financial Forensic Professional (FFP) credential. As part of the partnership, ISCA will work with CPIB to provide professional development programmes and outreach efforts regarding anti-corruption, corporate governance and professional ethics.



The Institute signed an MOU with the CPIB that could potentially widen the pool of qualified financial forensic professionals.

ISCA AUDIT COMMITTEE PROGRAMME

In today's dynamic and technologically-advanced business environment, the resultant risks has increased emphasis on the vital role audit committee members play regarding governance and oversight. It is now imperative for audit committee members to be well-versed in financial reporting.

To address this issue, ISCA launched the ISCA Audit Committee Programme in 2021. The programme equips participants with essential financial reporting skills, reinforces their knowledge about evolving financial reporting requirements and issues, and strengthens best practices in corporate governance and risk management.

The programme is delivered by industry subject matter experts, including industry leaders from ISCA's Financial Statements Review Committee (FSRC).



ISCA INFORMATION SYSTEMS RISK MANAGEMENT CERTIFICATE

ISCA, with the support of SAC, has worked with industry experts to develop the ISCA Information Systems Risk Management (ISRM) Certificate. This certificate programme aims to upskill industry professionals and increase the information systems risk management capabilities of service providers.

With information systems risk management being an emerging risk area of the digitalised business environment, this programme helps accountancy and audit professionals be cognisant of information systems risks and governance.

Ninety per cent of course participants who took the course have found it relevant to their work.

ACCELERATED CERTIFIED INTERNAL AUDITOR DESIGNATION PATHWAY

ISCA has partnered the Institute of Internal Auditors (IIA Global) and the Institute of Internal Auditors Singapore to offer our members an opportunity to earn the Certified Internal Auditor (CIA) designation via an accelerated route. With the CIA designation, ISCA members can demonstrate their competency and professionalism in the internal auditing field and open more doors for career opportunities.

Under this collaboration, ISCA members can earn the CIA designation by sitting for a one-part CIA Challenge exam instead of the standard three-paper exam. In 2021, 58 ISCA members applied to sit for the exam.





SHARING BUSINESS INSIGHTS, UPHOLDING TECHNICAL EXCELLENCE, ADVOCATING FOR THE PROFESSION

Through our research reports and technical guidance, we share business insights and promote technical excellence, empowering members and the profession with the knowledge and skills that fuel their professional success. We work with government agencies, regulatory bodies and industry partners to advocate for the profession. Through our advocacy efforts, we aim to be the voice of the profession and make a difference in shaping the profession's development.

EMPOWERING THE PROFESSION WITH KNOWLEDGE

THE PROFILE OF AUDIT COMMITTEES OF LISTED COMPANIES IN SINGAPORE 2020

ISCA launched a joint study entitled the *The Profile of Audit Committees of Listed Companies in Singapore 2020* with the Singapore Institute of Technology, ACRA, Singapore Exchange (SGX) and Singapore Institute of Directors (SID) on 12 January 2021.

The report features a comprehensive and holistic view of the audit committees of listed companies in Singapore at the end of 2019. The study found that listed companies in Singapore have made progress in adopting corporate governance best practices.



This study examines the composition of ACs, qualification of AC members, experience of AC members and extent of ACs meeting the requirements of the Code of Corporate Governance, and puts forth some discussion and suggestions on matters pertaining to ACs.

THE STATE OF PLAY OF INTELLIGENT AUTOMATION IN THE FINANCE FUNCTION

With intelligent automation (IA) solutions becoming more affordable and the COVID-19 pandemic accelerating the pace of digitalisation in organisations, ISCA has undertaken a collaborative study with AI Singapore and the National University of Singapore (NUS) Business School to understand the state of play of IA in the finance function.

Released in August 2021, *The State of Play of Intelligent Automation in the Finance Function* explores the importance of upskilling and training for finance employees, and what C-suite executives can consider before, during and after IA implementation. Featuring the responses of a cross section of industry players, the findings are vital for companies considering or embarking on their IA journey.



The State of Play of Intelligent Automation in the Finance Function seeks to discover the risks and benefits for an organisation in implementing IA solutions; provide insights into the prevalence of IA adoption; uncover the expectations of the C-suite when implementing IA solutions in the finance function, and provide recommendations for organisations considering the adoption of IA solutions.

INITIATIVES TO UPHOLD TECHNICAL EXCELLENCE AND AUDIT QUALITY



At the PAIB Conference, the panel discussion on interim reporting explored the benefits and challenges faced by issuers in the application of the new Listing Rule 705(3A).

ACCOUNTING GUIDANCE ON PREPARATION OF INTERIM FINANCIAL STATEMENTS

In January 2021, Singapore Exchange Regulation (SGX RegCo) added Listing Rule 705(3A), which requires issuers reporting under the Singapore Financial Reporting Standards (International) [SFRS(I)] to apply SFRS(I) 1-34 *Interim Financial Reporting* in their interim financial statements.

ISCA issued technical guidance on 3 May 2021 to aid issuers regarding compliance for the new Listing Rule 705(3A), which comprised Financial Reporting Guidance 3 (FRG 3)

Preparation of Interim Financial Statements under SFRS(I) 1-34 Interim Financial Reporting (in compliance with the SGX Listing Rule 705(3A) and two sets of accompanying illustrative condensed interim financial statements.

FRG 3 aims to help issuers understand the implications of the Listing Rule 705(3A) for their interim financial statements and highlights key areas to note when preparing a set of interim financial statements under SFRS(I) 1-34. The accompanying illustrative condensed interim financial statements show how certain key requirements pertaining to SFRS(I) 1-34 and SGX Listing Rule Appendix 7.2 can be met concurrently in the interim financial statements.

FINANCIAL REPORTING SURVEILLANCE PROGRAMME

ISCA's FSRC continued its collaboration with ACRA for its Financial Reporting Surveillance Programme (FRSP) for the seventh year. The FRSP guides companies to meet the accounting standards' requirements, and this enables investors to have reliable and meaningful financial statements for decision-making.

CLARIFICATION ON FINANCIAL INSTITUTIONS CONSIDERED AS PUBLIC INTEREST ENTITIES

ISCA issued EP 100 Implementation Guidance (IG) 4 *Clarification on Financial Institutions Considered as Public Interest Entities* in October 2020 to clarify the scope of entities that falls within the definition of financial institutions in EP 100 (Revised on 14 August 2020). In July 2021, ISCA issued EP 100 IG 4 (Revised) to reflect the changes to the definition of a financial institution in EP 100 (Revised on 7 July 2021).

INITIATIVES TO UPHOLD TECHNICAL EXCELLENCE AND AUDIT QUALITY

ACCOUNTING IMPLICATIONS OF THE INTEREST RATE BENCHMARK REFORM IN SINGAPORE

As part of the Interbank Offered Rate (IBOR) reform, the use of the Singapore Swap Offer Rate (SOR) and the Singapore Interbank Offered Rate (SIBOR) will be replaced by the Singapore Overnight Rate Average (SORA) progressively over the next few years.

Because the change to SORA can cause transitional issues and challenges for financial institutions and corporates, the Monetary Authority of Singapore (MAS) established the Steering Committee for SOR & SIBOR Transition to SORA (SC-STs) in August 2019. Subgroup 7 (SG7) – one of the subgroups under SC-STs – reached out to ISCA to share potential accounting issues arising from the transition in Singapore.

To support the accountancy profession and uphold Singapore's reputation as a global financial hub, ISCA's Financial Reporting Committee (FRC) set up the IBOR Working Group – comprising stakeholders from banks and the accountancy profession as well as representatives from ISCA's Banking and Finance Committee – to provide guidance on the accounting issues.

Robust and rigorous deliberations have been held by the IBOR Working Group since June 2021.

In October 2021, ISCA issued Financial Reporting Bulletin 9 (FRB 9) *Accounting Implications of the Interest Rate Benchmark Reform in Singapore*. FRB 9 shares accounting considerations on specific matters to assist entities in their understanding of the accounting for financial instruments and hedge accounting affected by the replacement of interest rate benchmarks within these contracts. This FRB will be revised as and when necessary.



FRB 9 addresses accounting implications arising from interbank offered rate (IBOR) reform.

REVISIONS TO PART 4B AND ROLE AND MINDSET PROVISIONS

ISCA revised its Ethics Pronouncement (EP) 100 *Code of Professional Conduct and Ethics* on 7 July 2021 to adopt two Final Pronouncements from the IESBA:

- *Revisions to Part 4B of the Code to Reflect Terms and Concepts Used in International Standard on Assurance Engagements 3000 (Revised)* (Revisions to Part 4B)
- *Revisions to the Code to Promote the Role and Mindset Expected of Professional Accountants* (Role and Mindset)

Revisions to Part 4B of EP 100 (Revised on 7 July 2021) seek to align Part 4B with the assurance terms and concepts used in International Standard on Assurance Engagements (ISAE) 3000 (Revised). Role and Mindset provisions reaffirm the profession's responsibility to act in the public interest and the fundamental role of the Ethics Code in meeting that responsibility.

EP 100 (Revised on 7 July 2021) became effective from 31 December 2021.

AUDITORS AND PUBLIC OFFERING DOCUMENTS

In connection with the issuance of a prospectus by an issuer, SGX Listing Rule 246(9) states that the application must include the auditors' report to management on the internal control and accounting systems of the issuer and its principal subsidiaries. Where there are weaknesses in an issuer's internal control and accounting systems, SGX may require a confirmation from the auditors that the weaknesses are not material.

ISCA's Corporate Finance Committee noted a divergence in practice with the issuance of auditors' reports on the issuer's internal control and accounting systems. ISCA responded accordingly, issuing SAP 2 (Revised 2021) *Auditors and Public Offering Documents* to include a new section on "Confirmation on Internal Controls Required by SGX" and a new illustrative auditors' report on internal controls under Example 7 of Appendix 1.

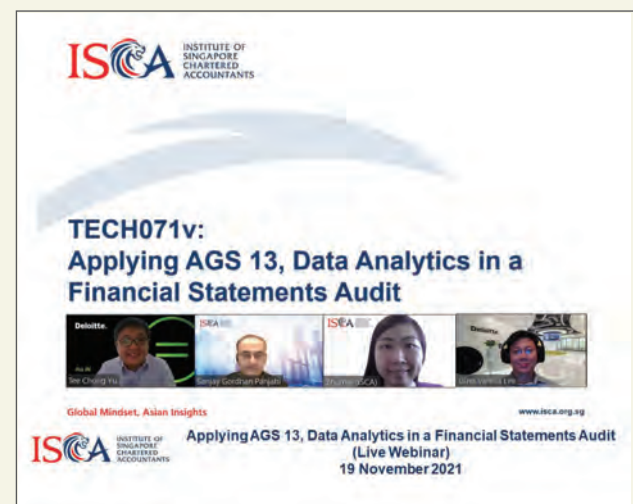
The enhancements to SAP 2 (Revised 2021) provide the required guidance on what reporting auditors should comment on in their report on internal controls, facilitating consistency in practice across the accountancy profession.

DATA ANALYTICS IN A FINANCIAL STATEMENTS AUDIT

ISCA, with the support of the ISCA AASC (Auditing and Assurance Standards Committee) Data Analytics Sub-Committee, collaborated with ACRA to issue Audit Guidance Statement (AGS) 13 *Data Analytics in a Financial Statements Audit*, which provides guidance for auditors regarding the application of data analytics in the audit of financial statements.

At ISCA's Practitioners Conference 2021, AASC Data Analytics Sub-Committee Chairman Mr Sanjay Panjabi Gordhan encouraged auditors to use data analytics when auditing financial statements. He shared how data analytics could manage large volumes of data more effectively and provided an overview of how auditors could kick-start their data analytics journey using AGS 13.

To support the profession in the adoption of data analytics and AGS 13, a complimentary webinar on the key principles of AGS 13 was conducted for ISCA members by Mr Panjabi, Deloitte Singapore Director Mr Tee Chong Yu and Deloitte Singapore Manager Mr Gino Lee in November 2021.



ISCA organised a complimentary webinar for members to support the profession in the adoption of data analytics and AGS 13.

INITIATIVES TO UPHOLD TECHNICAL EXCELLENCE AND AUDIT QUALITY

REVISIONS TO AGS 1

ISCA, with the support of the AASC AGS 1 Sub-Committee, engaged MAS to finalise the illustrative report and auditor reporting arrangements in relation to the Payment Services Act – reflecting the revisions to AGS 1 *Sample Independent Auditor's Report*. The Urban Redevelopment Authority (URA) has also been engaged in updating the illustrative report regarding the additional licence condition it introduced for housing developers pertaining to mortgages, charges or encumbrances in relation to land and/or building projects. Both the illustrative reports were updated for AGS 1 in June 2021.

AUDITING AND ASSURANCE STANDARDS CORE SUB-COMMITTEE

ISCA's Auditing and Assurance Standards Committee (AASC) has formed the AASC Core Sub-Committee to enhance the standard-setting process and more effectively deal with topical auditing and assurance issues.

Chaired by AASC Chairman Mr Hans Koopmans, the AASC Core Sub-Committee serves as the technical arm of AASC and comprises subject matter experts from accounting firms with extensive experience in auditing and assurance. Apart from providing technical input, the AASC Core Sub-Committee supports AASC by spearheading the timely development of guidance or locally developed standards to support the profession.

NEW AND REVISED AUDITING AND ASSURANCE STANDARDS

During the year, ISCA issued several new and revised auditing and assurance standards, including:

- New and revised quality management standards:
 - Singapore Standard on Quality Management (SSQM) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*
 - SSQM 2 *Engagement Quality Reviews*
 - SSA 220 (Revised) *Quality Management for an Audit of Financial Statements*
- SSA 315 (Revised 2021) *Identifying and Assessing the Risks of Material Misstatement*
- SSRS 4400 *Agreed-Upon Procedures Engagements*



BEING THE VOICE FOR THE PROFESSION

ACRA-ISCA DIALOGUE

More than 30 practitioners engaged ACRA and ISCA representatives at the virtual ACRA-ISCA Dialogue Session held on 8 October 2021.

The dialogue provided a platform for participating practitioners to provide their feedback on the ACRA's Practice Monitoring Programme (PMP), an important regulatory instrument in promoting audit quality and providing assurance to the market on the quality of work of public accountants.

Prior to the session, ISCA rolled out a survey to all practitioners to obtain preliminary feedback on the PMP.

Respondents provided comments which helped set a meaningful agenda for the dialogue and respondents to the survey also indicated their interest to join the dialogue. The event was attended by practitioners across various firm sizes.

At the dialogue session, ISCA shared the findings from the survey, the feedback raised and suggestions made by respondents. ACRA also clarified on the regulatory regime and shared more on the PMP inspection process, outcomes, as well as a peek into future enhancements to the PMP. The dialogue also provided a platform for ACRA and ISCA to share the various initiatives to support the sector on an ongoing basis.



BEING THE VOICE FOR THE PROFESSION

MOF'S AND ACRA'S PROPOSED AMENDMENTS TO ACCOUNTANTS ACT

ISCA organised two focus group discussions with accounting firms in November 2021. Championed by ISCA's AASC and Public Accounting Practice Committee (PAPC), the discussion groups gathered feedback on the proposed amendments to the Accountants Act. The key insights from the discussions were included in ISCA's comment letter to MOF and ACRA.



Two focus group discussions on MOF's and ACRA's Proposed Amendments to the Accountants Act yielded meaningful stakeholder feedback which was included in a comment letter to MOF and ACRA.

COMMENT LETTERS

ISCA provided comment letters for the following Consultation Papers (CP), Discussion Papers (DP), Exposure Drafts (ED), Request for Information (RFI) and Stakeholder Questionnaire (SQ), which have been issued by international standard-setters such as the IASB, the IAASB, IESBA and the IFRS Foundation, as well as our local regulators:

IASB

- ED: Lease Liability in a Sale and Leaseback (Proposed Amendments to IFRS 16)
- DP: Business Combinations under Common Control
- ED: COVID-19-Related Rent Concessions beyond 30 June 2021 (Proposed Amendment to IFRS 16)
- RFI: Post-implementation Review – IFRS 10, IFRS 11 and IFRS 12
- RFI: Third Agenda Consultation
- ED: Lack of Exchangeability (Proposed Amendments to IAS 21)
- ED: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Proposed Amendment to IFRS 17)

IAASB

- DP: Fraud and Going Concern in an Audit of Financial Statements: *Exploring the Differences Between Public Perceptions About the Role of the Auditor and the Auditor's Responsibilities in a Financial Statement Audit*

IFRS FOUNDATION TRUSTEES

- ED: Proposed Targeted Amendments to the IFRS Foundation Constitution to Accommodate an International Sustainability Standards Board to Set IFRS Sustainability Standards

IESBA

- ED: Proposed Revisions to the Definitions of Listed Entity and Public Interest Entity in the Code
- ED: Proposed Quality Management-related Conforming Amendments to the Code
- SQ: Long Association Post-Implementation Review

ACRA

- CP: Proposed Amendments to the Accountants Act

SGX REGCO

- CP: Climate and Diversity: The Way Forward
- CP: Starting with a Common Set of Core ESG Metrics

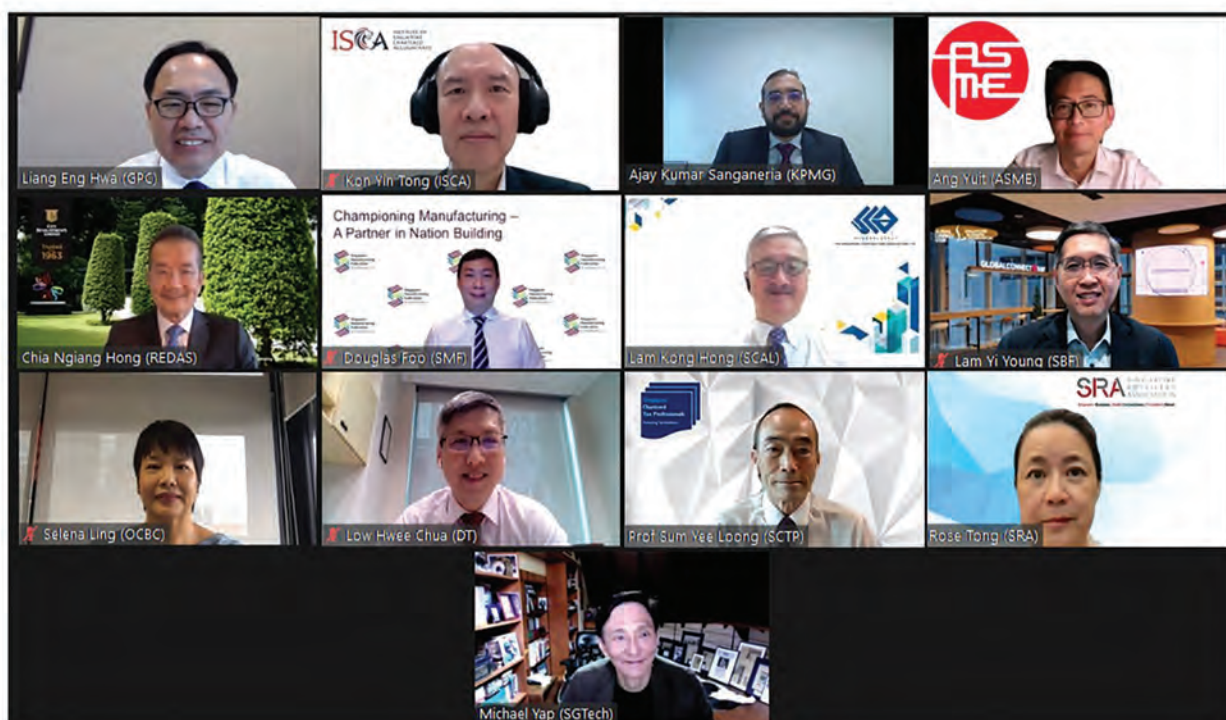
SINGAPORE BUDGET 2021

ISCA plays an active role in providing feedback and suggestions for the Singapore Budget.

Prior to the implementation of the Singapore Budget 2021, the ISCA Pre-Budget 2021 Roundtable took place virtually on 14 January 2021. Co-chaired by Chairman of the Government Parliamentary Committee for Finance, Trade & Industry Mr Liang Eng Hwa and ISCA President Mr Kon Yin Tong, the Roundtable – themed “Emerging Stronger Together” – brought together leaders of trade associations and chambers (TACs) and accounting firms to discuss issues impacting Singapore businesses and provide recommendations regarding the

Singapore Budget 2021. The insights and recommendations gathered from the Roundtable and the Pre-Budget focus group discussions held on 15 October 2020 were submitted to the Ministry of Finance (MOF) for consideration in its preparation of the Singapore Budget 2021.

After the Singapore Budget 2021 was announced, ISCA organised a virtual Post-Budget focus group discussion on 19 February 2021. The discussion involved representatives from selected TACs and accounting firms and provided feedback for MOF regarding the announced Budget via a comment letter. The insights from the Roundtable, the Singapore Budget 2021 and the Post-Budget focus group were published in *IS Chartered Accountant Journal*.



SERVING THE NEEDS OF OUR DIVERSE MEMBERS

With a membership of more than 33,000 accountancy professionals, it is imperative for ISCA to deliver member-centric initiatives. The more we provide offerings that are designed with our members' unique needs in mind, the more we can sustain our members' ability to make a difference in businesses and the community.



SUPPORTING SMALL AND MEDIUM PRACTICES

Guided by the ISCA Quality Assurance Framework, ISCA drives quality, digitalisation, as well as upskilling and internationalisation of the audit practices in Singapore. The framework has four pillars: quality assurance, digital capability, knowledge circle, and opportunities creation.

QUALITY MANAGEMENT WORKSHOPS

To support firms in the implementation of the new quality management standards, ISCA developed a quality management toolkit comprising implementation tips, practical examples, suggested policies and procedures, and forms.

Discussion-based workshops were also organised on 16 and 21 December 2021 to guide audit firms in developing customised quality management manuals via the toolkit. ISCA continues to support firms in their implementation of tailored quality management policies and procedures under its QAR Programme.



To support firms in the implementation of the new quality management standards, ISCA held discussion-based workshops to guide audit firms in the development of a customised quality management manual.

VIRTUAL SMP CENTRE

ISCA's virtual SMP Centre was launched to help SMPs drive their journey of digitalisation, upskilling, diversification and internationalisation.

The one-stop centre curates digital tools that address practice needs and runs tech talks to help SMPs understand how the tools can address pain points with the aim to help SMPs automate processes and enhance service delivery. An online self-assessment toolkit is also available for SMPs to determine their firm's stage of digital readiness and identify suitable digital solutions and training programmes depending on the stage of the firm's digital development. Robotic Process Automation workshops are also frequently

run to support firms in automating routine and repetitive audit and internal processes.

The SMP Centre provides digital advisory support as well, with ISCA working closely with government agencies to curate funding schemes to help SMPs defray costs when adopting new digital solutions.

For SMPs that are progressive with digitalisation, the centre directs them to high-growth areas and potential new revenue streams such as cybersecurity and digital advisory; and develops certification programmes to help their workforce bridge skill gaps. This enables firms to go beyond digitalising their firm and towards supporting their clients' digitalisation journeys.

QUALITY ASSURANCE REVIEW PROGRAMME

ISCA's Quality Assurance Review (QAR) Programme is a voluntary programme that aims to help participating public accountants raise the quality of their audit practices and audit engagements.

The programme involves reviewing signed-off engagement files, firm-level quality control systems and/or policies, procedures and controls on Anti-Money Laundering / Combating the Financing of Terrorism (AML/CFT). Tailored firm trainings on the key findings from the review are covered under the programme as well.

ON-THE-JOB TRAINING BLUEPRINTS AND WORKSHOPS

During the year, ISCA expanded its current database of On-the-Job Training (OJT) Blueprints, producing a new set of Blueprints covering 10 new audit topics.

These Blueprints are developed with the aim of enhancing the in-house training programmes of audit firms, and serve as a guide for audit staff, especially when their supervisors are not with them during fieldwork. A series of workshops was also rolled out in the year to help audit professionals use the Blueprints effectively.

VIRTUAL MISSION TRIP WITH VIETNAM

Because of pandemic-related travel restrictions, ISCA's business mission trip – a collaborative initiative with the VACPA – became a virtual one via Zoom.

The session created a platform for audit firms from Singapore and Vietnam to exchange information and best practices, and to explore collaboration opportunities.



The inaugural virtual mission trip discussed the business and regulatory landscapes in Singapore and Vietnam, and featured breakout rooms between ISCA members and Vietnamese SMPs to explore potential collaborations.

CUSTOMISED TRAINING

ISCA offers customised technical training sessions to meet the specific learning needs of SMPs, with training materials tailored to the needs of different firms.

These training services aim to bridge the knowledge gap and help audit staff relate what they have learnt to their work. The scope of the training includes ISCA Audit Manuals, Ethics Pronouncement 200 and other audit-related topics.

SUPPORTING SMALL AND MEDIUM PRACTICES

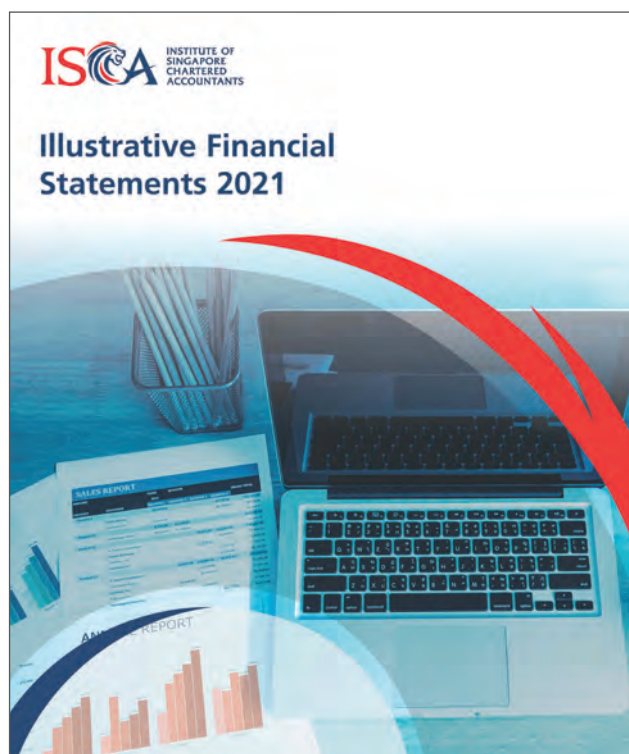
PUBLICATIONS FOR SMPs

ISCA issues publications to drive technical excellence and best practices, and regularly updates them.

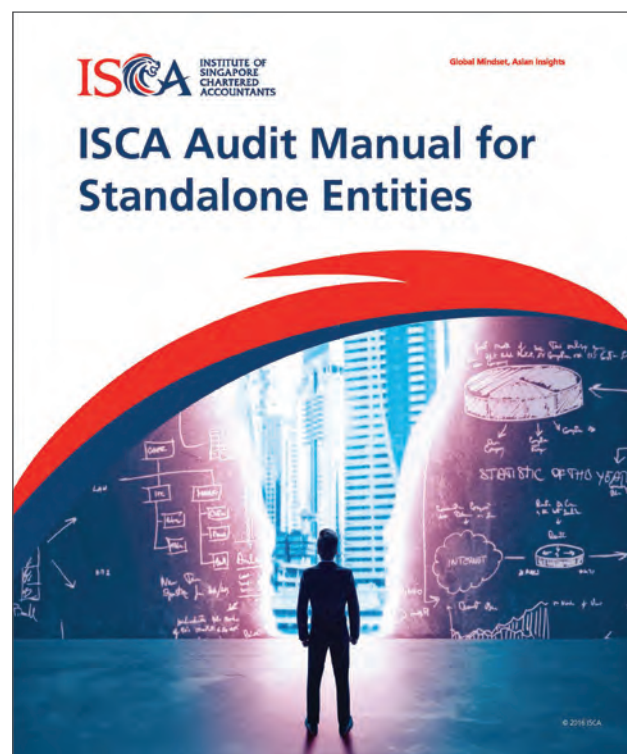
The *ISCA Audit Manual for Standalone Entities* (ISCA AMSE) was first issued in October 2016 and updated regularly to help audit professionals understand the requirements of Singapore Standards on Auditing and apply them during the audit process.

The *ISCA Audit Manual for Group Entities* (ISCA AMGE) was first issued in October 2016 and updated regularly to help audit professionals understand the requirements of Singapore Standards on Auditing and apply them during the audit process.

In addition, ISCA's *Illustrative Financial Statements* (IFS) was developed to help SMPs and their SME clients understand and apply the required disclosures. The latest edition was issued in January 2021.



The IFS serve to provide an illustration of the annual financial statements of a company whose principal activities are those of trading.



ISCA ASME is an illustrative guide to assist audit professionals in carrying out audits of a complete set of general purpose financial statements of Singapore incorporated standalone entities.

TECH TALKS

Over the year, ISCA organised five tech talks to help SMPs with their digitalisation journey.

On 26 March 2021, ISCA collaborated with the Infocomm Media Development Authority (IMDA) to organise "Supercharge your food services and retail business with the Digital Resilience Bonus (DRB)". The tech talk received a satisfaction rating of 8.2/10 and was attended by 239 participants.

More than 315 participants attended "Make smarter, more accurate finance and credit decisions with Blackline's newest solution: Cash Application" in June 2021. The virtual event received a satisfaction rating of 8.1/10.

More than 200 participants attended "Build a future-ready accounting practice with online HR & Payroll solutions" in July 2021. The tech talk obtained a satisfaction rating of 8.1/10.

Organised on 31 August 2021, "How to become a PSG pre-approved digital advisor" discussed the benefits of the Productivity Solutions Grant (PSG) for accounting services providers. The tech talk received a satisfaction rating of 8.1/10 from close to 300 participants.

How to achieve "Faster and more Effective Financial Closing in the New Normal" was held on 3 November 2021. 335 participants attended the event, which obtained a satisfaction rating of 8.2/10.

ISCA ROBOTIC PROCESS AUTOMATION HACKATHON

ISCA organised a Robotic Process Automation (RPA) Hackathon in July 2021. The hackathon challenged its participants to develop an RPA script for one of the three categories: Audit Process; Finance, Planning and Treasury Process; and Open Category.

SP lecturer Mr Daryl Aw emerged the Champion with his solution "Showcasing a series of solutions for SMPs including roll-forward procedures, automation of timesheets, payroll processes and preparation of reports and data extraction for Corp Sec processes".



ISCA organised the RPA Hackathon to generate new solutions that boost efficiency and enhance productivity for the auditing and accounting functions.



Polytechnic lecturer Mr Daryl Aw emerged the champion at ISCA's RPA Hackathon.

ENGAGING OUR MEMBERS

MEMBERS RECOGNITION CEREMONY 2021

The ISCA Members Recognition Ceremony was held in October 2021 to celebrate the contributions and successes of our members.

In view of the COVID-19 situation, the Members Recognition Ceremony 2021 was held virtually for the first time, enabling more than 200 members to tune in from their homes and offices. These members included new Chartered Accountants of Singapore and members who were conferred the Fellow Chartered Accountant of Singapore, or FCA (Singapore) designation. Sharing the limelight were the newly conferred Financial Forensic Professionals and the Infrastructure & Project Finance Professionals.

In addition, the event welcomed the first cohort of members receiving the ISCA Professional Business Accountant (PBA) designation. There was also a special segment in which long-standing members of over 50 years were presented the "50 years Milestone Award", and members of over 30 years and at least 70 years of age were awarded "Life Membership" status.

At every Members Recognition Ceremony, ISCA invites a member who is an experienced industry leader to share his/her insights. ISCA Fellow member Ms Deborah Ong, an independent director of SATS and a retired partner with the Assurance Practice of PwC Singapore, encouraged young accountants to grab every opportunity to be exposed to various aspects of their work.



ISCA members taking the ISCA pledge to uphold ethics and act in the public interest.



Ms Deborah Ong urged young accountants to be hungry for opportunities to learn as much as possible at work.

SHINE WITH ISCA DIGITAL BADGES

ISCA Digital Badges enable members to showcase their professional accomplishments visibly and credibly on social media and professional networking platforms. Professional Accomplishment badges are awarded for the completion of ISCA CPE Certification courses, Professional Qualification programmes and Specialisation Pathways.

In 2021, a video with the acronym 'SHINE' was introduced to highlight the features and advantages of the Digital Badges and CAW Network Member Logo. Using Digital Badges, members can OutSHINE the rest with their professional accomplishments and milestones. 'SHINE' is an acronym for:

- S**howcase your credentials and qualifications on your online profile and resume
- H**ighlight the competencies and accomplishments you have achieved in your professional fields
- I**nspire confidence in employers of your expertise
- N**arrate your achievements online in a secure way
- E**nhance your professional brand and digital footprint



The ISCA Digital Badges also include Membership Milestone badges, which recognise members loyalty and commitment to the Institute.

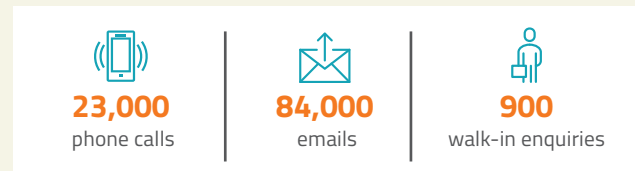
VIRTUAL MEMBERS' EVENTS

Even though large-scale bonding activities such as the ISCA Run, the ISCA Games and the Inter-Professional Games were cancelled due to the pandemic, ISCA continued to hold regular virtual events for our members.

ISCA's monthly virtual breakfast talks featured industry speakers sharing their insights. The sessions continued to be very popular, with more than 350 attendees per session.

MEMBER SERVICES CENTRE

The ISCA Member Services Centre (MSC) provides a range of support services to facilitate essential transactions with our members. During 2021, the ISCA Member Services Centre attended to about

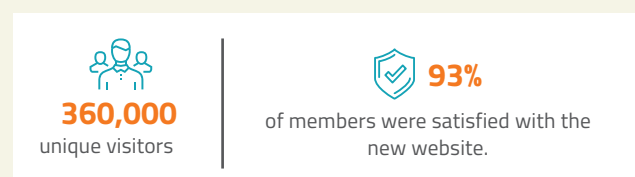


With ISCA's focus on member-centricity, member feedback is also reviewed periodically through various platforms, such as course evaluations and the biennial membership perception study. Based on the latest membership survey:



REVAMPED ISCA WEBSITE

ISCA launched a new corporate website in January 2021 to improve engagement with our members as well as our outreach efforts. During 2021, the website had more than



Discussion topics ranged from Strengthening Governance, Cybersecurity, Fraud, Finance Function through Change & New Technologies, Green Financing, Risks & Opportunities in Real Estate, Climate Change and Data Breaches in a Pandemic.

The quarterly Mingles sessions, which were co-organised with CA ANZ and the Institute of Chartered Accountants in England and Wales (ICAEW), were held virtually during the pandemic. These sessions created networking and knowledge sharing opportunities for members of the three professional bodies.

ENGAGING OUR MEMBERS

SENIOR MEMBERS PROGRAMME

To engage our senior members, ISCA launched a series of activities exclusively for members aged 55 years and above. For a start, ISCA curated a series of webinars.

Held in September 2021, “Singapore stock and property market outlook” had more than 200 attendees and received a satisfaction rating of 8.2/10.

More than 300 senior members attended “Legacy Planning on Wills and Lasting Power of Attorney” in September 2021. The webinar earned a satisfaction rating of 9.2/10.

Close to 300 senior members attended “Global Economic & Investment Outlook” in November 2021 and gave it a satisfaction rating of 8.7/10.

As part of the programme, ISCA launched a learning package for our senior members, enabling them to: Grow new knowledge, Enrich skills and Make learning a lifelong journey (G.E.M.). The G.E.M. curated learning package includes courses specially selected to meet the learning needs of senior members.

ISCA also created a platform for senior members to access volunteering opportunities. Via the platform, senior members can provide pro bono audit services and assistance on accounting and compliance matters for non-profit organisations, and share financial skills with vulnerable families.

During the year, ISCA organised networking events for our senior members, connecting them with members from other accountancy bodies, and enabling them to explore new interests.



ISCA deepened our engagement with senior members in 2021 by launching exclusive events curated for members aged 55 and above.

CAREER PATHWAY TALKS

Supported by ISCA Young Professionals Advisory Committee (YPAC), ISCA hosted two career pathway talks in 2021 for young members to find out the diverse career paths open to accountancy professionals.

In May 2021, the Institute organised a talk titled “Conversation with Don Wee: Igniting a passion for serving”. ISCA YPAC advisor Mr Don Wee shared his life experiences and how being a Chartered Accountant has given him an edge in his career as a banker and as a

government official. Mr Wee also shared his passion for serving others, whether as a Member of Parliament or in his multiple volunteer roles. A total of 273 participants attended, with a satisfaction rating of 8.1/10.

The “ISCA Career Pathway Talk 2021 – Accountants in Tech” webinar was livestreamed to an audience more than 400-strong in November 2021. The webinar showcased speakers who represented a spectrum of roles that Chartered Accountants can develop and grow into. The session received an average satisfaction rating of 8.6/10 from attendees.



ISCA YPAC Advisor Mr Don Wee shared his life experiences with members at a career pathway talk. The session was moderated by (extreme left) Ms Katherine ISCA YPAC committee member and Group Manager (Internal Audit) at MOH Holdings and Ms Belinda Teo, ISCA YPAC Chairperson and Senior Manager (Assurance) at EY.



The “Accountants in Tech” Career Pathway Talk featured ISCA members working in roles that are related to technology.

ENGAGING OUR MEMBERS

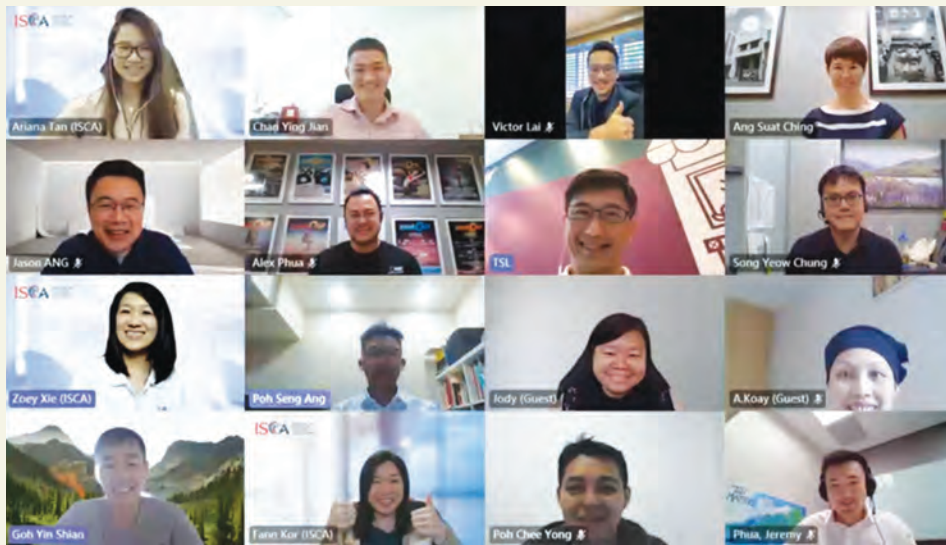


The third edition of the ISCA Mentoring Programme provided aspiring CFOs with opportunities to learn and gain insights from experienced C-suite executives.

ISCA MENTORING PROGRAMME

The ISCA Mentoring Programme provides aspiring CFOs with access to experienced C-suite executives to learn, network and grow.

The programme's third run was launched in March 2021, and included a series of workshops conducted by an experienced facilitator. The nine-month programme was held virtually, and ISCA successfully matched 24 pairs of mentors and mentees.



ISCA held three Young Finance Leaders Network meetings virtually in 2021 to broaden the horizons and networks of young leaders working in finance.

YOUNG FINANCE LEADERS NETWORK

ISCA recognises the importance of supporting young finance leaders in strengthening and expanding their professional network, while learning and sharing

with peers across different industries to gain wider perspectives. In 2021, three virtual engagement lunches were held with these finance leaders.

CLOSED-DOOR ROUNDTABLE FOR FINANCE LEADERS

In 2021, ISCA organised three roundtable sessions for finance leaders.

The first event was held in March and participants shared the challenges their finance team faced post-COVID and some initiatives their firms implemented to overcome them.

In April's session, participants explored how organisations are measuring their digital investments and the type of digital technologies their organisations are willing to invest, as well as sharing best practices in their digitalisation journey.

July's session involved participants who work in industries where data risks rank among the top strategic concerns. They shared their concerns on the similar risks faced and their diverging views on the measures adopted to address and manage them.



ISCA organised three closed-door roundtables for finance leaders to network and discuss topics such as third-party risk, digital investments and navigating the new normal.





EXPANDING OUR PRESENCE, ELEVATING OUR BRAND

Locally, our youth outreach efforts raise awareness for the accountancy profession and highlight the attractiveness and career potential of an accountancy professional to the future generation. Our collaboration and engagement with regional and global counterparts further elevates our brand and raises our prominence on an international level. In turn, our members benefit from being part of a globally recognised body, which enhances their employability in an increasingly globalised business landscape.

DEVELOPING THE PROFESSION'S TALENT PIPELINE

REFERRAL PROGRAMME

As part of our student outreach efforts, ISCA rolled out a referral programme, which provides incentives for referrals by existing Youth Associates. Incentives are also provided for new student membership sign-ups.

To further raise awareness of the referral programme, ISCA invited ISCA Youth Ambassadors, who are also accountancy undergraduates themselves, to share about the benefits of being an ISCA Youth Associate with their peers from accounting programmes.



Since the launch of the Youth Associates student membership programme in 2019, ISCA has recruited more than 2,300 Youth Associates through collaborative outreach initiatives (such as the SIMAA-ISCA Industry Talk on 23 Nov 2021) and a plethora of events with multiple student associations.

ACCTRAORDINARY WEBINAR 2021

The annual ACCTraordinary Webinar was held virtually in November 2021, engaging over 500 students, educators and parents.

Jointly organised by the five polytechnics and the Institute of Technical Education (ITE), and supported by SAC and ISCA, the ACCTraordinary Webinar 2021's theme was "Difference Makers". The webinar was led by several ISCA members, including Mr Don Wee, Ms Belinda Tan, Mr Sarjit Singh, Ms Joanna Chung, Ms Angelique Teo and Mr Teo Eng Siong.

They shared about their professional journeys and provided insights into the emerging areas and required skillsets in the accountancy profession.



More than 500 students, educators and parents attended the ACCTraordinary webinar, which featured ISCA members sharing their experiences based on the theme of "Difference Makers".

UNIVERSITY ORIENTATION OUTREACH

During the year's university orientation camps and talks, ISCA was invited to share about membership benefits and career pathways with the freshmen.

For a more engaging sharing session, ISCA introduced the social media giveaway, which requires student members to follow us on our social media channel. The engagement allowed ISCA to get more student members on board as ISCA Youth Associates.

WORKSHOPS AND COURSES

The Institute engages with our student members and facilitates their growth through various complimentary workshops. Through these workshops, ISCA aims to better prepare the students for the fast-changing economy.

In 2021, several virtual workshops were held, including "Mastering Excel Objects with VBA for Effective Spreadsheet Automation", "Python for Accountancy Students" and "Data Management & Analysis in Excel Using SQL".

EXPANDING OUR PRESENCE REGIONALLY AND GLOBALLY

ASEAN TECH FAIR

ISCA's first-ever virtual technology fair was held in September 2021, catering to the accountancy community in Singapore and across the region.

The fair brought together service providers and solution vendors, who showcased service offerings in the digital space, as well as accounting and auditing tools. About 1,400 participants from Singapore and ASEAN visited the fair, and more than 1,100 viewers tuned in to the livestreamed event each day, with an average satisfaction rating of 4.2/5. The fair featured 13 plenary sessions and tech talks and 15 virtual booths, which had live demonstrations of innovative digital solutions for the accounting sector.

The inaugural event was supported by ISCA's strategic partners – AFA and VACPA.



ISCA's ASEAN Tech Fair showcased innovative accounting and audit digital tools to about 1,400 participants across Southeast Asia.

ISCA REPRESENTATIVES APPOINTED TO AFA WORKING COMMITTEES

ISCA has been appointed to be part of AFA's Working Committees (WC) 1, 2 and 3. As an AFA primary member, it is important for ISCA to be participating in the AFA Working Committees and contributing towards AFA's mission of developing and promoting the growth of the accountancy profession in ASEAN. This facilitates ISCA's efforts to forge stronger relations with AFA and its member bodies. This may also provide opportunities for ISCA to collaborate with AFA member bodies on mutually beneficial projects. In addition, the participation will help raise ISCA's global prominence and further entrench our role as a leading PAO in ASEAN.

ISCA Deputy Director (Members and Stakeholders Engagement) Ms Fua Qiu Lin sits in WC 1 which supports and contributes to AFA's efforts in supporting adoption and implementation of international standards (and best practices) in the ASEAN Member countries. ISCA Council member Mr Henry Tan is a member of WC 2 which contributes to regional thought leadership (on topics relevant to AFA and the ASEAN

accountancy profession). ISCA Director (Members Experience and Communications) Ms Jennifer Toh sits in WC 3 which leads and contributes to the capacity building of ASEAN Professional Accountancy Organisations (PAOs), particularly AFA primary members.



EXPANDING OUR PRESENCE REGIONALLY AND GLOBALLY

INVESTIGATION AND DISCIPLINE WORKSHOP

Representing ISCA, ISCA Director of Executive Office and Practice Monitoring Ms Ang Pei Fen participated in the *Statements of Membership Obligations (SMO) 6 – Investigation and Discipline Workshop* organised by AFA and IFAC in December 2021.

The workshop enabled representatives from AFA member organisations to share their strategies, challenges and fulfilment status in addressing IFAC SMO 6, and ISCA had the opportunity to discuss the strategies and actions it had implemented to comply with the requirements of SMO 6.



ISCA Director (Executive Office and Practice Monitoring) Ms Ang Pei Fen (1st row, middle) represented ISCA at the Statements of Membership Obligations 6 - Investigation and Discipline Workshop.

RECIPROCAL RECOGNITION AGREEMENT

ISCA inked a reciprocal agreement with CA ANZ in May 2021. The agreement enables eligible CA members from Singapore to obtain the CA ANZ CA designation without having to fulfil additional professional or educational requirements, and vice versa.

This is the fourth reciprocal agreement that ISCA had signed with a leading professional accountancy body. Earlier agreements were signed with Chartered Accountants Ireland (CAI), ICAEW and the Institute of Chartered Accountants of Scotland (ICAS).



The Reciprocal Recognition Signing Ceremony between ISCA and CA ANZ opened more doors for ISCA members overseas and enhanced their competitive edge.

ADJUNCT PROFESSOR CHAN YOKE KAI RE-APPOINTED TO IFAC PANEL

ISCA Council member Adjunct Professor Chan Yoke Kai has been re-appointed to be part of the IFAC International Panel on Accountancy Education (IPAE).

Professor Chan was first appointed in 2019, and IPAE has recommended his re-appointment for a second term – from 2022 to 2024. This recommendation reflects IFAC's confidence in ISCA as a strategic partner, underscoring the Institute's growing reputation as a global leader in the field, and positions ISCA as an agent of influence in accountancy education.

IPAE was established in 2019 to develop and grow accountancy education and expertise on an international stage.

TRIPARTITE MEETING

ISCA was part of a key tripartite meeting with ICAEW and the Chongqing Institute of Certified Public Accountants (CQICPA) in December 2021.

The meeting discussed important elements of talent cultivation, such as member training, membership structure and membership pathways. With the China-Singapore (Chongqing) Demonstration Initiative on Strategic Connectivity (CCI), these discussions are especially significant, since there is deepening cooperation between the two cities.

The ISCA team in attendance comprised ISCA President Mr Kon Yin Tong, ISCA CEO Ms Fann Kor, Director of Professional

Development and Qualifications Ms Soh Suat Lay, Director of Members Experience and Communications Ms Jennifer Toh, and Deputy Director of Members and Stakeholders Engagement Ms Fua Qiu Lin.



Tripartite meeting among ISCA, ICAEW and CQICPA.

SHARING ON FUTURE-PROOFING SMPs AT THE 22ND AFA CONFERENCE

At the 22nd AFA Conference, ISCA CEO-Designate Ms Fann Kor presented the key challenges experienced by ASEAN SMPs in technology adoption, and the requisite technological skills and competences to future-proof an SMP practice. She shared the 4 W's of digital transformation and illustrated the application with case studies.

Ms Kor was also a panelist for the panel discussion titled: "Future Proofing our SMP Practice: Building Technological Skills and Competencies". During the discussion, the panellists focused on the latest developments in the reporting landscape, and how ASEAN accountants can respond to stakeholder demands and prepare for the future of reporting.



ISCA CEO-Designate Ms Fann Kor delivering her presentation at the AFA Conference.

PROPOSED STANDARD FOR AUDITS OF LESS COMPLEX ENTITIES

ISCA AASC Chairman Mr Hans Koopmans shared Singapore's views on IAASB's Proposed Standard for Audits of Less Complex Entities at the IFAC-IAASB-AFA Roundtable, which was jointly organised by IFAC, IAASB and AFA. Among other comments, Mr Koopmans suggested for IAASB to consider the inclusion of audits of group financial statements within the scope of the proposed standard.



EXPANDING OUR PRESENCE REGIONALLY AND GLOBALLY

STRENGTHENING THE CAPACITY FOR PROFESSIONAL SERVICES FOR ACCOUNTANCY SERVICES

ISCA was part of a workshop on “Strengthening the Capacity for Professional Services for Accountancy Services” – a project under the ASEAN-Hong Kong, China Free Trade Agreement (AHKFTA) Economic and Technical Co-operation (ECOTECH) Work Programme. ISCA’s presentation discussed the business perspective regarding the regulatory framework and professional practices in Singapore.

Organised by the Ministry of Industry and Commerce of Lao PDR in November 2021, regulators and businesses from the ASEAN Secretariat, AFA, Hong Kong, China, Laos,

Malaysia, the Philippines, Singapore, Thailand and Vietnam participated in this workshop.



BUSINESS COMBINATIONS UNDER COMMON CONTROL

Representing ISCA, former ISCA Professional Standards Division Deputy Director Ms Lim Ju May participated in a webinar organised by the Jeju Group on IASB’s Discussion Paper (DP) for Business Combinations under Common Control in April 2021.

As business combinations under common control transactions fall outside the scope of IFRS 3 *Business Combinations*, entities that engage in common control must select an appropriate accounting policy in accordance with the requirements set out in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. This may result in a diversity in practice. The DP proposed that the acquisition method should be applied to some combinations while a book-value method should be applied to other combinations.

ISCA’s Recommended Accounting Practice 12 (RAP 12) *Merger Accounting for Common Control Combinations for Financial Statements* explained how merger accounting (book-value accounting) can be applied to common control transactions. RAP 12 currently recommends that for the book-value method, the receiving company should measure the assets and liabilities received at the book values reported by the controlling company. This diverges from the proposal in the DP, where these assets and liabilities are to be measured by the receiving company based on the book values reported by the transferred company instead.

In addition, the DP proposed for pre-combination information of the transferred company to be excluded in the financial statements of the combined company for group restructuring. This is unlike the recommended accounting practice in RAP 12, where pre-combination information is to be included in the financial statements of the combined company.



WEBINAR ON IASB THIRD AGENDA CONSULTATION IN ASEAN

ISCA Financial Reporting Committee (FRC) Chairman Mr Reinhard Klemmer shared Singapore's views on the prioritisation of IASB's projects in the joint outreach webinar organised by the AFA and IASB in July 2021, in consultation of IASB's workplan for 2022 to 2026.

Based on the list of potential projects listed by IASB, ISCA believes that the projects on "Climate-related Risks" and

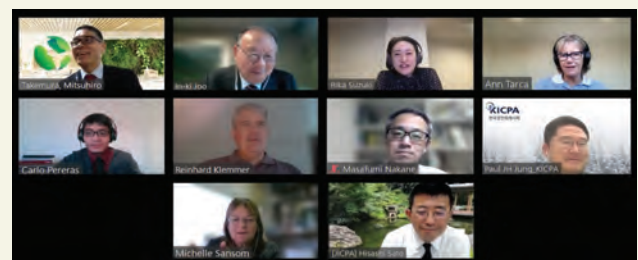
"Pollutant Pricing Mechanisms" should be ranked as high priority and to be addressed together. This is in line with the increased focus on climate change and sustainability in Singapore where regulators are placing greater emphasis on green/sustainable finance, climate change and disclosure of sustainability issues for corporates. Correspondingly, investors would require quality information about effects of climate-related risks in the financial statements, including better disclosures.

WEBINAR ON PROPOSED IFRS STANDARD

ISCA FRC Chairman Mr Reinhard Klemmer shared preliminary views on a new proposed IFRS Standard containing reduced disclosure requirements that can be applied by subsidiaries without public accountability in a webinar organised by the Jeju Group and IASB in December 2021.

ISCA supports the objective of the project to reduce the cost of preparing IFRS financial statements by subsidiaries which are not publicly accountable while maintaining the usefulness of information provided. One key concern shared is on the interaction between the new proposed standard and the IASB's ED on Disclosure Requirements in IFRS Standards – A Pilot Approach, whereby the

former focuses on having a list of simplified disclosures for eligible subsidiaries whereas the latter focuses on defining disclosure objectives and not specifying a list of disclosures for entities.



Mr Reinhard Klemmer (2nd row, 2nd from left), Chairman of ISCA FRC, shared preliminary views on a new proposed IFRS Standard at a webinar organised by Jeju Group and IASB.

MOVING FORWARD TOGETHER

With visionary leadership, astute management and progressive policies, ISCA strives to create a world-class organisation. At its heart, ISCA seeks to make a difference, creating positive impact for members, the community and the accountancy profession.



ISCA COUNCIL

THE OFFICE BEARERS



MR KON YIN TONG

President

Managing Partner
Foo Kon Tan LLP



MS YVONNE CHAN MEI CHUEN

Vice President

Chief Financial Officer
Sustainability Officer
Enterprise Singapore

COUNCIL MEMBERS



**MR MOHAMMAD SHARIQ
SAYEED BARMAKY**

Audit & Assurance Leader,
Singapore and Southeast Asia
Deloitte & Touche LLP



**ADJUNCT PROFESSOR
CHAN YOKE KAI**

School of Business
Singapore University of Social Sciences



**PROFESSOR
CHENG QIANG**

Lee Kong Chian Chair Professor of Accounting
Dean, School of Accountancy
Singapore Management University



MS LAI CHIN YEE

Finance Director
Qian Hu Corporation Limited



**MR MARCUS
LAM HOCK CHOON**

Executive Chairman
PwC Singapore



MS LELAINA LIM SIEW LI

Group Chief Financial Officer
Eu Yan Sang International Ltd



MR HENRY TAN SONG KOK

Group CEO & Chief Innovation Officer
Nexia TS



MS BELINDA TEO HUI

Assurance Senior Manager
Ernst & Young LLP



MR DON WEE BOON HONG

Member of Parliament
and Senior Vice President, UOB

THE OFFICE BEARERS



MR ROGER TAY PUAY CHENG

Treasurer

Head of Advisory (Deal Advisory)
KPMG LLP



MR KELVIN TAN WEE PENG

Secretary

Adjunct Associate Professor
NUS Business School
National University of Singapore

COUNCIL MEMBERS



MR DENNIS CHIA CHOON HWEЕ

Group Chief Financial Officer
StarHub Ltd



ASSOCIATE PROFESSOR CHOO TECK MIN

Division of Accounting,
Nanyang Business School
Nanyang Technological University



MR BALASUBRAMANIAM JANAMANCHI

Managing Partner/Director
JBS Practice PAC



MS JUDY NG

Chief Financial Officer,
Institutional Banking Group
DBS Bank



MR TAN KUANG HUI

Chief Executive and
Managing Partner
Crowe Singapore



MR DARREN TAN SIEW PENG

Chief Financial Officer
OCBC Bank



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



MS YIONG YIM MING
Group Chief Financial Officer
City Developments Limited

OUR SENIOR MANAGEMENT



MS FANN KOR
Chief Executive Officer



MS JENNIFER TOH
Divisional Director
(Members Experience
and Communications)



MS SOH SUAT LAY
Divisional Director
(Professional Development
and Qualifications)



MS ANG PEI FEN
Divisional Director
(Executive Office
and Practice Monitoring)



MR KANG WAI GEAT
Divisional Director
(Professional Standards)



MS FUA QIU LIN
Divisional Director
(Members and Stakeholders
Engagement)

REPORT OF THE ISCA COUNCIL

It is our pleasure to present our 2021 Annual Report and Financial Statements for the year ended 31 December 2021. The following Council members were elected as office bearers during the first Council meeting held in April 2021:

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

THE COUNCIL

The 2021 Council held 6 ordinary meetings and 1 ad-hoc meeting. "Column A" indicates the number of Council meetings members attended, and "Column B" indicates the number of committees he/she sits on.

	A	B
Mohammad Shariq Sayeed Barmaky	6	2
Yvonne Chan Mei Chuen	7	3
Chan Yoke Kai	5	2
Cheng Qiang	6	1
Dennis Chia Choon Hwee	5	1
Choo Teck Min	6	1
Balasubramaniam Janamanchi	6	2
Kon Yin Tong	7	4
Lai Chin Yee	7	2
Marcus Lam Hock Choon	6	2
Lelaina Lim Siew Li	6	1
Judy Ng May Lian	7	1
Tan Kuang Hui	6	1
Darren Tan Siew Peng	5	2
Henry Tan Song Kok	6	1
Kelvin Tan Wee Peng	7	3
Roger Tay Puay Cheng	7	2
Belinda Teo Hui	6	2
Don Wee Boon Hong	4	1
Christopher Wong Mun Yick	7	2
Yiong Yim Ming	7	1

COMMITTEE MEMBERS

LIST OF COMMITTEE MEMBERS

Executive Committee

- | | | |
|----|--------------------------------|----------------|
| 1. | Kon Yin Tong | President |
| 2. | Yvonne Chan Mei Chuen | Vice-President |
| 3. | Roger Tay Puay Cheng | Treasurer |
| 4. | Kelvin Tan Wee Peng | Secretary |
| 5. | Mohammad Shariq Sayeed Barmaky | |

Nominations Committee

- | | | |
|----|---------------------------|----------|
| 1. | Frankie Chia Soo Hien | Chairman |
| 2. | Kon Yin Tong | |
| 3. | Kwok Wui San | |
| 4. | Lee Shi Ruh | |
| 5. | Kelvin Tan Wee Peng | |
| 6. | Roger Tay Puay Cheng | |
| 7. | Christopher Wong Mun Yick | |

Auditing And Assurance Standards Committee

- | | | |
|-----|--|--------------------------|
| 1. | Hans Koopmans | Chairman |
| 2. | James Xu Jun | Deputy Chairman |
| 3. | Assoc Prof El'fred Boo | |
| 4. | Basil Chan | |
| 5. | Chen Ningxin Narissa | |
| 6. | Adrian Cheong | Alternate: Stacey Tee |
| 7. | Chiang Yong Torng Jonathan | |
| 8. | Chin Chee Choon (till 31 August 2021) | |
| 9. | Susan Foong | |
| 10. | Jenn Ho | |
| 11. | Ho Teik Tiong Gregory | |
| 12. | Balasubramaniam Janamanchi | |
| 13. | Khong Beng Yen | Alternate: Chen Sze Leng |
| 14. | Koh Yeong Kheng | |
| 15. | Lee Imm | |
| 16. | Lim Sio Hoon (from 22 November 2021) | |
| 17. | William Ng Wee Liang | |
| 18. | Sanjay Gordhan Panjabi (from 22 November 2021) | |
| 19. | Ashley Seow Chuan Beng (till 31 August 2021) | |
| 20. | Adj Assoc Prof Tan Wee Cheng | |
| 21. | Assoc Prof Joanne Tay Siok Wan | |
| 22. | Woo E-Sah | |
| 23. | Yeow Hui Cheng | |
| 24. | Kuldip Gill | Observer |
| 25. | Ng Meow Ling | Observer |
| 26. | Alvin Ou | Observer |

Audit Committee

- | | | |
|----|--------------------------------|----------|
| 1. | Mohammad Shariq Sayeed Barmaky | Chairman |
| 2. | Assoc Prof Choo Teck Min | |
| 3. | Marcus Lam Hock Choon | |

Banking And Finance Committee

- | | | |
|-----|-------------------------|--------------------|
| 1. | Lian Wee Cheow | Chairman |
| 2. | Ang Suat Ching | Deputy Chairperson |
| 3. | Chow Khen Seng | |
| 4. | Antony M Eldridge | |
| 5. | Ian Hong | |
| 6. | Hong Teck Khiam | |
| 7. | Venetia Lau Ching Mui | |
| 8. | Christine Lee | |
| 9. | Ong Ai Boon | |
| 10. | Peter See Kim Siong | |
| 11. | Gabriel Seow Chong Howe | |
| 12. | Tang Chek Keng | |
| 13. | Tay Boon Suan | |
| 14. | Gerard Toh Wen-Wei | |
| 15. | Wong Sin Huey | |
| 16. | Yong Chuk Kwin | |
| 17. | Serena Yong | |

CFO Committee

- | | | |
|-----|----------------------|--------------------|
| 1. | Choo Chek Siew | Chairman |
| 2. | Eleana Tan | Deputy Chairperson |
| 3. | Chan Ying Jian | |
| 4. | Kenneth Cheung | |
| 5. | Dennis Chia | |
| 6. | Chua Hwee Song | |
| 7. | Chua Siew Hwi | |
| 8. | Lee Kai Nee | |
| 9. | Andrew Lim | |
| 10. | Alex Phua Jian Zhai | |
| 11. | Darren Tan Siew Peng | |
| 12. | Esther Wee Yu | |
| 13. | Wong Kar Ling | |

LIST OF COMMITTEE MEMBERS

Continuing Professional Education Committee

- | | | |
|-----|-----------------------------------|-------------|
| 1. | Lai Chin Yee | Chairperson |
| 2. | Yvonne Chan Mei Chuen | |
| 3. | Chong Cheng Yuan | |
| 4. | Lee Boon Teck | |
| 5. | Lee Jeng Wah James | |
| 6. | Mike Lim Kwang Wee | |
| 7. | Lim Tze Chern | |
| 8. | Neo Sing Hwee | |
| 9. | Ng Jun Liang Kevin | |
| 10. | Assoc Prof Patricia Tan Mui Siang | |
| 11. | Wong Nee Tat | |
| 12. | Yiong Yim Ming | |

Corporate Finance Committee

- | | | |
|-----|-------------------------|-------------|
| 1. | Rebekah Khan | Chairperson |
| 2. | Chan Yew Kiang | |
| 3. | Leonard Ching Tchi Pang | |
| 4. | Goh Chyan Pit | |
| 5. | Barry Lee Chin Siang | |
| 6. | Peter Leong Hon Mun | |
| 7. | Ong Hwee Li | |
| 8. | Doreen Quek | |
| 9. | Tay Hwee Ling | |
| 10. | Yeo Boon Chye | |

Corporate Governance And Risk Management Committee

- | | | |
|-----|-------------------------|-------------|
| 1. | Seah Gek Choo | Chairperson |
| 2. | Ang Fui Siong | |
| 3. | Ch'ng Choon Huat | |
| 4. | Fang Eu-Lin | |
| 5. | Victor Lai Kuan Loong | |
| 6. | Dennis Lee Hock Leong | |
| 7. | Willy Leow Chee Hwee | |
| 8. | Prof Lawrence Loh | |
| 9. | Lisa Ooi | |
| 10. | Punjabi Rajesh Hiranand | |
| 11. | Sujith Sivaram | |
| 12. | David Yeong | |

Ethics Committee

- | | | |
|-----|----------------------------|----------|
| 1. | Tan Seng Choon | Chairman |
| 2. | Sajjad Akhtar | |
| 3. | G Arull | |
| 4. | Abdul Jabbar Bin Karam Din | |
| 5. | Assoc Prof El'fred Boo | |
| 6. | Lorraine Chay Yeow Mei | |
| 7. | Ho Teik Tiong Gregory | |
| 8. | Balasubramaniam Janamanchi | |
| 9. | Khong Yew Cheong | |
| 10. | Lee Bee Leng | |
| 11. | Lim Tze Yuen | |
| 12. | Ng Chiau Meng Amos | |
| 13. | Malcolm Ramsay | |
| 14. | Soh Kok Leong | |
| 15. | Tan Kuang Hui | |
| 16. | Evan Law | Observer |
| 17. | Caroline Lee | Observer |
| 18. | Mok Pei Hong | Observer |
| 19. | Sherry Quark | Observer |
| 20. | Jake Yeo | Observer |

Financial Forensic Accounting Oversight Committee

- | | | |
|----|----------------|--------------------|
| 1. | Lem Chin Kok | Chairperson |
| 2. | Tan How Choon | Deputy Chairperson |
| 3. | Chan Kheng Tek | |
| 4. | Lee King See | |
| 5. | Murali Pillai | |
| 6. | Seow Hwee Koon | |
| 7. | Loretta Yuen | |

COMMITTEE MEMBERS

LIST OF COMMITTEE MEMBERS

Financial Reporting Committee

- | | | |
|-----|------------------------------------|-----------------|
| 1. | Reinhard Klemmer | Chairman |
| 2. | Chen Voon Hoe | Deputy Chairman |
| 3. | Chan Yen San | |
| 4. | Cheng Ai Phing | |
| 5. | Prof Cheng Qiang | |
| 6. | Philip Fong Yeng Fatt | |
| 7. | Adj Assoc Prof Annette Foo Wai Yin | |
| 8. | Goh Swee Hong | |
| 9. | Aylwin How Chin Hong | |
| 10. | Raymond Kong Chih Hsiang | |
| 11. | Joseph Lam Wei Pin | |
| 12. | Lie Kok Keong | |
| 13. | Sue Lightfoot | |
| 14. | Lim Sio Hoon | |
| 15. | Ng Choon Kiat | |
| 16. | Ng Kian Hui | |
| 17. | Soh Lin Leng | |
| 18. | Tan Boon Siong | |
| 19. | Eliza Tan Hwee Hong | |
| 20. | Tan Yong Choo | |
| 21. | Gajendran Vyapuri | |
| 22. | Wong Koon Min | |
| 23. | Wong Yew Chung | |

Financial Statements Review Committee

- | | | |
|-----|-------------------------|--------------------|
| 1. | James Xu Jun | Chairman |
| 2. | Yvonne Chiu Sok Hua | Deputy Chairperson |
| 3. | Kevin Ohng Kok Yeong | Deputy Chairman |
| 4. | Susan Foong | |
| 5. | Goh Swee Hong | |
| 6. | Loo Kwok Chiang, Adrian | |
| 7. | Poh Chin Beng | |
| 8. | Soh Lin Leng | |
| 9. | Angeline Tan Lay Hong | |
| 10. | Tan Peck Yen | |
| 11. | Yeow Hui Cheng | |
| 12. | Yong Zen Yun | |

Investment Committee

- | | | |
|----|-----------------------|----------|
| 1. | Darren Tan Siew Peng | Chairman |
| 2. | Marcus Lam Hock Choon | |
| 3. | Lee Shi Ruh | |
| 4. | Kelvin Tan Wee Peng | |

Infrastructure And Project Finance Oversight Committee

- | | | |
|----|----------------------|----------------|
| 1. | Audra Low | Co-Chairperson |
| 2. | Lynn Tho | Co-Chairperson |
| 3. | David T Boyland | |
| 4. | Kok Chee Wai | |
| 5. | Seth Tan | |
| 6. | Kelvin Wong Wai Hung | |
| 7. | Lawrence Wu | |

Insolvency And Restructuring Practitioners Committee

- | | | |
|----|---------------------|-----------------|
| 1. | Angela Ee | Chairperson |
| 2. | Sam Kok Weng | Deputy Chairman |
| 3. | Aw Eng Hai | |
| 4. | Justin Lim Loo Khoo | |
| 5. | Lim Siew Soo | |
| 6. | Lin Yueh Hung | |
| 7. | Gary Loh | |
| 8. | Martin Wong | |

Insurance Committee

- | | | |
|-----|--------------------------|----------|
| 1. | David Waller | Chairman |
| 2. | G Arull | |
| 3. | Chai Siow Peng | |
| 4. | Adrian Chua Teng Aik | |
| 5. | Celina Goh | |
| 6. | Howard Goh | |
| 7. | Kevin Ohng Kok Yeong | |
| 8. | Philip Shin | |
| 9. | Vijay Krishnan Sukavanam | |
| 10. | Tay Siang Leng | |
| 11. | Yap Swee Gek | |

Membership Committee

- | | | |
|----|---------------------------|----------|
| 1. | Frankie Chia Soo Hien | Chairman |
| 2. | Adj Prof Chan Yoke Kai | |
| 3. | Lai Chin Yee | |
| 4. | Lelaina Lim Siew Li | |
| 5. | Christopher Wong Mun Yick | |

LIST OF COMMITTEE MEMBERS

**/S Chartered Accountant
Journal Editorial Advisory Panel**

- | | | |
|----|-------------------------------|----------|
| 1. | Kon Yin Tong | Chairman |
| 2. | Assoc Prof Chng Chee Kiong | |
| 3. | Assoc Prof Foo See Liang | |
| 4. | Assoc Prof Koh Wei Chern | |
| 5. | Assoc Prof Lee Kin Wai | |
| 6. | Assoc Prof Kevin Ow Yong Keng | |
| 7. | Phua Yung Keat | |
| 8. | Tashna Rajah | |
| 9. | Vincent Toong | |

**Membership Growth
And Engagement Committee**

- | | | |
|-----|------------------------|-------------|
| 1. | Yvonne Chan | Chairperson |
| 2. | Dr Timothy Chan | |
| 3. | Asst Prof Clarence Goh | |
| 4. | Goh Kia Hong | |
| 5. | Liaw Chun Huan | |
| 6. | Shirley Lim | |
| 7. | Judy Ng | |
| 8. | Seah Gek Choo | |
| 9. | Paul Tan | |
| 10. | Belinda Teo | |
| 11. | Susan See Tho | |
| 12. | Veron Wong | |

**Sustainability And Climate Change
Committee (Formerly Known As Corporate
Reporting Committee)**

- | | | |
|-----|----------------------------------|----------|
| 1. | Tan Wah Yeow | Chairman |
| 2. | Fang Eu-Lin | |
| 3. | Giam Ei Leen (from 15 June 2021) | |
| 4. | Mohit Grover (till 15 June 2021) | |
| 5. | Ian Hong | |
| 6. | Krishna Sadashiv | |
| 7. | Tan Boon Gin (from 9 July 2021) | |
| 8. | Henry Tan Song Kok | |
| 9. | Yeo Lian Sim | |
| 10. | Simon Yeo | |

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Practice Committee**

- | | | |
|-----|-------------------------|-------------|
| 1. | Khoo Gaik Suan, Irene | Chairperson |
| 2. | Cheong Kum Foong | |
| 3. | Goh Sia | |
| 4. | Helmi Bin Ali Bin Talib | |
| 5. | Michael Heng Yeow Meng | |
| 6. | Michael Kee Cheng Kong | |
| 7. | Lee Eng Kian | |
| 8. | Lee Mong Sheong | |
| 9. | Jason Lee Soon Sin | |
| 10. | John Lim GP | |
| 11. | Mak Keat Meng | |
| 12. | Lynn Phang | |
| 13. | Helen Sim Cheng Geok | |
| 14. | Teo Li Ling | |
| 15. | Teoh Poh Leng | |

**Young Professionals
Advisory Committee**

- | | | |
|-----|--------------------------|--------------------|
| 1. | Belinda Teo | Chairperson |
| 2. | Maria Teo | Deputy Chairperson |
| 3. | Ang Zan Yu | |
| 4. | Katherine Ang Li Nah | |
| 5. | Cheng Kiang Yung Terence | |
| 6. | Chong Shu Hui Jean | |
| 7. | Goh Hong Chuan | |
| 8. | Goh Kai Yi | |
| 9. | Goh Siew Min | |
| 10. | Lee Jianwen | |
| 11. | David Lim Xixiang | |
| 12. | Lye Jiaming Wesley | |
| 13. | Nithin Nagarajan | |
| 14. | See Wei Ren, Malcolm | |
| 15. | Tai WeiLi Willy | |
| 16. | Teo Eng Siong | |
| 17. | Tew Wan Leng, Athena | |
| 18. | Wang Guangzhao | |
| 19. | Don Wee Boon Hong | Advisor |

Singapore Monitoring Committee

- | | | |
|----|---|-----------------|
| 1. | Kon Yin Tong | Chairman |
| 2. | Lee Fook Chiew
(till 8 October 2021) | Deputy Chairman |
| 3. | Fann Kor | Deputy Chairman |
| 4. | Adj Prof Chan Yoke Kai | |
| 5. | Frankie Chia Soo Hien | |

FINANCIAL STATEMENTS



STATEMENT BY COUNCIL

On behalf of the Council of the Institute of Singapore Chartered Accountants (the "Institute"), we, Kon Yin Tong and Kor Wan Hoon, being the President and Chief Executive Officer respectively, do hereby state that in our opinion, the consolidated financial statements of the Institute and its subsidiaries (the "Group") and financial statements of the Institute set out on pages 83 to 130 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 2021 and of its financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.



Kon Yin Tong
President



Kor Wan Hoon
Chief Executive Officer

15 March 2022

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 83 to 130, which comprise the balance sheets of the Group and the Institute as at 31 December 2021, the statements of profit or loss and other comprehensive income, statements of changes in funds and statements of cash flows of the Group and the Institute for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Institute are properly drawn up in accordance with the Societies Act 1966 (the "Societies Act") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Group and the Institute as at 31 December 2021 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 79 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Council for the Financial Statements

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

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

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

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

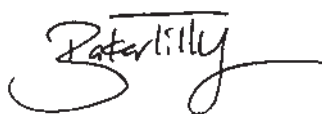
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 by the Institute have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

Low See Lien
Engagement Partner
(New partner in charge for financial year ended 2021)

15 March 2022

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Institute	
	Note	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Continuing operations					
Income					
Members' annual fees		11,918	12,220	11,918	12,220
Members' admission fees		134	192	134	192
Income from Continuing Professional Education		4,462	4,058	4,462	4,058
Income from other training courses		1,630	1,434	1,630	1,434
Practice Monitoring income		472	470	472	470
Income from seminars, event and talks		868	681	868	681
Other income:					
– Interest income from financial institutions		48	133	48	133
– Others	4	3,366	8,582	3,349	8,628
Total income	4	22,898	27,770	22,881	27,816
Less expenditure					
Expenses		(20,743)	(21,103)	(20,731)	(21,098)
Surplus before results of associate	5	2,155	6,667	2,150	6,718
Share of results of associate (net of tax)	13	(17)	14	–	–
Surplus before tax		2,138	6,681	2,150	6,718
Income tax expense	7	(263)	(139)	(263)	(139)
Surplus after tax from continuing operations		1,875	6,542	1,887	6,579
Discontinued operations					
Net deficit from discontinued operations, net of tax	8	–	(1,450)	–	–
Surplus for the year		1,875	5,092	1,887	6,579
Surplus from specific fund:					
ISCA Support Fund	26	(66)	–	(66)	–
ISCA Cares Fund	27	742	28	–	–
Net surplus and total comprehensive income for the financial year		2,551	5,120	1,821	6,579

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

BALANCE SHEETS

AT 31 DECEMBER 2021

		Group		Institute	
	Note	2021 \$'000	2020 \$'000 (restated)	2021 \$'000	2020 \$'000 (restated)
Non-current assets					
Property, plant and equipment	9	629	885	629	885
Right-of-use assets	10	1,670	3,710	1,670	3,710
Investment property	11	10,486	10,788	10,486	10,788
Subsidiaries	12	–	–	–	–
Associate	13	85	102	–	–
Intangible assets	14	773	1,071	766	1,059
Financial assets at fair value through profit or loss	15	60,485	55,236	60,485	55,236
		74,128	71,792	74,036	71,678
Current assets					
Inventories	16	5	5	4	4
Contract assets	17	320	304	320	304
Trade and other receivables	19	3,394	2,386	3,382	2,369
Cash and cash equivalents	20	15,412	18,153	13,969	17,353
		19,131	20,848	17,675	20,030
Total assets		93,259	92,640	91,711	91,708
Non-current liabilities					
Deferred tax liabilities	21	96	103	96	103
Lease liabilities	22	52	1,717	52	1,717
Provisions	23	346	342	346	342
Other payables	24	240	240	240	240
		734	2,402	734	2,402
Current liabilities					
Trade and other payables	24	4,639	3,526	4,661	3,434
Deferred income	25	–	294	–	294
Contract liabilities	18	1,903	2,747	1,903	2,747
Lease liabilities	22	1,665	2,046	1,665	2,046
Current tax payable		281	139	281	139
		8,488	8,752	8,510	8,660
Total liabilities		9,222	11,154	9,244	11,062
Net assets		84,037	81,486	82,467	80,646
Represented by					
Accumulated Fund		80,621	80,746	80,533	80,646
ISCA Support Fund	26	1,934	–	1,934	–
ISCA Cares Fund	27	1,482	740	–	–
		84,037	81,486	82,467	80,646

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

STATEMENTS OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Accumulated Fund \$'000	ISCA Support Fund \$'000	ISCA Cares Fund \$'000	Total \$'000
Group				
Balance at 1 January 2020	75,654	–	712	76,366
Net surplus and total comprehensive income for the financial year	5,092	–	28	5,120
Balance at 31 December 2020	80,746	–	740	81,486
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	1,875	(66)	742	2,551
Transfer of funds	(2,000)	2,000	–	–
Balance at 31 December 2021	80,621	1,934	1,482	84,037
Institute				
Balance at 1 January 2020	74,067	–	–	74,067
Net surplus and total comprehensive income for the financial year	6,579	–	–	6,579
Balance at 31 December 2020	80,646	–	–	80,646
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	1,887	(66)	–	1,821
Transfer of funds	(2,000)	2,000	–	–
Balance at 31 December 2021	80,533	1,934	–	82,467

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from operating activities				
Surplus before tax from continuing operations	2,138	6,681	2,150	6,718
Deficit before tax from discontinued operations	–	(1,450)	–	–
Surplus before tax, total	2,138	5,231	2,150	6,718
Adjustments for:				
Bad debts written off	6	5	14	18
Depreciation of property, plant and equipment, investment property, right-of-use assets and amortisation of intangible assets	3,313	3,298	3,308	3,292
Finance cost	4	4	4	4
Interest income	(48)	(137)	(48)	(133)
Interest expense on lease liabilities	98	148	98	148
Net fair value gain on financial assets at fair value through profit or loss	(523)	(4,679)	(523)	(4,679)
Property, plant and equipment, right-of-use assets and intangible assets written off	6	10	6	10
Loss on disposal of a subsidiary, net of tax	–	1,530	–	–
Share of results of associate (net of tax)	17	(14)	–	–
Operating surplus before working capital changes	5,011	5,396	5,009	5,378
Contract assets	(15)	(119)	(15)	60
Inventories	–	16	–	15
Receivables	(1,042)	217	(1,049)	382
Payables	313	(681)	427	(852)
Contract liabilities	(844)	294	(844)	228
Deferred income	(294)	294	(294)	294
Cash generated from operations	3,129	5,417	3,234	5,505
Income tax paid	(128)	(278)	(128)	(277)
ISCA Cares Fund (Note 27)	742	28	–	–
ISCA Support Fund (Note 26)	(2,000)	–	(2,000)	–
Net cash generated from operating activities	1,743	5,167	1,106	5,228
Cash flows from investing activities				
Disposal of a subsidiary, net of cash disposed	–	(1,649)	–	–
Interest received	74	145	68	129
Purchase of financial instruments	(4,800)	–	(4,800)	–
Purchases of property, plant and equipment	(295)	(512)	(295)	(512)
Additions to intangible assets (Note 14)	(220)	(736)	(220)	(736)
Net cash used in investing activities	(5,241)	(2,752)	(5,247)	(1,119)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash flows from financing activities				
Repayment of lease liabilities	(2,046)	(1,996)	(2,046)	(1,996)
Interest paid on lease liabilities	(98)	(148)	(98)	(148)
Net cash used in financing activities	(2,144)	(2,144)	(2,144)	(2,144)
Net (decrease)/increase in cash and cash equivalents	(5,642)	271	(6,285)	1,965
Cash and cash equivalents at beginning of year	18,086	17,815	17,286	15,321
Cash and cash equivalents at end of year (Note 20)	12,444	18,086	11,001	17,286

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

1 CORPORATE INFORMATION

The Institute (UEN No. T04SS0109E) is the national accountancy professional body in Singapore. It was established in June 1963 as the Singapore Society of Accountants ("SSA") under the SSA Ordinance 1963, then reconstituted and renamed the Institute of Certified Public Accountants of Singapore ("ICPAS") on 11 February 1989 under the Accountants Act 1987. As of 31 March 2004, ICPAS was reconstituted as a society under the Societies Act. The restructuring is primarily a change of form for the Institute as ICPAS continued to be the national body for the accountancy profession in Singapore and its functions remain unchanged. In 2013, ICPAS was renamed as the Institute of Singapore Chartered Accountants ("ISCA"). The registered office and principal place of business of the Institute is located at 60 Cecil Street, ISCA House, Singapore 049709.

The principal activities of the Institute are those of administering the Institute's membership, and catering for the training and professional development of its members. The principal activities of the subsidiaries are disclosed in Note 12.

The consolidated financial statements relate to the Institute and its subsidiaries (collectively, the "Group") and the Group's interest in associate.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore ("FRSs").

The financial statements, which are presented in Singapore dollar ("S\$") (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 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards

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

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

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2021 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 balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent entity. Consistent accounting policies are applied for like transactions and events in similar circumstances.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (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 of the entity. The Group's investment in associate is accounted for using the equity method of accounting, less impairment losses, if any. The consolidated financial statements include the Group's share of the profit or loss of the associate from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in the associate, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Accounting for subsidiaries and associate by the Institute

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

c) Functional and foreign currencies

Functional currency

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

Foreign currencies

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

d) Inventories

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

e) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

	Years
Furniture and office equipment	4 to 10
Computers	3 to 4
Renovation	shorter of lease term or 3 to 12

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise.

f) Investment properties

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

Transfers are made to or from investment property only when there is a change in use. When transfer is made between investment property and owner-occupied property, its carrying amount (cost less accumulated depreciation and impairment) at the date of transfer becomes its carrying amount for subsequent accounting.

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

g) Intangible assets

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

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

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

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

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Impairment of non-financial assets

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

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

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

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

i) Financial assets

Recognition and derecognition

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

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

Classification and measurement

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

The Group classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through profit or loss ("FVTPL").

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

Subsequent measurement

i) Debt instruments

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

Amortised cost

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

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Fair value through profit or loss ("FVTPL")

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

ii) Equity instruments

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

iii) Funds placed with fund managers

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Financial assets (cont'd)

Impairment

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

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

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

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

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

j) Financial liabilities

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

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

k) Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I) 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.

Lease liabilities

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

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

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

Right-of-use assets

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

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l) Leases (cont'd)

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

Right-of-use assets (cont'd)

The right-of use assets (except for those which meets the definition of an investment property) are presented as a separate line in the balance sheets.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(h).

When a Group entity is the lessor

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

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies FRS 115 to allocate the consideration under the contract to each component.

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

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

n) Revenue recognition

Revenue is measured based on the consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to the customer.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Revenue recognition (cont'd)

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

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

The Group provides members administrative services in the application of membership status. The admission fees are due upon submission of membership application and non-refundable. The admission fees are recognised as income in the year during which membership commences, or upon an event that the application is unsuccessful. Unearned income relating to service to be rendered in future periods is included in contract liabilities.

(ii) Services

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

The Group provides training courses relating to the continuing professional education for its members. Such services are recognised as a performance obligation satisfied over time and are recognised based on the passage of time. For e-learning courses, revenue is recognised over the period whereby participant is granted access to the modules on the e-learning platform. Course fees are stated net of course credits or discounts and excludes the value of complimentary courses.

Income from subscription fees and management fees are recognised as a performance obligation satisfied over time and are recognised in the period during which service is provided, having regards to the stage of completion of the service.

Unearned income relating to service to be rendered in future periods is included in contract liabilities. Subscription fees are recognised as income in the year to which the subscription relates. The above fees are due upon registration, and non-refundable.

- Administrative fee income

Administrative fee income from CA Qualification 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. A contract asset is recognised when the Group has performed under the contract but has not yet billed the client. The Group will bill client in accordance to the billing terms in the service agreement and payment within 30 days from the invoice date is required. No element of financing is deemed present. Direct expenses incurred by the Group is reimbursed at cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Revenue recognition (cont'd)

(ii) Services (cont'd)

– 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 when the event has occurred.

o) Employee benefits

Defined contribution plans

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

Employee leave entitlement

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p) Income tax

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

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

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

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

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

q) Government grants

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

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

r) Discontinued operations

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the entity's accounting policies

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

Business model assessment

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

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

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

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

For leases of office space and equipment, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Group includes the extension option in lease liabilities; and
- The Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

As at 31 December 2021, potential future cash outflows have not been included in the lease liability because the Group and the Institute are still negotiating on the renewal terms. As at 31 December 2020, potential future cash outflows had not been included in the lease liability because it was not reasonably certain that the leases would be extended.

The assessment of reasonable certainty to exercise extension option is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

Key sources of estimation uncertainty

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

Depreciation of property, plant and equipment and investment property

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

The carrying amounts of the Group's and the Institute's property, plant and equipment and investment property as at 31 December 2021 and the annual depreciation charges for the financial year ended 31 December 2021 are disclosed in Notes 9 and 11 respectively.

Impairment of non-current assets

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

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cash flows.

The carrying amounts of the Group and Institute's property, plant and equipment, right-of-use assets, investment property and intangible assets are disclosed in Notes 9, 10, 11 and 14 respectively.

4 INCOME

a) Disaggregation of revenue

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<i>Timing of transfer of goods or services</i>				
At a point in time	1,223	996	1,223	996
Over time	18,261	18,059	18,261	18,059
	19,484	19,055	19,484	19,055

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

4 INCOME (CONT'D)

b) Revenue recognised during the financial year from:

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Amounts included in contract liabilities at beginning of the financial year	2,747	2,524	2,747	2,519

c) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 is \$740,000 (2020: \$356,000). The Group and Institute expect to recognise \$740,000 (2020: \$356,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2021 in the financial year ending 31 December 2022.

The Group applies the practical expedient in FRS 115 and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Other income				
Advertising income	60	66	60	66
CA Qualification fee	635	483	635	483
Government grants	713	1,853	713	1,853
Net fair value gain with respect to financial assets at FVTPL	523	4,679	523	4,679
Management fees	(22)	148	(17)	203
Other fees	104	124	104	124
Other registration and subscription fees	22	9	–	–
Rental income from investment property (Note 11)	961	961	961	961
Rental income – others	42	–	42	–
Sundry income	328	259	328	259
	3,366	8,582	3,349	8,628

Government grant income of \$432,000 (2020: \$1,526,000) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group's operations.

Government grant income of \$46,000 (2020: \$Nil) of the Group and the Institute was received under the Enhanced Work-Life Grant ("EWLG") to support companies that have applied flexible work arrangements to ensure business continuity and the safety of their workers during the COVID-19 pandemic.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

5 SURPLUS BEFORE RESULTS OF ASSOCIATE

The following items have been included in arriving the surplus before results of associate:

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Expenses				
Advertisement expenses	304	284	304	284
Amortisation of intangible assets (Note 14)	450	455	450	455
Bad debts written off				
– third parties	6	5	6	2
– amounts due from subsidiaries	–	–	8	16
Depreciation of investment property (Note 11)	302	302	302	302
Depreciation of property, plant and equipment (Note 9)	516	495	516	495
Depreciation of right-of-use assets (Note 10)	2,040	2,040	2,040	2,040
Direct costs of providing training and other courses	2,178	1,939	2,164	1,934
Finance cost (Note 23)	4	4	4	4
Interest expense on lease liabilities	98	148	98	148
Property, plant and equipment, right-of-use assets and intangible assets written off	5	10	5	10
Rental expenses	14	17	12	16
Repair and maintenance	248	281	248	281
Publications	409	401	409	401
Seminar and talk expenses	264	201	264	201
Staff costs (Note 6)	11,328	11,957	11,328	11,957
Website and IT expenses	966	990	966	990

6 STAFF COSTS

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	10,042	10,636	10,042	10,636
Contributions to CPF	1,146	1,200	1,146	1,200
Other employee benefit expenses	140	121	140	121
	11,328	11,957	11,328	11,957

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7 INCOME TAX EXPENSE

Income tax expense attributable to results is made up of:

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<u>From continuing operations</u>				
Current income tax provision	281	140	281	140
Deferred tax	(33)	8	(33)	8
(Over)/under provision in respect of previous financial years:				
– current income tax	(11)	8	(11)	8
– deferred income tax	26	(17)	26	(17)
	263	139	263	139
<u>From discontinued operations</u>				
Current income tax provision	–	–	–	–
	263	139	263	139

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

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Surplus/(deficit) before tax from				
– continuing operations	2,138	6,681	2,150	6,718
– discontinued operations	–	(1,450)	–	–
	2,138	5,231	2,150	6,718
Tax calculated at a tax rate of 17% (2020: 17%)	363	889	366	1,142
Singapore statutory stepped income exemption	(17)	(17)	(17)	(17)
Income not subject to tax	(203)	(1,055)	(203)	(1,055)
Expenses not deductible for tax purposes	121	337	120	87
Under/(over) provision in respect of previous financial years	15	(9)	15	(9)
Others	(16)	(6)	(18)	(9)
	263	139	263	139

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

8 DISCONTINUED OPERATIONS

On 31 March 2020, ISCA had withdrawn as a member of Singapore Chartered Tax Professionals Limited ("SCTP") (formerly known as Singapore Institute of Accredited Tax Professionals Limited). This is to enable SCTP to be an independent professional body. No consideration was received for the withdrawal.

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

	Group 2021 \$'000	Group 2020 \$'000
Income for the year		
Members' annual fees	–	203
Members' admission fees	–	35
Income from seminars, events and talks	–	12
Other income:		
– Interest income from financial institutions	–	4
– Others	–	3
Total income	–	257
Less expenditure		
Expenses	–	(177)
Surplus before tax from discontinued operations	–	80
Income tax expense	–	–
Surplus after tax from discontinued operations	–	80
Loss on disposal of a subsidiary	–	(1,530)
Deficit from discontinued operations, net of tax	–	(1,450)

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

	Group 2021 \$'000	Group 2020 \$'000
Operating cash flows	–	(185)
Investing cash flows	–	6
	–	(179)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment \$'000	Computers \$'000	Renovation \$'000	Total \$'000
Cost				
Balance at 1 January 2020	1,073	2,178	388	3,639
Additions	29	115	–	144
Written off	(60)	(251)	–	(311)
Balance at 31 December 2020	1,042	2,042	388	3,472
Additions	19	246	–	265
Written off	(90)	(440)	–	(530)
Balance at 31 December 2021	971	1,848	388	3,207
Accumulated depreciation and impairment				
Balance at 1 January 2020	698	1,590	101	2,389
Depreciation charge for the financial year	123	272	101	496
Written off	(48)	(250)	–	(298)
Balance at 31 December 2020	773	1,612	202	2,587
Depreciation charge for the financial year	119	296	101	516
Written off	(89)	(436)	–	(525)
Balance at 31 December 2021	803	1,472	303	2,578
Carrying amount				
Balance at 31 December 2020	269	430	186	885
Balance at 31 December 2021	168	376	85	629

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture and office equipment \$'000	Computers \$'000	Renovation \$'000	Total \$'000
Cost				
Balance at 1 January 2020	1,068	2,148	388	3,604
Additions	29	115	–	144
Written off	(55)	(221)	–	(276)
Balance at 31 December 2020	1,042	2,042	388	3,472
Additions	19	246	–	265
Written off	(90)	(440)	–	(530)
Balance at 31 December 2021	971	1,848	388	3,207
Accumulated depreciation				
Balance at 1 January 2020	696	1,562	101	2,359
Depreciation charge for the financial year	123	271	101	495
Written off	(46)	(221)	–	(267)
Balance at 31 December 2020	773	1,612	202	2,587
Depreciation charge for the financial year	119	296	101	516
Written off	(89)	(436)	–	(525)
Balance at 31 December 2021	803	1,472	303	2,578
Carrying amount				
Balance at 31 December 2020	269	430	186	885
Balance at 31 December 2021	168	376	85	629

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation charge is taken up as follows:

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Statement of Profit or Loss and Other Comprehensive Income:				
Continuing operations:				
– Operating expenses (Note 5)	516	495	516	495
Discontinued operations:				
– Operating expenses	–	1	–	–
	516	496	516	495

Group and Institute

Included in additions of property, plant and equipment of the Group and Institute is an amount of \$Nil (2020: \$30,000) payable to third parties. The cash outflow on additions to property, plant and equipment of the Group and Institute was \$295,000 (2020: \$512,000).

10 RIGHT-OF-USE ASSETS

	Lease property \$'000	Office equipment \$'000	Total \$'000
Group and Institute			
Cost			
Balance at 1 January 2020	7,842	165	8,007
Additions	–	37	37
Written off	–	(20)	(20)
Balance at 31 December 2020 and 31 December 2021	7,842	182	8,024
Accumulated depreciation and impairment			
Balance at 1 January 2020	2,251	39	2,290
Depreciation charge for the financial year	2,002	38	2,040
Written off	–	(16)	(16)
Balance at 31 December 2020	4,253	61	4,314
Depreciation charge for the financial year	2,003	37	2,040
Written off	–	–	–
Balance at 31 December 2021	6,256	98	6,354
Carrying amount			
Balance at 31 December 2020	3,589	121	3,710
Balance at 31 December 2021	1,586	84	1,670

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

11 INVESTMENT PROPERTY

	Group and Institute	
	2021	2020
	\$'000	\$'000
Cost		
Balance at 1 January and 31 December	15,122	15,122
Accumulated depreciation		
Balance at 1 January	4,334	4,032
Depreciation charge (Note 5)	302	302
Balance at 31 December	4,636	4,334
Carrying amount		
Balance at 31 December	10,486	10,788

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

	Group and Institute	
	2021	2020
	\$'000	\$'000
Rental income from investment property	961	961
Direct operating expenses arising from investment property that generated rental income	(153)	(158)
Depreciation charge	(302)	(302)

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

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

12 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

- a) Investments in subsidiaries

	Institute	
	2021	2020
	\$'000	\$'000
Unquoted equity shares, at cost	—*	—*

* Amount of \$3.

Singapore Chartered Tax Professionals Limited (formerly known as Singapore Institute of Accredited Tax Professionals Limited) had ceased to be a subsidiary with effect from 31 March 2020. There is no cost of investment as it is a company limited by guarantee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2021 %	2020 %
Association of Taxation Technicians (S) Limited ⁽¹⁾⁽²⁾	Singapore	To administer the structured training program and to set and to manage the syllabus and examination which will lead to the Diploma in Taxation	100	100
Institute of Singapore Chartered Accountants Pte. Ltd. ⁽²⁾	Singapore	To undertake and perform the office and duties of trustee of and for the ISCA in accordance with the constitution of the ISCA	100	100
<i>Held by Institute of Singapore Chartered Accountants Pte. Ltd.</i>				
ISCA Cares Limited ⁽¹⁾⁽³⁾	Singapore	To provide needy Singapore youths access to quality accountancy education through pecuniary and non-pecuniary assistance	100	100

⁽¹⁾ There is no cost of investment as the subsidiaries are companies limited by guarantee whereby every member of the company undertakes to contribute to meet the debts and liabilities of these subsidiaries in the event of its liquidation up to an amount not exceeding \$10 for each member except for ISCA Cares Limited up to an amount not exceeding \$1 for each member.

⁽²⁾ These subsidiaries are considered to be wholly-owned subsidiaries of the Institute as the members of these subsidiaries are trustees of the Institute.

⁽³⁾ ISCA Cares Limited is an approved Institution of a Public Character and its fund balance is disclosed separately on balance sheet of the Group (Note 27).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

c) Disposal of a subsidiary

On 31 March 2020, ISCA had withdrawn as a member of Singapore Chartered Tax Professionals Limited ("SCTP") (formerly known as Singapore Institute of Accredited Tax Professionals Limited). This is to enable SCTP to be an independent professional body. No consideration was received for the withdrawal.

Carrying amounts of assets and liabilities as at the date of disposal:

	2020 \$'000
Cash and cash equivalents	1,649
Property, plant and equipment	4
Contract assets	179
Trade and other receivables	62
Total assets	1,894
Trade and other payables	72
Contract liabilities	70
Other current liabilities	219
Provision	3
Total liabilities	364
Identified net assets disposed	1,530
Loss on disposal of subsidiary:	
Net assets derecognised	1,530
Consideration paid in cash and cash equivalents:	
Cash and cash equivalents in subsidiary disposed	(1,649)
Net cash outflow on disposal of subsidiary	(1,649)

d) Intra-group transactions

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

	Institute	
	2021 \$'000	2020 \$'000
<i>Income</i>		
Management fees	5	55
<i>Expenditure</i>		
Disbursement of expenses	5	5

The Institute, as part of supporting ISCA Cares Limited (the "Charity") contributed 1,970 hours (2020: 2,179 hours) to support the administration of the Charity for the financial year ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

13 ASSOCIATE

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Investment in associate	85	102	–	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group	
			2021 %	2020 %
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 based on its audited financial statements and reconciliation to the carrying amount of the investments in the consolidated financial statements is as follows:

	2021 \$'000	2020 \$'000
Revenue	140	163
(Loss)/profit after tax	(34)	28
Non-current assets	3	2
Current assets	281	232
Current liabilities	(115)	(31)
Net assets	169	203
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	85	102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14 INTANGIBLE ASSETS

	Computer software \$'000	Others \$'000	Total \$'000
Group			
Cost			
At 1 January 2020	2,014	348	2,362
Additions	506	302	808
Written off	(139)	(22)	(161)
At 31 December 2020	2,381	628	3,009
Additions	103	54	157
Written off	(484)	(19)	(503)
At 31 December 2021	2,000	663	2,663
Accumulated amortisation			
At 1 January 2020	1,461	177	1,638
Amortisation charge for the financial year	336	124	460
Written off	(139)	(21)	(160)
At 31 December 2020	1,658	280	1,938
Amortisation charge for the financial year	293	162	455
Written off	(484)	(19)	(503)
At 31 December 2021	1,467	423	1,890
Carrying amount			
At 31 December 2020	723	348	1,071
At 31 December 2021	533	240	773

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14 INTANGIBLE ASSETS (CONT'D)

	Computer software \$'000	Others \$'000	Total \$'000
Institute			
Cost			
At 1 January 2020	1,991	348	2,339
Additions	506	302	808
Written off	(139)	(22)	(161)
At 31 December 2020	2,358	628	2,986
Additions	103	54	157
Written off	(484)	(19)	(503)
At 31 December 2021	1,977	663	2,640
Accumulated amortisation			
At 1 January 2020	1,455	177	1,632
Amortisation charge for the financial year	331	124	455
Written off	(139)	(21)	(160)
At 31 December 2020	1,647	280	1,927
Amortisation charge for the financial year	288	162	450
Written off	(484)	(19)	(503)
At 31 December 2021	1,451	423	1,874
Carrying amount			
At 31 December 2020	711	348	1,059
At 31 December 2021	526	240	766

Amortisation charge is taken up as follows:

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Statement of Profit or Loss and Other Comprehensive Income:				
– Operating expenses (Note 5)	450	455	450	455
ISCA Cares Fund	5	5	–	–
	455	460	450	455

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14 INTANGIBLE ASSETS (CONT'D)

Computer software comprises membership, financial management and administrative systems.

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

Included in additions of intangible assets of the Group and Institute are payable to third parties of \$57,000 (2020: \$120,000). The cash outflows on additions to intangible assets of the Group and Institute were \$220,000 (2020: \$736,000) and \$220,000 (2020: \$736,000) respectively.

15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Institute	
	2021	2020
	\$'000	\$'000
Financial assets measured at FVTPL		
– Funds placed with fund managers	60,485	55,236

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

16 INVENTORIES

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Merchandise for E-store	4	4	4	4
Pouches and notebooks	1	1	–	–
	5	5	4	4

17 CONTRACT ASSETS

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

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

	2021	2020	1.1.2020
	\$'000	\$'000	\$'000
Group			
Trade receivables from contracts with customers	730	716	1,010
Contract assets	320	304	365

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

17 CONTRACT ASSETS (CONT'D)

	2021 \$'000	2020 \$'000	1.1.2020 \$'000
Institute			
Trade receivables from contracts with customers	730	716	1,124
Contract assets	320	304	365

Contract assets have increased mainly due to an increase in the unbilled amounts for practice monitoring review services of \$10,000 (2020: decrease of \$130,000) and fee income from CA Qualification of \$6,000 (2020: \$69,000) in the financial year ended 31 December 2021.

18 CONTRACT LIABILITIES

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

	2021 \$'000	Group 2020 \$'000	1.1.2020 \$'000	2021 \$'000	Institute 2020 \$'000	1.1.2020 \$'000
Contract liabilities	1,903	2,747	2,524	1,903	2,747	2,519

Contract liabilities have decreased mainly due to a reduction in the advances received from subscription fees of \$889,000 (2020: an increase of \$69,000) and an increase in advances received from course fees of \$35,000 (2020: \$46,000) in the financial year ended 31 December 2021.

19 TRADE AND OTHER RECEIVABLES

	2021 \$'000	Group 2020 \$'000	2021 \$'000	Institute 2020 \$'000
Trade receivables – third parties	730	716	730	716
Deposits	532	534	532	534
Interest receivables	16	36	15	35
Prepayments	594	637	594	626
Grant receivable from				
– Jobs Support Scheme	–	180	–	180
– Projects	1,437	–	1,437	–
Others	85	283	74	278
	3,394	2,386	3,382	2,369

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

20 CASH AND CASH EQUIVALENTS

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

	Group		Institute	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest bearing accounts	11,340	16,627	9,908	15,828
Non-interest bearing accounts	4,072	1,526	4,061	1,525
	15,412	18,153	13,969	17,353
Less:				
Fixed deposits pledged	(67)	(67)	(67)	(67)
Undisbursed balance of ISCA Support Fund	(2,901)	–	(2,901)	–
Cash and cash equivalents per Statements of Cash Flows	12,444	18,086	11,001	17,286

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to \$10,508,000 (2020: \$14,879,000) and \$9,287,000 (2020: \$14,262,000) respectively which are placed for varying periods between 2 to 12 months (2020: 3 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.10% to 0.58% (2020: 0.25% to 1.72%) per annum. Fixed deposits of the Group and Institute amounting to \$67,000 (2020: \$67,000) are pledged to bank for banking facilities.

Included in interest bearing accounts of the Group is the bank balance of ISCA Cares Fund amounting to \$1,467,000 (2020: \$844,000), of which \$35,000 (2020: \$45,000) is held by the Institute.

Included in interest bearing accounts of the Group is a balance of \$2,901,000 that was set up in a designated bank account by the Institute for the Enterprise Singapore ("ESG") – SG Together Enhancing Enterprise Resilience ("STEER") programme as disclosed in Note 26. The disbursement from this bank account shall be made based on agreed areas of support to fund recipients as stipulated in the Letter of Award with ESG. An amount of \$967,000 in the designated bank account relates to the balance of the advance received from ESG as at 31 December 2021.

21 DEFERRED TAX LIABILITIES

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

	At 1 January 2020 \$'000	Recognised in profit or loss \$'000	At 31 December 2020 \$'000	Recognised in profit or loss \$'000	At 31 December 2021 \$'000
Group and Institute					
Deferred tax liabilities:					
Difference in depreciation for tax purposes	(257)	(4)	(261)	46	(215)
Provisions and accruals	145	13	158	(39)	119
	(112)	9	(103)	7	(96)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

22 LEASE LIABILITIES

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Non-current</i>				
Lease liabilities (secured)	52	1,717	52	1,717
<i>Current</i>				
Lease liabilities (secured)	1,665	2,046	1,665	2,046
	1,717	3,763	1,717	3,763

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

	Lease liabilities	
	2021 \$'000	2020 \$'000
Balance at 1 January	3,763	5,726
Additions	–	37
Changes from financing cash flows:		
– Repayments	(2,046)	(1,996)
– Interest paid	(98)	(148)
Non-cash changes:		
– Interest expense	98	148
– Termination	–	(4)
Balance at 31 December	1,717	3,763

23 PROVISIONS

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

Movements in provisions are as follows:

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At beginning of financial year	342	338	342	338
Unwind of discount	4	4	4	4
At end of financial year	346	342	346	342

The provisions represent the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased property to its original state. The estimates have been made on the basis of quotes obtained from external contractors. The unexpired term of the lease is 1 year (2020: 2 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24 TRADE AND OTHER PAYABLES

	Group		Institute	
	2021 \$'000	2020 \$'000 (restated)	2021 \$'000	2020 \$'000 (restated)
<i>Non-current</i>				
Deposits received	240	240	240	240
<i>Current</i>				
Trade payables	1,386	418	1,381	418
Goods and Services Tax payable	114	247	114	247
Amount due to subsidiaries	–	–	37	48
Accrued operating expenses	1,577	1,885	1,567	1,873
Accrual for unutilised annual leave	351	585	351	585
Billings in advance	224	197	224	197
Grants received	987	66	987	66
Other payables	–	128	–	–
	4,639	3,526	4,661	3,434

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

25 DEFERRED INCOME

Deferred income refers to deferred grant income receivable under the Jobs Support Scheme from the Government to provide wage support to employers to retain their local employees during the period of economic uncertainty. The grant receivable was fully recognised in the financial year ended 31 December 2021.

26 ISCA SUPPORT FUND

a) Support for Small and Medium Enterprises

	Group and Institute 2021 \$'000
At beginning of financial year	–
Transfer from Accumulated Fund	2,000
Disbursement to recipients	(99)
Disbursement funded by Enterprise Singapore ("ESG")	33
Deficit for the year	(66)
At the end of financial year	1,934

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

26 ISCA SUPPORT FUND (CONT'D)

a) Support for Small and Medium Enterprises (cont'd)

With the support of ESG's SG Together Enhancing Enterprise Resilience ("STEER") programme, a \$3 million funding had been set up that goes towards accelerating the digital transformation and upskilling efforts of small and medium practices ("SMPs"), as well as provide working capital to SMPs affected by the pandemic. Through the STEER programme, ESG will match \$1 for every \$2 contributed by ISCA and eligible SMPs could apply for funding in the areas of working capital, business growth and upgrading of capabilities. During the financial year, the Institute received a \$1 million advance from ESG and transferred its share of \$2 million to the ISCA Support Fund. As at the end of the year, funding support totaling \$1.41 million to 137 SMPs have been approved. The disbursement of funds is expected to be made to these SMPs over the period from September 2021 to July 2022, of which \$99,000 has been disbursed as at 31 December 2021.

b) Support for Members

\$5 million of support was allocated towards supporting ISCA members to help members who are experiencing financial difficulties due to the economic impact of COVID-19. During the financial year ended 31 December 2021, \$100/- CPE course credit vouchers totaling \$3 million in value were issued to all member for upskilling and reskilling for the post COVID-19 environment. To further assist specific members who experienced financial difficulties due to the economic impact of COVID-19, membership fees were waived for these members, who also received complimentary training packages to enable them to acquire new skills that enhance employability.

During the financial year ended 31 December 2021, \$806,000 from the credit vouchers were utilised, and 495 members received membership fee waivers amounting to \$200,000 and 496 members received complimentary training courses packages valued at \$313,000.

Members' annual fees and Income from Continuing Professional Education as disclosed in Note 2 are stated net of all CPE course credits, membership fees waivers and fees waived under the complimentary course packages. The value of these fees waivers and course credits for the financial year ended 31 December 2021 were:-

	Group and Institute 2021 \$'000
\$100/- CPE course credit vouchers	729
Complimentary course fees	93
Waived membership fees	200
	1,022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

27 ISCA CARES FUND

	Group	
	2021 \$'000	2020 \$'000
At beginning of financial year	740	712
Donations received:		
– Tax deductible receipts	318	209
– Non-tax deductible receipts	5	1
Donations-in-kind	64	–
Other income:		
– Fund raising activity	139	–
– Government grant	468	–
– Interest income	4	7
Cost of notebooks and pouches	–	(1)
Bursary awards	(133)	(164)
Fund raising expenses	(102)	–
Administrative expenses	(21)	(24)
At end of financial year	1,482	740
Represented by:		
<i>Non-current assets</i>		
Intangible assets	6	11
<i>Current assets</i>		
Cash and cash equivalents	1,467	844
Trade and other receivables	13	18
Inventories	1	1
	1,481	863
Total assets	1,487	874
<i>Current liabilities</i>		
Trade and other payables, representing total liabilities	(5)	(134)
Net assets	1,482	740

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

28 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation comprise:

	Group and Institute	
	2021	2020
	\$'000	\$'000
Short-term employee benefits	1,803	1,933
Contribution to CPF	119	105
	1,922	2,038

29 COMMITMENTS

Other commitment – Institute

As at 31 December 2021, the Institute has provided continuing financial support of \$40,000 (2020:\$35,000) to a subsidiary which is in net liability position.

30 LEASES

a) The Group and the Institute as a lessee

Nature of the Group's and the Institute's leasing activities

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

The maturity analysis of the lease liabilities is disclosed in Note 31(b).

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

Carrying amount of right-of-use assets

The carrying amount and additions of right-of-use assets are disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

30 LEASES (CONT'D)

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

Amounts recognised in profit or loss

	2021 \$'000	2020 \$'000
<u>Depreciation charge for the financial year</u>		
Lease property	2,003	2,002
Office equipment	37	38
Total	2,040	2,040
Interest expense on lease liabilities	98	148

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Lease expense not included in the measurement of lease liabilities</u>				
Lease expense				
– short term leases (Note 5)	14	17	12	16

Total cash flow for leases amounted to \$2,158,000 (2020: \$2,161,000) and \$2,156,000 (2020: \$2,160,000) for the Group and the Institute respectively.

Extension option

The property lease agreement contains an extension option, for which the related lease payments had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the asset used in the Group's operations.

b) The Group and the Institute as a lessor

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

Rental income from investment property is disclosed in Note 11.

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

	Group and Institute	
	2021 \$'000	2020 \$'000
Within one year	962	961
1 to 2 years	959	962
3 to 4 years	177	959
5 to 6 years	–	177

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

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

	Group		Institute	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Financial assets</i>				
Financial assets at fair value through profit or loss	60,485	55,236	60,485	55,236
Financial assets at amortised costs	18,213	19,722	16,758	18,916
	78,698	74,958	77,243	74,152
<i>Financial liabilities</i>				
At amortised cost	4,920	6,305	4,942	6,342

b) Financial risk management

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

Credit risk

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

The Group and the Institute do not have significant credit risk exposures.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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

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

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

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

Other financial assets at amortised cost

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

Credit risk exposure in relation to other financial assets at amortised costs as at 31 December 2021 and 31 December 2020 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2021 and 31 December 2020. During the year, the bad debts written-off of the Group and the Institute was \$5,000 (2020: \$5,000) and \$14,000 (2020: \$18,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Liquidity risk

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

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

	← 2021 → \$'000				← 2020 → \$'000			
	1 year or less	1 to 5 years	Over 5 years	Total	1 year or less	1 to 5 years	Over 5 years	Total
Group								
Trade and other payables (excluding lease liabilities)	3,203	–	–	3,203	2,542	–	–	2,542
Lease liabilities	1,705	55	–	1,760	2,143	1,760	–	3,903
Institute								
Trade and other payables (excluding lease liabilities)	3,225	–	–	3,225	2,578	–	–	2,578
Lease liabilities	1,705	55	–	1,760	2,143	1,760	–	3,903

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.

Sensitivity analysis

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

Funds placed with fund managers comprise a portfolio of equity instruments, debt instruments, derivatives and cash and cash equivalents. The Group and the Institute are exposed to changes in market prices, interest rate risk and foreign exchange risk with respect to its funds placed with fund managers. Fair values of debt instruments at fixed rates may fluctuate due to changes in market interest rates. A 2% increase/(decrease) in the fair value of the portfolio at the balance sheet date would increase/(decrease) the Group's and the Institute's profit or loss by \$1,210,000 (2020: \$1,105,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

31 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.

32 FAIR VALUE OF ASSETS AND LIABILITIES

a) Fair value hierarchy

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

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

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

The following table presents the assets measured at fair value at 31 December 2021.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurement				
2021				
Group and Institute				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	32,154	28,331	–	60,485
2020				
Group and Institute				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	17,826	37,410	–	55,236

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

	Carrying amount	Level 1 \$'000	Fair value measurement Level 2 \$'000	Level 3 \$'000
2021				
Group and Institute				
Investment property	10,486	–	–	27,800
2020				
Group and Institute				
Investment property	10,788	–	–	28,000

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

d) 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 balance sheet 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 using the Direct Comparison Approach, under which the property is assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing and all other factors affecting their value. The fair value measurement is categorised under Level 3 of the fair value hierarchy.

33 FUND MANAGEMENT

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

34 COMPARATIVES

Prior year reclassification has been made to reclassify deposits received from the rental of investment property from current to non-current liability to better reflect the nature of the transaction and do not have any impact on the profit or loss and other comprehensive income or cash flows.

The comparative figures have been restated as follows:

	As previously reported \$'000	Reclassification \$'000	As restated \$'000
Group			
Balance Sheet			
<i>Current liabilities</i>			
Trade and other payables (Note 24)	3,766	(240)	3,526
Deposits received	240	(240)	–
<i>Non-current liabilities</i>			
Other payables	–	240	240
Institute			
Balance Sheet			
<i>Current liabilities</i>			
Trade and other payables (Note 24)	3,674	(240)	3,434
Deposits received	240	(240)	–
<i>Non-current liabilities</i>			
Other payables	–	240	240

35 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 2021 were authorised for issue by the Council on 15 March 2022.

NOTICE OF ANNUAL GENERAL MEETING 2022

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting (AGM) 2021/2022 of the Institute of Singapore Chartered Accountants will be held via a virtual meeting platform on **Saturday, 23 April 2022 at 10.00 am (Singapore time)**.

AGENDA

1. President's address followed by sharing sessions by Vice President, Treasurer and Chief Executive Officer.
2. To confirm the minutes of the Annual General Meeting 2020/2021 held on 24 April 2021.
3. To receive the Report of the Council for the year 2021/2022 and Financial Statements of the Institute for the year ended 31 December 2021.
4. To elect eight members to the Council in accordance with Article 32 of the Constitution comprising:
 - (a) At least 3 CAs (Singapore) who are Public Accountants to hold office for a term of two years;
 - (b) At least 3 CAs (Singapore) who are not Public Accountants to hold office for a term of two years.

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

Chartered Accountants of Singapore who are Public Accountants	Chartered Accountants of Singapore who are not Public Accountants
Mohammad Shariq Sayeed Barmaky Kon Yin Tong Marcus Lam Hock Choon Tan Song Kok, Henry	Dennis Chia Choon Hwee Lai Chin Yee Lim Siew Li (Lelaina) Yiong Yim Ming

Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Mohammad Shariq Sayeed Barmaky	Yuen Ewe Jin Philip Cheung Pui Yuen Ho Kok Yong Lee Boon Teck Yang Chi Chih
Choo Eng Beng	Yeow Chee Keong Tham Tuck Seng Hans Bernardus Koopmans Lee Chian Yorn Tan Boon Chok
Goh Chern Ni (Jocelyn)	Leong Hon Mun, Peter Khor Boon Hong Chia Soo Hien Ng Kian Hui Neo Keng Jin
Koh Wee Kwang	Limjoco Ross Yu Tan Lye Heng Paul Wong Tit Siang Hooi Weng Yew, Edwin Mario Celina Chan Yee Ling

NOTICE OF ANNUAL GENERAL MEETING 2022

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Lim Yeong Seng	Lee Soon Sin, Jason Chin Ee Lin Jonathan Lim Ryh Jye Ng Pei Jun Tan Theong Hee
Tan Song Kok, Henry	Loh Hui Nee Lee Look Ling Meriana Ang Mei Ling Lee Tze Shiong Lim Hui Ki

Chartered Accountants of Singapore who are not Public Accountants	Nominated by
Lai Chin Yee	Soong Wee Choo Lim Soh Hoon Choh Wai Ling Goh Ee Ping Yap Beng Tat, Richard
Vincent Lim Boon Seng	Ho Shu Yah Ng Chin Yi Wong Lin Ki Zhang Li Tan Yuan Ching, Darrell
Lim Siew Li (Lelaina)	Yoong Shu Chuan Oh Pui Hoon Wee Chin Lian Heng Hwi Chin Indrayani Manan
Tan How Choon	Zhang Luxi Rohan Kamis Suree Rohan Lee Li Choo Lim Shien Ching Henry
Teo Ser Luck	Chia Soo Hien Loh Khum Whai Max Lee Shi Ruh Fang Eu-Lin Chan Ying Jian
Yiong Yim Ming	Goh Ko Hin Ong Siew Toh Ang Yi En Wee Hiang Bing Koh Hian Yan Adrian

NOTICE OF ANNUAL GENERAL MEETING 2022

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2022 and to authorise the Council to fix their remuneration.

By order of the Council



KELVIN TAN WEE PENG
Secretary

30 March 2022

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FORM OF PROXY

THE SCHEDULE

Rule 34

THE INSTITUTE (GENERAL MEETINGS) RULES

I, _____, _____
(Full Name in Block) NRIC /Passport Number
(last 3 digits and alphabet only)

of _____
(Full Address)

being a member of the Institute, do hereby appoint:

Name	Address	NRIC /Passport Number (last 3 digits and alphabet only)

or failing him/her

Name	Address	NRIC /Passport Number (last 3 digits and alphabet only)

each of whom is a CA (Singapore) of ISCA as my proxy to vote for me at the Annual General Meeting of the Institute to be held on 23 April 2022 and any adjournment of such meeting.

Signature of member: _____

Dated this _____ day of _____ 2022.

NOTES:

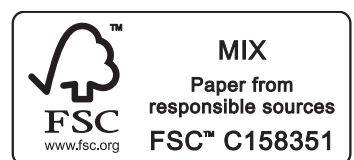
A Member entitled to vote may appoint as his proxy any other Member who is entitled to vote except that no member shall be entitled to vote by proxy in the election of a member or members of the Council.

[Rule 33, Institute (General Meetings) Rules]

The proxy shall not be entitled to vote at a meeting unless the instrument of proxy has been deposited with the Chief Executive Officer not less than 48 hours before the date and time fixed for the meeting.

[Rule 37, Institute (General Meetings) Rules]







60 Cecil Street, ISCA House Singapore 049709

Telephone: (65) 6749 8060

Facsimile: (65) 6749 8061

E-Mail: isca@isca.org.sg

Website: www.isca.org.sg

INSTITUTIONAL REPORT 2021/2022

SUSTAINABILITY