

At the recommendation of the Treasurer, Council has approved the distribution of the following half yearly unaudited financial statements for 2022 to members.

BALANCE SHEETS AS AT 30 JUNE 2022

		Group	
	Note	30.6.22 S\$'000	31.12.21 S\$'000
Non-current assets			
Property, plant and equipment		524	629
Right-of-use assets		650	1,670
Investment property		10,334	10,486
Associate		97	85
Intangible assets		683	773
Financial assets at fair value through profit or loss	1	55,379	60,485
		<u>67,667</u>	<u>74,128</u>
Current assets			
Inventories		4	5
Contract assets		298	320
Trade and other receivables		3,160	3,394
Cash and cash equivalents		19,634	15,412
		<u>23,096</u>	<u>19,131</u>
Total assets		<u>90,763</u>	<u>93,259</u>
Non-current liabilities			
Deferred tax liabilities		79	96
Lease liabilities		32	52
Provisions		346	346
		<u>240</u>	<u>240</u>
		697	734
Current liabilities			
Trade and other payables		4,010	4,639
Contract liabilities		6,643	1,903
Lease liabilities		646	1,665
Current tax payable		266	281
		<u>11,565</u>	<u>8,488</u>
Total liabilities		<u>12,262</u>	<u>9,222</u>
Net assets		<u>78,501</u>	<u>84,037</u>
Represented by			
Accumulated fund		74,996	80,621
ISCA Support Fund	2	1,880	1,934
ISCA Cares Fund		1,625	1,482
		<u>78,501</u>	<u>84,037</u>

**CONSOLIDATED INCOME AND EXPENDITURE STATEMENT
FOR SIX MONTHS ENDED 30 JUNE 2022**

	Note	<u>Group</u>	
		<u>1.1.22 to 30.6.22 S\$'000</u>	<u>1.1.21 to 30.6.21 S\$'000</u>
Continuing operations			
Income			
Members' annual fees		5,686	5,766
Members' admission fees		68	73
Income from Continuing Professional Education		1,095	1,325
Income from other training courses		468	597
Practice Monitoring income		175	199
Income from seminars, events and talks		468	211
Other income:			
- Interest income from financial institutions		25	31
- Others	3	1,052	2,038
Total Income		<u>9,037</u>	<u>10,240</u>
Less expenditure			
Expenses		<u>(14,707)</u>	<u>(9,963)</u>
(Deficit) / Surplus before results of associate	4	(5,670)	277
Share of results of associates (net of tax)		<u>13</u>	<u>(1)</u>
(Deficit) / Surplus before tax		(5,657)	276
Income tax credit	5	<u>32</u>	<u>57</u>
(Deficit) / Surplus for the year		(5,625)	333
Surplus from specific fund:			
ISCA Support Fund		(54)	-
ISCA Cares Fund		<u>143</u>	<u>710</u>
Net (deficit) / surplus and total comprehensive income/(loss) for the year		<u>(5,536)</u>	<u>1,043</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

Group

	Accumulated fund \$'000	ISCA Support Fund \$'000	ISCA Cares Fund \$'000	Total \$'000
Balance at 1 January 2021	80,746	-	740	81,486
Net surplus and total comprehensive income for the period	333	-	710	1,043
Transfer of funds	(2,000)	2,000	-	-
Balance at 30 June 2021	79,079	2,000	1,450	82,529
Net surplus / (deficit) and total comprehensive (loss)/income for the period	1,542	(66)	32	1,508
Balance at 31 December 2021	80,621	1,934	1,482	84,037
Net (deficit) / surplus and total comprehensive (loss)/income for the period	(5,625)	(54)	143	(5,536)
Balance at 30 June 2022	74,996	1,880	1,625	78,501

CONSOLIDATED STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED 30 JUNE 2022

	Group	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 30.6.21 \$'000
Cash flows from operating activities		
Surplus/(deficit) before tax, total	(5,657)	276
Adjustments for:		
Depreciation of property, plant and equipment, investment property, right-of-use assets and amortisation of intangible assets	1,577	1,704
Interest income	(25)	(31)
Interest expense on lease liabilities	32	52
Net fair value gain on financial assets at fair value through profit or loss	5,088	(399)
Property, plant and equipment, right-of-use assets and intangible assets written off	-	6
Share of results of associate (net of tax)	(13)	1
Operating surplus before working capital changes	1,002	1,609
Contract assets	22	74
Receivables	238	(3)
Payables	(580)	(620)
Contract liabilities	4,739	4,257
Deferred income	-	(201)
Cash generated from operations	5,421	5,116
ISCA Cares Fund	143	710
Net cash generated from operating activities	5,564	5,826
Cash flows from investing activities		
Interest received	25	58
Purchase of financial instruments	-	(4,800)
Purchases of property, plant and equipment	(146)	(191)
Additions to intangible assets	(69)	(71)
Net cash used in investing activities	(190)	(5,004)
Cash flows from financing activities		
Repayment of the lease liabilities	(1,039)	(1,020)
Interest paid	(32)	(52)
Net cash used in financing activities	(1,071)	(1,072)
Net increase/(decrease) in cash and cash equivalents from continuing operations	4,303	(250)
Cash and cash equivalents at beginning of year	12,444	18,086
Cash and cash equivalents at end of year	16,747	17,836
Cash and cash equivalents comprise:		
Cash and cash equivalents	19,634	17,903
Less:		
Fixed deposit pledged	(67)	(67)
Undisbursed balance of ISCA Support Fund	(2,820)	-
As per consolidated statement of cash flows	16,747	17,836

NOTES

1 Financial assets at fair value through profit or loss

	<u>Group</u>	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 31.12.21 \$'000
Financial assets measured at FVTPL		
- Funds placed with fund managers	<u>55,379</u>	<u>60,485</u>
<u>Aggregated gain/loss</u>		
Gains recorded from inception in FY 2018 to 31.12.21	8,322	
FV Loss recorded for 1.1.22 to 30.6.22	<u>(5,088)</u>	
Aggregated gains from inception to 30.06.2022	<u>3,234</u>	

ISCA's Investment Objective

To generate a long-term return of 3-5% per annum with a capital preservation bias.

The key tenets of ISCA's investment policy that guides investment decisions are: -

1. Taking a long-term horizon to benefit from the carry returns in taking equity, credit, and illiquidity risk
2. Diversifying across asset classes such as bonds and equities, with proportionally higher allocation to lower risk investment grade bonds
3. Appointing good fund managers with complimentary skill sets so as to navigate the shorter-term volatilities without losing sight of the longer-term goal to generate steady, positive return while preserving the principal capital investments.

Fund Performance

The mandates for our investment funds were aligned with ISCA's overall investment strategy of capital preservation with return targets of 3% to 5% per annum. The average performance for our investments from their initiation in mid-2018 till end-2021 was approximately 4.3%, within our target range of 3-5%.

In 2021, we witnessed a reversal of the strong performances of financial assets in 2020. High inflation with its attendant policy actions by central banks were the main factors driving the underperformance of bonds.

The poor market sentiments persisted into 2022 whereby concerns over the risk of stagflation led to the underperformances of both bonds and equities.

Consequently, our investments registered returns of 0.9% in 2021, and negative returns of -8.0% for 1H 2022, although our investments has generated positive returns aggregating 6.2% since inception to date.

2 ISCA Support Fund

	<u>Group</u>	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 31.12.21 \$'000
At beginning of financial year	1,934	-
Transfer from Accumulated Fund	-	2,000
Disbursement to recipients	(80)	(99)
Disbursement funded by Enterprise Singapore ("ESG")	27	33
Deficit for the year	<u>(54)</u>	<u>(66)</u>
At end of the year	<u>1,880</u>	<u>1,934</u>

3 Other income

	<u>Group</u>	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 30.6.21 \$'000
Advertising income	23	31
CA Qualification fee	362	292
Government grants	53	679
Net fair value gain with respect to financial assets at FVTPL	-	399
Management fees	-	(22)
Other fees	58	87
Rental income from investment property	481	481
Rental income - others	1	42
Sundry income	74	49
	<u>1,052</u>	<u>2,038</u>

4 (Deficit) / Surplus before results of associate

	Group	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 30.6.21 \$'000

The following items have been included in arriving the (deficit) / surplus before results of associate:

Expenses	Note		
Advertisement expenses		115	96
Amortisation of intangible assets		157	270
Depreciation of investment property		151	151
Depreciation of property, plant and equipment		250	263
Depreciation of right-of-use assets		1,020	1,019
Direct cost of providing training and other courses		602	752
Interest expense on lease liabilities		32	52
Net fair value loss with respect to financial assets at FVTPL	1	5,088	-
Property, plant and equipment written off		-	6
Rental expenses		6	7
Repair and maintenance		134	130
Publications		161	198
Seminar, event and talk expenses		55	73
Staff costs		5,410	5,595
Website and IT expenses		582	502

5 Income tax credit/(expense)

	Group	
	1.1.22 to 30.6.22 \$'000	1.1.21 to 30.6.21 \$'000
<u>From continuing operations</u>		
Current year income tax expense	-	(15)
Deferred tax	-	73
(Under)/over provision in respect of previous financial years:		
- current income tax	15	-
- deferred income tax	17	(1)
	32	57