

INSTITUTE OF SINGAPORE  
CHARTERED ACCOUNTANTS

REPRESENT • INFLUENCE  
— THE —  
**ISCA STORIES**

SERVE • ENABLE

ANNUAL REPORT 2022/23



INSTITUTE OF  
SINGAPORE  
CHARTERED  
ACCOUNTANTS



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**O**nce upon a time, the Singapore Society of Accountants (SSA) was formed. SSA, which was established to register and regulate the conduct of all accountants, was later renamed the Institute of Certified Public Accountants of Singapore (ICPAS). A self-regulatory body, ICPAS was charged with handling professional matters, ethics, standards, and professional development of the accountancy profession.

Through the years, the Institute grew from strength to strength. Today, it is known as the Institute of Singapore Chartered Accountants (ISCA). The name change was unveiled at the Institute's Golden Jubilee anniversary celebration in 2013. It was brought about with the "Chartered Accountant of Singapore" designation replacing the "CPA Singapore" designation.

A member of Chartered Accountants Worldwide (CAW), ISCA's vision is to be a world-class accountancy body of trusted professionals, contributing towards an innovative and sustainable economy. The Designated Entity to confer the prestigious Chartered Accountant of Singapore – CA (Singapore) – designation, ISCA continues to advance the accountancy profession and enable more than 33,000 members to make a difference across diverse businesses in Singapore and around the world.

In 2023, ISCA celebrates 60 vibrant years as the national accountancy body of Singapore, proudly serving its growing communities of professionals and businesses.

ISCA is on the cusp of a new era, with goals, aspirations, and fresh ideas to further its cause. In this annual report, we present the ISCA Stories.



As we celebrate our past and move confidently into the future, we remain firmly rooted in our mission, just like the timeless Aesop's fables, whose teachings continue to be relevant in an ever-changing world.



A large, ornate, light gold initial letter 'D' with intricate floral and scrollwork details.

# Preparing For The Future

*Empowering members to  
future-proof their careers*



Like the industrious ants getting ready for winter,  
ISCA is helping our members prepare for the rapidly  
changing business landscape.







### **The Ant and The Grasshopper**

A grasshopper played with its instrument all summer long while the ants worked hard to store food. When winter came around, the grasshopper sought help from the ants because it was not prepared to face the tough weather conditions.





# Innovating For Success

*Creating new offerings through  
partnerships and collaboration*



Like the crow which used “out-of-the-box” thinking to achieve its goals, ISCA is continually seeking new building blocks to add value to our growing membership.

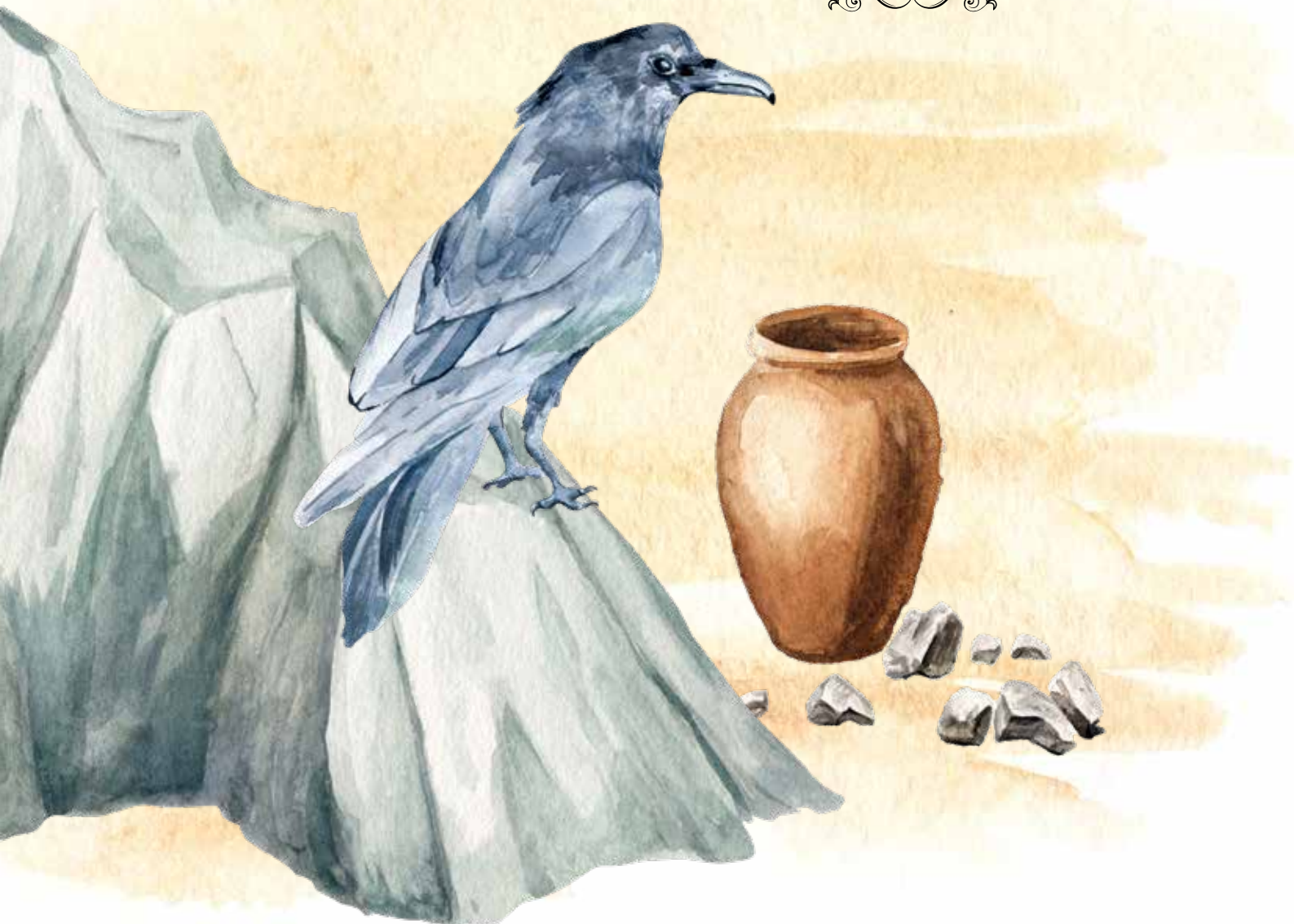






### **The Crow and The Pitcher**

A crow wanted to drink from a pitcher but its beak wasn't able to reach the water. Using its wits, the crow dropped pebbles into the pitcher until the water level rose high enough for it to quench its thirst.





# **S**preading Our Wings

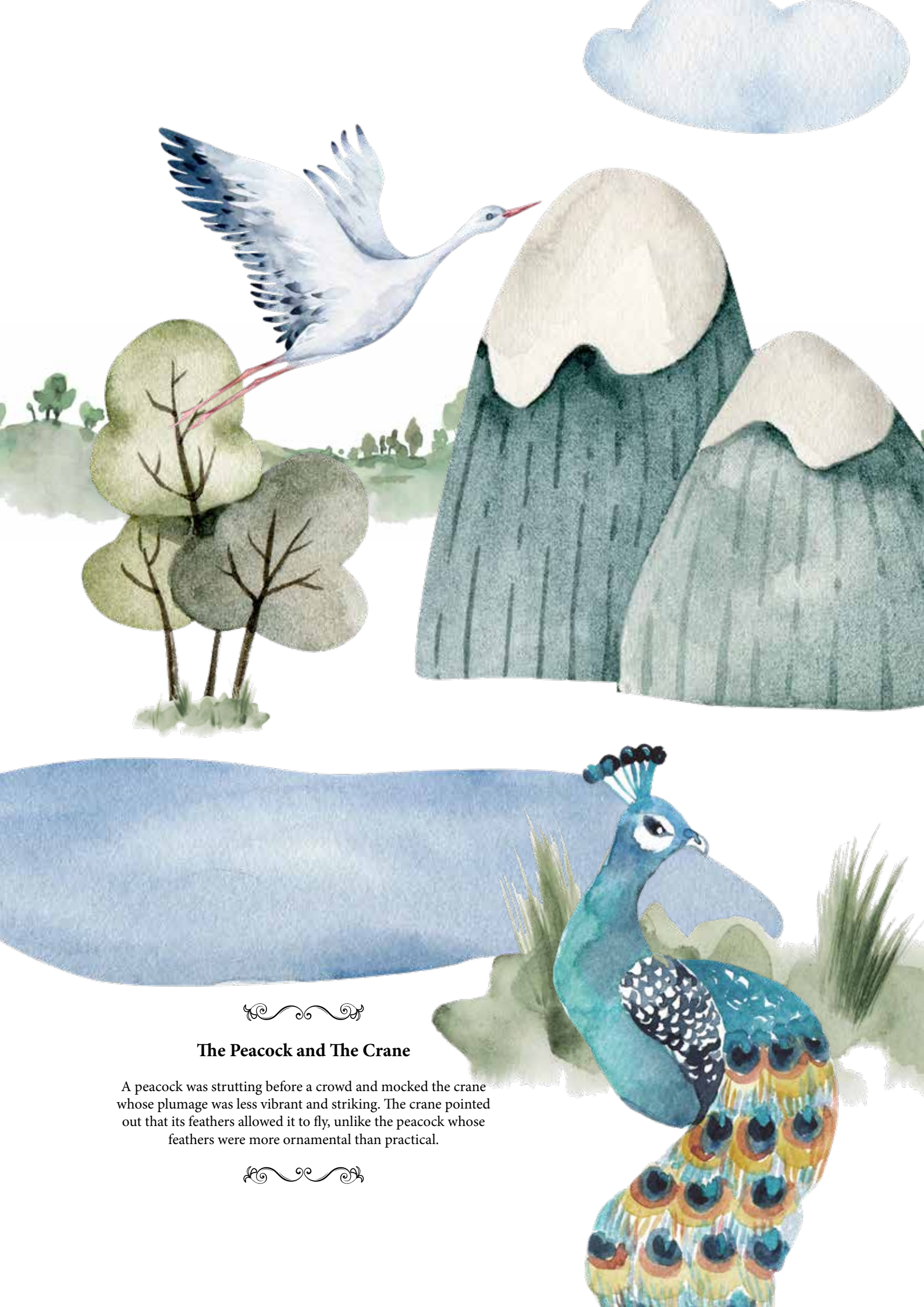
*Strengthening our regional  
and global relationships*



The crane's feathers have a highly valued function. They enable it to take flight, travel to new places and acquire enriching experiences and friendships. Similarly, ISCA has gone on new journeys and strengthened our relationships with accountancy bodies in the region and around the world.







### The Peacock and The Crane

A peacock was strutting before a crowd and mocked the crane whose plumage was less vibrant and striking. The crane pointed out that its feathers allowed it to fly, unlike the peacock whose feathers were more ornamental than practical.

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# Themes in the ISCA Stories



## OUR VISION

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

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## OUR MISSION

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

### R.I.S.E.

**Represent** our members on matters affecting and of interest to the profession

**Influence** the development of the accountancy profession and ecosystem positively

**Serve** the public interest by helping to instil sound values and ensuring right ethical standards among our members and the profession

**Enable** our members to achieve their professional aspirations





# Our Strategic Priorities

*Our Strategic Priorities inform our plans and initiatives to serve our members, the accountancy profession, business eco-system and the Institute itself.*



WORLD-CLASS  
MEMBER EXPERIENCE



SUSTAINABLE &  
TRUSTED PROFESSION



DIFFERENCE MAKERS  
TO BUSINESS ECOSYSTEM



GLOBAL CONNECTION  
& RECOGNITION



CULTURE OF  
INNOVATION & EXCELLENCE



# Our Story In Numbers

(As at 31 December 2022)

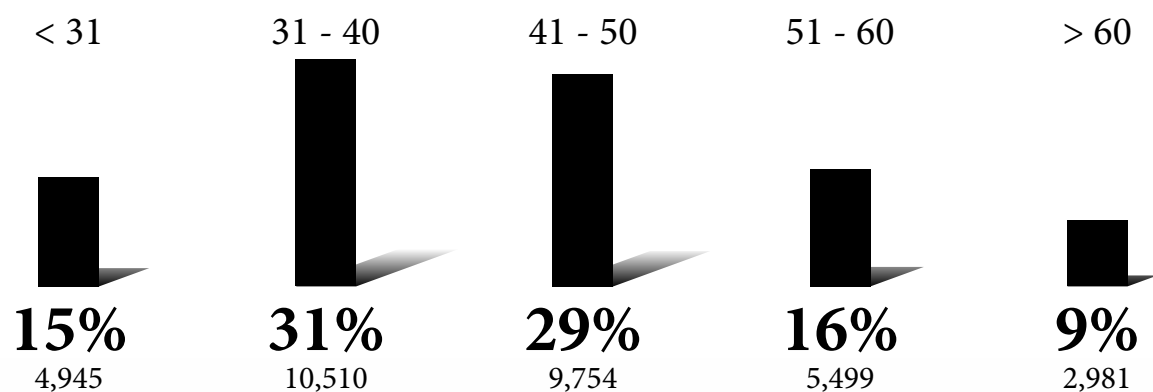
MEMBERSHIP RETENTION

**97.2%**

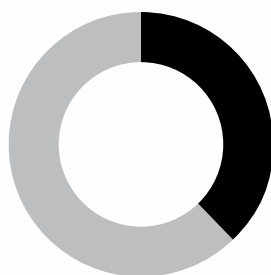
TOTAL NUMBER OF MEMBERS

**33,689**

AGE GROUPS



Female  
**62%**  
21,031



Male  
**38%**  
12,658



## MEMBERSHIP CLASS

**1,067<sup>#</sup>**

Life  
Members

**1,021**

Members-In-  
Retirement

**251**

Fellow CA (Singapore)  
who are public accountants

**1,007**

Fellow CA (Singapore)

**870**

CA (Singapore)  
who are public accountants

**24,437**

CA (Singapore)

**170**

ISCA Professional  
Business Accountants

**1,560**

Associates/ Associates  
(Specialists)

**102**

Affiliates

**13**

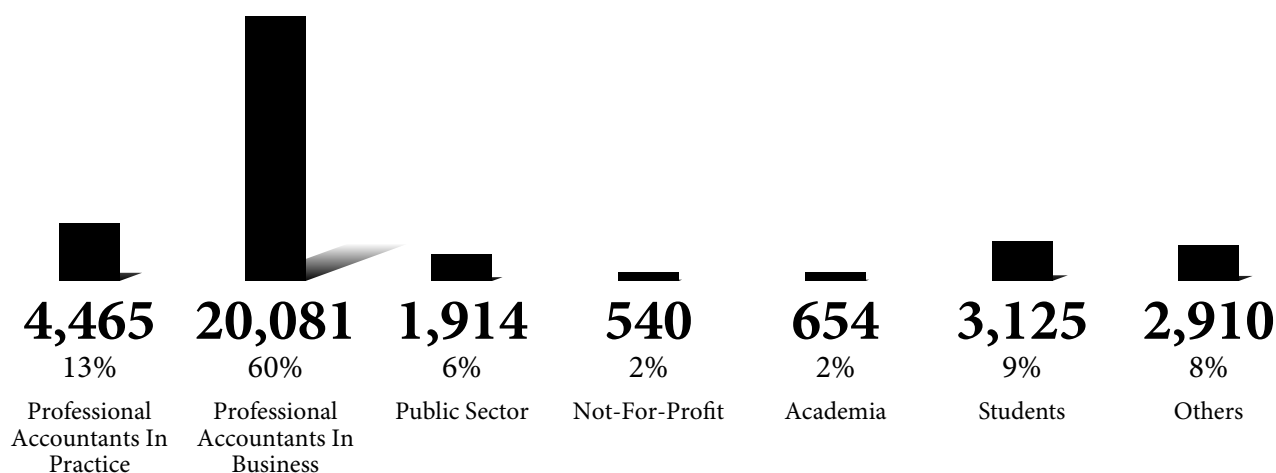
Experienced  
Professionals

**3,191**

Student  
Members

# Includes 112 members who are public accountants. These members are either Fellow CA (Singapore) or CA (Singapore)

## MEMBERSHIP STATISTICS BY PROFESSION



# Our 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 part of:

- ASEAN CPA Coordinating Committee (ACPACC)
- ASEAN Federation of Accountants (AFA)
- Chartered Accountants Worldwide (CAW)
- Jeju Group (comprising ISCA, Japanese Institute of Certified Public Accountants and Korean Institute of Certified Public Accountants)
- International Federation of Accountants (IFAC)

Organisations that ISCA engages with include:

- International Accounting Standards Board (IASB)
- International Auditing and Assurance Standards Board (IAASB)
- International Ethics Standards Board for Accountants (IESBA)
- International Panel on Accountancy Education
- International Sustainability Standards Board (ISSB)
- United Nations Conference on Trade and Development (UNCTAD) – International Standards of Accounting and Reporting

## 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 (AGD)
- Accounting and Corporate Regulatory Authority (ACRA)\*
- Accounting Standards Council (ASC)\*
- Auditor-General's Office (AGO)
- Civil Service College (CSC)
- Corrupt Practices Investigation Bureau (CPIB)
- Economic Development Board (EDB)
- Enterprise Singapore (EnterpriseSG)
- Family Justice Courts (FJC)
- Infocomm Media Development Authority (IMDA)
- Inland Revenue Authority of Singapore (IRAS)
- Ministry of Culture, Community and Youth (MCCY)
- Ministry of Finance (MOF)
- Ministry of Manpower (MOM)
- Ministry of Trade and Industry (MTI)
- Monetary Authority of Singapore (MAS)
- Professional Services Programme Office (PSPO)
- Singapore Accountancy Commission (SAC)\*
- Singapore Police Force (SPF)
- SkillsFuture Singapore (SSG)
- Workforce Singapore (WSG)

\* With effect from 1 April 2023, both the ASC and SAC have merged with ACRA.

## 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 (ACCA)
- Association of Certified Public Accountants in Public Practice (ACPAPP)
- Chartered Accountants Australia and New Zealand (CA ANZ)
- Chartered Accountants Ireland (CAI)
- Chartered Institute of Management Accountants (CIMA)
- Chongqing Institute of Certified Public Accountants (CQICPA)
- CPA Australia
- Federation of Accounting Professions
- Indonesian Institute of Certified Public Accountants
- Insolvency Practitioners Association of Singapore (IPAS)
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Institute of Chartered Accountants in Scotland (ICAS)
- Institute of Chartered Accountants of India (ICAI)
- Institute of Indonesia Chartered Accountants
- Institute of Internal Auditors Singapore (IIA Singapore)
- Institute of Management Accountants (IMA)
- Institution of Engineers, Singapore (IES)
- Japanese Institute of Certified Public Accountants (JICPA)
- Korean Institute of Certified Public Accountants (KICPA)
- Malaysian Institute of Accountants (MIA)
- Malaysian Institute of Certified Public Accountants
- Myanmar Institute of Certified Public Accountants
- Philippine Institute of Certified Public Accountants (PICPA)
- Singapore Chartered Tax Professionals (SCTP)
- Singapore Institute of Surveyors and Valuers (SISV)
- The Law Society of Singapore
- Vietnam Association of Accountants and Auditors (VAA)
- Vietnam Association of Certified Public Accountants (VACPA)

## 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. These include:

- Association of Singapore Listed Companies (SGListCos)
- Singapore Chinese Chamber of Commerce & Industry (SCCCI)
- Association of Small and Medium Enterprises (ASME)
- Employment and Employability Institute (e2i)
- Singapore Business Federation (SBF)
- Singapore Institute of Directors (SID)
- Singapore Manufacturing Federation (SMF)
- Singapore National Employers Federation (SNEF)
- The Association of Banks in Singapore (ABS)
- Singapore Chamber of Commerce Indonesia
- Indonesian Chamber of Commerce and Industry

Through identifying synergies and joining forces with other TACs, ISCA is better able to support the development of the accountancy profession.



## INSTITUTES OF HIGHER LEARNING

We collaborate with institutes of higher learning, reaching out to students to share more about the profession, and nurture and develop the talent pipeline. Institutes we engage with include:

- Nanyang Polytechnic (NYP)
- Nanyang Technological University (NTU)
- National University of Singapore (NUS)
- Ngee Ann Polytechnic (NP)
- Singapore Institute of Technology (SIT)
- Singapore Management University (SMU)
- Singapore University of Social Sciences (SUSS)
- Singapore Polytechnic (SP)
- Temasek Polytechnic (TP)

# Foreword From Our President



*Dear members,*

Our 2022/2023 annual report is titled “The ISCA Stories”. In many stories, the main character must overcome challenges and seize opportunities before reaching a happy ending.

This is true in life too. Our story arc in 2022 was about leveraging the changes in a complex and unpredictable business landscape to create more opportunities and positive outcomes for the profession.

## EQUIPPING MEMBERS FOR THE SUSTAINABILITY PUSH

Sustainability has become the biggest challenge of our times. It also presents a tremendous opportunity for the

accountancy profession to make a difference in the global climate crisis.

Being stewards of capital and corporate reporting, accountants play a crucial role in accelerating business practices in sustainability. The 2022 research report<sup>1</sup> ISCA co-produced with EY, SMU and SAC showed the emergence of a C-suite role – the Chief Finance & Sustainability Officer, which accountancy and finance professionals are well-positioned to take on.

ISCA is equipping our members to drive the sustainability agenda in their organisation. Members are regularly updated on emergent topics such as ESG financial reporting and auditing as well as sustainability disclosure standards via our professional development offerings. Keeping up to date on this rapidly developing area is made easier with ISCAccountify, our subscription-based learning platform. Our members can learn anytime, anywhere across a broad range of topics, including the latest in sustainability.

<sup>1</sup> Sustainability: Jobs and Skills For The Accountancy Profession



## ENGENDERING CONNECTIONS

Bringing people together can create synergies from cross-pollination of ideas, collaboration and collective intelligence. For this reason, ISCA House was repurposed to become a point of connection between ISCA and our members.

The facilities at the repurposed ISCA House make it easier for members to connect with other members and others in the business community. We will organise more networking activities so that our members can expand their professional network.

To enhance our engagement with the audit segment, we formed the Public Interest Entity (PIE) Firms Network, comprising leaders of the top 15 firms that audit public interest entities. Via the network, the members can share their views about how ISCA can bring greater value to the PIE sector and champion change on matters relevant to the profession.

## DEEPENING TIES WITH THE BUSINESS COMMUNITY

With business and accountancy being deeply intertwined, we made engaging with the business community a priority.

Our Corporate Membership scheme enables businesses to join the ISCA community, connecting with fellow corporate members and more than 33,000 ISCA members.

Our “Experienced Professional” membership pathway enables experienced business professionals from non-accounting backgrounds to become ISCA members.

Through our C-Suite network, C-suite executives, entrepreneurs and business leaders can share their expertise with our members and take part in discussions to champion change in the business community.

Through our MoUs with SGListCos, SMF and SCCCI, we will foster greater collaboration between ISCA and the respective associations and create more networking opportunities for our members.

Our research network, which comprises academics from public universities and practitioners from the accountancy sector, will produce research outcomes that are aligned with the needs of the accountancy profession and business community.

## BOOSTING THE TALENT PIPELINE

Beyond supporting our members, we are addressing the talent shortage in the profession. With demand for accountancy professionals outstripping supply, there is a talent crunch.

To boost the talent pipeline, we aim to make the Singapore Chartered Accountant Qualification (SCAQ) more relevant and accessible. The SCAQ Advisory Panel, comprising industry leaders from business, practice, the government and academia, and its three subgroups have provided their recommendations to enhance the SCAQ. Their inputs, together with feedback from focus groups, surveys and benchmarking exercises, have been incorporated into the final recommendation report to enhance the SCAQ. The report has been submitted to the MOF. We will work closely with the ministry on the implementation of the recommendations.



There is a misperception among the youth that accountancy is no longer sexy, with many of them opting for degrees in technology and sustainability-related fields. To foster their interest in accountancy, students across academic levels and degree programmes can join us as student members, with their membership fees waived. We also extended our student outreach activities, from university down to primary level. I have personally participated in some school talks to educate our youth about the diverse areas that require accountancy knowledge.

Financial forensics is one such area. In February 2023, we signed an MoU with the Singapore Police Force's Commercial Affairs Department (CAD) to streamline the process for CAD officers and relevant SPF officers to attain the ISCA Financial Forensic Professional credential. This will enlarge the financial forensics talent pool.



## OUR NEXT CHAPTER

While much has been done, more needs to be achieved. These are our priorities for 2023.

### **Going international by establishing ISCA's presence and network overseas**

A heightened global profile will increase the brand recognition of the Chartered Accountant of Singapore designation, opening doors for our members in other parts of the world.

To achieve this, we will grow ISCA's overseas network. We have identified key markets to set up overseas chapters and will appoint chapter chairpersons to establish support

networks in these markets. This will serve overseas ISCA members and those who wish to explore opportunities in these markets.

We are exploring joint pathways with professional accountancy bodies to facilitate collaboration and enhance recognition of ISCA and our members regionally and internationally. This will enable Chartered Accountants of Singapore to gain recognition in overseas markets, expanding their career and business opportunities.

We have initiated trips to the Philippines, Malaysia and Vietnam. More are in the pipeline.

### **Strengthen our Partnership with Government Agencies**

While we already enjoy a good relationship with the government, we aim to strengthen our partnership with relevant government agencies such as MOF and ACRA and work together with them to advance the profession.

In January 2023, we held two Forward Singapore engagements at ISCA House. More sessions are being planned during the year, providing a channel for the views of ISCA members to be heard.

To develop Singapore into an accountancy hub, we see our partnership and collaboration with the government as a priority.

### **Fulfil non-practising members' and business sectors' needs and development**

ISCA Academy will produce more content for our non-practising members, who make up 70% of our members, as well as non-accountants in the business sector, such as C-suite executives and listed company directors.





### **Support the Charity Sector**

To help strengthen governance and build capabilities in the charity sector, we have established the Charity Accounting Committee. ISCA will work with MCCY – Office of the Commissioner of Charities and the National Council of Social Service to champion initiatives that address these issues.

### **Support Research that Reflects Business and Industry Needs**

Via our research network, we will tap the expertise of the universities and industry partners to explore research projects on topics such as the impact of artificial intelligence on the profession, corporate sustainability and the business impact of the metaverse.

### **ISCA as a Multi-Services Hub**

With accountancy evolving into a multi-disciplinary profession, I envision creating a professional services hub to support the wider professional services community and related associations.

The hub will provide a platform for our members and the community to gain additional knowledge, thereby supporting their continuous learning and education, which will enhance their career opportunities.

These focus areas will be fodder for ISCA to write its next chapter of growth.

## **ACKNOWLEDGMENTS**

ISCA celebrates its 60<sup>th</sup> anniversary in 2023. This year is also a time for us to look back and reflect on how far ISCA has come. In celebrating our journey as we plan for our future, we would like to express our appreciation for those who have contributed to the profession, sector, and community. Many of them have made significant contributions, and I would like to say “Thank You”.

This past year came and went quickly. My fellow Council members have offered their wholehearted support and wise counsel. More than 300 members serving in ISCA’s various committees have volunteered their time and efforts toward the advancement of the profession. The management and staff have worked hard to keep pace and implemented several of the initiatives which you see today. I also thank members for your continued support. I know it has not been easy when we set a new direction from day one of this council, a year ago. Thank you.

May you enjoy reading our 2022/2023 annual report. The ISCA Stories are to be continued, and I hope you are looking forward to the future chapters as much as I am.



**TEO SER LUCK**  
*President*



# Forging Connections

*We are shaping a stronger future for accountancy by building trust through relationships, helping members widen their network of connections, and achieving mutually beneficial outcomes for our members and our ecosystem of stakeholders and partners in government and industry.*

*Our strategies to foster deeper connections are multifold, including modernising communications with members and bridging the gap between our members and the business community. We provide members with on-site and digital platforms to connect and collaborate. In addition, we create opportunities for our members to expand their professional networks and deepen their connection to the business community.*

*We signed MoUs with other associations to tap synergies and collaboration opportunities. We launched our Corporate Membership to welcome businesses into the vibrant ISCA community and deepen the ties between the accountancy profession and the business community.*

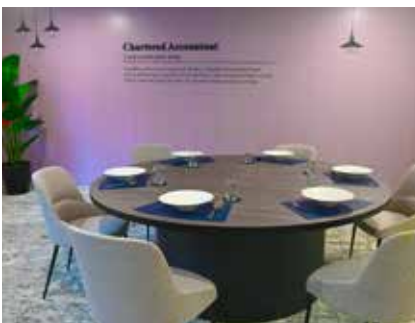
*Through our collaboration with diverse stakeholders, we contribute to the advancement of the accountancy profession.*

## CONNECTING WITH MEMBERS

### ISCA HOUSE REPURPOSED FOR CONNECTION

ISCA House was repurposed to deepen ISCA's connection with its members. The renovated ISCA House features a members' lounge with a café style pantry, a reading lounge, meeting rooms of different sizes and function rooms of varying configurations that can fit between 15 and 115 people.

Members can enter the members' lounge and reading lounge with their digital card from the ISCA Mobile App.



ISCA House was refurbished to enhance members' experience and connection to ISCA.



## MOBILE APP



The ISCA mobile app makes it more convenient for members to access ISCA's membership services and benefits.

The ISCA Mobile App, which was developed in phases, became fully operational in mid-July 2022. It connects members to the Institute's offerings, making it more convenient for them to access common e-services on the go.

Via the app, members can:

- Receive curated newsfeeds on business and accountancy-related news
- Read the latest and past issues of *IS* Chartered Accountant Journal
- Access technical guidance materials
- Renew their membership, search and register for courses and events
- Access the latest promotions related to CPD activities
- Track and update CPD hours
- Use vouchers for the next course/event purchase

- Download the invoices and receipts of past transactions
- View the membership e-card
- View candidature information via the Professional Qualifications portal

## MEMBERS RECOGNITION CEREMONY

The ISCA Members Recognition Ceremony returned as a physical ceremony in November 2022. At the ceremony, we honoured top performers of our qualification programmes, cheered on newly-conferred members, including Fellow Chartered Accountants, Chartered Accountants and ISCA Professional Business Accountants, and honoured long-standing members of 30 and 50 years.



The Members Recognition Ceremony was an occasion to welcome new members and celebrate our long-standing members.

## PIE FIRMS NETWORK

ISCA formed the Public Interest Entity (PIE) Firms Network, comprising leaders of the top 15 firms that audit public interest entities, in 2022. Via the network, the firms have an avenue to express how ISCA can bring greater value to the PIE sector and champion change on matters relevant to the profession. The launch in September 2022 was attended by representatives from 13 audit firms and government agencies including ACRA, AGD, SAC and EnterpriseSG.



*ISCA formed the PIE Firms Network to engage firms that audit the PIE sector.*

## MINGLES

The quarterly Mingles virtual sessions, which were co-organised with CA ANZ and ICAEW, provided networking opportunities for members of the three professional bodies.

## CONNECTING WITH FINANCIAL FORENSICS COMMUNITY

### Networking Event

The inaugural networking session in July 2022 brought together aspiring and experienced financial forensic professionals to network. The attendees heard from Mr Lem Chin Kok who shared his experiences and thoughts on the importance of financial forensics in strengthening corporate governance. Mr Lem is the Chairman of the ISCA Financial Forensics Accounting Oversight Committee.



*ISCA's Financial Forensics Networking Event was held on 14 July 2022.*

### Telegram Channel

ISCA also started its Financial Forensics Connect Telegram channel in July 2022, adding to its other Telegram Channels – Practitioners Connect and ISCA Youth. The channel supports the financial forensics community with news, event details, course updates, and the latest developments.



*Scan the QR code to join the ISCA Financial Forensics Connect Telegram channel.*



## ISCA CFO MENTORING PROGRAMME

Commencing in April 2022, the fifth edition of the ISCA CFO Mentoring Programme incorporated the ISCA Volunteer Programme, an initiative held in partnership with MCCY. The ISCA Volunteer Programme aims to enhance the mentoring experience for mentor-mentee pairs by having them engaging in meaningful skills-based volunteerism together. In 2022, a total of 29 pairs of mentors and mentees participated in the nine-month-long programme.

At the Mid-point Get-together Workshop, the mentors and mentees learnt key elements for effective business storytelling, different types of coaching approaches and tips to effectively structure a coaching conversation.



*The mentors and mentees of the ISCA CFO Mentoring Programme at the Mid-point Get-together Workshop.*

## FINANCE LEADERS ROUNDTABLE SERIES

ISCA collaborated with various partners to host the Finance Leaders Roundtable Series. These roundtables enabled finance leaders to learn about a wide range of topics and tools.

The topics included automation for digital finance transformation, data analytics, fraud prevention and driving value creation in an uncertain world.



*The Finance Leaders Roundtable was an opportunity for like-minded finance leaders to connect and discuss a wide range of business topics.*

## SUPPORTING MEMBERS' MENTAL WELLNESS

With mental wellness being an important issue, ISCA is committed to supporting members in maintaining their mental well-being. In 2022, ISCA held a series of webinars on mental well-being.

The topics for the webinars included “Mindful Eating to Optimise Health and Well-Being”, “Is Your Mental Health Affecting Your ‘Going Concern’? – Accountants’ Mental Health And Its Implications On Ethics” and “Coping with Stress and Anxiety in Uncertain Times”.

In addition, ISCA shared several social media posts on mental health and wellbeing.



*ISCA held several webinars and made social media posts on mental health and well-being for members.*





# DEEPENING ENGAGEMENT WITH THE BUSINESS COMMUNITY

## CORPORATE MEMBERSHIP

ISCA launched its Corporate Membership in October 2022 to enable businesses to be part of the vibrant ISCA community and increase members' engagement with the business community. The Corporate Membership enables organisations to grow their network through exclusive invites to events where they will meet fellow corporate members and industry leaders in the ISCA network.

Corporate Members receive a suite of privileges, including help to source for qualified chartered accountants or to fill Board, Audit Committee and Treasurer appointments. Staff of ISCA Corporate Members enjoy benefits such as complimentary training hours and members' rates for ISCA courses and events.



ISCA corporate members enjoy a range of benefits, including training benefits for their staff.

## EXPERIENCED PROFESSIONAL MEMBERSHIP PATHWAY

The Experienced Membership Pathway enables individuals who may not have accounting qualifications but possess a wealth of experience in accounting or finance-related fields to become ISCA members.



To expand our membership pathways and champion inclusivity, ISCA launched the experienced Professional Membership Pathway in 2022.

## C-SUITE NETWORK

The C-Suite Network is exclusively for senior C-suite leaders who may or may not have an accounting background.

Through this network, we aim to engage these leaders to share business insights, enhance the breadth of knowledge and diversity of expertise among our members and facilitate discussions to champion change in the business community.



The C-Suite Network held its launch event on 31 October.



## COLLABORATION WITH INDUSTRY PARTNERS

### SINGAPORE CORPORATE AWARDS

Jointly organised by ISCA, SID and The Business Times, and supported by ACRA and SGX, the Singapore Corporate Awards is the umbrella awards for exemplary corporate governance practices for listed companies in Singapore. The Awards comprise six groups of which two – Best Chief Financial Officer (CFO) Award and Best Annual Report Award – are managed by ISCA.

For the Best Annual Report Award, ISCA worked with Ernst & Young (EY) Singapore to shortlist annual reports of SGX-listed entities for final judging. A judging panel then assessed these reports for the quality of information disclosed against a detailed marking criteria to identify winners across five award categories, including listed companies of different market capitalisation brackets and REITs and business trusts. A total of two virtual meetings and one physical meeting at EY's office were held from May to July 2022.

For the Best CFO Award, ISCA collaborated with Deloitte to shortlist the finalists and a judging panel deliberated on the winners for the three categories of large, mid and small capitalisation companies. The final judging session was held at ISCA House in June 2022.



*The judging panel of the Best CFO Award convened at ISCA House.*

### PITCH AND DEEP TECH COMMUNITY DAY

ISCA representative Mr Kevin Lee participated as a panellist at IES-Incubator and Accelerator's (IES-INCA) Pitch and Deep Tech Community Day, alongside representatives from the Institution of Engineers, Singapore, in March 2022. Mr Lee provided feedback to the incubatees on their pitch presentations.



*ISCA's Mr Kevin Lee at IES-INCA's Pitch and Deep Tech Community Day.*

### SINGAPORE CORPORATE COUNSEL ASSOCIATION LEGAL EAGLE CHALLENGE

ISCA served as a Cross Disciplinary Consultation Partner at the Singapore Corporate Counsel Association (SCCA) Legal Eagle Challenge in July 2022. ISCA CFO Committee member Mr Chan Ying Jian was one of the panel judges. ISCA Membership Growth and Engagement Committee member Mr Paul Tan also shared his expertise with participants of the Challenge.



*ISCA was a Cross Disciplinary Consultation Partner for the SCCA Legal Eagle Challenge.*

## MOUS WITH TRADE ASSOCIATIONS AND CHAMBERS

### SINGAPORE MANUFACTURING FEDERATION

ISCA signed an MoU with the SMF in October 2022 for both parties to work together for the betterment of their members.

The MoU was signed by ISCA President Mr Teo Ser Luck and SMF President Mr Lennon Tan. Under the terms of the MoU, both bodies will facilitate inter-organisational members' knowledge exchange in topics such as internationalisation and sustainability. There will also be areas for ISCA members to help manufacturing companies implement sustainability practices and reporting. Both organisations will also create opportunities to enable cross-industry connections.



SMF President Mr Lennon Tan (left) and ISCA President Mr Teo Ser Luck at the MoU signing ceremony.

### ASSOCIATION OF SINGAPORE LISTED COMPANIES

ISCA signed an MoU with SGListCos in October 2022. Under the MoU, there will be advocacy and thought leadership exchanges, professional development initiatives and joint events between both organisations. ISCA also aims to expand members' networks and bring value to the profession and community by collaborating with those who support Singapore's capital market.



The MoU was signed by SGListCo Pro-Tem Chairman Mr Chew Sutat (left) and ISCA President Mr Teo Ser Luck.

### SINGAPORE CHINESE CHAMBER OF COMMERCE AND INDUSTRY (SCCCI)

ISCA and SCCCI signed an MoU in December 2022 to partner each other in supporting their members through professional development, thought leadership and research, business missions and networking.



ISCA Council member Mr Don Wee (front, left) and SCCCI's Trade Association Committee Chairman Mr Thomas Pek signed the MoU. Ms Low Yen Ling, Minister of State, Ministry of Culture, Community and Youth and Ministry of Trade and Industry (back row, centre), ISCA President Mr Teo Ser Luck (back row, left) and SCCCI President Mr Kho Choon Keng witnessed the signing.



## DEEPENED CONNECTIONS WITH THE GOVERNMENT

### ISCA PRE-BUDGET 2022 ROUNDTABLE

ISCA held the 13<sup>th</sup> edition of its Pre-Budget 2022 Roundtable, themed “Recovery and Refocusing on Growth”, in January 2022.

The Roundtable was co-chaired by Mr Liang Eng Hwa, Chairperson of the Government Parliamentary Committee for Finance, Trade & Industry, and ISCA’s Immediate Past President Mr Kon Yin Tong. It brought together leaders of trade associations and chambers, and accounting firms to discuss issues impacting Singapore businesses and provide recommendations on the Singapore Budget 2022.

ISCA engaged members and stakeholders via the Pre-Budget survey conducted in September 2021 and focus group discussions held in October 2021. Insights and recommendations from these initiatives were submitted to MOF for consideration in its preparation of the Singapore Budget 2022.

### DIALOGUES WITH GOVERNMENT AGENCIES

To deepen our engagement with government partners, ISCA held dialogues with representatives of government agencies we work closely with in October 2022. These dialogues were hosted by ISCA CEO Ms Fann Kor and ISCA Divisional Director Ms Fua Qiu Lin, who shared ISCA’s strategic direction with the representatives. These dialogues are part of ISCA’s proactive engagement with government agencies for the benefit of our members.



ISCA held a dialogue session with representatives from EnterpriseSG, SAC, e2i, PSPO and WSG.



ISCA held a dialogue session with representatives from ACRA, AGD, AGO, EDB, EnterpriseSG and WSG.

### OUTREACH SESSIONS ON ACCOUNTANTS (AMENDMENT) BILL

MOF and ACRA had conducted a public consultation on the proposed amendments on the draft Accountants (Amendment) Bill 2021. Arising from the public consultation, ISCA and ACRA co-organised two outreach sessions in June 2022 for ACRA to provide updates and discuss key feedback received before they are published. The sessions were attended by over 50 representatives from firms that had submitted responses to the public consultation.



Ms Kuldeep Gill, ACRA’s Assistant Chief Executive, Accounting and Compliance Group, addressed practitioners at the joint outreach sessions on the proposed amendments to the Accountants Act.

### ACRA-ISCA FOCUS GROUP ON PROPOSED ENHANCEMENTS TO PMP INSPECTION FRAMEWORK

ACRA and ISCA organised a focus group discussion in February 2022 with ISCA Public Accounting Practice Committee members to solicit views on the proposed changes to ACRA’s Practice Monitoring Programme (PMP) Inspection Framework. The session served as a useful platform for representatives of the regulator and the profession to exchange views and share inputs.

### ENHANCEMENT OF THE PANEL OF FINANCIAL EXPERTS SCHEME

Following a successful pilot programme in 2021, ISCA and the Family Justice Courts enhanced the Panel of Financial Experts (POFE) scheme in 2022. POFE experts assist the Court by providing equitable and objective valuations of the matrimonial assets under contest in divorce cases, enabling justice to be administered more effectively and efficiently. The enhanced POFE Scheme has a fast-track process, an expanded panel of financial experts and improved process flow and documentation.

The enhanced scheme comprises 14 financial experts, 11 of whom are ISCA members who are public accountants, ISCA FFP credential holders and/or Chartered Valuers and Appraisers. ISCA also worked with SISV to include three SISV members with valuation expertise in real estate to the POFE Scheme.

## FINANCIAL REPORTING SURVEILLANCE PROGRAMME

ISCA is in its eighth year of collaboration with ACRA on its Financial Reporting Surveillance Programme (FRSP). The FRSP guides companies in meeting the requirements of the accounting standards, which provide investors with reliable and meaningful financial statements for decision-making.

## PARTICIPATING IN GOVERNMENT AGENCIES' EVENTS

ISCA participated in events organised by our government partners, such as the Ethics and FRS Update Seminar by the Auditor-General's Office in January 2022 and the International Economic Crime Course organised by SPF in July 2022.



Mr Lem Chin Kok, Chairman of the ISCA Financial Forensic Accounting Oversight Committee, spoke at the International Economic Crime Course 2022 organised by SPF.

## WORKING WITH REGULATORS AND STANDARD-SETTERS

### COMMENT LETTERS

ISCA advocates for the interests of the profession in Singapore by providing feedback to local government bodies and international standard setters.

In 2022, ISCA provided comment letters to the following Exposure Drafts (ED), Post Implementation Review (PIR) and Stakeholder Questionnaire (SQ) issued by international standard-setters such as the IASB, IAASB, IESBA and ISSB as well as those issued by our local regulators.

#### IASB

- ED: Disclosure Initiative - Targeted Standards-Level Review of Disclosures
- ED: Supplier Finance Arrangements
- ED: Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures
- PIR: Post-Implementation Review of IFRS 9 - Classification and Measurement
- ED: Non-current Liabilities with Covenants

#### IAASB

- ED: Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities

#### IESBA

- ED: Proposed Revisions to the Code Relating to the Definition of Engagement Team and Group Audits
- ED: Proposed Technology-related Revisions to the Code
- SQ: Survey on the IESBA's Future Strategy and Work Plan

#### ISSB

- ED: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- ED: IFRS S2 Climate-related Disclosures

#### ACRA

- Public Consultation on Proposed Legislative Amendments relating to Data, Digitalisation and Corporate Transparency for a Trusted and Vibrant Business Environment in Singapore



# Equipping The Profession

*ISCA empowers our members to adapt to the ever-changing business landscape by helping them stay current with industry trends and changes. Be they large-scale in-person conferences or virtual breakfast talks, our events enable members to stay on top of the latest developments in the profession.*

*Amid economic transformation, we work with government and industry stakeholders to identify new job roles and skills and provide career support. By offering avenues for upskilling and reskilling, we support our members in their development as highly-sought after, skilled professionals.*

## CAREER SUPPORT

### JOBS TRANSFORMATION MAPS

ISCA was the strategic partner for the launch of the Jobs Transformation Maps (JTM) for In-house Finance and Accounting (F&A) functions and Accounting Practices in January 2022. Initiated by SAC and the EDB, and supported by WSG and SSG, the JTMs identified key technologies and their impact on job roles in finance and accounting functions and accounting practices. The JTMs also provided pathways for employers to transform jobs and for workers to acquire new skills as job roles evolve.



*Ms Indraneel Rajah, Minister in the Prime Minister's Office, Second Minister for Finance and National Development, spoke at the launch of the JTMs for In-house F&A functions and Accounting Practices.*

### ACCOUNTANCY JOB REDESIGN TOOLKIT

ISCA is the co-developer and programme manager of the Accountancy Job Redesign toolkit which was launched by WSG, SAC and the SNEF under the Accountancy Job Redesign Initiative in January 2022 to enhance the roles of Finance and Accountancy professionals.

The pilot programme delivered positive outcomes for the nine participating accounting entities, in terms of increased productivity and enabling staff to focus on value-added work.

At a webinar titled *Embarking on Job Redesign with the Accountancy Job Redesign Toolkit* held in June 2022, participants learnt how to redesign and automate job processes using the Accountancy Job Redesign toolkit. Participants were also guided through the Job Redesign toolkit website.



Scan the QR code to access the Toolkit.

### ACCOUNTANCY CAREERS HUB

ISCA, e2i and SAC launched Accountancy Careers Hub (ACH) in March 2022 to provide employment and employability support for the accountancy sector.

The hub offers career guidance, jobs, training courses, and industry-specific events and resources to job seekers who wish to enter the accountancy profession. The ACH also supports finance and accountancy professionals in exploring new career tracks and advancing their careers within the accountancy sector.



*The ACH provides employment and employability support for the accountancy sector.*

## CAREER GROWTH CENTRE

The ISCA Career Growth Centre (CGC) was established to empower members to achieve their career aspirations by providing career support resources and supporting organisations in their hiring needs.

The centre caters to a variety of members, including fresh graduates, accountants looking for opportunities, mid-career switchers, employers and experienced members.

The centre's key features include career matching, career talks as well as board appointment and volunteering opportunities for experienced professionals.

In addition to the CGC microsite that was launched in 2022, ISCA has enhanced our support to members by dedicating a physical space in ISCA House in 2023.

ISCA is collaborating with e2i to conduct personalised one-to-one career coaching at the physical centre. Members can make an appointment at the physical centre to find out more about the different assistance schemes, career opportunities and upskilling/reskilling resources.



*The ISCA Career Growth Centre provides resources and services to support members at varying stages of their career journey.*



## CAREER PATHWAY TALK

ISCA held the Career Pathway Talk “Through the Generations: How a Finance Professional’s Career Evolves” in December 2022. The topic resonated with participants as the panelists touched on digitalisation, sustainability and social impact. There was also a lively exchange on how the accountancy profession has changed over the generations.



*The panelists at the ISCA Career Pathway Talk 2022 shared their insights on the evolving role of finance professionals.*

## UPSKILLING AND RESKILLING

### Singapore Accountancy And Audit Convention Series

### BUDGET AND TAX CONFERENCE

The ISCA Budget and Tax Conference attracted more than 800 attendees. Experts discussed the impact of Budget 2022, the economic outlook arising from inflation, geopolitics and crude oil price increases, and tax developments.



*Speakers at the Budget and Tax Conference (left to right): Mr Chris Woo, Board Member, SCTP and Accredited Tax Advisor (Income Tax); Prof Sum Yee Loong, Professor of Accounting (Practice), SMU; Mr Suan Teck Kin, Head of Research, United Overseas Bank; Mr Ang Yuit, Vice President (Strategies, Development & Digitalisation), ASME; and Mr Lee Pak Sing, Assistant Chief Executive Officer, EnterpriseSG.*



## PROFESSIONAL ACCOUNTANTS IN BUSINESS CONFERENCE

In August 2022, more than 930 participants attended the Professional Accountants in Business (PAIB) hybrid Conference, themed “From Why to Why not: Sustainability for Growth and Innovation”.

In her keynote address, Minister in the Prime Minister’s Office, Second Minister for Finance and National Development Ms Indraneel Rajah spoke on how the accountancy profession could contribute to the national Forward SG movement. She also mentioned Singapore’s sustainability goals, adoption of sustainability practices and holding companies accountable for their sustainability targets.

The conference’s speakers discussed topics such as green jobs, ESG reporting, cyber risk management, supply chain and IFRS sustainability disclosure standards.



Ms Indraneel Rajah delivered the keynote address at the PAIB Conference.



ISCA President Mr Teo Ser Luck shared ISCA’s upcoming plans at the PAIB Conference.

## PRACTITIONERS CONFERENCE

Close to 400 audit professionals attended the ISCA Practitioners Conference, themed “Connecting the Trends of Tomorrow”, in October 2022.

In her address, Ms Lai Wei Lin, Second Permanent Secretary (Ministry of Finance), shared her insights on the megatrends – digitalisation and sustainability – that were impacting the accountancy profession. She also shared that the government was exploring how to better forge synergies across adjacent fields, to support the increasingly multi-disciplinary nature of new growth areas.

In addition, the conference’s speakers reiterated the need for transformation to embrace change. They also highlighted the importance for greater transparency of sustainability efforts,

a higher bar for quality, the increasing prevalence of digital assets and major shifts in talent dynamics.



Guest-of-Honour Ms Lai Wei Lin, Second Permanent Secretary (Ministry of Finance), delivered the keynote address at the Practitioners Conference.



From left to right: Mr Lee Eng Kian, Deputy Chairman, ISCA Public Accounting Practice Committee; Mr Shariq Barmak, Audit & Assurance Leader, Deloitte & Touche LLP (Singapore), Regional Managing Partner, Audit & Assurance, Deloitte SEA; and Ms Kuldeep Gill, ACRA’s Assistant Chief Executive (Accounting and Compliance Group), discussed The Audit Megatrends of Tomorrow at the Practitioners Conference.

## Virtual Conferences, Webinars, Courses And Events

### MINI CONFERENCE SERIES

More than 1,200 participants attended the inaugural ISCA Mini Conference Series from April to December 2022. Championed by various ISCA Committees and ISCA Academy, the series showcased insights from thought leaders and industry experts on business issues and solutions as well as megatrends shaping the global market today.

ISCA MINI CONFERENCE SERIES	CHAMPIONED BY
<b>April:</b> Embracing New Opportunities in the Changing Climate	Sustainability and Climate Change Committee
<b>May:</b> Data & Analytics	ISCA Academy
<b>June:</b> Managing Risks in Digital Transformation	ISCA Academy
<b>July:</b> SMP Symposium – Audit Hot Spots 2022	Public Accounting Practice Committee
<b>July:</b> Ethics	Ethics Committee
<b>September:</b> Enhancing Corporate Governance: From the Lens of Gender Diversity and Inclusion	Corporate Governance and Risk Management Committee
<b>September:</b> Financial Forensics: The Future of Fighting Financial Crime	Financial Forensic Accounting Oversight Committee
<b>November:</b> Insights into the Review of Financial Statements	Financial Statements Review Committee
<b>November:</b> Financial Reporting	Financial Reporting Committee

## SUSTAINABILITY E-TRAINING FOR DIRECTORS

In July 2022, ISCA and SAC Capital launched the *Sustainability E-Training for Directors* programme, a prescribed course for listed company directors, senior management and CFOs to meet the enhanced SGX sustainability reporting rules. The programme has attracted more than 750 participants to date.



Speakers of the Sustainability E-Training for Directors (left to right): Mr David Yeong, Partner, SAC Capital; Mr Terence Lam, HOD, Sustainability Reporting, ISCA; Mr Simon Yeo, Partner, Ernst & Young LLP; Mr Praveen Tekchandani, Partner, Ernst & Young LLP; and Mr Chris Fuggle, Partner, Mazars LLP.

## WEBINARS

As Singapore eased its Covid-19 safe management measures, ISCA continued to organise complimentary webinars for members who preferred online engagement. In total, there were more than 4,300 sign-ups in 2022 for the complimentary webinars.

The topics covered by the webinars include ESG reporting, risk & compliance, intelligence automation, taxation, career planning & development, estate planning and financial forensics.

## BREAKFAST TALKS

ISCA's popular monthly virtual breakfast talks featuring industry experts had a total attendance of nearly 5,000 in 2022.

The topics covered included intelligence automation in finance functions, environmental and social risks and impacts, new reporting standards, investing in employee skills development, jobs and finance transformations, tax implications, technology, sustainability and achieving growth targets.

In-person Breakfast Talks at ISCA House have returned from January 2023 where our speakers and attendees can now learn and pick up useful professional development and business-related tips and information while enjoying breakfast!

## WEB-BITEZ LEARNING SERIES

ISCA launched the Web-Bitez Learning Series in March 2022 to offer flexible and affordable continuing professional development.

Attended by more than 700 participants, the live webinar series comprised 10 sessions of two-hour bite sized topics each, with a playback option.

Learners could choose from three packages to fulfil their CPE requirements. Topics are tailored for each of the target segments - audit practitioners, finance leaders and public sector finance.

The topics included sustainability reporting requirements, accounting and auditing implications from the Russia-Ukraine conflict, managing ethical dilemmas involving financial irregularities, digital transformation and finance agility, among many others.

A banner for the Web-Bitez Learning Series featuring a large donut graphic on the left. The text on the banner reads: "Take a bite of the ISCA WEB-BITEZ Learning Series Specially curated for Audit Practitioners | Finance Leaders | Public Sector Finance". Below the banner is an infographic with five circular icons and text boxes:

- 01. Calendar icon: Fulfil your CPE requirements, absolutely hassle-free
- 02. Clock icon: Specially curated 2-hour bite-sized live webinars delivered via 10 sessions
- 03. Checkmark icon: Fulfil 2 verifiable Ethics hours
- 04. Percentage icon: Savings up to 62%
- 05. Power button icon: Well suited for busy professionals where playback option is available

The Web-Bitez Learning Series offered a flexible and convenient way for participants to fulfil their CPE requirements.

## ISCAACCOUNTIFY

ISCAccountify was unveiled in December 2022 to fulfil our members' expectations for accessibility and affordability in learning.

This new mode of learning offers unlimited bite-sized learning at a single fee for subscribers to learn on the go and at one's own pace. With smart filters for topics, CPE categories and audience segments, subscribers can easily find the courses in ISCAccountify to learn and comply with their CPE requirements.

The learning clips cover topics such as Financial Reporting Standards, Audit, Ethics, Taxation, Sustainability (ESG), Data, Technology and Cybersecurity, and other business contents. New and refreshed contents will be added throughout the year.

Currently, we have more than 150 learning clips in our library and more than 4,000 subscribers have subscribed to this new e-learning platform.



ISCAccountify provides more than 150 bite-sized learning resources on members' devices.



Scan QR code for more information on ISCAccountify.

## Qualification And Certification Programmes

### REFRESHED ISCA FFA QUALIFICATION

ISCA refreshed the ISCA Financial Forensic Accounting (FFA) Qualification in 2022 to ensure that the content remains relevant. In addition, one module was presented in a blended learning format, enabling candidates to learn on the go and at their own pace. The FFA Qualification has been awarded to about 130 ISCA members to date.

As part of ISCA's partnership with the CPIB, 39 CPIB officers have been conferred the Financial Forensic Professional credential. CPIB officers who have completed equivalent courses are given exemptions when they pursue the ISCA FFA Qualification.

### ISCA INFORMATION RISK MANAGEMENT CERTIFICATE

To date, 71 participants have enrolled for the modules of the ISCA Information Systems Risk Management Certificate. By providing an understanding of the concepts of IT risks and mitigation, and cybersecurity, and how these concepts could be applied in real world settings, 90% of the participants found the content relevant to their work.

### AUDIT COMMITTEE PROGRAMME

ISCA has awarded certifications for the ISCA Audit Committee (AC) Programme to more than 30 professionals since the programme's launch in 2021. These professionals are Board members, senior management of organisations and Audit Practitioners. The Programme reinforces participants' knowledge of financial reporting requirements, financial reporting disclosures as well as best practices in corporate governance and risk management.



# Keeping The Profession In The Know

*In today's dynamic and complex world, the accountancy profession must proactively adapt to the changing landscape to remain relevant. The Institute is leading the conversation to help our members understand the future, explore ways to embrace change, and thrive in a constantly evolving world.*

*In 2022, ISCA established a research network to direct the accountancy profession's research and development efforts. Working with universities and corporations, the Institute aims to produce outcomes aligned with the needs of the accountancy profession and businesses.*

*The Institute is also supporting members with the timely dissemination of relevant information and guidance on climate-related issues, audit and assurance, financial reporting and ethics.*

## EXPANDING KNOWLEDGE

### RESEARCH NETWORK

ISCA established the Research Network, a think tank, to help drive research and development (R&D) in the accountancy sector. The Research Network supports outcomes that will address business and industry needs.

The Research Network was established in June 2022 with members from five autonomous universities in Singapore – NUS, NTU, SIT, SMU, and SUSS. The Research Network also comprises strategic partners who have expressed interest in research collaborations. They include BlackLine, Deloitte, EY, KPMG, PwC and Xero.

To support the Research Network's objective, ISCA has set aside a research fund to undertake and support the best R&D initiatives. Periodically, ISCA will call for proposals to crowdsource the best R&D ideas.

### STUDY ON SUSTAINABILITY'S IMPACT ON JOBS AND SKILLS

ISCA, together with Ernst & Young Advisory Pte. Ltd (EY), SMU and SAC, launched a joint study into sustainability and

its impact on jobs and skills. The study involved in-depth interviews with C-Suite leaders across 10 business sectors.

The research report, titled *Sustainability – Jobs and Skills for the Accountancy Profession*, was launched in August at PAIB Conference 2022. Key findings in the report included an emerging C-Suite position, Chief Finance & Sustainability Officer (CFSO), to oversee the integration of finance and sustainability into business strategy. With their financial expertise, accountancy and finance professionals are in an advantageous position to helm the emerging role of the CFSO.

The study identified three key trends – decarbonisation, greater corporate participation in sustainability reporting, and expansion of green finance – that will expand the current job roles and skills required for accountancy and finance professionals.

The study found that more than half of the Chief Sustainability Officers report to the CFO, and this trend would continue with the burgeoning demand for sustainability skills for preparers, assurance service providers and internal auditors.



*The study, Sustainability - Jobs and Skills for the Accountancy Profession, identified the Chief Finance & Sustainability Officer (CFSO) as an emerging C-Suite position.*



## REFRESHED IS CHARTERED ACCOUNTANT JOURNAL

Beginning from the July 2022 edition, the *IS Chartered Accountant Journal* was refreshed. Sporting a clean, minimalist look, the journal also added personal finance, wellness and personal development articles to meet members' needs.



## STATE OF THE SINGAPORE ACCOUNTING INDUSTRY REPORT

ISCA partnered Xero to release the 2022 Singapore Accounting Industry Report, featuring results from a survey of 310 independent accounting firms across Singapore. The key topics included revenue per client and service area, the impact of Covid-19 on accounting practices and industry growth, technology adoption in accounting practices, SMEs' attitudes towards technology and staffing trends. Close to 400 participants attended the webinar on the findings.



ISCA and Xero held a webinar to share the 2022 Singapore Accounting Industry Report findings.

**THOUGHTS**

**It's the festive time of the year again. ❄️ ❄️ Time really flies by, and it's been seven months since the ISCA Council started its new term.**

Changes and much work have been put in since then to launch several initiatives - some implemented and some work in progress. All these initiatives - which benefit our members, the Institute and the accounting profession - will stand us in good stead as we head into 2023. A few of these include critically reviewing the Singapore Chartered Accountant Qualification (SCAQ) to make it more relevant and accessible, expanding and elevating cooperative and exchanges with key leaders of the profession, building strategic networks with industry leaders across different sectors, expanding the ISCA family to welcome corporations and individuals of varied backgrounds, forging collaborative alliances with large trade associations for knowledge and opportunities, enhancing services and accessibility for our members, deepening our partnerships with the ministries, statutory boards and government agencies in as many ways - the list goes on and on.

I really have to thank my ISCA colleagues and by extension, their pace of work has quickened, and their scope of work has expanded. To them, it's all about getting things done, with the new initiatives adding extra miles to their plates (and we are not talking about food up). Thank you, and now, let's get ready to fill more on the plate come 2023.

These different ideas and plans would not have been possible without the Council's support. But only did they have to go through many discussions and meetings to ensure the success of the projects, they also have to put up with having no PowerPoint slides in our Council meetings. (Some people say that often, there are no power in those points, so we might as well do away with them. Up! I am thankful and grateful for the Council's support and help to sweeten many of the initiatives.)

These past months have been about building a stronger foundation, to be ready for the tasks ahead. We will do more for ISCA, our members and the community in 2023!

May I take this opportunity to wish everyone a happy holiday season. Let's also not forget to give thanks and wishes for our family, friends and colleagues, and care for those less fortunate. Enjoy your holidays and have a great year ahead!

**NOVEMBER 2022**

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LP 302 has replaced current paragraph 3940C-48 with revised paragraph 3940C-12A. The article delves into the application of audit-related provisions to audit clients that are listed entities.

The *IS Chartered Accountant Journal* received an aesthetic and content refresh, with new topics to enhance members' reading experience, including a monthly column from ISCA President.

# UPHOLDING TECHNICAL EXCELLENCE

## Guidance On Climate-Related Issues

### **BULLETIN ON ADDRESSING CLIMATE-RELATED RISKS IN FINANCIAL STATEMENTS AND AUDITS**

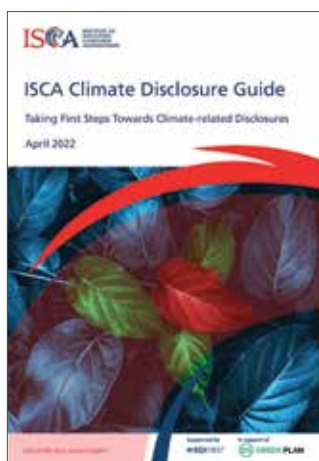
Formed by ISCA's Auditing and Assurance Standards Committee (AASC) and Financial Reporting Committee (FRC) in 2022, the AASC-FRC ESG working group supports the profession in dealing with ESG implications relating to financial reporting and auditing in Singapore.

The working group issued Technical Bulletin 1: *Addressing Climate-Related Risks in Financial Statements and Audits of such Financial Statements* to highlight financial reporting and auditing implications arising from climate-related considerations. In addition, the bulletin includes an illustrative example of how climate-related risks could affect the application of the principles of financial reporting and auditing standards.

## **CLIMATE DISCLOSURE GUIDE**

In April 2022, with the support of SGX, ISCA issued the *ISCA Climate Disclosure Guide - Taking First Steps Towards Climate-related Disclosures*. The guide helps Singapore-listed companies to meet SGX's new requirements for climate reporting and other organisations to voluntarily adopt the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations.

The guide introduced TCFD Recommendations and provided practical considerations for implementing the TCFD Recommendations. The guide also features case studies of advanced adopters in Singapore and disclosure examples.



*The ISCA Climate Disclosure Guide helps Singapore-listed companies meet SGX's new requirements for climate reporting.*

## Guidance On Auditing And Assurance

### **SAP 2 (REVISED 2022) AUDITORS AND PUBLIC OFFERING DOCUMENTS**

Statement of Auditing Practice (SAP) 2 provides guidance on the reporting auditor's roles and responsibilities when engaged as a professional in a public offering exercise and general principles governing engagements relating to public offering documents. It includes a section on what reporting auditors should comment on in private reports on profit forecast (whereby the profit forecast is not prepared for inclusion in the prospectus) and also states that the engagement should be carried out in accordance with SSRS 4400 *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information* and SAP 2.

As SSRS 4400 has been superseded by SSRS 4400 (Revised) *Agreed-Upon Procedures Engagements*, SAP 2 has been updated to align to SSRS 4400 (Revised).

## **AUDIT BULLETINS**

Audit Bulletin 1: *Revised SSRS 4400, Agreed-Upon Procedures Engagement* summarises the key changes arising from SSRS 4400 (Revised). As the demand for agreed-upon procedures (AUP) engagements continue to grow, particularly in relation to the need for increased accountability around fundings and grants, this bulletin serves as a reference point for both practitioners and users of AUP reports.

Audit Bulletin 2: *Bank Confirmations Through Digital Platforms* highlights key considerations for the auditor when relying on bank confirmations which are initiated or obtained through digital platforms, where the entity's management initiates and submits the bank confirmation request directly to the bank.

Audit Bulletin 3: *Implementation of Quality Management Standards* contains frequently asked questions to assist firms in the implementation of the quality management standards.

## **AGS 11 (REVISED 2022) COMFORT LETTERS AND DUE DILIGENCE MEETINGS**

The engagement to provide a comfort letter in respect of the integrity of certain information disclosed in the investment circular, or to comment on changes in selected financial statement items subsequent to the latest period reported on in the reporting auditors' report, must be carried out in accordance with SSRS 4400 and Audit Guidance Statement (AGS) 11 *Comfort Letters and Due Diligence Meetings*.



Arising from the issuance of SSRS 4400 (Revised), AGS 11 was reviewed, and amendments were made to AGS 11 to enhance its clarity.



## AUDITING AND ASSURANCE STANDARDS AND GUIDANCE

In 2022, ISCA issued new and revised Auditing and Assurance Standards:

- Conforming and consequential amendments to Other Singapore Standards<sup>1</sup> as a result of the new and revised quality management standards
- Updated auditing and assurance pronouncements arising from revised legislation titles

In 2022, ISCA and the AASC AGS 1 Sub-Committee worked with the EDB and EnterpriseSG to develop and align the following illustrative reports to the requirements of SSRS 4400 (Revised):

- Appendix 5A: AUP Report in connection with an example of an EDB Grant Scheme
- Appendix 5B: AUP Report in connection with an example of an EDB Tax Incentive Scheme
- Appendix 5C: AUP Report in connection with the ESG Global Trader Programme

To support the profession in the implementation of the auditing standards, ISCA has issued the updated ISCA Audit Manuals.



## Guidance On Financial Reporting

### FINANCIAL REPORTING GUIDANCE 4

SGX had introduced a new regulatory framework for listing Special Purpose Acquisition Companies (SPACs) on its mainboard to give companies an alternative listing avenue.

Cognisant that the accounting of a SPAC transaction could be more complex than for a traditional initial public offering, ISCA issued Financial Reporting Guidance (FRG) 4 in November 2022 to provide guidance on key accounting considerations for SPACs under the SGX SPAC Listing Framework.

## FINANCIAL REPORTING BULLETIN 9

Financial Reporting Bulletin (FRB) 9 *Accounting Implications Of The Interest Rate Benchmark Reform In Singapore* was issued in October 2021 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.

In February 2022, FRB 9 was enhanced and updated as follows:

- Additional background information on Fallback Rate (Swap Offer Rate)
- New accounting consideration for the assessment of benchmark interest rates based on Singapore Overnight Rate Average compounded in advance meeting solely payments of principal and interest (SPPI) criterion
- New accounting considerations on the use of Fallback Rate (Swap Offer Rate) in financial contracts and hedge accounting



## Guidance On Ethics

### ETHICS PRONOUNCEMENT 100

ISCA revised its Ethics Pronouncement (EP) 100 *Code of Professional Conduct and Ethics* on 7 September 2022 to adopt four IESBA's final pronouncements:

- Revisions to the Code Addressing the Objectivity of an Engagement Quality Reviewer and Other Appropriate Reviewers
- Revisions to the Fee-related Provisions of the Code
- Revisions to the Non-Assurance Services Provisions of the Code
- Quality Management-related Conforming Amendments to the Code

EP 100 (revised on 7 September 2022) also replaces extant paragraph SG410.4A with revised paragraph SG410.27A, applicable to audit firms with audit clients that are listed entities. In addition, it introduced a new term, "audit-related services", in the Glossary.

EP 100 (revised on 7 September 2022) took effect from 15 December 2022.

ISCA also issued EP 100 Implementation Guidance 5 *Frequently Asked Questions on Provision of Non-Audit Services to Listed Entities* in October 2022 to assist professional accountants in public practice in fulfilling the requirements of revised paragraph SG410.27A of EP 100 (revised 7 September 2022).

<sup>1</sup> Other Singapore Standards include: Singapore Standards on Assurance Engagements, Singapore Standards on Review Engagements, Singapore Standards on Related Services

# Supporting Small and Medium Practices

*Small and medium practices (SMPs) play an essential role in the accountancy sector, the business community and the economy. Businesses, especially local and growing companies, rely on SMPs for a wide range of professional services.*

*In a business landscape marked by disruptions, change and uncertainty, ISCA is supporting SMPs through their challenges. In 2022, ISCA drove various initiatives that helped SMPs overcome their challenges and positioned them for further growth and development.*

## CONNECTING WITH SMPs

### DIALOGUES WITH SMPs

In 2022, ISCA gathered comments and feedback from SMPs via regular dialogue sessions. Led by ISCA President Mr Teo Ser Luck, these dialogues covered issues close to the hearts of SMPs, providing ISCA with insights into their needs. These topics included the need for SMPs to have simple yet effective onboarding programmes, better support for overseas business expansion, and initiatives to uphold audit quality and the profession's standing. Through these conversations, ISCA was able to enhance its initiatives for SMPs.



*The dialogues with SMPs provided ISCA with greater insights into their needs.*

### SMP WORKING GROUP

ISCA formed its SMP Working Group to develop recommendations for SMPs to strengthen their capabilities, attract and retain talent, and expand their business.

The SMP Working Group shared their recommended schemes at an outreach session conducted in collaboration with EnterpriseSG in December 2022. Areas included capability developments beyond digitalisation and talent attraction and retention.

### PRACTITIONERS CONNECT

In 2022, the ISCA Public Accounting Practice Committee organised a new engagement and networking series for the SMP community – the ISCA Practitioners Connect. The series connects SMPs to share practice-related issues, exchange best practices and co-create ideas to address challenges.

At these lively evening sessions, practitioners gathered for candid conversations and meaningful exchange of perspectives and experiences. These sessions enabled participants to share new perspectives and insights on key practice-related topics and learn about ISCA's new initiatives and programmes for audit firms.



*Practitioners gathered at Practitioners Connect for candid conversations and meaningful exchanges.*

## SMP CENTRE OF EXCELLENCE

The SMP Centre of Excellence was launched in October 2022. Supported by ACRA and SAC, and run by ISCA, the SMP Centre provides a holistic suite of initiatives, services and resources for audit practices.

The SMP Centre of Excellence focuses on four pillars of support:



*The SMP Centre of Excellence provides holistic support for audit practices.*

### 1

#### Raise audit quality

Enhance quality of audit practices and audit engagements with suite of programmes and resources.

SMPs can access technical publications and resources such as ISCA Quality Management Toolkit, ISCA Audit Manuals and ISCA Illustrative Financial Statements.

Quality Assurance Review Programme to improve the quality of their practices and audit engagements.

### 2

#### Strengthen digital capabilities

Strengthen digital capabilities of firms through curated solutions, funding schemes and provision of advisory support.

SMPs can assess their digital readiness via self-assessment and obtain information on sector-specific solutions and funding schemes to support digitalisation efforts.

We support the SAC in curating sector-specific digital solutions under the Productivity Solutions Grant (PSG), work with providers to organise talks to promote understanding of digital tools and provide advisory support to SMPs on their digitalisation journey.

### 3

#### Upskill audit professionals

Build new skills through certification programmes and trainings.

ISCA's SMP Onboarding Programme to support audit firms in training their new hires. It covers the audit environment in Singapore, ISCA's audit methodology and its applications, and professional ethics. The programme is conducted through bite-sized e-learning modules. To support the SMPs, the packaged programme is priced 80 per cent lower than the individual courses.

SMPs can access other relevant programmes and trainings and resources such as the Jobs Transformation Map for Accounting Practices and Accountancy Job Redesign toolkit.

### 4

#### Support audit firms in business management and expansion

Help build firms' capabilities and capture opportunities to manage and grow their business.

SMPs can access practice-management related resources such as internationalisation toolkits and schemes and register for business networking events and overseas business missions to build connections and explore new markets.



*Speakers at the Sharing Session on Support Schemes for SMPs (from left to right): Mr Lee Eng Kian, Managing Partner of PKF-CAP LLP; Mr Patrick Lim, Director, Leisure, Hospitality & Education and Business Services, EnterpriseSG; and Mr Tan Khoon Guan, Managing Director of Precursor Assurance PAC, who recorded a video for his sharing.*



## ACCOUNTANCY FUTURE LEADERS PROGRAMME

The Accountancy Future Leaders Programme (AFLP), created by ISCA and SAC in 2019 to nurture the next generation of accountancy firms, has supported 13 firms to date. 18 project works and more than 870 continuing professional development hours have been completed.

The programme, supported by Industry Transformation Map and SkillsFuture Leadership Development Initiative (LDI) Thrust 2 funding, has awarded \$160,000 to participating firms.



*The AFLP equips participants from SMPs with knowledge and skills to advance their leadership and practice management capabilities.*

## PUBLICATIONS AND ADVISORIES

ISCA issues and regularly updates various publications for SMPs, such as the ISCA Audit Manuals and ISCA Illustrative Financial Statements.

In 2022, ISCA, in collaboration with SAC, issued five advisories to support firms in updating their safe management measures and understanding the impact these measures have on their work arrangements, both at their work premises and at their client's premises. These followed four advisories issued in 2020 and 2021.

## QUALITY MANAGEMENT TOOLKIT AND WORKSHOPS

To support firms in implementing the new quality management standards, ISCA published a quality management toolkit.

ISCA conducted workshops to guide audit firms on using the toolkit to design their quality management system. More than 230 participants have attended the workshops.



*ISCA Quality Management workshops to guide audit firms in developing customised quality management policies and procedures.*

## QUALITY ASSURANCE REVIEW

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

This programme is designed to be consultative and advisory. It will recommend areas for improvement, share best practices, and customise training based on the findings of the review.

The QAR programme involves review of signed-off engagement files, firm-level quality management system and/or policies, procedures and controls on anti-money laundering and countering the financing of terrorism.



# Developing The Talent Pipeline

*Driven by the need for expertise, higher standards of financial transparency and accountability, evolving regulations and tax laws, and the increasing complexity of the business landscape, the ever-present demand for accountancy professionals has risen even higher.*

*As the national accountancy body, ISCA is building a robust talent pipeline with diverse capabilities, expertise and knowledge to meet growing business demands and ensure businesses have the talent they need to succeed.*

*In 2022, to widen the talent pool, the Institute established a SCAQ Advisory Panel to develop recommendations on the SCAQ for MOF. Besides nurturing its young members, ISCA is also strengthening the talent pool for the accountancy profession by expanding its membership framework to include senior business leaders and youths.*

## ENHANCING THE SCAQ TO WIDEN THE CA TALENT POOL

The Singapore Chartered Accountant Qualification (SCAQ) provides a pathway for graduates from diverse academic backgrounds including non-accountancy degrees to become Chartered Accountants of Singapore.

In June 2022, ISCA established the SCAQ Advisory Panel and subgroups to provide recommendations to MOF to enhance, strengthen and update the SCAQ.

Comprising ISCA Council members, representatives nominated by MOF and professional accountants in business, practice and academia, the Panel and Subgroups aim to enhance the SCAQ in line with the changing business environment and help build a stronger accountancy sector and talent pipeline.

The recommendation paper from the panel was submitted to MOF in the first quarter of 2023.

## NURTURING YOUNG MEMBERS

*ISCA has a variety of programmes targeted at members aged 35 and below. These programmes support our members' development by expanding their professional networks and providing experiences including volunteering, mentoring, and taking part in the One Young World global summit.*

## KAYAK & CLEAN-UP AT JURONG LAKE

The ISCA Young Professionals Advisory Committee (YPAC) organised a sustainability-themed kayaking event to keep the lakes and rivers in Singapore clean.

Participants exchanged views on sustainability with Mr Tharman Shanmugaratnam, Senior Minister and Coordinating Minister for Social Policies, and Member of Parliament for Jurong GRC.



*ISCA members and Senior Minister Mr Tharman Shanmugaratnam had a discussion on sustainability at Jurong Lake.*



*The SCAQ Panel and subgroup members regrouped for a CNY celebration and a meeting in January 2023.*





## YOUNG ACCOUNTANTS MENTORSHIP PROGRAMME

The ISCA Young Accountants Mentorship Programme is designed for graduating accountancy students and fresh graduates who are seeking career guidance.

At the closing session in May, Ms Julie Yeap, Founder of Mastering Success, imparted tips on how to enhance one's LinkedIn profile. The programme's mentors and mentees also reflected on their mentoring journey during the session.



*The ISCA Young Accountants Mentorship Programme supports young accountants who are beginning their careers.*

## VISIT TO FAR EAST HOSPITALITY HOTELS

Twenty-five members enjoyed the warmth of Far East Hospitality at a tour of its hotel properties in December 2022.

Besides learning about the various hotel concepts, the participants got a peek into hotel operations and learnt more about the sustainability initiatives of Far East Hospitality's parent company, Far East Orchard. The participants also learnt about finance and operations in the hospitality industry and the career possibilities for an accountant in the industry.



*Young members learnt more about the hospitality industry during a tour of Far East Hospitality's hotels.*

## ONE YOUNG #CHARTEREDSTAR 2022 COMPETITION

The ISCA One Young #CharteredStar 2022 networking night was held in May 2022. Candidates went through group interviews and gave presentations on One Young World plenary themes to vie for their spot at the One Young World summit.

Ms Tan Cihui from Deloitte Singapore emerged from among the top five finalists as the winner, representing ISCA to join CAW's delegation to the One Young World Summit in Manchester, United Kingdom in September 2022.



*The 14 ISCA One Young #CharteredStar 2022 candidates at One Young World networking night.*



*Ms Tan Cihui (5<sup>th</sup> from left), representing ISCA, with the other One Young World 2022 ambassadors.*



*Ms Tan Cihui outside the One Young World 2022 venue.*



## STUDENT OUTREACH

*To nurture a strong talent pipeline, ISCA extended our student outreach activities beyond universities to include polytechnics, junior colleges, secondary schools and a primary school.*

*In 2022, ISCA organised a total of 57 outreach events, reaching out to more than 2,000 students across various academic levels.*



### MEMBERS #BRINGISCABACKTOSCHOOL

With the #bringISCABacktoschool campaign, ISCA members returned to their alma mater to share with students on once-in-a-lifetime opportunities in their careers and the diverse roles of accountants today.

These outreach activities provided the youths with fresh perspectives on the accountancy profession. They learnt how accountants made a difference in sustainability, financial forensics, and data analytics. They also learnt that accountants play a pivotal role in helping businesses make key decisions and chart their future.

## ISCA BROADENS STUDENT MEMBERSHIP

ISCA also broadened its student membership to include students across academic levels and from other degree programmes. As ISCA student members, they can discover how accountancy is a passport to diverse careers through career talks, skills workshops, internship opportunities and other activities curated for youths.



*ISCA's student outreach spanned a wide range of academic levels, from a primary school to universities.*





# Taking Flight

*In an increasingly globalised business world, ISCA having a strong brand identity internationally translates into enhanced professional recognition for our members. Throughout 2022, ISCA strengthened our connections with global bodies and other professional accountancy organisations.*

*Engagements with professional organisations in different markets enable ISCA and our members to shore up our knowledge bank with new perspectives, ideas, and best practices. With a deeper appreciation of each market's differences, members can explore ways to promote their services or advance their careers in a globalised environment. Through mutual understanding and greater collaboration, the accountancy bodies can collectively advocate for the profession and influence policy.*

*We will continue to raise our global visibility and heighten our engagement with regional and international accountancy bodies, facilitating a smooth flight for our members as they take their careers and businesses international.*

## STRENGTHENING INTERNATIONAL COLLABORATION, RAISING OUR PROFILE

### RENEWED RECIPROCAL MEMBERSHIP AGREEMENTS

In 2022, ISCA renewed the reciprocal membership agreements with ICAEW, ICAS and CAI. These reciprocal membership agreements provide international recognition, career portability and opportunities for our members.

### MOU WITH ICAEW

ISCA and ICAEW signed an MoU to drive greater collaboration between the two institutions and create greater value for their members.



ICAEW President Ms Julia Penny and ISCA President Mr Teo Ser Luck signed the MoU on behalf of their respective organisations.

### STRENGTHENING TIES WITH PROFESSIONAL ACCOUNTANCY BODIES

Throughout 2022, ISCA hosted delegations from organisations including CA ANZ, ICAI, AFA and the Federation of Accounting Professions. We also met representatives from ACCA, CPA Australia, and JICPA. These meetings gave us the opportunity to exchange views and share developments affecting the accountancy profession across markets.



During the year, ISCA hosted representatives from other professional accountancy bodies, strengthening our relationships with key players in the accountancy landscape.

## BUSINESS MISSION TO JAKARTA

With a strong economic growth trajectory in 2023 and robust domestic demand, Indonesia is attracting interest among the Singapore business and accounting community. As our SMP members were keen to tap Indonesia's market potential of growth, ISCA led a delegation of 15 SMP practitioners to Jakarta, Indonesia on a three-day business study mission from 29 November to 1 December 2022.

The practitioners enjoyed the conversations with the Indonesian professionals, including an economist and subject experts from legal and corporate secretarial firms. They exchanged views about the economic climate, accounting and tax regulations, and discussed various business challenges and opportunities.

ISCA also caught up with members of the Singapore Chamber of Commerce Indonesia and the Indonesian Chamber of Commerce and Industry over a networking dinner. We also connected with the firms there to tap their knowledge on the business landscape and culture and explore potential opportunities.



*The ISCA delegation had a fruitful learning trip in Indonesia.*

## CAW BOARD MEETING

ISCA CEO Ms Fann Kor, a CAW Board member, attended CAW's meeting in London in May 2022. The CAW Board Meeting fostered discussions on topics including developments in the accountancy profession, progress of CAW initiatives, as well as matters on governance and budgeting.



*ISCA CEO Ms Fann Kor (in blue) represented ISCA at the CAW Board Meeting held in London.*

## WORLD CONGRESS OF ACCOUNTANTS

At the World Congress of Accountants (WCOA) 2022 in Mumbai, India, in November, ISCA representatives gained knowledge on the latest developments in the accountancy profession, built connections and shared insights with leaders in the regional and international accountancy community. In addition, our discussions with other professional accountancy bodies paved the way for more collaboration opportunities for the benefit of our respective members.



*ISCA had fruitful meetings with other professional accountancy bodies.*

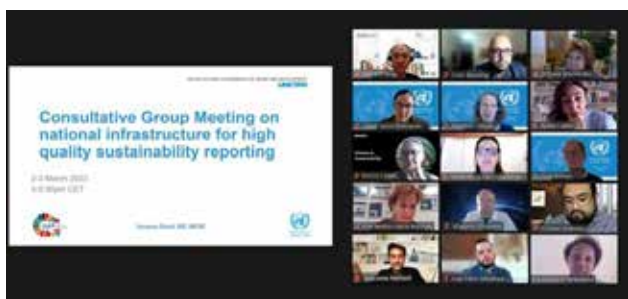


## INFLUENCING THE GLOBAL ACCOUNTANCY ECO-SYSTEM

### UNCTAD CONSULTATIVE GROUP MEETING

In March 2022, ISCA's Immediate Past President Mr Kon Yin Tong spoke at the United Nations Conference on Trade and Development (UNCTAD) - Consultative Group meeting on national infrastructure for high-quality sustainability reporting.

Mr Kon's sharing contributed towards UNCTAD's development of a policy recommendations document that complemented UNCTAD's sustainability/ Sustainable Development Goals reporting toolkit.



Mr Kon Yin Tong (top left) provided insights on Singapore's sustainability reporting landscape to UNCTAD.

### AFA IFAC SMO WORKSHOP

Ms Fua Qiu Lin, ISCA Divisional Director (Members and Stakeholders Engagement), represented ISCA at the AFA IFAC Statement of Membership Obligations (SMO) workshop held in April 2022. Ms Fua shared about the accounting standards for statutory boards in Singapore, and how ISCA supported our members in the public sector.

The AFA IFAC SMO Workshop series is a platform for AFA's member organisations to share and learn, as well as identify opportunities for collaboration towards strengthening our collective capacity as the ASEAN accountancy profession.



ISCA Divisional Director Ms Fua Qiu Lin (1<sup>st</sup> row, 4<sup>th</sup> from left) shared how International Public Accounting Standards were implemented in Singapore and how ISCA supported our members in the public sector.

### WEBINAR HOSTED BY IFAC AND JEJU GROUP ON REPORTING AND ASSURANCE OF SUSTAINABILITY INFORMATION

Mr Lee Dah Khang, Member of ISCA Sustainability and Climate Change Committee, and Director of Yang Lee & Associates, spoke at the webinar, "State of Play – Reporting and Assurance of Sustainability Information", jointly hosted by the IFAC and the Jeju Group.

The webinar provided an update on IFAC's State of Play, a comprehensive survey of the current landscape regarding sustainability disclosure and assurance. Mr Lee gave an overview of Singapore's sustainability reporting assurance landscape and provided an update on key developments in this area for Singapore companies.



Mr Lee Dah Khang gave an overview of the state of sustainability assurance in Singapore.

### IFAC AND WORLD BANK GLOBAL QUALITY MANAGEMENT PAO KNOWLEDGE EXCHANGE

At the IFAC and World Bank Global Quality Management PAO Knowledge Exchange, ISCA Divisional Director (Members and Stakeholders Engagement) Ms Fua Qiu Lin shared ISCA's experience in supporting members with the adoption and implementation of quality management standards.



Ms Fua shared how ISCA supports its members in adopting and implementing quality management standards.

## JEJU GROUP WEBINAR ON ISSB EXPOSURE DRAFTS

Ms Fang Eu-Lin, Deputy Chairperson of ISCA Sustainability and Climate Change Committee, and Partner and Sustainability and Climate Change Practice Leader of PwC Singapore, participated in a Jeju Group Webinar in June 2022 regarding Exposure Drafts (EDs) on the general requirements for disclosure of sustainability-related financial information and climate-related disclosures issued by the ISSB.

Ms Fang commented on the EDs and engaged the ISSB speakers on the progress of the ISSB's MoU with the Global Reporting Initiative (GRI) and the interoperability of the IFRS Sustainability Disclosure Standards with the GRI's standards.



Ms Fang Eu-Lin, Deputy Chairperson of ISCA Sustainability and Climate Change Committee, spoke at the Jeju Group Webinar on ISSB Exposure Drafts IFRS S1.

## IESBA VIRTUAL PANEL DISCUSSION ON ADOPTING AND IMPLEMENTING OF NEW IESBA PUBLIC INTEREST ENTITY DEFINITION

Ms Caroline Lee, Chairperson of the ISCA Ethics Committee's PIE Working Group, Immediate Past Deputy Chair of IESBA and Partner of KPMG Singapore, participated at the Virtual Panel Discussion "Adopting and Implementing the New IESBA Public Interest Entity (PIE) Definition".

This virtual discussion is part of a series to assist local bodies with adopting and implementing the new PIE provisions released by IESBA. The discussion was jointly hosted by IFAC, IESBA and AFA in October 2022.

Ms Lee shared Singapore's experience in clarifying the new definitions of PIE through engagement with the regulators

and addressed commonly-asked questions on implementing the new PIE provisions.



Ms. Caroline Lee (middle, 2<sup>nd</sup> row) at the virtual panel discussion.

## ISCA COUNCIL MEMBER APPOINTED AS AFA TREASURER

Mr Lim Yeong Seng, ISCA Council Member, was appointed as Treasurer of AFA in July 2022. AFA is a regional accountancy group comprising primary members from 10 ASEAN countries and 10 associate members from other recognised accountancy bodies.

Mr Lim was a member of ISCA's Investigation and Disciplinary Panel from 2013 to March 2022 and is a current member of ISCA's Public Accounting Practice Committee.



ISCA Council member Mr Lim Yeong Seng was appointed Treasurer of AFA in July 2022.

# Our Sustainability Strategy

With sustainability being a pressing global issue, we have developed a holistic sustainability strategy. Based on this strategy, we aim to expand the accountancy profession's contribution

to sustainability. The strategy will also drive sustainability practices within ISCA.

Our sustainability strategy is based on the three Cs:







# 1 COLLABORATION WITH LIKE-MINDED ORGANISATIONS

We collaborate with like-minded organisations to expand the accountancy profession's contribution to sustainability. These stakeholders include government agencies, academia, professional services firms, international accountancy networks, fellow professional bodies and other trade associations and chambers.

## DESIRED OUTCOME

**EXCHANGE KNOWLEDGE AND STRENGTHEN COLLABORATION WITH STAKEHOLDERS**



## GOALS

Establish MoU and collaboration with relevant stakeholders on events, research and insights, and initiatives

## MEASURES

Relevance and effectiveness of activities with networks, stakeholders and MoU partners

## COLLABORATION WITH IFAC AND JEJU GROUP

Through our involvement in international accountancy networks such as IFAC and the Jeju Group, we participated in webinars to promote corporate sustainability. In 2022, ISCA committee members spoke at the "State of Play – Reporting and Assurance of Sustainability Information" webinar, jointly hosted by IFAC and the Jeju Group, as well as the Jeju Group's webinar regarding Exposure Drafts on the general requirements for disclosure of sustainability-related financial information and climate-related disclosures issued by the ISSB.

and expertise of the accountancy profession for community development projects.

## COLLABORATION WITH ACRA AND MAS

Via Ms Fang Eu-Lin, Deputy Chairperson of ISCA's Sustainability and Climate Change Committee, ISCA is represented on the Sustainability Reporting Advisory Committee, set up by ACRA and SGX RegCo to advise on a sustainability reporting roadmap for Singapore-incorporated companies. The committee will provide input on the suitability of international sustainability reporting standards for implementation in Singapore.

## COLLABORATION WITH OUR MOU PARTNERS


We signed MoUs with MCCY - SG Cares Office and MCCY - Office of the Commissioner of Charities to promote skills-based volunteerism within the profession. Our partnerships with these offices enable us to harness the knowledge, skills





## 2 CAPABILITY BUILDING

To support our members to be difference makers to the business ecosystem, we aim to build capabilities in accountancy professionals to enable them to identify, promote and pursue sustainability opportunities for their organisations. The following table lists our desired outcomes, goals and measures.

DESIRED OUTCOME	GOALS	MEASURES
<b>ESTABLISH THE PROFESSION AS CHAMPION OF SUSTAINABILITY EFFORTS</b> 	<b>Advocate</b> Advocate the views of the profession via international standard-setting activities and engagements with stakeholders	<ul style="list-style-type: none"> <li>• Number of comment letters submitted</li> <li>• Stakeholder engagement feedback</li> </ul>
	<b>Guide</b> Provide resources and avenues for the profession to gain relevant knowledge and insights, such as via guidance, publications and certification programmes	<ul style="list-style-type: none"> <li>• Number of guidance and publications issued</li> <li>• Number of certification programmes launched</li> <li>• Number of enrolments in programmes</li> <li>• Feedback on the deliverables</li> </ul>
	<b>Create awareness</b> Raise awareness on sustainability practices and encourage adoption of sustainability reporting and assurance	<ul style="list-style-type: none"> <li>• Number of outreach/events</li> <li>• Effectiveness of outreach/events</li> </ul>

In 2022, ISCA submitted comment letters to the International Sustainability Standards Board on its exposure drafts for Exposure Draft: IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and Exposure Draft: IFRS S2 Climate-related Disclosures.

At the same time, to provide guidance to the profession, ISCA issued the following guidance materials and research report:

- *ISCA Climate Disclosure Guide – Taking First Steps Towards Climate-related Disclosures.*
- *Sustainability – Jobs and Skills for the Accountancy Profession research report*
- *Technical Bulletin 1: Addressing Climate-Related Risks in Financial Statements and Audits of such Financial Statements*

More information on the guidance materials and research report are found in the section *Keeping the Profession in the Know*.

To enhance our outreach, ISCA held a sustainability-themed mini-conference “Embracing New Opportunities in the Changing Climate” and the sustainability-themed PAIB Conference “From Why to Why Not: Sustainability for Growth and Innovation”.

ISCA, in partnership with SAC Capital, launched the *Sustainability E-Training for Directors* programme, a prescribed course for listed company directors, senior management and CFOs to meet the enhanced SGX sustainability reporting rules.

Other events and courses ISCA organised in 2022 included “The Imperatives of ESG and Getting Ahead of ESG Reporting” webinar, a Breakfast Talk on sustainability and sustainability topics in our Web-Bitez Learning Series.

ISCA also published 26 sustainability-related articles in the ISCA journal to raise awareness of sustainability-related topics.

# 3 CORPORATE CITIZENSHIP

As a responsible corporate citizen, ISCA has several initiatives aimed at promoting sustainability, community development, and employee well-being.

Chaired by ISCA CEO and driven by HODs from various departments, the Sustainability Reporting (SR) Taskforce

develops and implements SR initiatives, including reporting and disclosures relating to sustainability. The ISCA Sustainability Plan, which was developed in 2022, reflects our commitment to support the Singapore Green Plan 2030 and the UN Sustainable Development Goals.

DESIRED OUTCOMES	GOALS	MEASURES
<b>REDUCE ENVIRONMENTAL IMPACT</b> a) Reduce Carbon Emissions b) Improve Energy Efficiency c) Improve Water Efficiency d) Minimise Waste and Encourage Recycling e) Implement Green Procurement	a) Reach peak carbon emissions before 2025 and target 20% reduction in carbon emissions by 2030 b) Improve the Energy Utilisation Index by 10 per cent by 2030 from 2023 c) Improve the Water Efficiency Index by 10 per cent by 2030 from 2023 d) Improve the Waste Disposal Index by 30 per cent by 2030 from 2023 e) Implement green procurement by 2025	<b>Carbon footprint</b> at baseline year (2023) and subsequent years: Tonnes of CO <sub>2</sub> by emissions source (i.e. Scope 2: ISCA House) <b>Energy Utilisation Index</b> at baseline year (2023) and subsequent years: Annual energy consumption per unit area (office building) <b>Water Efficiency Index</b> at baseline year (2023) and subsequent years: Amount of water used per person per day <b>Waste Disposal Index</b> at baseline year (2023) and subsequent years: Amount of waste disposed of per person per day Timeline to implement green procurement
<b>ENSURE FAIR AND INCLUSIVE WORKFORCE</b>	<b>Become an Employer of Choice:</b> Foster a supportive and inclusive workplace where diversity is valued, promoting a culture of learning, creating a fair and equitable workplace where people can contribute, realise their potential, and achieve their aspirations	<b>Employee engagement:</b> At least 75% of staff with an overall rating of satisfied or better for the annual employee engagement survey
<b>PROMOTE DIVERSITY AND SOCIAL MOBILITY WITHIN OUR COMMUNITY</b>	a) Ensure youths have access to quality accountancy education so that they can maximise their potential b) Grow skills-based volunteerism within the accountancy sector to make a difference in service to the community	Number of ISCA Cares student beneficiaries and disbursement of bursaries Number of collaborative initiatives and connections made
<b>ENSURE INCLUSIVE AND REPRESENTATIVE COUNCIL AND COMMITTEES</b>	Ensure effective and diverse Council and appropriately balanced committees to represent and support the diverse membership	Council and committee composition evaluation and feedback on the right mix of skills, experience, and diversity to fulfil their duties effectively



## REDUCING ENVIRONMENTAL IMPACT

### a) ISCA HOUSE RENOVATION

Driving sustainability practices was a key feature in the renovation of ISCA House. ISCA has adopted a hybrid work arrangement for our staff, which required less physical office space. As such, we have consolidated the workspaces and freed up approximately 10,000 square feet for our members in the repurposed ISCA House. Our office space adopted an open office concept with flexible and reconfigurable layouts for maximum space usage. We have adopted hot desking with agile working facilities and multi-functional spaces such as pantry areas for town hall sessions, small meetings in breakout areas, etc.

By adopting the 3 Rs – “Reduce, Reuse and Recycle” approach in the renovation, a decluttering exercise was carried out pre-renovation to reduce waste and free up space. Non-essential items were either donated or discarded. We retained and reused about 25% of existing office furniture as well as 100% of tables and chairs from existing training rooms. Each training room is outfitted with ample electrical power outlets and charging stations for members to connect and charge their laptops and mobile devices. This contributed to our sustainability efforts in reducing the printing of training materials.

The refreshed ISCA House is designed to meet the needs of our members in the new normal. It caters to both physical and virtual modes of engagement with improved lighting and facilities. The temperature of air-conditioners is controlled centrally at 25 °C across all levels for energy efficiency. We used sustainable and environmentally-friendly products, such as carpets, partition walls and tabletops with the Singapore green label; and vinyl flooring with the Singapore green building product certificate issued by the Singapore Green Building Council.



### b) ENERGY CONSUMPTION AND CARBON EMISSIONS



There are no Scope 1 emissions as ISCA does not have direct emissions from fuel combustion of any corporate vehicles and machinery.

We report Scope 2 emissions as we have indirect emissions from the generation of purchased electricity at ISCA House.

The following shows our carbon emissions in 2022.

Annual energy consumption @ ISCA House	30,742 kWh
Scope 2 emissions	12.5 tonnes CO <sub>2</sub> e

Scope 3 emissions that occur in our value chain such as business travel, employee commute and waste disposal were assessed to be insignificant for 2022.



### c) WATER USE

Our office building is in a commercial real estate building, where water consumption by tenants is not traceable. We have adopted water-efficient fittings for new basin taps and encouraged staff to use water wisely.

### d) WASTE MANAGEMENT

We formed the “ISCA Green Team” working group to solicit ground-up ideas and implement initiatives to reduce office waste. By implementing these initiatives, ISCA would be able to achieve our waste disposal targets under our waste reduction programme.

As a part of our waste reduction programme, we have established a key indicator to identify areas where paper usage can be reduced - the total amount of paper used.

In 2022, our paper usage amounted to 380 reams. We will start tracking the paper usage from 2023. By monitoring this metric, we aim to reduce our paper consumption and contribute to our sustainability goals.



## OUR PEOPLE

People are at the heart of what we do. We aim to foster a supportive and inclusive workplace by creating a fair and equitable workplace where people can contribute, realise their potential, and achieve their career aspirations.

In 2022, we introduced various employee benefits, based on feedback from the Staff Welfare Committee. These included:



**Increased outpatient medical coverage**



**Mental healthcare covered under Specialist Treatment**



**Social well-being privileges through Fuzzie Corporate Club**



**Flexible Workplace dress code**



**5 days of Family Care Leave**



**Buddy system to orient new staff**



**LinkedIn Learning and Grammarly Business for all staff**

ISCA is committed to building and sustaining a competent and professional workforce with ethical working practices. We provide staff with opportunities to learn and encourage them to take ownership of their training, in alignment with their career development plans.

In 2022, ISCA conducted our first in-person town hall, after a three-year hiatus due to the pandemic. This physical event was in addition to three virtual sessions. The town halls enhanced engagement and communication between staff and management. At these sessions, ISCA management shared updates, achievements, and discussed announcements on policies and organisational changes.

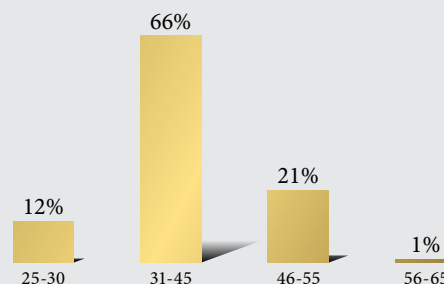


Post-pandemic, ISCA held our first physical town hall on 24 November 2022.

The total number of full-time employees as at 31 December 2022 is 97 (as at 31 December 2021: 97).

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

### a) AGE DIVERSITY



The age diversity of our talents offers a mix of experiences that adds depth and breadth of expertise and skills to the Institute and demonstrates that we are building our talent pipeline to support growth.

### b) GENDER DIVERSITY



Female employees account for 75% of the Institute's workforce.



## SUCCESSION PLANNING

ISCA recognises the importance of succession planning as this will minimise potential disruptions to workplace processes. We build a talent pipeline and prepare our employees to fill vacant positions to ensure business continuity. As a forward-looking organisation, ISCA is responsive to talent scarcity and demographic changes as well as retention of key talents by providing development, challenging, and rewarding opportunities. Our decisions on succession planning, career advancement, including promotions, transfers, and other assignments are based on ISCA's organisational needs and as well as merit and competency.



## GIVING BACK TO THE COMMUNITY

### ISCA CARES

ISCA's charity arm, ISCA Cares, represents the collective efforts of our profession to give back to society and serves as the platform for our profession to support worthy and meaningful causes.

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### ISCA CARES EDUCATION PROGRAMME

Since its inception in 2015, ISCA Cares has awarded close to \$800,000 to more than 260 youths from financially challenged

backgrounds as they pursue their studies in accountancy. These beneficiaries, also known as ISCA Cares Ambassadors, can be accountancy professionals upon graduation.

In 2022, ISCA Cares awarded \$110,350 to 30 ISCA Cares Ambassadors at the annual ISCA Cares Bursary Awards Ceremony held at venue sponsor CLA Global TS. For the first time, the event, which was attended by over 30 guests, was also live-streamed via ISCA Facebook.

In addition to financial support, ISCA Cares provides career and personal development guidance through mentoring. ISCA Cares Ambassadors are mentored by experienced accounting and finance professionals in the pursuit of their goals and aspirations in the accountancy profession.

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*The ISCA CARES Bursary Awards Ceremony was livestreamed on Facebook for the first time.*



## CONTRIBUTING TO THE COMMUNITY WITH SKILLS-BASED VOLUNTEERISM

Another of ISCA Cares' objectives is to harness the knowledge, skills and expertise of the accountancy profession for community development projects through collaborative programmes. ISCA and ISCA Cares partner with the Ministry of Culture, Community and Youth (MCCY) – Office of the Commissioner of Charities and MCCY's SG Cares Office to support charities and non-profit organisations to enhance their governance, management capabilities and capacities.

This includes gathering the support of the accountancy community to provide pro-bono guidance to charities on matters regarding finance and accounting, and provide training for finance professionals working in charities, on governance and compliance matters. In addition, ISCA and ISCA Cares promote volunteerism within the accountancy profession, by matching charities and non-profit organisations in need of skill-based volunteers with ISCA members who are keen to offer their time and expertise.

At a financial literacy talk held on 26 August, held in collaboration with SG Cares and Singapore Red Cross, Mr Willy Tan, ISCA PBA, shared about the basics of personal finance and habits of tracking household income and expenses to beneficiaries of the 'Meals with Love' programme.



ISCA member Mr Willy Tan gave a talk on financial literacy to beneficiaries of the 'Meals with Love' programme.

Together with SUSS Centre of Excellence for Social Good (CESG), we held a session on financial management on 31 August for staff and volunteers of SG Cares Volunteer Centres and Social Service Agencies. Professor Ang Hak Seng, Director of CESG contributed his thoughts on how the agencies could effectively manage stakeholders for improved cost efficiencies. ISCA member Mr Philip Shin also shared insights on how they could better manage their organisation's finances and cash flows amid rising operational costs.

At a youth community event with SG Cares and KPMG on 7 December, over 30 primary and secondary students from CampusImpact toured KPMG's new office and interacted with the firm's young professionals through games, which gave them a glimpse into the meaningful work of accountants.



The children from CampusImpact toured KPMG's office.





## MAKING A POSITIVE DIFFERENCE TO THE COMMUNITY

### ISCA Run

The Institute involves our staff in serving the community. An example is volunteering in ISCA Run, a key sporting event for the accountancy profession which promotes camaraderie and a healthy lifestyle.

After a two-year hiatus due to the pandemic, ISCA Run was back in 2022 and fully subscribed. More than 1,300 participants, including members from professional services firms and commerce as well as the public, took part in the 5km run, held at OCBC Square on 15 October.

Mr Eric Chua, Senior Parliamentary Secretary for Culture, Community and Youth, flagged off the run. All funds raised by ISCA Run were donated to ISCA Cares. Our staff volunteered at the event to reduce its operational costs so that more of the net proceeds could be channelled to ISCA Cares.



More than 1,300 participants took part in the 5km run at OCBC Square.



## Beach Clean Up

Team ISCA and our family members also helped to clean up Pasir Ris Beach Park A and B, as part of our corporate social responsibility effort, on 12 November.

In two hours, we picked up litter including discarded plastic bottles, plastic bags, and styrofoam pieces. In total, the volunteers filled up 40 large bags of litter.



ISCA staff and their family members filled up 40 bags of litter at the beach cleanup.





# GOVERNANCE

## COUNCIL AND COMMITTEE MEMBERS

The Institute recognises the importance of having an effective and diverse Council as well as appropriately balanced Committees to represent and support the diverse membership.

- The ISCA Council is the governing body of the Institute and is responsible for the management and control of the affairs and the funds of the Institute in accordance with the Constitution. The Council approves major policy decisions and oversees matters relating to the governance and membership of the Institute.
- The Council delegates certain powers to ISCA Committees and appoints the chairman and members of these Committees to perform various functions to assist the Council in the discharge of its responsibilities based on the Committees' terms of reference. The terms of reference of each Committee set out the purpose and responsibilities as well as the composition of the Committee. All these committees are accountable to the Council.
- The Council represents the interests of the members and is accountable to them. Reflecting our diverse membership base, the Council comprises leaders from the corporate sector, the public accounting profession and the public sector.
- The Nomination Committee (NC) reviews and recommends to the Council the desired competencies required within the Council's membership pertaining to gender, age, skill sets, experience and membership mix of the Institute. The NC assists the Council in identifying suitable candidates for appointment to the various ISCA Committees.
- An effective Council is one with a blend of skills and experience where each member brings qualities that complement the whole. As far as possible, a balance of gender, age and experience should be pursued. The Council should apply equal emphasis on bringing together the right mix of professional experience, technical skills, and knowledge relevant to the work of the Council and ISCA Committees to enhance the decision-making process.



## RISK MANAGEMENT

### Relevance And Value

To deliver value to our members through quality initiatives and services, ISCA constantly monitors the trends and developments affecting the profession. We then refine our initiatives to remain relevant and prepare members to be future-ready.

Our involvement with international accountancy networks such as IFAC, CAW, AFA and the Jeju Group ensure we are connected to developments in the global accountancy profession and are kept updated on the challenges and opportunities affecting the profession. ISCA represents Singapore's accountancy sector in the ASEAN CPA Coordinating Committee, an intergovernmental group comprising finance ministries, regulators, and national professional accountancy organisations from 10 ASEAN countries.

In addition, ISCA taps the wealth of knowledge from our Council and committee members to ensure we are kept abreast of industry needs. Our Council and committee members are one of the channels for ISCA to understand the needs of the business community and the accountancy profession, as well as a sounding board for our ideas and plans.

As the national accountancy body, ISCA is an active contributor to the development of the accountancy profession and an active participant in the global accountancy ecosystem. We regularly engage local and international stakeholders and counterparts in dialogues to keep pace with industry developments, maintain and deepen working relations to advance the accountancy profession in Singapore.

As the voice for our members and the profession, ISCA works closely with standard setters, regulators and industry partners to shape and maintain high ethical and professional standards within the 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 2022, we expanded our membership structure to widen our membership base. We expanded our student membership to welcome youths across all academic levels who are keen on accountancy to join the community. We provided a pathway for experienced individuals in accounting and finance who may not have an accountancy education to become ISCA members. We also introduced the ISCA Corporate Membership for organisations to be ISCA members. This enables ISCA to cast our net wider and enable the employees of our corporate members to be part of the ISCA network.

## Cyber And Data Security

In 2022, ISCA earned the ISO 27001 certification, the global standard for information security management systems covering more than a dozen standards in data protection and cyber resilience. To attain this certification, ISCA was subjected to an independent expert assessment of whether our data was sufficiently protected, and whether we had the ability to consistently meet and exceed customer expectations on data protection. ISCA achieved this certification by investing in our people, processes, and technology, including tools and systems to protect our data. This achievement is a testament to our commitment to strengthening data protection.

In line with government efforts to safeguard Short Messaging Service (SMS) as a communications channel, ISCA registered with the Singapore SMS Sender ID Registry (SSIR), following news of high-profile scams using SMS. Registration with SSIR ensured that only bona fide organisations could use such SMS Sender IDs. This prevents misuse of the ISCA Sender ID by unauthorised parties and provides assurance to members and the public of the integrity of SMS sent by ISCA.

As part of our commitment to maintaining a robust cybersecurity posture, we have implemented several measures to ensure that our staff are aware of the latest cybersecurity threats and best practices for protecting our organisation's sensitive data.

One such measure is our annual training on cybersecurity and the Personal Data Protection Act. This mandatory training provides our staff with an overview of the latest threats and risks facing our organisation, as well as practical advice on how to prevent security breaches and protect sensitive data.

In addition, we conduct quarterly phishing emails to test staff's awareness and readiness to detect and respond to phishing attacks. This keeps our staff vigilant and up to date on the latest tactics by cybercriminals to gain unauthorised access to organisations' data.

To complement these efforts, we also send regular emails on cybersecurity awareness to staff. These emails provide updates on the latest cybersecurity trends, as well as practical tips on how staff can protect themselves and the organisation against cyber threats. These emails are designed to be easily understood and accessible to staff at all levels of the organisation.



Our cybersecurity training and awareness efforts have been effective in reducing the risk of cyber attacks and protecting our organisation's sensitive data. We are committed to staying up to date on the latest threats and best practices, and will continue to invest in training and awareness programs to ensure that our staff are well-equipped to defend against cyber threats.

## Attracting And Retaining Talent

Workforce planning and ensuring a sustainable talent pipeline are key drivers of our talent management strategy.

Every ISCA staff contributes to the success of the Institute and is encouraged to develop their professional knowledge and skills. While we continue to focus on training and developing our staff, we also provide other opportunities for their career enrichment and growth.

As part of a performance-driven culture, staff are given regular feedback on their performance and recognition for their achievements. We aim to be an Employer of Choice to attract and retain the right talent and be a great place to work for all ISCA staff.

## 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, and the trust and relationships we have built with them, is vital to ISCA's success.

Managing this strategically starts with building an accurate picture of our strengths and weaknesses to quantify the impact of identified risks on our reputation. 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.



# Publishing Board

(ISCA Council)

## THE OFFICE BEARERS



**MR TEO SER LUCK**  
**PRESIDENT**  
*Entrepreneur  
and  
Company Board Chairman*



**MR MOHAMMAD SHARIQ  
SAYEED BARMAKY**  
**VICE PRESIDENT**  
*Audit & Assurance Leader  
Deloitte & Touche LLP (Singapore)  
and  
Regional Managing Partner, Audit & Assurance  
Deloitte Southeast Asia*



**MS YIONG YIM MING**  
**VICE PRESIDENT**  
*Group Chief Financial Officer  
City Developments Limited*



**MS JOCELYN GOH CHERN NI**  
**TREASURER**  
*Audit & Assurance Partner  
BDO LLP*



**MS JUDY NG**  
**SECRETARY**  
*Chief Financial Officer  
Institutional Banking Group  
DBS Bank*

## THE COUNCIL MEMBERS



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*Chief Financial Officer and  
Vice President, Finance  
Office of Finance  
Singapore Management University*



**MR CHOO ENG BENG**  
*Assurance Leader  
PwC Singapore*



**MR KOH WEE KWANG**  
Director  
*Nexia Singapore PAC*



**MS LAI CHIN YEE**  
Finance Director  
*Qian Hu Corporation Limited*



**MR LIM YEONG SENG**  
Managing Partner  
*KLP LLP*



**MR BALASUBRAMANIAM  
JANAMANCHI**  
Managing Partner/Director  
*JBS Practice PAC*



**MR TAN KUANG HUI**  
Chief Executive and Managing Partner  
*Crowe Singapore*



**MR DARREN TAN SIEW PENG**  
Chief Investment Officer  
*Raffles Medical Group*



**MR KELVIN TAN WEE PENG**  
Adjunct Associate Professor  
*NUS Enterprise Academy  
National University of Singapore*



**MR ROGER TAY PUAY CHENG**  
Head of Advisory (Deal Advisory)  
*KPMG LLP*



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



**MR DON WEE BOON HONG**  
Member of Parliament  
and  
Senior Vice President  
*UOB*



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





# Editorial Team

(Senior Management)



**MS FANN KOR**  
CHIEF EXECUTIVE OFFICER



**MS ANG PEI FEN**  
DIVISIONAL DIRECTOR  
(Executive Office  
and Practice Monitoring)



**MS FUA QIU LIN**  
DIVISIONAL DIRECTOR  
(Members and Stakeholders  
Engagement)



**MR KANG WAI GEAT**  
DIVISIONAL DIRECTOR  
(Professional Standards)



**MS SOH SUAT LAY**  
DIVISIONAL DIRECTOR  
(Members Experience  
and Communications)



**MS ZOEY XIE**  
DIRECTOR  
(ISCA Academy)

## REPORT OF THE ISCA COUNCIL

It is our pleasure to present our 2022/2023 Annual Report and Financial Statements for the year ended 31 December 2022.

The following Council members were elected as office bearers during the first Council meeting held in April 2022:

<b>President</b>	– Teo Ser Luck
<b>Vice President</b>	– Mohammad Shariq Sayeed Barmaky
<b>Vice President</b>	– Yiong Yim Ming
<b>Treasurer</b>	– Jocelyn Goh Chern Ni
<b>Secretary</b>	– Judy Ng May Lian



## COUNCIL MEETING ATTENDANCE

The 2022 Council held 7 ordinary meetings. “Column A” indicates the number of Council meetings members attended, and “Column B” indicates the number of committees he/she sits on.

	A	B
Mohammad Shariq Sayeed Barmaky	5	2
Yvonne Chan Mei Chuen	7	2
Choo Eng Beng	6	1
Jocelyn Goh Chern Ni	7	2
Balasubramaniam Janamanchi	5	1
Koh Wee Kwang	6	1
Lai Chin Yee	7	3
Lim Yeong Seng	7	3
Judy Ng May Lian	6	2
Tan Kuang Hui	6	1
Darren Tan Siew Peng	2	2
Kelvin Tan Wee Peng	6	2
Roger Tay Puay Cheng	5	1
Belinda Teo Hui	7	1
Teo Ser Luck	7	3
Don Wee Boon Hong	7	2
Christopher Wong Mun Yick	5	3
Yiong Yim Ming	7	2





# ISCA Committees 2022/23

## EXECUTIVE COMMITTEE

- |                         |                       |
|-------------------------|-----------------------|
| 1. TEO SER LUCK         | <i>President</i>      |
| 2. SHARIQ BARMAY        | <i>Vice President</i> |
| 3. YIONG YIM MING       | <i>Vice President</i> |
| 4. JOCELYN GOH CHERN NI | <i>Treasurer</i>      |
| 5. JUDY NG              | <i>Secretary</i>      |

## NOMINATIONS COMMITTEE

- |                              |                    |
|------------------------------|--------------------|
| 1. LEE SHI RUH               | <i>Chairperson</i> |
| 2. YVONNE CHAN               |                    |
| 3. KELVIN TAN WEE PENG       |                    |
| 4. ROGER TAY                 |                    |
| 5. TEO SER LUCK              |                    |
| 6. CHRISTOPHER WONG MUN YICK |                    |

## AUDITING AND ASSURANCE STANDARDS COMMITTEE

- |                                  |                                 |
|----------------------------------|---------------------------------|
| 1. HANS KOOPMANS                 | <i>Chairman</i>                 |
| 2. JAMES XU JUN                  | <i>Deputy Chairman</i>          |
| 3. ANG HAO YAO                   |                                 |
| 4. ASSOC PROF EL'FRED BOO        |                                 |
| 5. BASIL CHAN                    |                                 |
| 6. CHAN RUIQI                    |                                 |
| 7. CHEN NINGXIN NARISSA          |                                 |
| 8. ADRIAN CHEONG                 | <i>Alternate: STACEY TEE</i>    |
| 9. YVONNE CHIU SOK HUA           |                                 |
| 10. SUSAN FOONG CHOOI CHIN       |                                 |
| 11. HO TEIK TIONG GREGORY        |                                 |
| 12. KHONG BENG YEN               | <i>Alternate: CHEN SZE LENG</i> |
| 13. KHOO GAIK SUAN, IRENE        |                                 |
| 14. LEE TZE SHIONG               |                                 |
| 15. LIM SIO HOON                 |                                 |
| 16. WILLIAM NG WEE LIANG         |                                 |
| 17. SANJAY GORDHAN PANJABI       |                                 |
| 18. ADJ ASSOC PROF TAN WEE CHENG |                                 |
| 19. ADJ PROF JOANNE TAY SIOK WAN |                                 |
| 20. WEE LING NA @ YVONNE AU      |                                 |
| 21. WOO E-SAH                    |                                 |
| 22. YEOW HUI CHENG               |                                 |
| 23. KULDIP GILL                  | <i>Observer</i>                 |
| 24. NG MEOW LING                 | <i>Observer</i>                 |
| 25. ALVIN OU                     | <i>Observer</i>                 |
| 26. ALICE WONG                   | <i>Observer</i>                 |

## AUDIT COMMITTEE

- |                              |                 |
|------------------------------|-----------------|
| 1. CHRISTOPHER WONG MUN YICK | <i>Chairman</i> |
| 2. TAN KUANG HUI             |                 |
| 3. DON WEE BOON HONG         |                 |

## BANKING AND FINANCE COMMITTEE

- |                             |                           |
|-----------------------------|---------------------------|
| 1. LIAN WEE CHEOW           | <i>Chairman</i>           |
| 2. ANG SUAT CHING           | <i>Deputy Chairperson</i> |
| 3. CHRISTINE LEE            | <i>Deputy Chairperson</i> |
| 4. CHOW KHEN SENG           |                           |
| 5. HO HEAN CHAN             |                           |
| 6. IAN HONG                 |                           |
| 7. HONG TECK KHIAM          |                           |
| 8. VENETIA LAU CHING MUI    |                           |
| 9. VINCENT LOH              |                           |
| 10. LOW HWEE MING           |                           |
| 11. ONG AI BOON             |                           |
| 12. PETER SEE KIM SIONG     |                           |
| 13. GABRIEL SEOW CHONG HOWE |                           |
| 14. GERARD TOH WEN-WEI      |                           |
| 15. WONG SIN HUEY           | <i>(till 31 Aug 2022)</i> |
| 16. YONG CHUK KWIN          |                           |
| 17. SERENA YONG             |                           |

## CFO COMMITTEE

- |                           |                    |
|---------------------------|--------------------|
| 1. ELEANA TAN             | <i>Chairperson</i> |
| 2. CHAN YING JIAN         |                    |
| 3. KENNETH CHEUNG         |                    |
| 4. VINCENT CHOO JOO KWANG |                    |
| 5. CHUA HWEE SONG         |                    |
| 6. CHUA SIEW HWI          |                    |
| 7. LEE KAI NEE            |                    |
| 8. ANDREW LIM             |                    |
| 9. ALEX PHUA JIAN ZHAI    |                    |
| 10. DARREN TAN SIEW PENG  |                    |
| 11. ESTHER WEE YU         |                    |
| 12. WONG KAR LING         |                    |
| 13. ALAN WONG TUAN KENG   |                    |
| 14. YAP SIOK LENG         |                    |

## CONTINUING PROFESSIONAL EDUCATION COMMITTEE

- |                     |                    |
|---------------------|--------------------|
| 1. LAI CHIN YEE     | <i>Chairperson</i> |
| 2. CHONG CHENG YUAN |                    |

3. HOE CHI-HSIEN, ANDY
4. ASSOC PROF KOH WHEE LING KEVIN
5. LEE JENG WAH JAMES
6. MIKE LIM KWANG WEE
7. LIM TZE CHERN
8. NEO SING HWEE
9. NG JUN LIANG KEVIN
10. WONG NEE TAT

### CORPORATE FINANCE COMMITTEE

1. REBEKAH KHAN *Chairperson*
2. LEONARD CHING TCHI PANG
3. GOH CHYAN PIT
4. BARRY LEE CHIN SIANG
5. PETER LEONG HON MUN
6. SHARON PEH
7. DOREEN QUEK
8. TAY HWEE LING
9. TOH KIM TECK

### CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

1. SEAH GEK CHOO *Chairperson*
2. ANG FUI SIONG
3. CH'NG CHOON HUAT
4. PUNJABI RAJESH HIRANAND
5. VICTOR LAI KUAN LOONG
6. DENNIS LEE HOCK LEONG
7. WILLY LEOW CHEE HWEE
8. PROF LAWRENCE LOH
9. LISA OOI
10. SUJITH SIVARAM
11. JOHN TEO WOON KENG
12. DAVID YEONG

### ETHICS COMMITTEE

1. ENG CHIN CHIN *Chairperson*
2. G. ARULL
3. ABDUL JABBAR BIN KARAM DIN
4. ASSOC PROF EL'FRED BOO
5. LORRAINE CHAY YEOW MEI
6. HO TEIK TIONG GREGORY
7. BALASUBRAMANIAM JANAMANCHI
8. KHONG YEW CHEONG
9. LEE BEE LENG

10. MICHELLE LIEW
11. LIM TZE YUEN
12. NG CHIAU MENG AMOS
13. SOH KOK LEONG
14. EVAN LAW *Observer*
15. CAROLINE LEE *Observer*
16. KAREN LIM *Observer*
17. SHERRY QUARK *Observer*
18. JAKE YEO *Observer*

### FINANCIAL FORENSIC ACCOUNTING OVERSIGHT COMMITTEE

1. LEM CHIN KOK *Chairman*
2. TAN HOW CHOON *Deputy Chairman*
3. CHAN KHENG TEK
4. LEE KING SEE
5. AARON LEE TC
6. MURALI PILLAI SC
7. SEOW HWEE KOON
8. BELINDA TAN SW
9. LORETTA YUEN

### FINANCIAL REPORTING COMMITTEE

1. REINHARD KLEMMER *Chairman*
2. SOH LIN LENG *Deputy Chairperson*
3. PROF CHENG QIANG
4. CHIN CHEE CHOON
5. PHILIP FONG YENG FATT
6. GAIL GOH BEE HONG
7. GOH SWEE HONG
8. AYLWIN HOW CHIN HONG
9. ASSOC PROF JIAN MING
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. SENTHILNATHAN SAMPATH
18. ELIZA TAN HWEE HONG
19. TAN YONG CHOO
20. GAJENDRAN VYAPURI
21. WONG KOON MIN
22. 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. CHONG CHENG YUAN
5. SUSAN FOONG CHOOI CHIN
6. KONG LAI SAN
7. LOO KWOK CHIANG, ADRIAN
8. LOW YEN MEI
9. POH CHIN BENG
10. ANGELINE TAN LAY HONG
11. YEOW HUI CHENG
12. YONG ZEN YUN

## INFRASTRUCTURE & PROJECT FINANCE OVERSIGHT COMMITTEE

1. LYNN THO *Co-Chairperson*
2. AUDRA LOW *Co-Chairperson*
3. DAVID T BOYLAND
4. KOK CHEE WAI
5. LAVAN THIRU
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 KHOON
5. LIN YUEH HUNG
6. SEAH ROH LIN
7. TOH AI LING

## INSURANCE COMMITTEE

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2. G. ARULL
3. CHAI SIOW PENG
4. ADRIAN CHUA TENG AIK
5. JASLIN DU XIAOLIN
6. CELINA GOH
7. HOWARD GOH
8. STEVEN GOH
9. PHILIP SHIN
10. VIJAY KRISHNAN SUKAVANAM
11. TAY SIANG LENG

## INVESTMENT COMMITTEE

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2. ANTHONY CHUAH KHOON YEW *(from 9 February 2023)*
3. LEE SHI RUH
4. KELVIN TAN WEE PENG
5. YIONG YIM MING

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3. BENNY CHWEE BO CHONG
4. ASSOC PROF KEVIN OW YONG KENG
5. PHUA YUNG KEAT
6. TASHNA RAJAH
7. PHILIP SHIN AN
8. ASSOC PROF PATRICIA TAN MUI SIANG
9. VINCENT TOONG

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2. PROF CHAN YOKE KAI
3. LAI CHIN YEE
4. LELAINA LIM SIEW LI
5. CHRISTOPHER WONG MUN YICK

## MEMBERSHIP GROWTH AND ENGAGEMENT COMMITTEE

1. YVONNE CHAN *Chairperson*
2. DR TIMOTHY CHAN
3. CHOO ENG BENG
4. ASST PROF CLARENCE GOH
5. GOH KIA HONG
6. LIAW CHUN HUAN
7. SHIRLEY LIM
8. JUDY NG
9. SEAH GEK CHOO
10. PAUL TAN
11. BELINDA TEO
12. SUSAN SEE TOH
13. VERON WONG

## PUBLIC ACCOUNTING PRACTICE COMMITTEE

1. KHOO GAIK SUAN, IRENE *Chairperson*
2. LEE ENG KIAN *Deputy Chairperson*
3. AW VERN CHUN, PHILIP



4. CHAN HOCK LEONG, RICK
5. CHEONG KENG CHUAN, ALFRED
6. CHEONG KUM FOONG
7. CHIANG KOK YING, VIVIENNE
8. HENG YEOW MENG, MICHAEL
9. MICHAEL KEE CHENG KONG
10. JASON LEE SOON SIN
11. LIM YEONG SENG
12. LYNN PHANG
13. HELMI BIN ALI BIN TALIB
14. TEO LI LING
15. TEOH POH LENG

### SINGAPORE CHARTERED ACCOUNTANT QUALIFICATION ADVISORY PANEL

1. LAI CHIN YEE *Chairperson*
2. PROF YEO HIAN HENG, GILLIAN *Deputy Chairperson*
3. KULDIP GILL
4. ASSOC PROF KOH SZE KEE
5. EVAN LAW
6. PROF MAK YUEN TEEN
7. ASSOC PROF NG KAI TECK
8. PROF GARY PAN
9. TAN SENG CHOON
10. ESTHER WEE

#### *Learning Contents Subgroup*

1. PROF YEO HIAN HENG, GILLIAN *Chairperson*
2. KULDIP GILL
3. ASSOC PROF KOH SZE KEE
4. PROF MAK YUEN TEEN
5. ASSOC PROF NG KAI TECK
6. PROF GARY PAN

#### *Practical Experience and Outreach Subgroup*

1. LAI CHIN YEE *Chairperson*
2. CHAY YIOWMIN
3. ECHO CHEN
4. TAN KHAI BOON
5. TAN SENG CHOON
6. ESTHER WEE

#### *Regionalisation Subgroup*

1. JOCELYN GOH CHERN NI *Chairperson*
2. EVAN LAW
3. AARON LEE KONG TZUNG
4. LIM YEONG SENG
5. YANG CHI CHIH

### SINGAPORE MONITORING COMMITTEE

1. TEO SER LUCK *Chairman*
2. FANN KOR *Deputy Chairperson*
3. FRANKIE CHIA SOO HIEN
4. LIM YEONG SENG

### SUSTAINABILITY AND CLIMATE CHANGE COMMITTEE

1. TAN WAH YEOW *Chairman*
2. FANG EU-LIN *Deputy Chairperson*
3. BEH SIEW KIM
4. CHUA HWEE SONG
5. GIAM EI LEEN
6. IAN HONG
7. KOH WEE KWANG
8. LEE DAH KHANG
9. KRISHNA SADASHIV
10. TAN BOON GIN
11. TAN BOON SIONG
12. HENRY TAN SONG KOK
13. YEO LIAN SIM
14. SIMON YEO

### YOUNG PROFESSIONALS ADVISORY COMMITTEE

1. MARIA TEO *Chairperson*
2. ANG LI NAH KATHERINE
3. ANG ZAN YU
4. CHENG KIANG YUNG TERENCE
5. CHONG SHU HUI JEAN
6. CHUNG PEI SHAN JOANNA
7. GOH SIEW MIN
8. LAU JUN NGEE EMERSIUS
9. LOW YUAN YI
10. LIM XIXIANG DAVID
11. MO HONGRUI
12. NG SI JIA
13. NG WEI HAN
14. NITHIN NAGARAJAN
15. SEE WEI REN, MALCOLM
16. TAN WEICHENG SAMUEL
17. TEO ENG SIONG
18. TEO WAN LIN ANGELIQUE
19. TEW WAN LENG, ATHENA
20. WANG GUANGZHAO
21. DON WEE BOON HONG *Advisor*



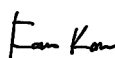


## Statement by Council

On behalf of the Council of the Institute of Singapore Chartered Accountants (the “Institute”), we, Teo Ser Luck and Kor Wan Hoon, being the President and Chief Executive Officer respectively, do hereby state that in our opinion and to the best of our knowledge, the consolidated financial statements of the Institute and its subsidiaries (the “Group”) and financial statements of the Institute set out on pages 70 to 112 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 2022 and of the financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.



**Teo Ser Luck**  
President



**Kor Wan Hoon**  
Chief Executive Officer

15 March 2023



# 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 70 to 112, which comprise the balance sheets of the Group and the Institute as at 31 December 2022, 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 2022 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 1 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

15 March 2023

# Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2022

		Group (Reclassified)		Institute (Reclassified)	
	Note	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Income</b>					
Members' annual fees		11,800	11,918	11,800	11,918
Members' admission fees		161	134	161	134
Income from Continuing Professional Education		4,085	4,462	4,085	4,462
Income from other training courses		1,240	1,630	1,240	1,630
Practice Monitoring income		427	472	427	472
Income from seminars, events and talks		1,455	868	1,455	868
Other income:					
– Interest income from financial institutions		69	48	69	48
– Others	4	2,331	2,843	2,331	2,826
Total income	4	21,568	22,375	21,568	22,358
<b>Less expenditure</b>					
Expenses		(20,605)	(20,743)	(20,602)	(20,731)
Surplus from operations	5	963	1,632	966	1,627
Net fair value (loss)/gain on financial assets at fair value through profit or loss	14	(6,449)	523	(6,449)	523
(Deficit)/surplus before results of associate		(5,486)	2,155	(5,483)	2,150
Share of results of associate (net of tax)	12	48	(17)	–	–
(Deficit)/surplus before tax		(5,438)	2,138	(5,483)	2,150
Income tax expense	7	(193)	(263)	(193)	(263)
<b>(Deficit)/surplus for the financial year</b>		(5,631)	1,875	(5,676)	1,887
<b>(Deficit)/Surplus from specific fund:</b>					
ISCA Support Fund	23	(195)	(66)	(195)	(66)
ISCA Cares Fund	24	142	742	–	–
<b>Net (deficit)/surplus and total comprehensive (loss)/income for the financial year</b>		(5,684)	2,551	(5,871)	1,821

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



# Balance Sheets

At 31 December 2022

	Note	Group		Institute	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	8	1,972	629	1,972	629
Right-of-use assets	9	11,171	1,670	11,171	1,670
Investment property	10	10,184	10,486	10,184	10,486
Subsidiaries	11	–	–	–	–
Associate	12	133	85	–	–
Intangible assets	13	573	773	570	766
Financial assets at fair value through profit or loss	14	53,943	60,485	53,943	60,485
		<b>77,976</b>	<b>74,128</b>	<b>77,840</b>	<b>74,036</b>
<b>Current assets</b>					
Inventories		1	5	–	4
Contract assets	15	415	320	415	320
Trade and other receivables	17	3,252	3,394	3,213	3,382
Cash and cash equivalents	18	21,123	15,412	19,502	13,969
		<b>24,791</b>	<b>19,131</b>	<b>23,130</b>	<b>17,675</b>
<b>Total assets</b>		<b>102,767</b>	<b>93,259</b>	<b>100,970</b>	<b>91,711</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	19	64	96	64	96
Lease liabilities	20	9,381	52	9,381	52
Provisions	21	350	346	350	346
Other payables	22	240	240	240	240
		<b>10,035</b>	<b>734</b>	<b>10,035</b>	<b>734</b>
<b>Current liabilities</b>					
Trade and other payables	22	4,916	4,639	4,876	4,661
Contract liabilities	16	7,129	1,903	7,129	1,903
Lease liabilities	20	1,828	1,665	1,828	1,665
Current tax payable		506	281	506	281
		<b>14,379</b>	<b>8,488</b>	<b>14,339</b>	<b>8,510</b>
<b>Total liabilities</b>		<b>24,414</b>	<b>9,222</b>	<b>24,374</b>	<b>9,244</b>
<b>Net assets</b>		<b>78,353</b>	<b>84,037</b>	<b>76,596</b>	<b>82,467</b>
<b>Represented by</b>					
Accumulated Fund		74,990	80,621	74,857	80,533
ISCA Support Fund	23	1,739	1,934	1,739	1,934
ISCA Cares Fund	24	1,624	1,482	–	–
		<b>78,353</b>	<b>84,037</b>	<b>76,596</b>	<b>82,467</b>

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

# Statements of Changes in Funds

For the financial year ended 31 December 2022

	Accumulated Fund \$'000	ISCA Support Fund \$'000	ISCA Cares Fund \$'000	Total \$'000
<b>Group</b>				
Balance at 1 January 2021	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
Net (deficit)/surplus and total comprehensive (loss)/income for the financial year	(5,631)	(195)	142	(5,684)
<b>Balance at 31 December 2022</b>	<b>74,990</b>	<b>1,739</b>	<b>1,624</b>	<b>78,353</b>
<b>Institute</b>				
Balance at 1 January 2021	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
Net deficit and total comprehensive loss for the financial year	(5,676)	(195)	–	(5,871)
<b>Balance at 31 December 2022</b>	<b>74,857</b>	<b>1,739</b>	<b>–</b>	<b>76,596</b>

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

# Statements of Cash Flows

For the financial year ended 31 December 2022

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
(Deficit)/surplus before tax	(5,438)	2,138	(5,483)	2,150
Adjustments for:				
Bad debts written off	22	6	25	14
Depreciation of property, plant and equipment, investment property, right-of-use assets and amortisation of intangible assets	3,143	3,313	3,139	3,308
Finance cost	4	4	4	4
Interest income	(69)	(48)	(69)	(48)
Accretion of interest	111	98	111	98
Net fair value loss/(gain) on financial assets at fair value through profit or loss	6,449	(523)	6,449	(523)
Property, plant and equipment written off	55	5	55	5
Share of results of associate (net of tax)	(48)	17	-	-
Operating surplus before working capital changes	4,229	5,010	4,231	5,008
Contract assets	(95)	(15)	(95)	(15)
Inventories	4	-	4	-
Receivables	140	(1,041)	159	(1,048)
Payables	(72)	313	(134)	427
Contract liabilities	5,226	(844)	5,226	(844)
Deferred income	-	(294)	-	(294)
Cash generated from operations	9,432	3,129	9,391	3,234
Income tax paid	-	(128)	-	(128)
ISCA Cares Fund (Note 24)	142	742	-	-
ISCA Support Fund (Note 23)	-	(2,000)	-	(2,000)
<b>Net cash generated from operating activities</b>	<b>9,574</b>	<b>1,743</b>	<b>9,391</b>	<b>1,106</b>
<b>Cash flows from investing activities</b>				
Interest received	50	74	55	68
Purchase of financial instruments	-	(4,800)	-	(4,800)
Purchases of property, plant and equipment	(1,346)	(295)	(1,346)	(295)
Additions to intangible assets (Note 13)	(132)	(220)	(132)	(220)
<b>Net cash used in investing activities</b>	<b>(1,428)</b>	<b>(5,241)</b>	<b>(1,423)</b>	<b>(5,247)</b>
<b>Cash flows from financing activities</b>				
Repayment of lease liabilities	(2,031)	(2,046)	(2,031)	(2,046)
Interest paid on lease liabilities	(111)	(98)	(111)	(98)
<b>Net cash used in financing activities</b>	<b>(2,142)</b>	<b>(2,144)</b>	<b>(2,142)</b>	<b>(2,144)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,004</b>	<b>(5,642)</b>	<b>5,826</b>	<b>(6,285)</b>
Cash and cash equivalents at beginning of the financial year	12,444	18,086	11,001	17,286
<b>Cash and cash equivalents at end of the financial year (Note 18)</b>	<b>18,448</b>	<b>12,444</b>	<b>16,827</b>	<b>11,001</b>

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





# Notes to the Financial Statements

For the financial year ended 31 December 2022

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

## 1 CORPORATE INFORMATION

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

The principal activities of the Institute are those of administering the Institute’s membership, and catering for the training and professional development of its members. The principal activities of the subsidiaries are disclosed in Note 11.

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

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

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

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

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

#### *Use of estimates and judgements*

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



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### a) Basis of preparation (cont'd)

#### *New and revised standards that are adopted*

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

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

#### *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2022 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 2022

## 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. 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 2022

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

	Years
Furniture and office equipment	4 to 10
Computers	3 to 4
Renovation	remainder of lease term

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

Renovation-in-progress are not depreciated.

### f) Investment property

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

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 2022

## 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 2022

## 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 2022

## 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 net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

### 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 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 1) 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 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 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)*

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

	Years
Lease property	6
Office equipment	5

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

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

#### *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 2022

## 2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### n) Revenue recognition (cont'd)

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

The Institute is the national body for the accountancy professional in Singapore and provides membership services to its members. Such members' annual fees are recognised as a performance obligation satisfied over time. Member's annual fee is recognised as income in the period to which the annual fees relates. Unearned income relating to future period is included in contract liabilities. The members' annual 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 workshops, seminars, events, talks and other programmes are recognised as performance obligation satisfied at a point in time when the performance is completed within the day.

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 the Singapore 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 2022

## 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 2022

## 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.

## 3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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

### *Business model assessment*

Classification and measurement of financial assets depends on the cashflows that are solely payments of principal and interest ("SPPI") and the results of the business model test (refer to Note 2(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.



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 3 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES (CONT'D)

### *Business model assessment (cont'd)*

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.

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. During the current financial year, the Institute entered into a new lease agreement for its current premises, for a term of 3 years with an renewal option for an additional 3 years. The management has determined that it is reasonably certain to exercise the extension option, which has resulted in the increase to right-of-use assets and lease liabilities of \$11,523,000.

## 4 INCOME

### a) Disaggregation of revenue

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Timing of transfer of goods or services</i>				
At a point in time	1,664	1,223	1,664	1,223
Over time	17,504	18,261	17,504	18,261
	19,168	19,484	19,168	19,484

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 4 INCOME (CONT'D)

### b) Revenue recognised during the financial year from:

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amounts included in contract liabilities at beginning of the financial year	1,903	2,747	1,903	2,747

### 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 2022 is \$657,000 (2021: \$740,000). The Group and Institute expect to recognise \$657,000 (2021: \$740,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2022 in the financial year ending 31 December 2023.

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.

### d) Others

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Other income</b>				
Advertising income	35	60	35	60
Singapore CA Qualification fee	741	635	741	635
Government grants	296	713	296	713
Management fees	–	(22)	–	(17)
Rental income from investment property (Note 10)	962	961	962	961
Rental income - others	2	42	2	42
Sundry income	295	454	295	432
	<b>2,331</b>	<b>2,843</b>	<b>2,331</b>	<b>2,826</b>

In 2021, government grant income of \$432,000 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.

In 2021, government grant income of \$46,000 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 2022

## 5 SURPLUS FROM OPERATIONS

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

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Advertisement and promotion expenses	189	304	189	304
Amortisation of intangible assets (Note 13)	316	450	316	450
Bad debts written off				
– Third parties	22	6	22	6
– Amounts due from subsidiaries	–	–	3	8
Depreciation of investment property (Note 10)	302	302	302	302
Depreciation of property, plant and equipment (Note 8)	499	516	499	516
Depreciation of right-of-use assets (Note 9)	2,022	2,040	2,022	2,040
Direct costs of providing training and other courses	1,896	2,178	1,896	2,164
Finance cost (Note 21)	4	4	4	4
Interest expense on lease liabilities (Note 20)	111	98	111	98
Property, plant and equipment written off	55	5	55	5
Repair and maintenance	262	248	262	248
Publications	337	409	337	409
Seminar and talk expenses	493	264	493	264
Staff costs (Note 6)	11,164	11,328	11,164	11,328
Website and cybersecurity expenses	1,150	966	1,150	966

## 6 STAFF COSTS

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and bonuses	9,859	10,042	9,859	10,042
Contributions to CPF	1,172	1,146	1,172	1,146
Other employee benefit expenses	133	140	133	140
	11,164	11,328	11,164	11,328



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 7 INCOME TAX EXPENSE

Income tax expense attributable to results is made up of:

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current income tax provision	241	281	241	281
Deferred tax	(32)	(33)	(32)	(33)
(Over)/under provision in respect of previous financial years:				
– Current income tax	(16)	(11)	(16)	(11)
– Deferred income tax	–	26	–	26
	<b>193</b>	<b>263</b>	<b>193</b>	<b>263</b>

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

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
(Deficit)/surplus before tax	(5,438)	2,138	(5,483)	2,150
Tax calculated at a tax rate of 17% (2021: 17%)	(924)	363	(932)	366
Singapore statutory stepped income exemption	(17)	(17)	(17)	(17)
Income not subject to tax	(1)	(203)	(1)	(203)
Expenses not deductible for tax purposes	1,177	121	1,177	120
(Over)/under provision in respect of previous financial years	(16)	15	(16)	15
Others	(26)	(16)	(18)	(18)
	<b>193</b>	<b>263</b>	<b>193</b>	<b>263</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 8 PROPERTY, PLANT AND EQUIPMENT

	Furniture and office equipment \$'000	Computers \$'000	Renovation \$'000	Renovation in-progress \$'000	Total \$'000
<b>Group and Institute</b>					
<b>Cost</b>					
Balance at 1 January 2021	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
Additions	4	454	–	1,439	1,897
Written off	(624)	(170)	(388)	–	(1,182)
<b>Balance at 31 December 2022</b>	<b>351</b>	<b>2,132</b>	<b>–</b>	<b>1,439</b>	<b>3,922</b>
<b>Accumulated depreciation and impairment</b>					
Balance at 1 January 2021	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
Depreciation charge for the financial year	100	314	85	–	499
Written off	(569)	(170)	(388)	–	(1,127)
<b>Balance at 31 December 2022</b>	<b>334</b>	<b>1,616</b>	<b>–</b>	<b>–</b>	<b>1,950</b>
<b>Carrying amount</b>					
Balance at 31 December 2021	168	376	85	–	629
<b>Balance at 31 December 2022</b>	<b>17</b>	<b>516</b>	<b>–</b>	<b>1,439</b>	<b>1,972</b>

Included in trade and other payables are outstanding balances of \$551,000 (2021: \$Nil) for property, plant and equipment acquired during the financial year. The cash outflow on additions to property, plant and equipment of the Group and Institute was \$1,346,000 (2021: \$295,000).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 9 RIGHT-OF-USE ASSETS

	Lease property \$'000	Office equipment \$'000	Total \$'000
<b>Group and Institute</b>			
<b>Cost</b>			
Balance at 1 January 2021, 31 December 2021 and 1 January 2022	7,842	182	8,024
Lease modification	11,523	–	11,523
<b>Balance at 31 December 2022</b>	<b>19,365</b>	<b>182</b>	<b>19,547</b>
<b>Accumulated depreciation</b>			
Balance at 1 January 2021	4,253	61	4,314
Depreciation charge for the financial year	2,003	37	2,040
Balance at 31 December 2021	6,256	98	6,354
Depreciation charge for the financial year	1,985	37	2,022
<b>Balance at 31 December 2022</b>	<b>8,241</b>	<b>135</b>	<b>8,376</b>
<b>Carrying amount</b>			
Balance at 31 December 2021	1,586	84	1,670
<b>Balance at 31 December 2022</b>	<b>11,124</b>	<b>47</b>	<b>11,171</b>

Lease modification relates to the non-cancellable operating lease that the Institute entered into during the year for its current premises for a term of 3 years with an option to renew the lease for a further term of 3 years.

## 10 INVESTMENT PROPERTY

	<b>Group and Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>		
Balance at 1 January and 31 December	15,122	15,122
<b>Accumulated depreciation</b>		
Balance at 1 January	4,636	4,334
Depreciation charge (Note 5)	302	302
Balance at 31 December	4,938	4,636
<b>Carrying amount</b>		
Balance at 31 December	10,184	10,486



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 10 INVESTMENT PROPERTY (CONT'D)

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

	<b>Group and Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income from investment property	<b>962</b>	961
Direct operating expenses arising from investment property that generated rental income	<b>(154)</b>	(153)
Depreciation charge	<b>(302)</b>	(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.

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

## 11 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS

- a) **Investments in subsidiaries**

	<b>Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares, at cost	—*	—*

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

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 11 SUBSIDIARIES AND INTRA-GROUP TRANSACTIONS (CONT'D)

### b) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022 %	2021 %
Association of Taxation Technicians (S) Limited <sup>(1)(2)(4)</sup>	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
Institute of Singapore Chartered Accountants Pte. Ltd. <sup>(2)</sup>	Singapore	To undertake and perform the office and duties of trustee of and for the ISCA in accordance with the constitution of the ISCA	100	100

*Held by Institute of Singapore Chartered Accountants Pte. Ltd.*

ISCA Cares Limited <sup>(1)(3)</sup>	Singapore	To provide needy Singapore youths access to quality accountancy education through pecuniary and non-pecuniary assistance	100	100
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<sup>(1)</sup> There is no cost of investment for these subsidiaries as they are companies limited by guarantee. Under such structure, each member of these subsidiaries agrees to contribute towards the subsidiaries' debts and liabilities in the event of liquidation, up to a specific amount. For Association of Taxation Technicians (S) Limited, the amount is up to \$10 per member, while for ISCA Cares Limited, it is up to \$1 per member.

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

<sup>(3)</sup> 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 24).

<sup>(4)</sup> Association of Taxation Technicians (S) Limited had ceased operation during the financial year and has been struck off.

### c) Intra-group transactions

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

	Institute	
	2022 \$'000	2021 \$'000
<i>Income</i>		
Management fees	–	5
<i>Expenditure</i>		
Disbursement of expenses	6	5

The Institute, as part of supporting ISCA Cares Limited (the "Charity") contributed 1,883 hours (2021: 1,970 hours) to support the administration of the Charity for the financial year ended 31 December 2022.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 12 Associate

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Investment in associate	133	85	–	–

Details of associate are as follows:

Name of associate	Country of incorporation	Principal activities	Effective interest held by the Group	
			2022	2021
			%	%
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:

	2022	2021
	\$'000	\$'000
Revenue	546	140
Profit/(loss) after tax	96	(34)
Non-current assets	4	3
Current assets	399	281
Current liabilities	(138)	(115)
Net assets	265	169
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	133	85



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 13 INTANGIBLE ASSETS

	Computer software \$'000	Others \$'000	Total \$'000
<b>Group</b>			
<b>Cost</b>			
At 1 January 2021	2,381	628	3,009
Additions	103	54	157
Written off	(484)	(19)	(503)
At 31 December 2021	2,000	663	2,663
Additions	86	34	120
<b>At 31 December 2022</b>	<b>2,086</b>	<b>697</b>	<b>2,783</b>
<b>Accumulated amortisation</b>			
At 1 January 2021	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
Amortisation charge for the financial year	169	151	320
<b>At 31 December 2022</b>	<b>1,636</b>	<b>574</b>	<b>2,210</b>
<b>Carrying amount</b>			
At 31 December 2021	533	240	773
<b>At 31 December 2022</b>	<b>450</b>	<b>123</b>	<b>573</b>
<b>Institute</b>			
<b>Cost</b>			
At 1 January 2021	2,358	628	2,986
Additions	103	54	157
Written off	(484)	(19)	(503)
At 31 December 2021	1,977	663	2,640
Additions	86	34	120
<b>At 31 December 2022</b>	<b>2,063</b>	<b>697</b>	<b>2,760</b>
<b>Accumulated amortisation</b>			
At 1 January 2021	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
Amortisation charge for the financial year	165	151	316
<b>At 31 December 2022</b>	<b>1,616</b>	<b>574</b>	<b>2,190</b>
<b>Carrying amount</b>			
At 31 December 2021	526	240	766
<b>At 31 December 2022</b>	<b>447</b>	<b>123</b>	<b>570</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 13 INTANGIBLE ASSETS (CONT'D)

Amortisation charge is taken up as follows:

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Statement of Profit or Loss and Other Comprehensive Income:				
– Operating expenses (Note 5)	316	450	316	450
– ISCA Cares Fund	4	5	–	–
	<b>320</b>	<b>455</b>	<b>316</b>	<b>450</b>

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 trade and other payables are outstanding balances of \$45,000 (2021: \$57,000) for intangible assets acquired during the financial year. The cash outflows on additions to intangible assets of the Group and Institute were \$132,000 (2021: \$220,000) and \$132,000 (2021: \$220,000) respectively.

## 14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Institute	
	2022	2021
	\$'000	\$'000
Financial assets measured at FVTPL		
– Funds placed with fund managers	<b>53,943</b>	60,485
Accumulated fair value gains/(losses) since initial investment		
At 1 January	<b>8,322</b>	7,799
Fair value (losses)/gains during the year	<b>(6,449)</b>	523
At 31 December	<b>1,873</b>	8,322

ISCA's investments are undertaken to generate return targets of between 3% to 5% per annum, over the medium term. The average performance for our investments, from their initiation in mid-2018 till end-2021, was approximately 4.3%. For FY 2022, the investments registered fair value losses arising from the simultaneous underperformances of both bonds and equities given the concerns over stagflation in the global economy.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 15 CONTRACT ASSETS

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

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

	2022 \$'000	2021 \$'000	1.1.2021 \$'000
<b>Group and Institute</b>			
Trade receivables from contracts with customers	713	730	716
Contract assets	415	320	304

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

	2022 \$'000	2021 \$'000
<b>Group and Institute</b>		
Increases due to advances received, excluding amount recognised as revenue during the year	977	931
Contract assets reclassified to trade receivables	(882)	(916)

## 16 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.

	2022 \$'000	2021 \$'000	1.1.2021 \$'000
<b>Group and Institute</b>			
Contract liabilities	7,129	1,903	2,747

Contract liabilities have increased mainly due to an increase in the advances received from subscription fees of \$4,934,000 (2021: decrease of \$889,000) and an increase in advances received from course fees of \$251,000 (2021: \$35,000) in the financial year ended 31 December 2022.



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 17 TRADE AND OTHER RECEIVABLES

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables - third parties	713	730	713	730
Deposits	532	532	532	532
Interest receivables	35	16	29	15
Prepayments	630	594	620	594
Grant receivable from projects	941	1,437	941	1,437
Others	401	85	378	74
	<b>3,252</b>	<b>3,394</b>	<b>3,213</b>	<b>3,382</b>

## 18 CASH AND CASH EQUIVALENTS

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

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest bearing accounts	13,077	11,340	11,456	9,908
Non-interest bearing accounts	8,046	4,072	8,046	4,061
	<b>21,123</b>	<b>15,412</b>	<b>19,502</b>	<b>13,969</b>
Less:				
Fixed deposits pledged	(67)	(67)	(67)	(67)
Undisbursed balance of ISCA Support Fund	(2,608)	(2,901)	(2,608)	(2,901)
Cash and cash equivalents per Statements of Cash Flows	<b>18,448</b>	<b>12,444</b>	<b>16,827</b>	<b>11,001</b>

Included in interest bearing accounts of the Group and Institute are fixed deposits amounting to \$10,439,000 (2021: \$10,508,000) and \$9,214,000 (2021: \$9,287,000) respectively which are placed for varying periods between 3 to 12 months (2021: 2 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.10% to 3.5% (2021: 0.10% to 0.58%) per annum. Fixed deposits of the Group and Institute amounting to \$67,000 (2021: \$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 \$1,665,000 (2021: \$1,467,000), of which \$44,000 (2021: \$35,000) is held by the Institute.

Included in interest bearing accounts of the Group is a balance of \$2,608,000 (2021: \$2,901,000) that was set up in a designated bank account by the Institute for the Enterprise Singapore ("Enterprise SG") - SG Together Enhancing Enterprise Resilience ("STEER") programme under the ISCA Support Fund as disclosed in Note 23(a). 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 Enterprise SG. An amount of \$869,000 (2021: \$967,000) in the designated bank account relates to the balance of the advance received from Enterprise SG as at 31 December 2022.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 19 DEFERRED TAX LIABILITIES

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

	At 1 January 2021 \$'000	Recognised in profit or loss \$'000	At 31 December 2021 \$'000	Recognised in profit or loss \$'000	At 31 December 2022 \$'000
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### Group and Institute

#### Deferred tax liabilities:

Difference in depreciation for tax purposes	(261)	46	(215)	34	(181)
Provisions and accruals	158	(39)	119	(2)	117
	(103)	7	(96)	32	(64)

## 20 LEASE LIABILITIES

	Group		Institute	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<i>Non-current</i>				
Lease liabilities	9,381	52	9,381	52
<i>Current</i>				
Lease liabilities	1,828	1,665	1,828	1,665
	11,209	1,717	11,209	1,717

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

	Lease liabilities	
	2022 \$'000	2021 \$'000
Balance at 1 January	1,717	3,763
Additions	11,523	–
Changes from financing cash flows:		
– Repayments	(2,031)	(2,046)
– Interest paid	(111)	(98)
Non-cash changes:		
– Accretion of interest	111	98
Balance at 31 December	11,209	1,717

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 21 PROVISIONS

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

Movements in provisions are as follows:

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
At beginning of financial year	346	342	346	342
Unwind of discount	4	4	4	4
At end of financial year	350	346	350	346

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 5.8 years (2021: 1.0 year).

## 22 TRADE AND OTHER PAYABLES

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Non-current</i>				
Deposits received	240	240	240	240
<i>Current</i>				
Trade payables	840	1,386	840	1,381
Goods and Services Tax payable	458	114	458	114
Amount due to a subsidiary	–	–	46	37
Accrued operating expenses	2,118	1,577	2,106	1,567
Accrual for unutilised annual leave	337	351	337	351
Advance billings for rental and other income	201	224	201	224
Grants received	888	987	888	987
Other payables	74	–	–	–
	4,916	4,639	4,876	4,661

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



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 23 ISCA SUPPORT FUND

### a) Support for Small and Medium Enterprises

	Group and Institute	
	2022	2021
	\$'000	\$'000
At beginning of financial year	1,934	–
Transfer from Accumulated Fund	–	2,000
Disbursement to recipients	(292)	(99)
Disbursement funded by Enterprise Singapore (“Enterprise SG”)	97	33
Deficit for the financial year	(195)	(66)
At the end of financial year	1,739	1,934

In the financial year ended 31 December 2021, with the support of Enterprise SG’s STEER programme, a \$3 million funding was 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, Enterprise SG 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. The Institute received a \$1 million advance from Enterprise SG and transferred its share of \$2 million to the ISCA Support Fund.

As of 31 December 2022, a total of \$391,000 (2021: \$99,000) was disbursed to eligible recipients. As the qualifying period for funding support ended in 2022, the undisbursed portion of the advance from Enterprise Singapore of \$869,000, included in trade and other payables as grants received (Note 22), will be returned in Year 2023. The undisbursed funding set aside by the Institute, amounting to \$1,739,000, will be transferred back to the accumulated fund upon the closure of the ISCA Support Fund.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 23 ISCA SUPPORT FUND (CONT'D)

### b) Support for Members

In the financial year ended 31 December 2021, \$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. \$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.

From the course credit vouchers issued in the financial year ended 31 December 2021, a total of \$1,050,000 were utilized, of which \$321,000 was for training courses delivered in the financial year ended 31 December 2022 (2021: \$729,000).

In the financial year ended 31 December 2022, 319 members received membership fee waivers amounting to \$130,000 (2021: 495 members; \$200,000) and 319 members received complimentary training courses packages valued at \$202,000 (2021: 496 members; \$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 2022 were:

	<b>Group and Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
\$100/- CPE course credit vouchers	321	729
Complimentary course fees	32	93
Waived membership fees	130	200
	<b>483</b>	<b>1,022</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 24 ISCA CARES FUND

	Group	
	2022	2021
	\$'000	\$'000
At beginning of financial year	1,482	740
Donations received:		
– Tax deductible receipts	254	318
– Non-tax deductible receipts	9	5
Donations-in-kind	–	64
Other income:		
– Fund raising activity	–	139
– Government grant	–	468
– Interest income	9	4
Bursary awards	(110)	(133)
Fund raising expenses	–	(102)
Administrative expenses	(20)	(21)
At end of financial year	1,624	1,482
Represented by:		
<i>Non-current assets</i>		
Intangible assets	2	6
<i>Current assets</i>		
Cash and cash equivalents	1,665	1,467
Trade and other receivables	39	13
Inventories	1	1
	1,705	1,481
Total assets	1,707	1,487
<i>Current liabilities</i>		
Trade and other payables, representing total liabilities	(83)	(5)
Net assets	1,624	1,482

The purpose of the ISCA Cares Fund is to provide needy Singapore youths with academic potential, access to quality accountancy education through financial and non-financial assistance. Pursuant to the Constitution of ISCA Cares Limited, if upon the winding up or dissolution of the company or in the event 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 2022

## 25 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation comprises:

	<b>Group and Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	<b>1,404</b>	1,803
Contribution to CPF	<b>104</b>	119
	<b>1,508</b>	1,922

## 26 COMMITMENTS

### a) Capital Commitments

Capital commitment not provided for in the financial statements:

	<b>Group and Institute</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital commitment in respect of property, plant and equipment	<b>626</b>	–

### b) Other commitment – Institute

In 2021, the Institute has provided continuing financial support of \$40,000 to a subsidiary which is in net liability position.

## 27 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 and renewal options.

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

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

#### Carrying amount of right-of-use assets

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

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 27 LEASES (CONT'D)

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

#### Amounts recognised in profit or loss

	2022	2021
	\$'000	\$'000
<u>Depreciation charge for the financial year</u>		
Lease property	1,985	2,003
Office equipment	37	37
Total	2,022	2,040
Interest expense on lease liabilities	111	98

Total cash flow for leases amounted to \$2,142,000 (2021: \$2,144,000) and \$2,142,000 (2021: \$2,144,000) for the Group and the Institute respectively.

### b) The Group and the Institute as a lessor

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

Rental income from investment property is disclosed in Note 10.

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

	Group and Institute	
	2022	2021
	\$'000	\$'000
Within one year	959	962
1 to 2 years	177	959
3 to 4 years	–	177

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 28 FINANCIAL INSTRUMENTS

### a) Categories of financial instruments

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

	Group		Institute	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Financial assets at fair value through profit or loss	53,943	60,485	53,943	60,485
Financial assets at amortised cost	23,745	18,212	22,095	16,757
	<b>77,688</b>	<b>78,697</b>	<b>76,038</b>	<b>77,242</b>
<i>Financial liabilities</i>				
At amortised cost	15,369	5,907	15,329	5,929

### 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. Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. As at 31 December 2022, the banks and financial institutions that the Group had deposits with were rated by Moody's at Aa1 to A3 (Investment Grade).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 28 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

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

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

#### *Significant increase in credit risk*

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

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

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

#### *Definition of default*

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



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 28 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

##### *Credit-impaired financial assets*

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

##### *Estimation techniques and significant assumptions*

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

##### *Trade receivables and contract assets*

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

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

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

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

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

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

##### *Other financial assets at amortised cost*

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

Credit risk exposure in relation to other financial assets at amortised cost as at 31 December 2022 and 31 December 2021 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2022 and 31 December 2021. During the year, the bad debts written-off of the Group and the Institute was \$22,000 (2021: \$6,000) and \$25,000 (2021: \$14,000) respectively.

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 28 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

#### *Liquidity risk*

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

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

	2022				2021			
	← \$'000 →				← \$'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
<b>Group</b>								
Trade and other payables (excluding lease liabilities)	3,920	240	–	4,160	3,950	240	–	4,190
Lease liabilities	2,140	8,419	1,663	12,222	1,705	55	–	1,760
<b>Institute</b>								
Trade and other payables (excluding lease liabilities)	3,880	240	–	4,120	3,972	240	–	4,212
Lease liabilities	2,140	8,419	1,663	12,222	1,705	55	–	1,760

#### *Interest rate risk*

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

#### *Price risk*

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

#### Sensitivity analysis

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 3% (2021: 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 \$1,618,000 (2021: \$1,210,000).

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 28 FINANCIAL INSTRUMENTS (CONT'D)

### b) Financial risk management (cont'd)

#### *Foreign currency risk*

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

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

## 29 FAIR VALUE OF ASSETS AND LIABILITIES

### a) 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 2022.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurement</b>				
<b>2022</b>				
<b>Group and Institute</b>				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	29,280	24,663	–	53,943
<b>2021</b>				
<b>Group and Institute</b>				
Financial assets at fair value through profit or loss				
– Funds placed with fund managers	32,154	28,331	–	60,485

# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 29 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 \$'000	Fair value measurements at balance sheet date		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>2022</b>				
<b>Group and Institute</b>				
Investment property	10,184	–	–	28,200
<b>2021</b>				
<b>Group and Institute</b>				
Investment property	10,486	–	–	27,800

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 who specialises in valuing these types of investment properties. A Direct Comparison Approach is used, under which the property is assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing, and all other factors affecting their value. The fair value measurement is categorised under Level 3 of the fair value hierarchy. The Group has determined that the highest and best use of the property used for office space in its current use.

## 30 FUND MANAGEMENT

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



# Notes to the Financial Statements

For the financial year ended 31 December 2022

## 31 COMPARATIVES FIGURES

Prior year reclassification has been made to reclassify net fair value gain on financial assets at fair value through profit or loss of \$523,000 from “Other income - others” to a separate line as “Net fair value gain on financial assets at fair value through profit or loss” in the statements of profit or loss and other comprehensive income for the financial year ended 31 December 2021 to reflect more appropriately the nature of the transactions.

	As previously reported \$'000	Amount reclassified \$'000	As reclassified \$'000
<b>Statements of Profit or Loss and Other Comprehensive Income For the financial year ended 31 December 2021</b>			
<b>Group</b>			
Other income – others	3,366	(523)	2,843
Net fair value gain on financial assets at fair value through profit or loss	–	523	523
<b>Institute</b>			
Other income – others	3,349	(523)	2,826
Net fair value gain on financial assets at fair value through profit or loss	–	523	523

The reclassification did not have any effect on the Group and Institute's balance sheets as at 31 December 2021 and statements of cash flows for the financial year ended 31 December 2021.

## 32 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the financial statements of the Institute for the financial year ended 31 December 2022 were authorised for issue by the Council on 15 March 2023.

# Notice of Annual General Meeting 2023

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting (AGM) 2022/2023 of the Institute of Singapore Chartered Accountants will be held at ISCA House and live streamed via a virtual meeting platform on **Saturday, 29 April 2023 at 10:00 am (Singapore time)**.

## AGENDA

1. Update by the CEO and Treasurer.
2. President's address.
3. To confirm the minutes of the Annual General Meeting 2021/2022 held on 23 April 2022.
4. To receive the Report of the Council for the year 2022/2023 and Financial Statements of the Institute for the year ended 31 December 2022.
5. 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
Tan Kuang Hui Roger Tay Puay Cheng Christopher Wong Mun Yick	Yvonne Chan Mei Chuen Judy Ng May Lian Darren Tan Siew Peng Kelvin Tan Wee Peng Don Wee Boon Hong

Nominations have been received for the following:

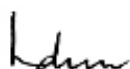
Chartered Accountants of Singapore who are Public Accountants	Nominated by
Lo Mun Wai	Ong Pang Thye Koh Wei Peng Karen Lee Shu Pei Roger Tay Puay Cheng Lim Pang Yew, Victor
Tan Kuang Hui	Goh Sia Catherine Cheng Sam Tai Adeline Ng Cheah Chen Alfred Cheong Keng Chuan Angeline Tan Lay Hong
Christopher Wong Mun Yick	Yeo Seng Chong Simon Toong Weng Sum Vincent Tan Swee Ho Woo Siew Wah Gajendran S/O Vyapuri

# Notice of Annual General Meeting 2023

Chartered Accountants of Singapore who are not Public Accountants	Nominated by
Judy Ng May Lian	Lee Hwee Shyan Lim Mei Qing Yong Chuk Kwin Chua Kim Bee Alwyn Gerard Shu Xin Seet
Cyndi Pei Siang Teng	Tai Liying Sivagayathri D/O Krishnasamy Ang Lay Kheng Lee Peck Hian Ivana Yeo
Song Yeow Chung	Chan Ying Jian Goh Yin Shian Victor Lai Kuan Loong Josephine Lee Woan Chiou Poh Chee Yong
Maria Teo Yen Shan	Teh Yeu Horng Wang Guangzhao Ariana Tan Rui Min See Wei Ren, Malcolm Chen Xiuxuan, Pamela
Don Wee Boon Hong	Chitra D/O Ammaiyappan Geetha D/O Ammaiyappan Punitha D/O Ammaiyappan Gokkilam D/O Ammaiyappan Voo Choon Ling

6. To appoint Messrs Foo Kon Tan LLP as Auditors of the Institute for the financial year ending 31 December 2023 and to authorise the Council to fix their remuneration.
7. To consider, and if thought fit, approve and adopt (by way of special resolution and with or without modification) each of the amendments proposed to be made to the provisions of the Constitution of the Institute as set out in the Appendix, a copy of which is accessible at <http://isca.org.sg/the-institute/agm/> (each, an “**Amendment**” and collectively, the “**Amendments**”), and each Amendment that is tabled for consideration, approved and adopted as aforesaid to take effect from such date as the Council shall determine.

By order of the Council



Judy Ng May Lian  
Secretary  
6 April 2023

# 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 29 April 2023 and any adjournment of such meeting.

Signature of member: \_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

#### NOTES:

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

[Rule 33, Institute (General Meetings) Rules]

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

[Rule 37, Institute (General Meetings) Rules]







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ISCA House, 60 Cecil Street  
Singapore 049709

T: (65) 6749 8060  
E: [isca@isca.org.sg](mailto:isca@isca.org.sg)

[www.isca.org.sg](http://www.isca.org.sg)