

# *In Tune & In Sync*

ANNUAL REPORT 2016/2017



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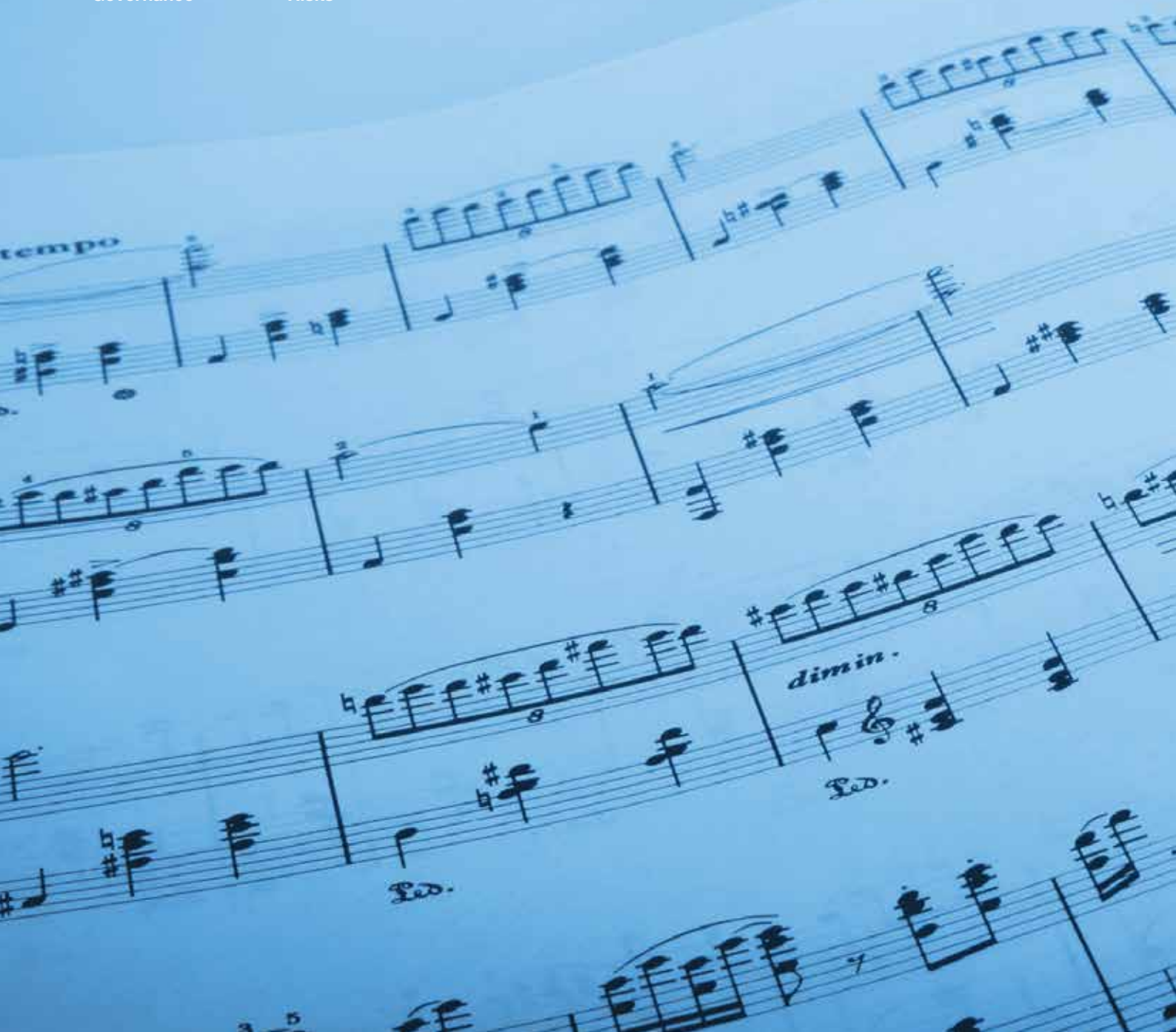
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## ***In Tune & In Sync***

Just as the orchestra delivers an impactful performance through harmonised interactions among musicians, the accountancy sector requires the concerted efforts of all stakeholders to flourish and remain vibrant.

As the national accountancy body, **ISCA** continues to foster industry cooperation and galvanise the profession to uphold excellence in Singapore's accountancy landscape.

In tune with the changing times and in sync with our members' needs, we are committed to delivering initiatives that elevate our members' professional standing and enable Singapore's accountancy profession to shine on the global stage.



In tune with Singapore's vision to become a global accountancy hub, we have been making important strides towards international recognition, bringing value to our members, the profession and the wider community.

B R I N G I N G   T H E   P R O F E S S I O N  
T O   G R E A T E R   H E I G H T S







Since our inception in 1963, we have been working in sync with the government and various industries to support the development of the accountancy profession. With a membership base of more than 32,000, we are the largest professional body in Singapore.

In tune with Singapore's vision to become a global accountancy hub, we have been making important strides towards international recognition, bringing value to our members, the profession and the wider community. Today, we are an Associate member of Chartered Accountants Worldwide (CAW). CAW brings together 11 chartered accountancy bodies connecting and representing the interests of over 1.6 million members and students globally.

All members of the orchestra must work in harmony and alignment to perform a melodious symphony. Similarly, at ISCA, we will continue to work in tune and in sync with our members, stakeholders and the community at large, in pursuit of excellence for the accountancy profession.



# PERFORMING IN UNISON

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## *Thriving As A United Profession*

Synchronising our initiatives to strengthen the profession, we foster a close-knit accountancy community through constant engagement with our members and stakeholders.

Everything we do is aimed at contributing to a vibrant ecosystem in which accounting professionals can flourish as individuals and as a community.

Equipped with expertise and up-to-date skills, our members are adding value to diverse businesses, contributing to a flourishing business landscape.

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# MASTERY THROUGH EMPOWERMENT

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## *Making the Profession Future-Ready*

Attuned to rapid changes in the accountancy landscape, as well as the profession's evolving needs, ISCA has a robust repertoire of resources to empower members to develop themselves.

We aspire to enable our members to maximise their potential, and equip them with the skills to thrive in changing times.

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# MOVING TOWARDS CRESCENDO

*Pursuing New Heights of Excellence*

With an eye on the future, coupled with a longstanding history of developing the profession, ISCA will continue to bring the accountancy profession in Singapore to greater heights.







2016 Highlights	President's Keynote	Our Strategic Roadmap	Our Key Stakeholders	Increasing Pathways to Recognition	Adding Value to Members	Voice of the Profession	Intensifying Global Prominence	Upholding Excellence	Empowering Our Staff	An Ensemble of Leaders	Principal Officers
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## 2 0 1 6   H I G H L I G H T S



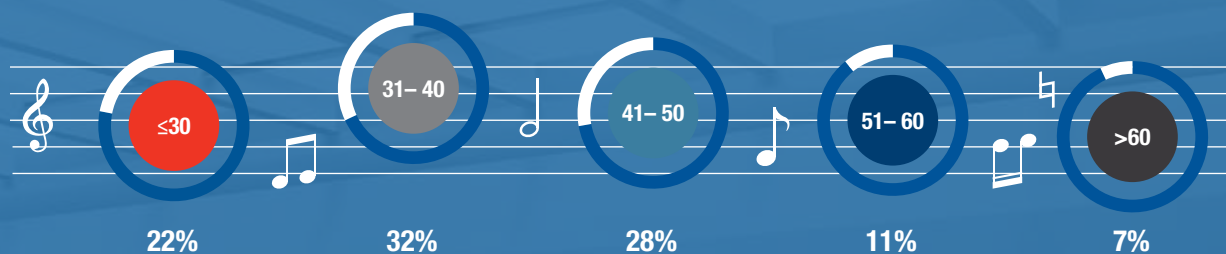
**Total Number of Members**

32,153

**Membership Retention**

98%

## Age In Years



## Membership Class



191

AFFILIATES



6,881

ASSOCIATES



21,659

CA (SINGAPORE) #



1,479

FELLOW CA (SINGAPORE) #



771

CA (SINGAPORE)  
who are public accountants

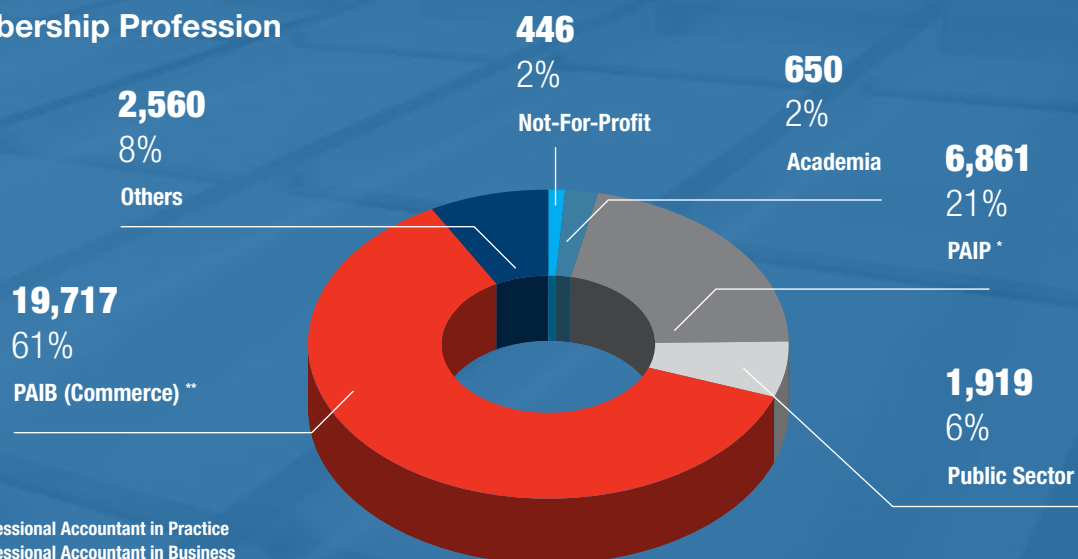
334

FELLOW CA (SINGAPORE)  
who are public accountants

838

MEMBERS IN RETIREMENT

## Membership Profession

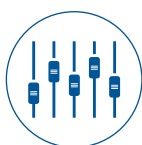


\* Professional Accountant in Practice  
 \*\* Professional Accountant in Business  
 # Not public accountant

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## 2 0 1 6 H I G H L I G H T S

In 2016, ISCA delivered a series of initiatives aimed at putting the spotlight on industry developments, issues and opportunities that resonate with members, and bringing the accountancy profession's interests to the fore.



### Singapore Accountancy Convention 2016

We have been holding the Singapore Accountancy Convention, a capstone event for the accountancy profession, since 2010. In 2016, for the first time, we collaborated with the Accounting and Corporate Regulatory Authority (ACRA) to organise Singapore Accountancy Convention 2016, which incorporates ACRA's annual Public Accountants Conference.

Held on 25 August 2016 at the Marina Bay Sands Expo and Convention Centre, the convention focused on "Meeting Investors' Needs, Strengthening Market Confidence". Over 900 accounting professionals and business leaders attended the convention, which was officiated by Senior Minister of State for Law and Finance Indranee Rajah. In line with the convention's theme, a rich array of topics were shared with participants covering the latest developments in the financial reporting, audit, ethics and tax landscape. A research study on Singapore investor's views about financial reporting and audit, jointly commissioned by ACRA and ISCA, was also unveiled to the audience.



ISCA President, Mr Gerard Ee, gave a warm welcome to all participants of the Singapore Accountancy Convention.



Guest of Honour Ms Indranee Rajah, Senior Minister of State for Law and Finance, delivered the keynote address.



Winners of the Business Excellence Award, posing with Mr Teo Ser Luck, Minister of State for Manpower and ISCA Advisor (front row, fourth from left), Mr Gerard Ee, ISCA President (front row, far left), and Mr Phillip Tan, Chair of the Singapore Accountancy Awards Judging Panel for the Business Excellence Awards (Open and Large Practice Categories) (front row, far right).



Winners of the Individual Excellence Awards, posing with Mr Teo Ser Luck, Minister of State for Manpower and ISCA Advisor (fourth from left), Mr Gerard Ee, ISCA President (far right), and Mr Chaly Mah, Chair of the Judging Panel for the Individual Excellence Awards (third from right). The winners are (from left): Ms Koh Kai Ling, Audit Learning Senior Manager, Deloitte & Touche LLP; Ms Belinda Teo, Manager, Assurance, Ernst & Young LLP; Mr Yeoh Oon Jin, Executive Chairman, PwC Singapore; Mr Kon Yin Tong, Managing Partner, Foo Kon Tan LLP; Ms Chua Sock Koong, Group CEO, Singtel; and Mr Andy Neo, Vice President, United Overseas Bank Limited.





ISCA Cares issued its first batch of bursaries to 15 students under the ISCA Cares Education Programme in 2016.

### Accelerated Pathway for Certified Internal Auditor

At the Convention, we announced our agreement with the US-based Institute of Internal Auditors (IIA), and IIA Singapore to provide an accelerated pathway for ISCA members who hold the Chartered Accountant of Singapore – CA (Singapore) – designation to obtain the globally recognised Certified Internal Auditor (CIA) designation. The pathway also includes membership into IIA Singapore or the IIA Institute located in the country where the member is based. This was a one-time offer which was open only for 2016. Instead of taking the usual three-paper CIA Challenge Examination, eligible CA (Singapore) holders only had to sit for one condensed paper.

### Singapore Accountancy Awards 2016

The Singapore Accountancy Awards is a biennial event organised by ISCA that spotlights outstanding organisations and individuals in the accountancy scene. This prestigious award is supported by ACRA and the Singapore Accountancy Commission (SAC).

This year, eight firms and six individuals were recognised at the awards gala dinner for their contributions to the accountancy profession. The winners received their awards from the Guest of Honour, Minister of State for Manpower and ISCA Advisor, Mr Teo Ser Luck. This momentous event was witnessed by about 500 invited guests, luminaries, and participants.

### ISCA Cares Education Programme

In 2016, 15 student beneficiaries received a total of S\$55,000 in bursaries from ISCA Cares, under the ISCA Cares Education Programme. The programme aims to provide needy youths whose family's per capita income falls below S\$625 with access to an accountancy education.

ISCA Cares was made possible with the firm support of the accountancy profession. Together with ISCA's seed contribution, donations from BDO LLP and RSM Chio Lim Singapore formed the first pool of funds for the ISCA

Cares Education Programme. The student beneficiaries received their bursaries from ISCA Cares Chairman Mrs Lim Hwee Hua at the inaugural award ceremony on 20 September. Under the programme, donors' contributions will go towards subsidising the tuition fees and basic living expenses of deserving needy youths who have been admitted to, or are pursuing an accountancy education in local polytechnics and universities. Beyond financial assistance, ISCA Cares Education Programme also offers our beneficiaries internship and mentorship opportunities. This will help beneficiaries to acquire real-life experiences of a professional accountant and, at the same time, gain career and personal development guidance from a mentor.

### MoU to Develop Accountancy Sector in Laos

We have signed a Memorandum of Understanding (MoU) with the Lao Chamber of Professional Accountants and Auditors (LCPAA) to explore opportunities for both countries to co-develop the accountancy profession in Laos. Some of the initiatives in the talent pipeline include training of accounting professionals, continual professional development and exchange of expertise, experiences and best practices among accountancy firms from both countries. Following the signing ceremony, ISCA commenced the inaugural training for the Lao accounting professionals with a five-day course on "Audit of Key Financial Statements Assets."

Laos and Singapore can also look forward to more new business opportunities as efforts have been made to help small and medium practices (SMPs) from both sides to interact and build professional networks. With the ASEAN Economic Community (AEC) promoting free flow of trade, services, investment, capital and skilled labour, this will help create more economic opportunities for SMPs of both countries.



The Memorandum of Understanding between ISCA and the Lao Chamber of Professional Accountants and Auditors aims to explore opportunities for both countries to co-develop the accountancy profession in Laos through capability building programmes.

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P R E S I D E N T ' S   K E Y N O T E





### Dear Members,

In life, it is useful to develop contrarian thinking, to zig when others zag. It is human nature to focus on those who are ahead. We tend to think the opportunities are in developed countries, when there are in fact vast untapped opportunities for the profession in emerging economies. According to the International Monetary Fund (IMF)'s World Economic Outlook, Myanmar was the world's fastest growing economy in 2016. And Vietnam is projected to be one of the fastest growing economies in ASEAN in 2017.

It is in these emerging economies that there is great need for accounting and business talent. That's the reason why we are working on collaboration opportunities with the accountancy bodies of emerging countries. We signed an MoU with the LCPAA in January 2016, and we are working on similar arrangements for Myanmar and Cambodia.

These are among our initiatives to deliver greater value to you, as we continue into the second year of the third transformation phase of our Strategic Roadmap 2020, "Strategic Plan 2016–2018: Intensifying Global Prominence", taking another significant step towards our vision to become a globally recognised professional accountancy body.

I am pleased to bring you an overview of the key initiatives and activities that took place over the year.

### Strengthened Our Standing in Singapore and Beyond

As the business landscape continues to evolve amid the backdrop of globalisation, we have been intensifying our efforts to become a globally recognised professional accountancy body. In 2016, we continued to strengthen our positioning within and beyond Singapore, through collaborations with local and international counterparts.

Within the ASEAN region, we played a pivotal role in the ASEAN Federation of Accountants (AFA) to advance the role of accountancy in the AEC. The AFA Accounting Standards Group (AASG), which ISCA chairs, identified that promoting micro, small and medium enterprises (MSMEs) is important as they are the major driving force of economy. However, it will be an onerous task for

micro entities of developing ASEAN countries to fully adopt International Financial Reporting Standards (IFRS) given that these countries do not have the critical mass of qualified accountants who possess the necessary knowledge of accrual accounting, which is the bedrock of IFRS. Hence, ISCA developed the Micro Accounting Model (MAM), an intuitive framework which contains significant simplifications to a number of areas, including accounting for financial instruments. This will help small businesses in developing countries transit to accrual accounting and eventually adopt international accounting standards. This initiative generated keen interest among the developing ASEAN countries.

Our MoU with LCPAA is an example of our increased efforts to develop the accountancy profession in ASEAN and heighten our presence in the region. It paves the way for both parties to explore opportunities for co-developing Laos' accountancy profession through capability-building programmes.

As chartered accountants, we have a wealth of professional skills, knowledge and expertise that are vital to fostering business growth in developing economies. Hence, I encourage you to sign up as a trainer for the Train the Trainers Programme, and thereafter make a difference to the profession and the economy in Laos by volunteering your expertise.

In addition—under the ASEAN Mutual Recognition Arrangement Framework on Accountancy Services (MRAA)—a full/associate member of ISCA who is a national of an ASEAN member state will soon be able to apply to be an ASEAN Chartered Professional Accountant (ACPA) through ISCA.

We managed to achieve all these not with our own effort but by working in tune and in sync with our members and stakeholders.

*Gerard Fe*  
President



2016 Highlights	President's Keynote	Our Strategic Roadmap	Our Key Stakeholders	Increasing Pathways to Recognition	Adding Value to Members	Voice of the Profession	Intensifying Global Prominence	Upholding Excellence	Empowering Our Staff	An Ensemble of Leaders	Principal Officers
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## P R E S I D E N T ' S K E Y N O T E

All ACPAs are legally allowed to provide accountancy services (except audit and other domestically regulated services) in other ASEAN markets. We have completed Singapore's assessment statement, based on a list of criteria, to assess all ACPA applications. Once the assessment statement is approved, applications for ACPA registrations will be open. The MRAA will expand market access to the rest of ASEAN, presenting new opportunities to our members.

Further enhancing our presence on a global scale, we collaborated with the Institute of Chartered Accountants in England and Wales (ICAEW) to organise "Our Future Together", an event that brings together professionals from diverse fields and accountancy undergraduates to discuss the future of accountancy. A report capturing the key insights and perspectives arising from the event was produced, covering issues ranging from new business models arising from disruptive technologies to how the role of accountants will change in the future. This was subsequently shared with the Committee on the Future Economy.

For the third consecutive year, I represented ISCA to share our experience at the United Nations Conference on Trade and Development – International Standards of Accounting and Reporting (UNCTAD-ISAR)'s 33rd session and was elected as Chair for a one-year term. At the Professional Accountancy Organisation (PAO) Regional Forum organised by the Centre of Financial Reporting Reform (CFRR) and the World Bank Group, on behalf of ISCA, I shared how we addressed the challenges we faced over the years in building a sustainable professional accountancy organisation.

Overall, these initiatives have significantly elevated the profile of ISCA members at international platforms and opened up opportunities for them in high-growth regions.

### Meeting Your Needs in An Ever-Changing World

At ISCA, we keep a finger on the pulse of latest developments in the profession to ensure we are in tune and in sync with our members' needs. We always keep members updated with the latest accounting standards through different avenues such as courses, journals, forums and seminars. These include the new FRS: 116 Leases standard, and the introduction of Sustainability Reporting for listed companies by the Singapore Exchange (SGX) on a comply or explain basis.

The profession works in the public interest and lives by a strong code of ethics. To help members navigate complex real-life situations, we developed the *ISCA Ethics Case*



*Files*, which references real-life cases of members who failed to uphold ethical standards. These serve as a reminder for members who may find themselves in similar situations. In September 2016, we introduced the ISCA Animated Ethics Series, a series of animated videos featuring scenarios of accountants in ethical dilemmas. Members can watch these videos to find out how the characters handle the situations ethically.

We also launched the new *ISCA Audit Manual for Standalone Entities*. This publication serves as a guide to help audit professionals understand and apply the Singapore Standards on Auditing. A soft copy of the manual has been made available to members on a complimentary basis. In the same year, we collaborated with the Singapore CFO Institute (SCFOI) to roll out the inaugural ISCA-SCFOI Mentoring Programme, offering those who aspire to be Chief Financial Officers (CFOs) an avenue to learn and gain advice from experienced mentors.

In view of the VUCA (volatility, uncertainty, complexity and ambiguity) environment, we noticed that there is an emerging need for accountants to acquire diverse skill sets to add value to businesses and readily adapt to the increasingly complex business environment. In 2016, we offered qualified ISCA members an accelerated pathway to Certified Internal Auditor® (CIA®) designation via the ISCA-CIA Challenge Exam. We also launched the new affiliate membership class designed for non-graduates who aspire to become accountants. In addition, we signed an MoU with the Singapore Human Resource Institute to collaborate on broadening the skill sets of accounting and HR professionals.

With every industry being disrupted by technology in its own way, it is important to anticipate the impending changes and prepare the profession accordingly with new capabilities and new skills. It is important for the



profession to continually “learn, unlearn and relearn”, to quote futurist Alvin Toffler. In anticipation of the changes brought forth by disruption, we will be refreshing our offerings for Continuing Professional Education (CPE), and introducing more sophisticated learning methods such as blended learning that integrates e-learning into traditional classroom sessions, and new certification programmes in various areas. At present, we have introduced the Certificate in SME Accounting: Fundamental Skills & Judgement in Applying FRSS, and the Advanced Certificate in Business Analytics and Reporting (BAR). We will also be rolling out certifications in risk management in 2017.

### Giving Back to the Community

Education ensures the continuity of the accountancy talent pipeline, and part of ISCA’s commitment to developing the profession is reaching out to and providing learning opportunities for the less privileged.

In November 2015, we set up the ISCA Cares charity to build a compassionate and caring accountancy community that actively contributes to the society. One of its key schemes is the ISCA Cares Education Programme, which aims to provide needy Singapore youths access to quality education in accountancy. Through this initiative, we were privileged to support 15 beneficiaries with our first batch of bursaries, at a total of S\$55,000 within the first 10 months of its launch.

### Moving Forward

We managed to achieve all these not with our own effort but by working in tune and in sync with our members

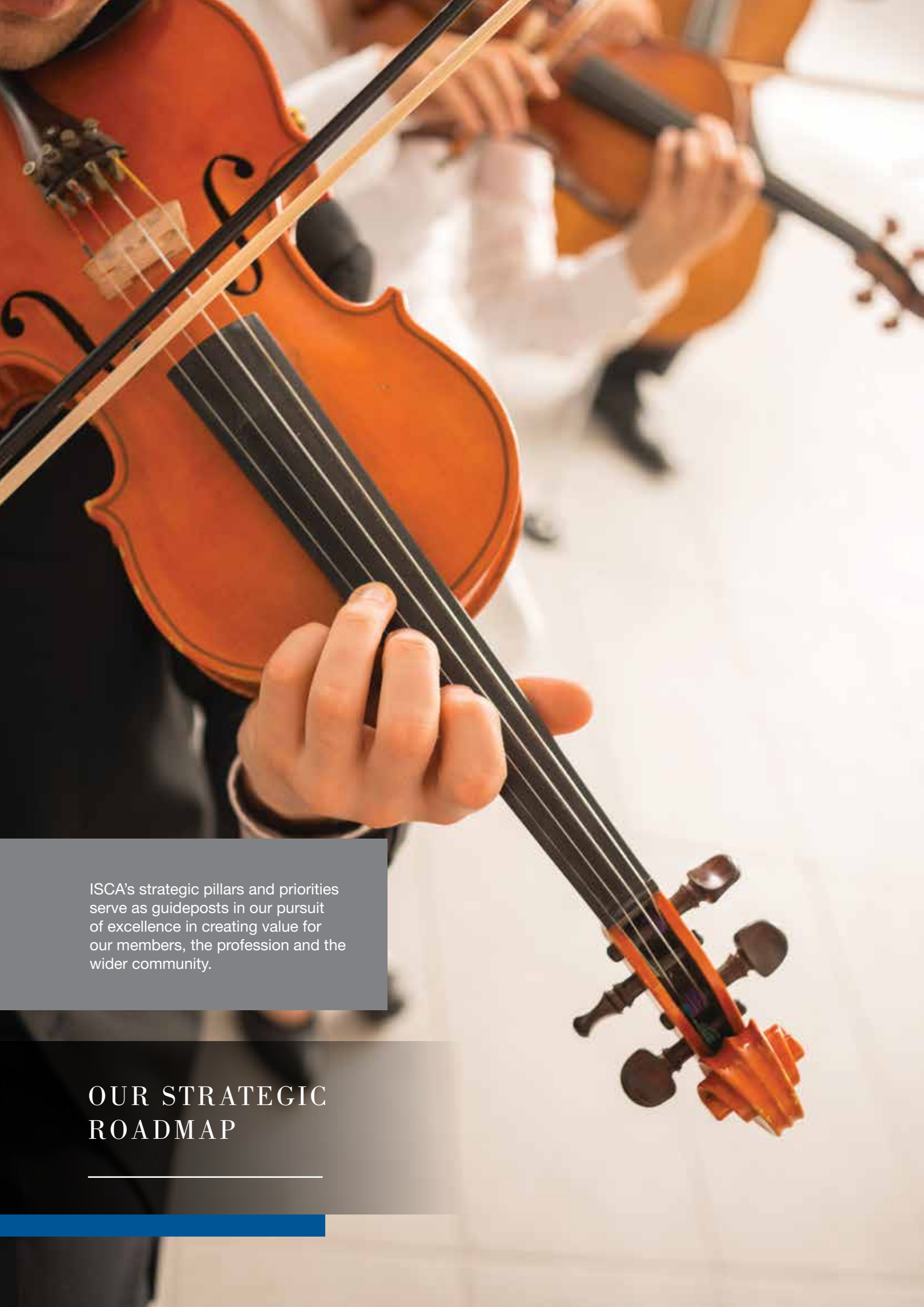
and stakeholders. With your continued support and participation, we will continue to deliver greater value by further enhancing professional recognition of the ISCA membership, not just in Singapore, but also in the region and beyond.

As more progress is made toward regional integration within the AEC, more career and business opportunities will arise in ASEAN.

I encourage you to look beyond Singapore and explore opportunities that are relevant to your skill sets, as you continue to grow your professional standing and acquire new skills and knowledge with us.

It has been a privilege to serve you once again as ISCA’s President since my re-election in 2016. I would like to take this opportunity to thank my fellow council members who have served passionately, as well as the management team and staff for their commitment, dedication and good work. As a membership-based institute, ISCA exists to serve our members. Without you, ISCA would not have existed. I would, therefore, like to thank you for your continued support.

Gerard Ee  
President



ISCA's strategic pillars and priorities serve as guideposts in our pursuit of excellence in creating value for our members, the profession and the wider community.

## OUR STRATEGIC ROADMAP

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## O U R   S T R A T E G I C   R O A D M A P

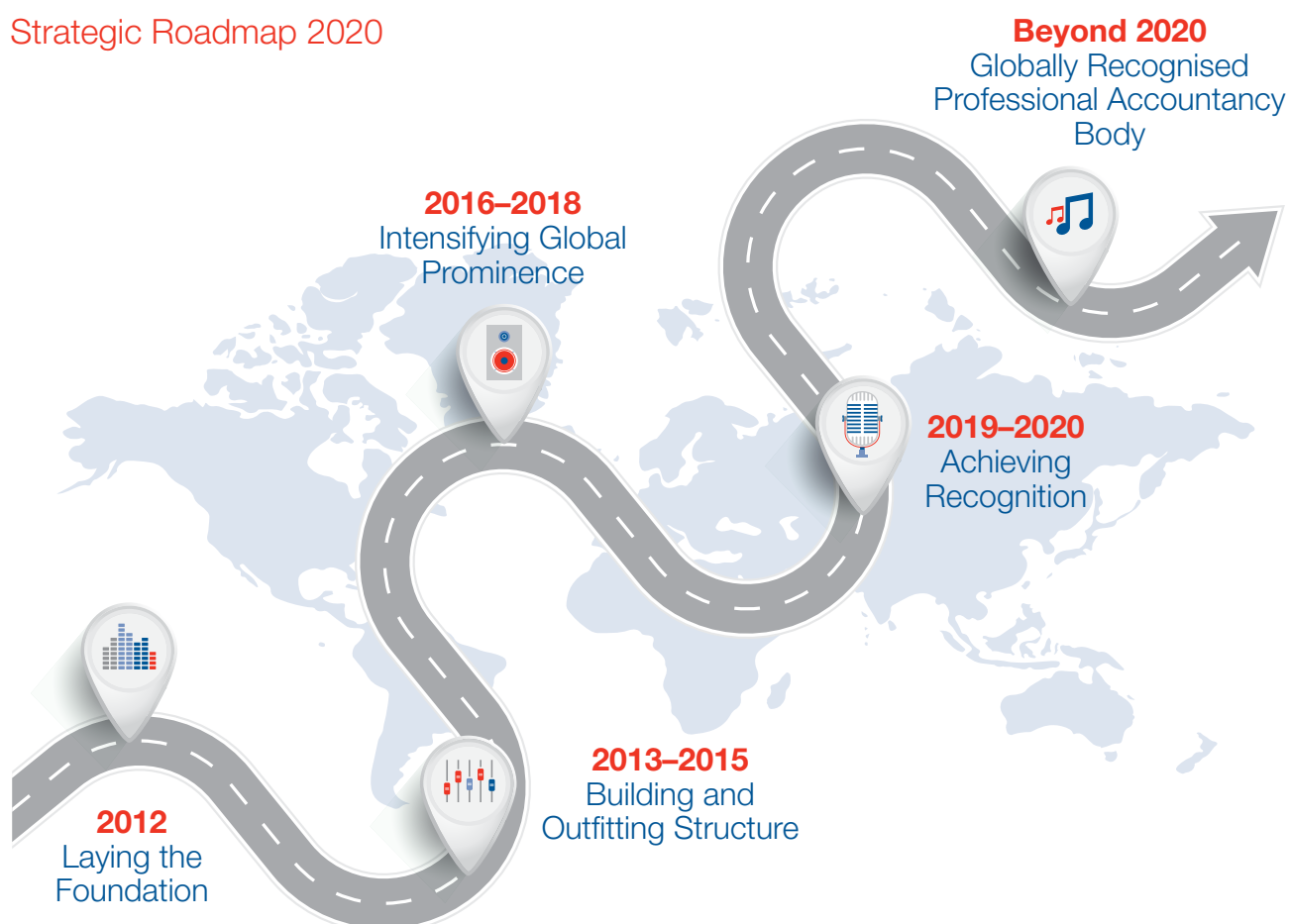
To form a beautiful piece of music, different elements must come together in synchrony. For Singapore to realise its aspirations to be a leading global accountancy hub, all stakeholders must work together in unison.

To form a beautiful piece of music, different elements must come together in synchrony. For Singapore to realise its aspirations to be a leading global accountancy hub, all stakeholders must work together in unison. As the national accountancy body, we are dedicated to doing our part to contribute to our country's vision. We are pleased to share with you our opus, the **"ISCA Strategic Roadmap 2020"**, which maps out our strategic direction towards becoming a globally recognised accountancy body.

We aim to achieve our vision to be a globally recognised professional accountancy body, bringing value to our members, the profession and the wider community by:

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

## Strategic Roadmap 2020



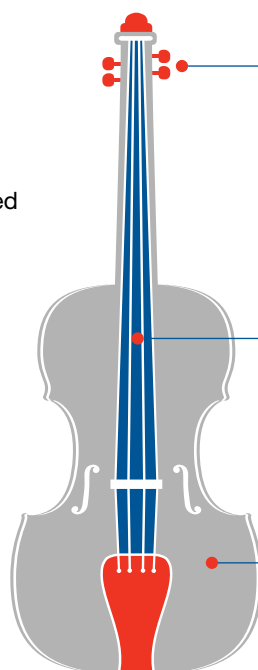
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## O U R S T R A T E G I C R O A D M A P

### Strategic Pillars for 2016–2018

We are intensely practising for the third score from 2016 to 2018, which is aptly titled **“Intensifying Global Prominence”**.

Our strategy is built upon three pillars:



Build a competent, future-ready and inclusive profession

Intensify our role as a leading professional accountancy organisation in ASEAN, to enable us to achieve greater presence on the global platform

Elevate global recognition of ISCA membership

### Strategic Priorities towards 2020

As we move towards 2020, our strategic priorities are:

**Inclusive Membership, Quality and Professional Development**

**Technical Excellence and Advocacy**

**Advance and Promote the Accountancy Profession**

**Branding and Marketing**

**Professional Development Pathways**

**International Relations**

**# Relationships with Key Stakeholders**

These strategic priorities keep us focused on our vision to be a globally recognised accountancy body, bringing value for our members, the profession, and the wider community.

ISCA's strong synergy with members, industry partners and government bodies underpin a sound platform for the profession's growth.

## OUR KEY STAKEHOLDERS

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2016 Highlights	President's Keynote	Our Strategic Roadmap	Our Key Stakeholders	Increasing Pathways to Recognition	Adding Value to Members	Voice of the Profession	Intensifying Global Prominence	Upholding Excellence	Empowering Our Staff	An Ensemble of Leaders	Principal Officers
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## OUR KEY STAKEHOLDERS

Today, with the diverse roles available to qualified chartered accountants, including forensic accounting, valuation, and internal audit, we also collaborate with industry partners to provide members with greater professional recognition in specialised fields.



### Members

We support our members through the different stages of their professional journey. Despite the meandering economic landscape, we continue to equip our members with the skills to help them gain a competitive edge and be the preferred choice among employers.

We have been supporting more than 32,000 members, who work as professional accountants in practice or professional accountants in business. The CA (Singapore) designation is recognised as a mark of excellence for accounting professionals and places our members a notch above the rest. Our admission into CAW in 2015, a global group of leading accountancy institutes of chartered accountants, as an associate member further enhances the prestige and professional recognition of the CA (Singapore) designation.





Today, with the diverse roles available to qualified chartered accountants, including forensic accounting, valuation, and internal audit, we also collaborate with industry partners to provide members with greater professional recognition in specialised fields.

### Industry Partners

At ISCA, we are committed to working with industry partners to develop the profession. Through the years, we have forged close relationships with global and regional agencies such as the International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), CAW, United Nations Conference on Trade and Development (UNCTAD), World Bank and AFA. We also partner other professional bodies, business organisations and academic institutions on projects that advance the profession.

ISCA continues to work at raising our profile as well as elevating the global standing profile of ISCA members. This deepens our engagement with our international partners and the global accountancy community, which goes towards solidifying ISCA's standing as a credible national accountancy body and a sought-after ASEAN spokesperson for the accountancy profession.

### Government

Government bodies such as the Ministry of Finance, SAC, Accounting Standards Council (ASC), and ACRA continue to spearhead initiatives to place Singapore on the world map as a global accountancy hub. As the national accountancy body, ISCA is the trusted strategic partner of the government, working in close collaboration with government agencies to achieve our common aspirations for the profession.



## INCREASING PATHWAYS TO RECOGNITION

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ISCA continues to bring our members diverse opportunities to achieve their aspirations, realise their potential and attain professional growth.



## INCREASING PATHWAYS TO RECOGNITION



At ISCA, we aim to help our members fulfill their career aspirations, lending them the support to deliver a sterling performance on any stage they choose to step onto. To that end, we have developed various pathways that help our members achieve success in various areas of specialisation.

### Accelerated Pathway to CIA Designation

Working with IIA, we provided a one-time opportunity for qualified members of ISCA to be conferred the designation of Certified Internal Auditor® (CIA®) via an accelerated pathway. From 1 September to 31 October 2016, members could choose to sit for this one-paper, CIA Challenge Exam by 16 December 2016 to be certified and designated as a CIA®. Successful candidates were also offered membership into IIA Singapore.

### More Pathways to ISCA Membership

In 2016, we introduced a new affiliate membership class, which enables non-graduates to be ISCA members, providing them a pathway to enter the profession, as well as professional support and recognition. This is in line with the SkillsFuture national movement to provide Singaporeans with opportunities to develop their fullest potential. We also widened our associate membership criteria to welcome accountancy graduates of recognised foreign universities to become our associate members.

In addition, we now offer the ISCA Accredited Accounting Technician (AAT) qualification, which is jointly developed by ISCA and AAT (UK) to allow accounting technicians to acquire skill sets relevant to their scope of work. This flexible, skills-based course will be officially launched in 2017.

### Singapore CA Qualification

As the administrator of the Singapore CA Qualification (*formerly known as Singapore QP*) we play a key role in providing a pathway for the training, qualification and recognition of those aspiring to become Chartered Accountants of Singapore. In 2016, we welcomed the inaugural batch of 36 graduates from the programme.

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## INCREASING PATHWAYS TO RECOGNITION

### ACCA-ISCA Joint Pathway

In May 2015, we signed a Partnership Agreement with the Association of Certified Chartered Accountants (ACCA) to strengthen the talent pipeline for the accountancy sector in Singapore. Under this Partnership, ACCA and ISCA are collaborating on the Fundamentals Level of the ACCA Qualification. ISCA is also contributing our local expertise to the tax and business law papers of the ACCA Fundamentals Level exam.

As part of the collaboration, students can take part in a regional internship programme developed by ACCA. In addition, working closely with industry partners, ACCA and ISCA will be jointly offering career guidance to all students and mid-career professionals, as well as holding career fairs and talks that are open to the public.

### ISCA-CIMA Pathway

As part of our collaboration with the Chartered Institute of Management Accountants (CIMA), the ISCA-CIMA pathway scheme continues to be a fast track for ISCA

members to become CIMA members and be conferred the Chartered Global Management Accountant (CGMA) designation. The globally recognised CGMA designation is a prestigious title jointly awarded by CIMA and the American Institute of Certified Public Accountants (AICPA).

### Broadening the Pipeline via Outreach Programmes

To broaden and deepen the accountancy talent pipeline, we have stepped up efforts to engage accountancy students at the Institute of Technical Education (ITE), polytechnics and universities. We also conducted talks with students from 16 universities and promoted our membership pathways in university periodicals, and continued to offer sponsorship programmes to local universities. In 2016, we reached out to over 400 working professionals and graduates who hold professional accountancy qualifications through info-sessions and roadshows at career fairs.



To build the talent pipeline, ISCA actively reaches out to accountancy students in ITE, polytechnics and universities.





ISCA continues to make bold, deliberate moves in empowering members, nurturing young professionals and developing future leaders.

ADDING VALUE  
TO MEMBERS

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2016 Highlights	President's Keynote	Our Strategic Roadmap	Our Key Stakeholders	Increasing Pathways to Recognition	Adding Value to Members	Voice of the Profession	Intensifying Global Prominence	Upholding Excellence	Empowering Our Staff	An Ensemble of Leaders	Principal Officers
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## A D D I N G V A L U E T O M E M B E R S

We constantly scan the environment and formulate initiatives to prepare the sector for the future of accountancy.



### Developing CFOs and Nurturing Aspiring CFOs

We collaborated with SCFOI to offer a mentoring programme for aspiring CFOs. This provides CFO aspirants the opportunity to be mentored by experienced practitioners within the accounting and finance profession. The six-month programme started in May 2016 with 24 CFOs and senior finance professionals who took on the role of mentor to guide 36 CFO aspirants.

Together with the SCFOI, we also organised quarterly networking sessions for CFOs, providing a platform for CFOs to network, exchange ideas, gain industry insights and build a close-knit community.

Being responsible for upholding quality financial reporting, CFOs are expected to apply sound professional judgment to challenging and complex financial situations. Our Financial Statements Review Committee (FSRC), together with ACRA and SCFOI, organised two outreach forums targeted at CFOs and public accountants.

### Nurturing Young Professionals

Together with ISCA's Young Professionals Advisory Committee, we kicked off the first of our series on career pathways in July. The session featured three speakers from commercial accounting, consulting and executive search firms who shared their career trajectories. The session gave attendees greater insight into career options for accounting graduates.



ISCA member Wesley Lye at the One Young World Summit 2016, posing with representatives from Seychelles, Tuvalu, South Sudan and Somalia.

### One Young World Summit 2016

ISCA ran a competition in search of the best and brightest young talent aged 30 years and under to represent ISCA at the 2016 One Young World (OYW) Summit. The annual summit brings together young people from around the world to debate, share their ideas and experiences, and work with peers to formulate and share innovative solutions to address urgent global issues. It provides young people who want and are committed to making a difference and a positive change to the world, an opportunity to do so.

The competition attracted entries, from across various industries and backgrounds, including auditors from the Big Four accounting firms, professional accountants in business and accounting undergraduates from local universities. Six finalists were eventually shortlisted by a panel of five judges comprising ISCA's senior management and members of ISCA's Young Professional Advisory Committee. The eventual winner of the competition, and ISCA's representative at the OYW Summit in Ottawa, Canada, was Wesley Lye, an assistant manager with PwC Singapore.

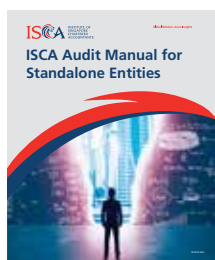
### Supporting Small and Medium Practices (SMPs)

Our Technical Clinics provide public accountants a platform to share and discuss issues related to auditing, helping them to improve their quality of work.

Similarly, our ISCA Quality Assurance Review Programme helps SMPs to improve by reviewing their signed-off audit engagement files and/or firm-level quality control system that need to comply with the Singapore Standard on Quality Control (SSQC) 1. This programme also offers recommendations on areas of improvement and shares good practices.

In 2016, we provided customised training for SMPs to meet their specific learning needs in their implementation of SSQC 1. Training materials were tailored to the different needs of different companies. The objective

of the training is to bridge the learning gap and help employees relate what they have learnt to their daily work. We also launched the first edition of the *Illustrative Quality Control Manual* for SMPs based on the requirements of SSQC 1. At our SSQC 1 Workshop conducted in August, members learnt about using the recommended approaches when faced with real challenges in complying with SSQC 1. The workshop also touched on findings from reviews on company-level controls in compliance with SSQC 1.



The ISCA Audit Manual for Standalone Entities is an illustrative guide to assist audit professionals in carrying out audits of a complete set of general purpose financial statements.

We are pleased to have launched a new edition of the *ISCA Audit Manual for Standalone Entities*. Developed specifically for SMPs in Singapore, the publication offers guidance to help audit professionals to understand and apply the Singapore Standards on Auditing. In this new edition, readers can expect updated information on the auditing process, and a new audit methodology that enhances auditing programmes to improve efficiency and effectiveness of audits. The soft copy was made available to members on a complimentary basis.



The Illustrative Financial Statements (IFS) for Private Entities are designed to capture a wide sense of circumstances and transactions.

In line with our goal to enhance financial reporting quality, the updated edition of *Illustrative Financial Statements (IFS) for Private Entities* was launched in 2016.

The guide contains illustrative examples of annual financial statements of companies involved in manufacturing and trading activities, and disclosures based on those required by the Singapore Financial Reporting Standards.

In February 2016, the SMP Bulletin, a bi-monthly electronic newsletter, was launched to provide a dedicated platform to enhance communication with SMPs and create a more vibrant community by keeping practitioners abreast of industry developments.

A dialogue for SMPs was held with Minister of State for Manpower, Mr Teo Ser Luck on 22 February 2016, where Mr Teo shared with practitioners about manpower policies and engaged in a lively exchange with the audience.



Minister of State for Manpower and ISCA Advisor Teo Ser Luck engaging in a panel discussion comprising finance professionals during the Economic Outlook Seminar held on 22 Feb.

ISCA's bi-annual SMP Dialogue has been a platform for SMP practitioners to network, discuss topical issues and share best practices with fellow peers. As an ongoing series, these dialogues are great avenues for practitioners to be kept informed of the Institutes' continuous efforts to help SMPs transform and grow their practices, as well as address challenges brought about by the dynamic business environment.



Panel of experienced practitioners sharing at the 5th SMP Dialogue on the Opportunities of Change and Risks of Not Changing.

With the support of SPRING Singapore, ISCA and ACCA organised a business study mission to Ho Chi Minh, Vietnam from 20-22 November 2016. The delegation comprising 17 participants from 15 SMPs aimed to help local firms seek opportunities overseas in areas such as partnerships, collaborations, setting up of networks and overseas offices. For the first time, one-on-one meetings were arranged for Singapore SMPs to engage in deeper conversations with their local counterparts. A lively exchange of accounting regulatory and industry landscape took place during the meeting with the Vietnamese Association of Certified Public Accountants (VACPA). With Vietnam market reforms allowing 100% foreign shareholding in most industries, there is much potential for Singapore SMEs to invest in Vietnam and for SMPs to acquire stakes in local SMPs.



Meeting with the Vietnamese Ministry of Planning & Investments.

As technology continues to progress and influence businesses and their many work processes, ISCA undertook a Technology Adoption Study to understand the rate of technology adoption, and productivity gains brought about by technology in both public accounting



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## A D D I N G   V A L U E   T O   M E M B E R S



With their financial expertise and business acumen, coupled with deep-rooted values of integrity and professionalism, chartered accountants add value to a plethora of businesses from healthcare to education, government to technology, audit and assurance to financial services. ISCA's 2016 campaign, "Future of Business", underscored the value that chartered accountants bring to businesses.

firms and accounting and finance functions in companies. With the findings from this study, ISCA would be able to better formulate initiatives and organise events to better prepare the sector for the future of accountancy.

### Professional Development

To empower members to achieve their aspirations, we rolled out two ISCA certificate programmes: Advanced Certificate in Business Analytics and Reporting (BAR) and Certificate in SME Accounting: Fundamental Skills & Judgment in Applying FRSs. These structured certification programmes address a wide range of competencies and skill gaps that in turn empower accountants to deal with the ever-changing business landscape and the volatile economy. More certification programmes are on the way.

Five new webinars were developed as part of our suite of proprietary e-learning programmes. Launched in November, the webinars cover topics such as Accounting, Auditing, Ethics, Risk Management and Transfer Pricing. Our online programmes complement our seminars and training courses, which continue to be well-attended. An example is the ISCA Budget Seminar 2016, which drew more than 650 participants.

### Fostering Camaraderie



The annual ISCA Run brings together members and the public to promote family bonding and healthy living.

Throughout the year, we organised events that promote learning, create networking opportunities and foster camaraderie and bonding among the accounting community. Such activities also encourage work-life integration. Our annual ISCA Games and ISCA Run

continue to draw strong support from all segments of the profession. In 2016, we continued to hold our regular ISCA Mingles and ISCA Breakfast Talks, featuring speakers on diverse topics such as Big Data, Fintech and Artificial Intelligence.

### Promoting the Value of Chartered Accountants


In the third quarter, we launched a series of videos that showcased the benefits a chartered accountant can bring to businesses. In these videos, six ISCA members offered great insights into the future of accountancy in risk management, data analytics, the new lease accounting standard, sustainability reporting, and mergers and acquisitions. We also produced an infographic video that contained key facts about the various roles of chartered accountants.

This series caught the attention of over one million viewers through digital and social media channels. It was also featured on outdoor screens of lift lobbies and office buildings that reached out to more than one million professionals, including employers and clients of chartered accountants daily, over the span of two months.

### Publication Excellence Award

Our **IS Chartered Accountant** journal bagged the Award of Excellence at the Apex Award 2016 for Publication Excellence. This international award is awarded to publications with outstanding content, design and overall communications. Winning this award further cemented the important role our publication plays in elevating ISCA's standing globally.

The online edition and mobile app of the journal were launched in August 2015. A Readership Survey was subsequently conducted to gather feedback from members. Based on the result, 78% of the respondents indicated that our journal was one of the major sources they rely heavily on for information and updates in areas of accounting and business.



As the voice of the accountancy profession, ISCA takes the lead in representing and championing the interests of its accountancy professionals.

VOICE OF  
THE PROFESSION

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## V O I C E O F T H E P R O F E S S I O N

For over 50 years, ISCA has been the voice of the profession, often serving as a conduit to represent the profession's views.



Composers, past and present, use music to communicate their emotions, stories and the state of humanity. Often, a canonical composition expresses the collective sentiment of a community, a society or a nation. For over 50 years, ISCA has been the voice of the profession, often serving as a conduit to represent the profession's views.

### ISCA Pre-Budget Roundtable 2016

An example is the Pre-Budget Survey, which reflects the views of the CA (Singapore) community regarding their wish list for the Singapore Budget. In 2016, the survey findings were collated in a report and issued in January, in conjunction with the ISCA Pre-Budget Roundtable 2016, which was themed "Repositioning for Future Growth". Chaired by Mr Liang Eng Hwa, Chairman of the Government Parliamentary Committee for Finance, Trade & Industry and ISCA President Gerard Ee, the roundtable was attended by a distinguished panel of business leaders who shared a wide range of issues related to the Singapore Budget. The Roundtable discussion and ISCA's Pre-Budget Survey findings served as feedback from the accountancy profession, for the government's consideration in the formulation of Budget 2016.

### Our Future Together

ISCA and ICAEW jointly organised "Our Future Together" on 1 June 2016. At the event, participants from accountancy and other disciplines such as law and information technology shared their thoughts and views on the impact of technology on the future of the accountancy profession in Singapore. The "Our Future Together" conversation also engaged youths to share their thoughts about where they see the profession headed.

Based on the insights gathered, a report was produced and was shared with the Committee on the Future



Pre-Budget Roundtable panelists: (seated from left) Sim Gim Guan, CEO, National Council of Social Service; Max Loh, Managing Partner, ASEAN & Singapore, EY; Ho Meng Kit, CEO, Singapore Business Federation; co-chair Gerard Ee, President, ISCA; co-chair Liang Eng Hwa, Chairman, GPC, Finance and Trade & Industry; Brendon Yeo, Executive Council Member, Association of Small and Medium Enterprises; Philip Yuen, CEO, Deloitte & Touche LLP; Prof Sum Yee Loong, Board Member, SIATP; (standing from left) Erman Tan, President, Singapore Human Resource Institute; Tay Hong Beng, Head of Tax, KPMG Advisory LLP; Frankie Chia, Managing Partner, BDO LLP; Chris Woo, Head of Tax, PricewaterhouseCoopers Singapore Pte Ltd; Victor Mills, Chief Executive, Singapore International Chamber of Commerce.



The "Our Future Together" report follows an event where professionals from diverse fields such as accountancy, legal, information technology, human resources and academia gathered to discuss the future of accountancy.

Economy, formed by the government to develop economic strategies to position Singapore for the future.

### The Profile of Audit Committees of Listed Companies in Singapore 2015

We also released our third study on Singapore's audit committees titled *The Profile of Audit Committees of Listed Companies in Singapore 2015*, which sheds light on the corporate governance landscape in Singapore. This is the third study on audit committees (AC) commissioned by ISCA and conducted by the National University of Singapore (NUS), following previous studies conducted in 2009 and 2011. For the first time, the study includes a new section featuring exclusive one-on-one interviews with selected AC chairmen on their views on issues such as the criteria for selecting AC members.





Through our research reports and study findings, ISCA continues to gather the views of the profession on key issues such as corporate governance, risk management and the profession's future.

## In Fair Value We Trust, or Not

Given that investor confidence and trust in the financial statements is a crucial component for financial markets to function smoothly, ISCA, Singapore Management University, Singapore Institute of Technology, Institute of Valuers and Appraisers of Singapore and Hong Kong Polytechnic University surveyed the attitudes and concerns of over 700 participants towards fair value accounting. The project was awarded the Ministry of Education Academic Research Fund grant in August 2014. The result was released and reported by the media at the Singapore Accountancy Convention.

## SID-ISCA Singapore Directorship Report 2016

To raise the level of corporate governance in Singapore, we partnered with the Singapore Institute of Directors to launch the *Singapore Directorship Report 2016*. The second edition provided in-depth analyses of the characteristics of directors who are on the boards of Singapore Exchange-listed companies. Together with data from the first report in 2014, it provided comparative analysis on areas such as board composition, directors' tenure, remuneration, meeting attendance, gender diversity and multiple directorships. The report is supported by ACRA, SGX and industry partners comprising Deloitte, Handshakes, Nanyang Technological University and NUS.

## Driving Value: Risk Transparency and Culture

In partnership with KPMG, we unveiled the ISCA-KPMG Risk Management Study, titled "*Driving Value: Risk Transparency and Culture*". The first study was conducted in 2013. This was a time-based study initiated to observe risk governance disclosures of over 200 local listed companies. It analysed disclosures found in annual reports related to board risk governance, risk management capabilities and structures, risk management practices, and internal audit and fraud risk management. Interviews with independent directors and leading risk practitioners complemented the study's findings.

## Comment Letters to Shape International Standards

In our capacity as the national accountancy body of Singapore, we submitted various comment letters to the IASB, the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) during the year. Some of the notable ones include "Enhancing Audit Quality in the Public Interest", "Long Association of Personnel with an Audit Client", "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contract", "Application of Materiality to Financial Statements" and "Uncertainty over Income Tax Treatments". Views were sought from our members and committees to highlight areas of consideration and application matters and presented to the standards setters, prior to a standard being issued or amended.

## Outreach to Government Agencies

When it comes to accountancy, audit and assurance matters, we are the go-to body for government agencies. Together with the Accountant General's Department, we conducted a sharing session to help government agencies and statutory boards understand the different types of auditing and assurance frameworks in 2016. The nature and extent of work performed and the different levels of assurance provided under different frameworks will help agencies and statutory boards assess and determine the framework that is most appropriate to be used for the auditor's reports in relation to their respective schemes or grants.



A lively panel discussion at the launch event of the Singapore Directorship Report 2016.





## INTENSIFYING GLOBAL PROMINENCE

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Our work with international organisations and our counterparts from different parts of the world has raised our visibility on the global accountancy landscape.

## I N T E N S I F Y I N G G L O B A L P R O M I N E N C E



Our work across the continents with other accountancy bodies further accentuated our presence on the global stage.

Here are the highlights in 2016.

### Professional Accountancy Organisations Regional Forum

Singapore's accountancy ecosystem is often lauded as a sustainable model by international stakeholders. At the PAO Regional Forum organised by World Bank's Centre for Financial Reporting Reform, ISCA President Gerard Ee shared the challenges ISCA faced over the years in building a sustainable business model. Among the audience were PAOs from Central, Southeast and Eastern Europe, which are in different stages of development and face challenges but share the same goal of promoting excellence in the practice of the accounting profession.

### United Nations Conference on Trade and Development – International Standards of Accounting and Reporting (UNCTAD-ISAR)

In October 2016, ISCA was invited for the third consecutive time to attend the UNCTAD-ISAR. The invitation reflects the confidence and trust UNCTAD has in ISCA, and underscores ISCA's growing reputation as a leading professional accountancy body on the global platform. Our President Gerard Ee was elected as Chair at the 33rd session for a one-year term. Mr Ee also presented Singapore's case study on practical implementation of monitoring, compliance and the enforcement (MC&E) of accounting and audit requirements for high-quality reporting. A case study on Singapore's robust MC&E infrastructure will be published in 2017.



ISCA President, Gerard Ee, (3rd from right), was elected chair of UNCTAD-ISAR's 33rd session.



ISCA Vice President, Kon Yin Tong, representing the Institute at ICPAK's 3rd C-Suite seminar.

### C-Suite Seminar Organised by the Institute of Certified Public Accountants of Kenya (ICPAK)

On 28-29 September 2016, the Institute of Certified Public Accountants of Kenya (ICPAK) organised the 3rd C-suite seminar in Singapore. This seminar aims to update Kenyan members on economic developments and professional trends outside the country and cross-pollinate ideas with other accountants, professionals and business leaders. ISCA Vice President Kon Yin Tong delivered the welcome speech and shared ISCA's journey in being the national accountancy body. ISCA's immediate past vice president R Dhinakaran presented on the role of accountants in Sustainable Development in Singapore. The presence of ISCA's representatives at the seminar is a positive sign that ISCA is making progress in developing itself into a globally recognised professional accountancy body.

### ASEAN Micro Accounting Model

We are pleased to report that we have completed the MAM framework, with inputs from members of the AASG.

As stated in the ASEAN Economic Community Blueprint 2025, ASEAN countries will be focusing on the development and promotion of MSMEs, which are an integral part of economic development and employment in the region.

The MAM is a self-contained financial reporting framework. It is developed for small companies, also known as micro entities, to use. The model contains significant simplifications to a number of accounting standards but at the same time, it keeps within the confines of pervasive principles derived from the IASB's conceptual framework and full IFRSs. It also lays out principles that encourage the use of judgement in the particular circumstances of a transaction or event and includes a set of illustrative financial statements and reconciliations to IFRS for SMEs. MAM is intended to help micro-entities transit from cash accounting to the most basic form of accrual accounting and enables businesses to eventually adopt the IFRS.





We facilitate the adoption of accounting, auditing and assurance, and ethical standards through the promulgation of new standards and development of technical resources to support our members.

UPHOLDING  
EXCELLENCE

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## U P H O L D I N G   E X C E L L E N C E



We continue to contribute to technical excellence through the work of our committees and technical department. We shape the formulation of accounting, auditing and assurance, and ethical standards via comment letters on exposure drafts to the IASB, IAASB and IESBA for deliberation in their standard-settings process. We facilitate the adoption of new standards through our outreach efforts and development of technical resources to support our members.

### Preparing the Profession for New Developments

2018 is an important year for the profession, as it must be ready for full convergence of Singapore Financial Reporting Standards (SFRS) with IFRS and the implementation of two new important accounting standards – FRS 115 “Revenue from Contracts with Customers” and FRS 109 “Financial Instruments”. To prepare the profession for the impending developments, we organised an outreach seminar in November 2016, focusing on the issues and challenges in practice. The IFRS Convergence Sub-committee, comprising practitioners as well as representatives from Monetary Authority of Singapore (MAS), SGX and Securities Investors Association (Singapore), was set up to raise awareness among various stakeholders of the impact and implications of IFRS Convergence. In partnership with ASC, we issued the publication *IFRS Convergence – Are you on track?*, dedicated to the directors and CFOs of Singapore-incorporated companies listed on the Singapore Exchange to acquaint themselves with IFRS Convergence, the key principles underpinning IFRS 1 “First-time Adoption of International Financial Reporting Standards” and some potential implications.

### Technical Bite Size and Helpdesk

We strive to support our members in addressing challenges in every possible way. We issued the Technical Bite Size guidance on the new revenue and financial instruments standard. Focusing on emerging topics and new standards, the Technical Bite Size guidance is intended to share the application of accounting principles in an easy-to-read manner. In addition, our technical team receives and responds to inquiries from our members through our technical helpdesk.



A panel discussion on the FRS 116 Leases at the Singapore Accountancy Convention, moderated by Kok Moi Lre, Partner, PricewaterhouseCoopers LLP and Chairperson, ISCA FSRC.

### FRS 116 Leases

The new leases standard, FRS 116 Leases, was issued in 2016 and will take effect from 1 January 2019 onwards. The implementation challenges can be significant for companies with a substantial number of operating leases. To equip our members with the knowledge and expertise to address the potential implementation challenges, we have discussed the subject extensively in three articles in the *IS Chartered Accountant* journal during the year. We also held a panel discussion on the new leases standard at the Singapore Accountancy Convention in August 2016. In October 2016, we conducted a technical clinic with SMPs to share the requirements of the new leases standard and understand potential challenges faced in its implementation. We also held two outreach sharing sessions in November and December 2016 with preparers to share and discuss implementation challenges of this standard.

### Practical Guidance for Property Developers

Singapore's dampened property market has resulted in some developers facing charges from authorities for failing to sell all units within the stipulated time period in relevant legislations. Noting the significance of the accounting implications for developers, our Financial Reporting Committee held a dialogue with impacted developers from the Real Estate Developers' Association of Singapore (REDAS) to share the relevant accounting principles and hear industry views on this issue. In order to promote consistency in accounting practices in Singapore, we issued a practical guidance '*Accounting for Qualifying Certificate Extension Charges and Additional Buyer's Stamp Duty*' to share these principles and deliberations.

### Guidance on Assurance for Banking Industry

Recognising the importance of capital requirements for the banking industry, MAS requires auditors to provide

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## U P H O L D I N G E X C E L L E N C E

We seek to play a leading role in raising awareness and enhancing the quality of sustainability reporting in Singapore.

assurance on the submission of capital adequacy returns by Singapore-incorporated banks from 31 December 2016 onwards. ISCA's Banking and Finance committee developed a "Terms of Reference", in close consultation with MAS. This Terms of Reference serves as guidance to auditors for their performance of assurance work on the preparation of the capital adequacy returns.

### Guidance to Auditors on Other Information and Capital Market Transactions

In 2016, we also issued practical guidances for the profession and these include "Material Inconsistencies in Other Information under SSA 720 (Revised) - Guidance with regard to Directors' Statement" and AGS 11: Comfort Letters and Due Diligence Meetings". AGS 11 is intended to provide guidance to reporting auditors on their roles and responsibilities when providing assistance to issue managers, sponsors, managers and/or underwriters during a fund raising exercise such as the offering of shares or debts. AGS 11 also provides examples of comfort letter, bring-down letter and arrangement letter.

### New Auditing and Assurance Standards

In 2016, ISCA issued several new auditing and assurance standards, which included the SSA 800 (Revised), Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks, SSA 805 (Revised), Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement and standards relating to disclosure initiatives. SSA 800 (Revised) and SSA 805 (Revised) were revised largely to align the enhanced

auditor reporting requirements in SSA 700 (Revised), Forming an Opinion and Reporting on Financial Statements. The disclosure initiatives draw the auditor's attention on disclosures throughout the audit process. It also provides guidance to drive changes in the auditor's approach and improve consistency in practice especially on qualitative disclosures to enhance the value of the audit.

We also issued a questionnaire to help group engagement teams obtain a deeper understanding of their component auditors during group audits. The questionnaire provided guidance to the profession on the nature and extent of documentation required.

### Auditor Reporting Standards

Since the issuance of the new and revised auditor reporting standards in July 2015, we continued to roll out relevant initiatives to support the profession in this area. In 2016, through different platforms such as outreach forums and talks, we continued to engage the different key stakeholders, including auditors, directors, preparers, and retail and institutional investors, on what these changes mean to them in their respective capacity. To familiarise the auditing profession with an early adopter's experience, we invited the United Kingdom (UK) Financial Reporting Council (FRC) to share their experience of the enhanced auditor reporting regime.

A joint report, titled *All Aboard the Transparency Express!*, was published in May 2016. The report draws on a roundtable hosted by ISCA, the IAASB and ACCA. Held in Singapore in November 2015, the roundtable also involved audit committee members, regulators and the international and local auditing standard setters.

### Sustainability Reporting

We established the Corporate Reporting Committee, comprising industry leaders on sustainability reporting. This committee works closely with various stakeholders including the SGX to raise awareness and quality of sustainability reporting. The Committee is in the process of developing an appropriate implementation roadmap to help companies implement a robust process to support a quality sustainability report.

On 7 October 2016, we organised a Sustainability Reporting Forum, where CFOs and delegates from over 80 companies gathered to discuss practical aspects of implementing sustainability reporting. To equip stakeholders with the necessary tools for implementing sustainability reporting, we organised technical sessions, and published a series of articles in the *IS Chartered Accountant* journal.





ISCA places great importance on empowering its staff—their talents honed, their contributions acknowledged and their welfare safeguarded—for them to stay committed, engaged and proactive.

## EMPOWERING OUR STAFF

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## E M P O W E R I N G O U R S T A F F

At ISCA, we view each staff as a valuable part of the team, working to deliver greater value for our members, the profession and the community.



It takes an entire orchestra to work together to play a symphony. Each musician plays an important role to deliver an outstanding performance. At ISCA, we view each staff as a valuable part of the team, working to deliver greater value for our members, the profession and the community.

We believe in attracting and retaining talent to build a high-performance work team. To gain a deeper understanding of the working experience at ISCA, our human resource department has been regularly gathering feedback and insights from our employees. It is through the findings that we learnt more about staff motivations and their level of engagement.

We also believe in building a learning culture in a conducive environment, as part of our staff retention efforts. It is through learning that one continues to progress and stay relevant. Our staff are given opportunities to attend external courses and seminars every year. As part of our training and development drive, we partnered with professional coaches



ISCA staff brought joy to the residents of the Society for the Aged Sick.



Dressed to the theme of 'Fashion Faux Pas', ISCA staff had a night of fun and games at the ISCA annual Dinner & Dance.

to tailor an intensive two-day training session to impart effective coaching skills to our directors and managers. Besides this training session, we also delivered other customised courses to enhance management and leadership skills including strategic media handling workshops.



ISCA staff enjoys a day of relaxing and bonding with family at the Singapore Zoo.

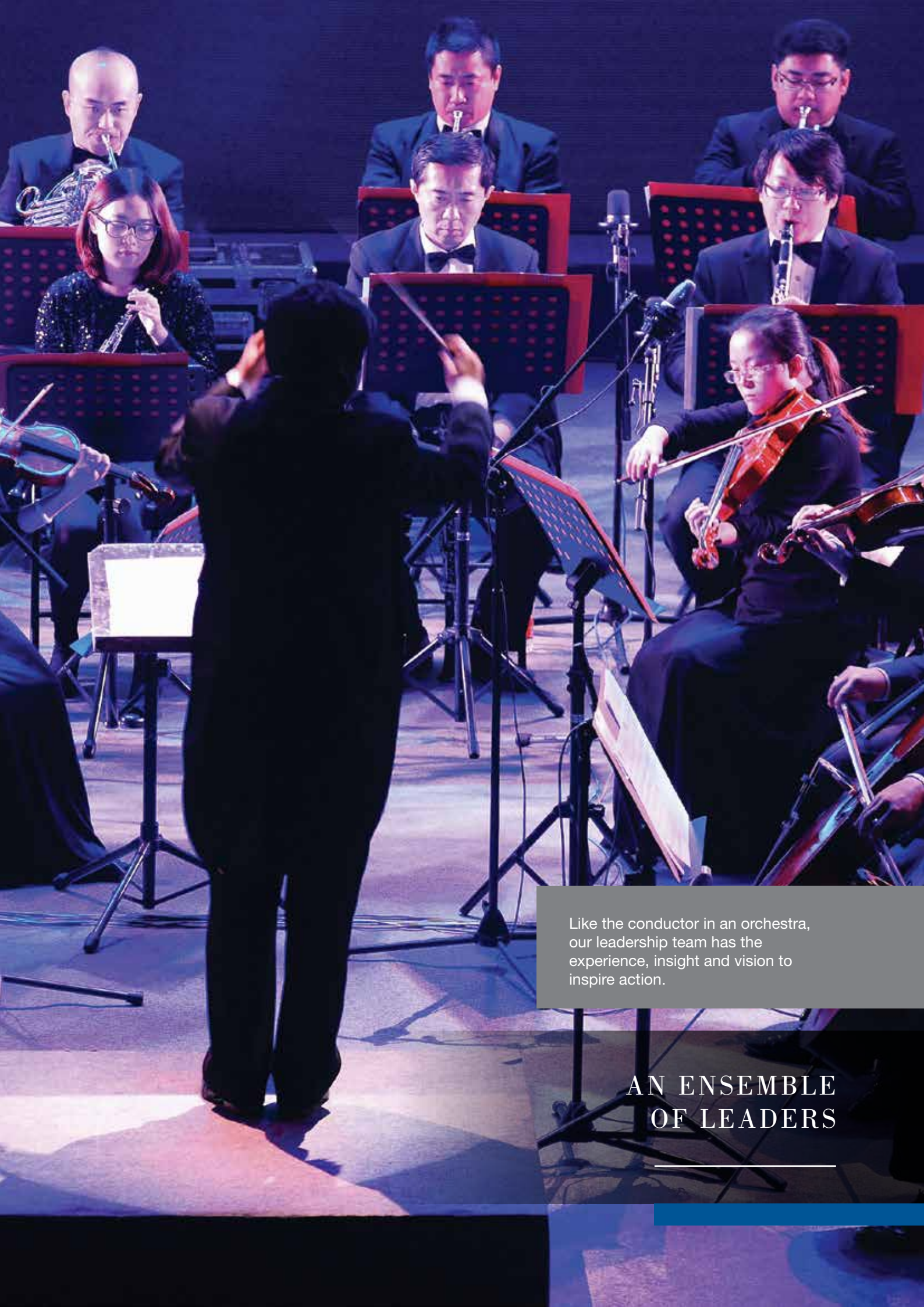
To build a cohesive and an effective work team, annual staff bonding activities continue to foster teamwork. Such events included Lunar New Year celebration, CEO Dialogue, Happy Hour, and Dinner & Dance. In 2016, we held our first Family Day at the Singapore Zoological Garden. This served as a good opportunity to bring friends and families together.

Bearing in mind that health is the foundation for well-being, we continued to make arrangements for basic health screening to be available for staff.

Corporate social responsibility encourages empathy towards the less fortunate. To that end, we adopt the "Company of Good Framework", launched by the National Volunteer & Philanthropy Centre and in partnership with the Singapore Business Federation Foundation, to guide businesses in corporate giving.

In 2016, we brought cheer to residents of the Society for the Aged Sick. Staff lent their voices to the meaningful event by crooning oldies that brought much delight to the residents. Our staff volunteers also engaged the residents in an afternoon of fun and games.





Like the conductor in an orchestra, our leadership team has the experience, insight and vision to inspire action.

AN ENSEMBLE  
OF LEADERS

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## C O U N C I L M E M B E R S



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



**Vice President**  
**Mr Kon Yin Tong**  
Managing Partner  
Foo Kon Tan LLP



**Treasurer**  
**Mr Vincent Lim Boon Seng**  
Chief Financial Officer - Asia Pacific  
Datalogic

**Mr Chan Hon Chew**  
Group Chief Financial Officer  
Keppel Corporation Limited



**Associate Professor Chan Yoke Kai**  
Head, Accountancy Programme, School of Business  
SIM University



**Professor Cheng Qiang**  
Dean, School of Accountancy  
Singapore Management University



**Mr Frankie Chia**  
Managing Partner &  
International Liaison Partner  
BDO LLP



**Mr Michael Chin**  
Managing Partner  
PKF-CAP LLP



**Associate Professor Choo Teck Min**  
Division of Accounting,  
College of Business  
(Nanyang Business School)  
Nanyang Technological University



**Mr Ho Tuck Chuen**  
Group Chief Financial Officer  
JTC Corporation



**Professor Ho Yew Kee**  
Associate Provost (SkillsFuture  
and Staff Development)  
Singapore Institute of Technology



## C O U N C I L   M E M B E R S



**Mr Paul Lee Seng Meng**  
Managing Partner,  
RSM Chio Lim LLP



**Ms Lee Shi Ruh**  
Chief Financial Officer  
Genting Singapore PLC



**Mr Lee Wai Fai**  
Group Chief Financial Officer  
United Overseas Bank Ltd



**Ms Lim Kexin**  
Tax Director  
PwC Singapore



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



**Mr Anthony Mallek**  
Chief Financial Officer  
Singapore Press Holdings Limited



**Mr Ong Pang Thye**  
Managing Partner  
KPMG LLP




**Mr Sim Hwee Cher**  
Vice Chairman, Operations  
Head of Assurance  
PwC Singapore



**Mr Tam Chee Chong**  
Deputy Managing Partner | Markets Singapore  
Deloitte & Touche LLP



**Mr Tan Khoon Guan**  
Managing Director  
Precursor Assurance PAC



ISCA prides itself on the synergy of complementary skills, proven expertise and valuable insights of its key personnel, reinforcing the Institute's ability to realise its aspirations.

## PRINCIPAL OFFICERS

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## P R I N C I P A L   O F F I C E R S



**Lee Fook Chiew**  
Chief Executive Officer

**Janet Tan**  
Executive Director,  
Corporate Services

**Jennifer Toh**  
Director, Communications,  
Member Services & Marketing

**Joyce Tang**  
Director, Strategy,  
Global Alliances & Insights  
and Intelligence



**Titus Kuan**  
Director, Technical Advisory,  
Professional Standards, and  
Learning & Development

**Soh Suat Lay**  
Deputy Director, Pathways  
Development & Qualifications

**Fann Kor**  
Deputy Director, Quality Assurance  
& Industry Support



# CORPORATE GOVERNANCE

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ISCA is committed to set the gold standard in upholding responsibility and integrity as Singapore's accountancy body.



## C O R P O R A T E   G O V E R N A N C E



## ISCA Council

The ISCA Council oversees and directs all strategies to establish ISCA as a globally recognised accountancy body, advance our members' interests, as well as manage our risks and establish high standards of governance practice. The Council usually meets seven times a year to review our operations, as well as the effectiveness of our strategies and policies.

Reflecting our diverse membership base, the Council is made up of leaders from the corporate sector, public accounting profession and academia. These highly regarded members, with their wide range of experiences and professional networks, provide valuable counsel during Council meetings and serve on diverse committees, offering their expert opinions.

## Executive Committee

The Executive Committee, otherwise known as EXCO, is made up of the office bearers—president, vice president, treasurer—and two other Council members appointed by the Council. The key role of the EXCO is to serve as the executive arm of the Council to oversee ISCA's initiatives, and operational and financial matters.

## Audit Committee

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



## C O R P O R A T E   G O V E R N A N C E

### ***Nominations Committee***

The Nominations Committee assists the ISCA Council to source and identify suitable candidates for both internal and external appointments.

It reviews and makes recommendations to the Council on the appointment of members to the various ISCA Committees.

### **Report of the ISCA Council**

It is our pleasure to present our 2016 Annual Report and Accounts for the year ended 31 December 2016. The following Council members were elected as office bearers during the first Council meeting held in April 2016:

President            -    Gerard Ee Hock Kim  
Vice President    -    Kon Yin Tong  
Treasurer         -    Vincent Lim Boon Seng

### **The Council**

The 2016 Council held 5 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
Chan Hon Chew	0	1
Chan Yoke Kai	5	-
Cheng Qiang	3	-
Frankie Chia Soo Hien	3	2
Michael Chin Sek Peng	3	1
Choo Teck Min	4	-
Gerard Ee Hock Kim	5	3
Ho Tuck Chuen	3	1
Ho Yew Kee	3	3
Kon Yin Tong	4	3
Paul Lee Seng Meng	5	3
Lee Shi Ruh	2	2
Lee Wai Fai	3	1
Vincent Lim Boon Seng	5	2
Lim Kexin	4	1
Max Loh Khum Whai	2	2
Anthony Mallek	3	3
Ong Pang Thye	3	2
Sim Hwee Cher	5	1
Tam Chee Chong	2	2
Tan Khoon Guan	3	1

## C O R P O R A T E G O V E R N A N C E

List of Committees  
and Members**Executive Committee**

- |    |                       |                  |
|----|-----------------------|------------------|
| 1. | Gerard Ee Hock Kim    | (President)      |
| 2. | Kon Yin Tong          | (Vice President) |
| 3. | Vincent Lim Boon Seng | (Treasurer)      |
| 4. | Frankie Chia Soo Hien |                  |
| 5. | Max Loh Khum Whai     |                  |

**Nominations Committee**

- |    |                       |            |
|----|-----------------------|------------|
| 1. | Frankie Chia Soo Hien | (Chairman) |
| 2. | Gerard Ee Hock Kim    |            |
| 3. | Kon Yin Tong          |            |
| 4. | Chan Hon Chew         |            |
| 5. | Kwok Wui San          |            |

**Audit Committee**

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

**Auditing and Assurance Standards Committee**

- |     |   |                   |
|-----|---|-------------------|
| 1.  | Shariq Barmaky                                  | (Chairman)        |
| 2.  | Hans Koopmans                                   | (Deputy Chairman) |
| 3.  | Lorraine Chay Yeow Mei                          |                   |
| 4.  | Foo See Liang                                   |                   |
| 5.  | Goh Kia Hong                                    |                   |
| 6.  | Derek How Beng Tiong                            |                   |
| 7.  | Balasubramaniam Janamanchi                      |                   |
| 8.  | Keung Ching Tung                                |                   |
| 9.  | Khor Boon Hong                                  |                   |
| 10. | Koh Yeong Kheng                                 |                   |
| 11. | Lau Soo Ching (Alternate: Tan Soh Hian)         |                   |
| 12. | Lee Eng Kian                                    |                   |
| 13. | Ng Hock Lee                                     |                   |
| 14. | Ng Kian Hui                                     |                   |
| 15. | Ong Pang Thye                                   |                   |
| 16. | Quek Su Lynn                                    |                   |
| 17. | Ashley Seow Chuan Beng                          |                   |
| 18. | Soh Gim Teik                                    |                   |
| 19. | Toh Kim Teck                                    |                   |
| 20. | Gajendran Vyapuri                               |                   |
| 21. | Esther Wee Yu                                   |                   |
| 22. | Julia Tay (Observer, till 2 September 2016)     |                   |
| 23. | Quek Siew Eng (Observer, from 3 September 2016) |                   |

**Accounting Technicians Learning and Development Board**

- |    |                          |               |
|----|--------------------------|---------------|
| 1. | Lee Shi Ruh              | (Chairperson) |
| 2. | Alex Lee Tiong Wee       |               |
| 3. | Goh Chern Ni Jocelyn     |               |
| 4. | Lai Kuan Loong Victor    |               |
| 5. | Sharon Lhu Siok Hwee     |               |
| 6. | Tan Leong Ping Robert    |               |
| 7. | Yong-Ong Bee Leng        |               |
| 8. | Yeo-Chiang Sie Jong June |               |

**Banking & Finance Committee**

- |     |                        |                   |
|-----|------------------------|-------------------|
| 1.  | Leong Kok Keong        | (Chairman)        |
| 2.  | Lian Wee Cheow         | (Deputy Chairman) |
| 3.  | Balwinder Singh Bagary |                   |
| 4.  | Chow Khen Seng         |                   |
| 5.  | Antony M Eldridge      |                   |
| 6.  | Ho Kok Yong            |                   |
| 7.  | Christine Lee          |                   |
| 8.  | Jek Lim                |                   |
| 9.  | Ong Ai Boon            |                   |
| 10. | Ong Siew Mooi          |                   |
| 11. | Sue Lightfoot          |                   |
| 12. | Tang Chek Keng         |                   |
| 13. | Tay Boon Suan          |                   |
| 14. | Brian Thung Hock Lai   |                   |

**Board of Education and Examiners**

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

## C O R P O R A T E   G O V E R N A N C E

### CFO Committee

1. Lee Wai Fai (Chairman)
2. Chan Chee Kin
3. Choo Chek Siew
4. Ronald Ede
5. Foong Sew Bun
6. Goh Geok Cheng
7. Danny Heng Hock Kiong @ Heng Hang Siong
8. Arthur Lang
9. Lee Shi Ruh
10. Anita Ler
11. Lim Cheng Cheng
12. Lelaina Lim Siew Li
13. Lim Siew Wah Grace
14. Tommy Loke Hip Meng
15. Anthony Mallek
16. Ng Seok Keow @ Angie Lim

### Community, Social and Sports Advisory Panel

1. Vincent Lim Boon Seng (Chairman)
2. Zahabar Ali (Deputy Chairman)
3. Aw Vern Chun Philip
4. Anna Chen Heung Kwan
5. Esther Chng
6. Foong Daw Ching
7. Lee Jian Wen
8. Helen Lee Lai Ken
9. Lee Puay Hien
10. David Leow
11. Loh Han Chong
12. Elaine Ng Siew Chen
13. Ong Lei Lian
14. Alvin Phua
15. Wong Chee Ming
16. Yong Zen Yun

### Corporate Finance Committee

1. Roger Tay Puay Cheng (Chairman)
2. Chan Yew Kiang
3. Chay Yiwmin
4. Heng Mui Mui (joined September)
5. Ho Kim Wai
6. Rebekah Khan
7. Ng Jiak See
8. Ong Hwee Li
9. Kaka Singh
10. Tan Tze-Gay
11. Yeo Boon Chye

### Corporate Governance Committee

1. Ho Tuck Chuen (Chairman)
2. Basil Chan (Deputy Chairman)
3. Ravinthran Arumugam
4. El'fred Boo Hian Yong
5. Anthony Cheong Fook Seng
6. Chow Kam Wing
7. Fang Eu-Lin
8. Andy Gan
9. David Leow
10. Lim Wei Wei
11. Irving Low
12. Mak Yuen Teen
13. Anthony Mallek
14. Neo Sing Hwee
15. Tan Chin Poh
16. Teoh Teik Toe

### Corporate Reporting Committee

1. Tan Wah Yeow (Chairman)
2. Henry Tan Song Kok (SR Awareness Working Group Chairman)
3. Raj Juta (SR Quality Working Group Chairman)
4. Fang Eu-Lin
5. Ian Hong
6. Krishna Sadashiv
7. Yeo Lian Sim



## C O R P O R A T E G O V E R N A N C E

**Ethics Committee**

1. Kwok Wui San (Chairman)
2. Sajjad Akhtar
3. Patrick Ang Peng Koon
4. Eng Chin Chin
5. David Gerald
6. Anthony Mallek
7. Ong Bee Yen
8. Tan Seng Choon
9. Uantchern Loh (Observer, till 30 June 2016)
10. Evan Law (Observer, from 1 July 2016)
11. Julia Tay (Observer, till 2 September 2016)
12. Sherry Quark (Observer, from 3 September 2016)

**Financial Reporting Committee**

1. Chua Kim Chiu (Chairman)
2. Tan Seng Choon (Deputy Chairman)
3. Chan Yen San
4. Chen Voon Hoe
5. Cheng Ai Phing
6. Annette Foo Wai Yin
7. Philip Fong Yeng Fatt
8. Keoy Soo Earn
9. Irene Khoo
10. Thanabalan Ladamuthu
11. Mikkel Bilyk Larsen
12. Paul Lee Seng Meng
13. Lee Eng Kian
14. Lim Chu Yeong
15. Eric Lim Jin Huei
16. Loh Ji Kin
17. Low Kin Yew
18. Mak Keat Meng
19. Sim Hwee Cher
20. Kenny Tan Choon Wah
21. Paul Tan Poh Lee
22. Jeremy Toh
23. James Xu Jun
24. Esther Wee Yu

**Financial Statements Review Committee**

1. Kok Moi Lre (Chairperson)
2. Tan Swee Ho (Deputy Chairman)
3. David Anthony Leaver (Deputy Chairman)
4. Ang Poh Choo
5. Chan Weng Keen
6. Chan Yew Kiang
7. Yvonne Chiu Sok Hua
8. Chua Lay See
9. Lee Eng Kian
10. Jacqueline Lew Wan Ming
11. Lo Mun Wai
12. William Ng Wee Liang
13. Neo Keng Jin
14. Kevin Ohng Kok Yeong
15. Seah Gek Choo
16. Soh Lin Leng
17. Angeline Tan Lay Hong
18. Patrick Tan Hak Pheng
19. Tan Peck Yen
20. Gajendran Vyapuri
21. James Xu Jun

**Information Technology Services Advisory Panel**

1. Benjamin Chiang Wing Wai (Chairman)
2. Foong Sew Bun (Deputy Chairman)
3. Philip Kwa Teow Huat
4. Ng Cheng Hwa
5. Lyon Poh Leong Yeow
6. Yap Choh Tat Danny
7. Monica Holtfoster
8. Ong Kok Chye

## C O R P O R A T E   G O V E R N A N C E

### Insolvency Practices Committee

1. Andrew Grimmett (Chairman)
2. Angela Ee (Deputy Chairperson)
3. Abuthahir Abdul Gafoor
4. Victor Goh
5. Kon Yin Tong
6. Gary Loh
7. Sam Kok Weng
8. Martin Wong

### Insurance Committee

1. Woo Shea Leen (Chairperson)
2. David Waller (Deputy Chairman)
3. Manu Anand
4. Alistair John Chamberlain
5. Eileen Giam
6. Matthew Lawrence
7. Jeffrey Lowe
8. Jason Neo Choong Hua
9. Rina Tan Bee Hong
10. Yap Swee Gek

### IS Chartered Accountant Journal Editorial Advisory Panel

1. Gerard Ee Hock Kim (Chairman)
2. Cheng Nam Sang (Deputy Chairman)
3. Edmund Keung Ching Tung
4. Koh Wei Chern
5. Paul Lee Seng Meng
6. Lee Kin Wai
7. Luke Lim
8. Phua Yung Keat
9. Patrick Tan Teck Keong

### Investigation & Disciplinary Panel

#### Members

1. Bill Bowman
2. Anthony Cheong Fook Seng
3. Cheong Kum Foong
4. Cheong Mun Hong
5. Cheung Pui Yuen
6. Robin Chin Sin Beng
7. Michael Heng Yeow Meng
8. Khoo Teng Aun
9. Lee Dah Khang
10. Jason Lee Soon Sin
11. Leow Quek Shiong
12. Jocelyn Lim Lay Lian
13. Lelaina Lim Siew Li
14. Lim Wei Wei
15. Luar Eng Hwa
16. Ravinthran Arumugam
17. Nagaraj Sivaram
18. Soh Gim Teik
19. Tan Kuang Hui
20. Tan Tiong Heng
21. Kelvin Tan Wee Peng
22. Yang Ching Chao
23. Danny Yap Choh Tat
24. Yeo Boon Chye
25. Yeo Ek Khuan

#### Lay Persons

- |                         |           |
|-------------------------|-----------|
| 1. Ashvinkumar Kantilal | Architect |
| 2. David Chung          | Architect |
| 3. Joseph Goh           | Engineer  |
| 4. Jacqueline Loke      | Lawyer    |
| 5. Seah Chee Huang      | Architect |
| 6. Tan Chong Huat       | Lawyer    |
| 7. Raymond Tong         | Lawyer    |
| 8. Bertha Woon          | Doctor    |
| 9. Julia Yeo            | Lawyer    |

## C O R P O R A T E G O V E R N A N C E

**Membership Committee**

- |    |                      |                   |
|----|----------------------|-------------------|
| 1. | Ho Yew Kee           | (Chairman)        |
| 2. | Ong Pang Thye        | (Deputy Chairman) |
| 3. | Rick Chan Hock Leong |                   |
| 4. | Ho Kuen Loon         |                   |
| 5. | Koh Chiap Khiong     |                   |
| 6. | Tam Chee Chong       |                   |

**Public Accounting Practice Committee**

- |     |                            |            |
|-----|----------------------------|------------|
| 1.  | Michael Chin Sek Peng      | (Chairman) |
| 2.  | Balasubramaniam Janamanchi |            |
| 3.  | Goh Sia                    |            |
| 4.  | Lee Mong Sheong            |            |
| 5.  | Mak Keat Meng              |            |
| 6.  | Terence Ng Chi Hou         |            |
| 7.  | Ng Meow Ling               |            |
| 8.  | Poon Yew Wah               |            |
| 9.  | Helen Sim Cheng Geok       |            |
| 10. | John Tan Hon Chye          |            |
| 11. | Tan Khoon Guan             |            |
| 12. | Denis Allen Usher          |            |


**Singapore Institute of Accredited Tax Professionals Board**

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

**Young Professionals Advisory Committee**

- |     |                                  |                      |
|-----|----------------------------------|----------------------|
| 1.  | Lim Kexin                        | (Chairperson)        |
| 2.  | Belinda Teo Hui                  | (Deputy Chairperson) |
| 3.  | Mark Balakrishnan                |                      |
| 4.  | Chai Tse Whei                    |                      |
| 5.  | Goh Hong Chuan                   |                      |
| 6.  | Goh Kai Yi                       |                      |
| 7.  | Goh Wenbang Shawn                |                      |
| 8.  | Aanault Lee Chuan Feng           |                      |
| 9.  | Lee Sing Ying                    |                      |
| 10. | Lee Yean Ting                    |                      |
| 11. | Adrian Lee Yu-Min                |                      |
| 12. | Lim Kai Ling                     |                      |
| 13. | Neo Chun How Alton               |                      |
| 14. | Belicia Ong                      |                      |
| 15. | Ong Jian He                      |                      |
| 16. | Tang Shing Him                   |                      |
| 17. | Wee Boon Hoong                   |                      |
| 18. | Zhao Yiwei (till 11 August 2016) |                      |
| 19. | Adeline Kee (Advisor)            |                      |
| 20. | Tam Chee Chong (Advisor)         |                      |





For ISCA, operating as a cohesive organisation requires sound leadership, good practices and a collaborative professional ethos to effectively manage complexities, mitigate risks and seize opportunities.

## MANAGING RISKS

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## MANAGING RISKS



For a member-based institute, the ability to fulfill our mission as the national accountancy body depends on the support of our members. Accounting professionals join us to achieve their career goals, leveraging our technical expertise, training courses, accreditation and networking events.

Our main stream of revenue comes from membership fees, thus a drop in our membership number will impact our turnover. A reduced membership base will also hinder us from rolling out more initiatives and benefits to our members. Additionally, a declining membership will impose challenges on our ability to represent the views of our members in the industry, and impact our standing on a global scale.

In view of the volatile economy, we remain rooted in our goal to create value for our members, supporting them in each step of their career development. We remain committed to helping our members meet challenging demands in the corporate world.

Internally, we are constantly monitoring the risks posed by the external environment, to ensure that our strategies and initiatives stay relevant and continue to benefit our members and the profession.

Today's accountants are called to be strategic business partners to their organisations and clients. Hence, we continue to support our members to acquire the latest skills beyond pure technical knowledge to help them overcome new hurdles while chiseling their competitive edge.

### Talent Retention

Every staff at ISCA plays an important role. It is with the collective expertise of our staff that we can execute the strategies to achieve our mission.

We are committed to maintaining an exemplary human resource policy to retain and attract talent. We aim to help our staff realise their career goals by continuously creating more opportunities for skills development, whether through on the job training or external courses.

Like an orchestra, we do not operate individually but as a whole. We must complement each other to create a harmonious balance. Though certain compositions take

hard work to be perfected, it does not deter us from practicing and perfecting our craft. Our commitment to our vision is what fuels us to deliver a stellar performance.

### Technological Advancement

Technology has accelerated the speed of change at an exponential pace. There is greater volatility, uncertainty, complexity and ambiguity in the world. There is no doubt technology will continue to transform the way we live and work. Every sector will continue to undergo transformative change to meet the challenges arising from technological disruption. Accountancy is no exception.

It is important for the profession to think critically about the future. With the rise of disruptive technologies, routine accounting functions will be automated. Cloud accounting has transformed the role of accountants. Even more transformative is the development of artificial intelligence that is capable of learning and teaching itself. In the next five to 10 years, we may even see robots taking on work once undertaken by white-collar professionals. The accountancy profession has to think of ways to innovate and capitalise on the opportunities presented in the digital era, or risk being left behind.

### Staying Relevant

As Singapore prepares its people and the economy for this "new normal", ISCA, as the national accountancy body, will take an active role in preparing the accountancy profession for the future economy. We continue to ensure our programmes adequately equip our members with skills and knowledge that allow them to harness existing and emerging technologies to create greater value for businesses.

The online learning revolution continues to unfold. In line with this trend, our e-learning library with over 400 courses enables members to acquire skills at their own time and convenience. We will continue to capitalise on web-based learning to deliver greater value to our members.





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## FINANCIAL STATEMENTS

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## S T A T E M E N T B Y C O U N C I L

On behalf of the Council of the Institute of Singapore Chartered Accountants (the “Institute”), we, Gerard Ee and Vincent Lim Boon Seng, being the President and Treasurer respectively, do hereby state that in our opinion, the consolidated financial statements of the Institute and its subsidiaries (the “Group”) and financial statements of the Institute set out on pages 61 to 98 are properly drawn up in accordance with the Societies Act, Chapter 311 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 2016 and of its financial performance, changes in funds and cash flows of the Group and the Institute for the financial year ended on that date.



**Gerard Ee**  
President



**Vincent Lim Boon Seng**  
Treasurer

9 March 2017

Statement by Council	Independent Auditor's Report	Statements of Profit or Loss and Other Comprehensive Income	Balance Sheets	Statements of Changes in Funds	Statements of Cash Flows	Notes to the Financial Statements	Notice of Annual General Meeting
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# I N D E P E N D E N T   A U D I T O R ' S   R E P O R T

## 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 61 to 98, which comprise the balance sheets of the Group and the Institute as at 31 December 2016, 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, Chapter 311 (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 2016 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 57 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.

## I N D E P E N D E N T   A U D I T O R ' S   R E P O R T

## TO MEMBERS OF THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS

**Report on the Audit of the Financial Statements (cont'd)***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.

*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.



Statement by Council	Independent Auditor's Report	Statements of Profit or Loss and Other Comprehensive Income	Balance Sheets	Statements of Changes in Funds	Statements of Cash Flows	Notes to the Financial Statements	Notice of Annual General Meeting
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# I N D E P E N D E N T   A U D I T O R ' S   R E P O R T

## 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 (cont'd)*

- 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.

### Report on Other Legal and Regulatory Requirements

In our opinion,

- (i) the accounting and other records required by the Societies Regulations enacted under the Societies Act to be kept by the Institute have been properly kept in accordance with those regulations; and
- (ii) the fund-raising appeal held during the financial year ended 31 December 2016 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.



**Baker Tilly TFW LLP**  
Public Accountants and  
Chartered Accountants  
Singapore

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

9 March 2017

# S T A T E M E N T S O F P R O F I T O R L O S S A N D O T H E R C O M P R E H E N S I V E I N C O M E

For the financial year ended 31 December 2016

		Group		Institute	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
<b>Income</b>					
Members' annual fees		7,871,680	7,363,710	7,871,680	7,363,710
Members' admission fees		1,142,400	595,400	1,142,400	595,400
Income from Continuing Professional Education		5,029,086	4,865,643	5,029,086	4,866,223
Income from other training courses		9,544,269	11,852,350	4,198,851	4,078,473
Other income	4	5,906,751	5,912,927	5,564,765	5,846,491
Total income		29,494,186	30,590,030	23,806,782	22,750,297
<b>Less expenditure</b>					
Operating expenses		(30,619,954)	(31,798,730)	(24,171,809)	(22,749,036)
(Deficit)/surplus from operating activities	5	(1,125,768)	(1,208,700)	(365,027)	1,261
Share of results of associate (net of tax)		696	748	–	–
(Deficit)/surplus before tax		(1,125,072)	(1,207,952)	(365,027)	1,261
Income tax expense	6	(148,590)	(34,377)	–	(27,000)
<b>Deficit for the year</b>	7	(1,273,662)	(1,242,329)	(365,027)	(25,739)
<b>(Deficit)/surplus from specific funds:</b>					
Community Service Project Fund	19	–	(95,888)	–	(95,888)
ISCA Cares Fund	20	215,043	–	–	–
<b>Net deficit and total comprehensive loss for the year</b>		(1,058,619)	(1,338,217)	(365,027)	(121,627)

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

Statement by Council	Independent Auditor's Report	Statements of Profit or Loss and Other Comprehensive Income	Balance Sheets	Statements of Changes in Funds	Statements of Cash Flows	Notes to the Financial Statements	Notice of Annual General Meeting
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## B A L A N C E   S H E E T S

At 31 December 2016

		Group		Institute	
		2016	2015	2016	2015
	Note	\$	\$	\$	\$
<b>Non-current assets</b>					
Property, plant and equipment	9	1,793,154	13,071,649	1,593,199	2,092,707
Investment properties	10	36,255,393	26,052,328	36,255,393	36,689,528
Subsidiaries	11	–	–	3	300,003
Associate	12	108,552	107,856	–	–
Deferred tax assets	13	193,000	337,000	193,000	193,000
Intangible assets	14	1,317,836	558,081	1,296,824	460,471
		<b>39,667,935</b>	40,126,914	<b>39,338,419</b>	39,735,709
<b>Current assets</b>					
Inventories		15,240	15,240	15,240	15,240
Trade and other receivables	15	3,191,704	3,151,806	3,073,296	2,971,450
Cash and cash equivalents	16	17,801,381	18,202,275	14,704,129	12,638,283
		<b>21,008,325</b>	21,369,321	<b>17,792,665</b>	15,624,973
<b>Total assets</b>		<b>60,676,260</b>	61,496,235	<b>57,131,084</b>	55,360,682
<b>Non-current liabilities</b>					
Provisions	17	490,377	537,319	314,577	361,519
<b>Current liabilities</b>					
Trade and other payables	18	6,814,475	6,165,362	7,137,922	5,074,126
Course fees received in advance		1,578,901	2,192,054	313,366	445,962
Subscription fees received in advance		3,354,830	3,103,099	3,353,670	3,102,499
Current tax payable		7,167	9,272	–	–
		<b>11,755,373</b>	11,469,787	<b>10,804,958</b>	8,622,587
<b>Total liabilities</b>		<b>12,245,750</b>	12,007,106	<b>11,119,535</b>	8,984,106
<b>Net assets</b>		<b>48,430,510</b>	49,489,129	<b>46,011,549</b>	46,376,576
<b>Represented by</b>					
Accumulated fund		48,215,467	49,489,129	46,011,549	46,376,576
Community Service Project Fund	19	–	–	–	–
ISCA Cares Fund	20	215,043	–	–	–
		<b>48,430,510</b>	49,489,129	<b>46,011,549</b>	46,376,576

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



## S T A T E M E N T S O F C H A N G E S I N F U N D S

For the financial year ended 31 December 2016

	Accumulated fund \$	Community Service Project Fund \$	ISCA Cares Fund \$	Total \$
<b>Group</b>				
Balance at 1 January 2015	50,731,458	95,888	–	50,827,346
Net deficit and total comprehensive loss for the year	(1,242,329)	(95,888)	–	(1,338,217)
Balance at 31 December 2015	49,489,129	–	–	49,489,129
Net (deficit)/surplus and total comprehensive (loss)/ income for the year	(1,273,662)	–	215,043	(1,058,619)
<b>Balance at 31 December 2016</b>	<b>48,215,467</b>	<b>–</b>	<b>215,043</b>	<b>48,430,510</b>
<b>Institute</b>				
Balance at 1 January 2015	46,402,315	95,888	–	46,498,203
Net deficit and total comprehensive loss for the year	(25,739)	(95,888)	–	(121,627)
Balance at 31 December 2015	46,376,576	–	–	46,376,576
Net deficit and total comprehensive loss for the year	(365,027)	–	–	(365,027)
<b>Balance at 31 December 2016</b>	<b>46,011,549</b>	<b>–</b>	<b>–</b>	<b>46,011,549</b>

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

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# S T A T E M E N T S O F C A S H F L O W S

For the financial year ended 31 December 2016

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Cash flows from operating activities</b>				
(Deficit)/surplus before tax	(1,125,072)	(1,207,952)	(365,027)	1,261
Adjustments for:				
Depreciation and amortisation of property, plant and equipment, investment properties and intangible assets	1,505,730	1,451,118	1,252,594	1,092,296
Impairment loss of investment in subsidiary	–	–	300,000	–
Finance cost	3,884	4,463	3,884	4,463
Interest income	(141,037)	(127,780)	(124,316)	(94,960)
Property, plant and equipment written off	63,939	–	63,939	–
Loss on disposal of property, plant and equipment	7,190	–	–	–
Share of profit of associate	(696)	(748)	–	–
Operating surplus before working capital changes	313,938	119,101	1,131,074	1,003,060
Receivables	(43,614)	(596,310)	(107,902)	(552,875)
Payables	249,309	(334,460)	418,368	(40,371)
Course fees received in advance	(613,153)	(762,973)	(132,596)	32,975
Subscription fees received in advance	251,731	(13,391)	251,171	(13,791)
Cash generated from/(used in) operations	158,211	(1,588,033)	1,560,115	428,998
Income tax paid	(6,695)	(10,513)	–	–
Payments from Community Service Project Fund	–	(95,888)	–	(95,888)
Net receipts from ISCA Cares Fund (Note 20)	215,043	–	–	–
<b>Net cash from/(used in) operating activities</b>	<b>366,559</b>	<b>(1,694,434)</b>	<b>1,560,115</b>	<b>333,110</b>
<b>Cash flows from investing activities</b>				
Fixed deposit pledged	(38)	(38)	–	–
Interest received	144,753	123,018	130,372	87,728
Proceeds from disposal of property, plant and equipment	1,020	–	–	–
Purchases of property, plant and equipment	(142,082)	(342,981)	(99,121)	(327,811)
Additions to intangible assets	(771,144)	(168,267)	(771,144)	(149,677)
<b>Net cash used in investing activities</b>	<b>(767,491)</b>	<b>(388,268)</b>	<b>(739,893)</b>	<b>(389,760)</b>
<b>Cash flows from financing activity</b>				
Advances from a subsidiary, representing net cash from financing activity	–	–	1,245,624	–
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(400,932)</b>	<b>(2,082,702)</b>	<b>2,065,846</b>	<b>(56,650)</b>
Cash and cash equivalents at beginning of year	18,187,067	20,269,769	12,638,283	12,694,933
<b>Cash and cash equivalents at end of year (Note 16)</b>	<b>17,786,135</b>	<b>18,187,067</b>	<b>14,704,129</b>	<b>12,638,283</b>

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

# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

For the financial year ended 31 December 2016

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

## 1 Corporate information

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

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

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

## 2 Significant accounting policies

### a) Basis of preparation

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

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

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

The preparation of financial statements in conformity with 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. 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.



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# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

**For the financial year ended 31 December 2016**

## **2 Significant accounting policies (cont'd)**

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

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 and revised FRSs and INT FRSs did not have any material effect on the financial performance or financial position of the Group and Institute for the financial year.

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 2016 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, except as disclosed as follows:

#### ***FRS 109 Financial Instruments***

FRS 109 which replaces FRS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace FRS 39 incurred loss model.

##### ***(a) Classification and measurement***

While the Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under FRS 109.

##### ***(b) Impairment***

FRS 109 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis.

The Group plans to adopt the standard when it becomes effective in financial year ending 31 December 2018. The Group is currently assessing the impact of applying the new standard.

#### ***FRS 115 Revenue from Contracts with Customers***

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

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

#### ***FRS 115 Revenue from Contracts with Customers (cont'd)***

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group plans to adopt the standard when it becomes effective in financial year ending 31 December 2018. The Group is currently performing an assessment of the impact and quantifying the transition adjustments on its financial statements.

#### ***FRS 116 Leases***

FRS 116 replaces the existing FRS 17 'Leases'. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. As at the balance sheet date, the Group has non-cancellable operating lease commitments as disclosed in Note 22(a). The Group anticipates that the adoption of FRS 116 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the impact of FRS 116 until the Group performs a detailed assessment. The Group will perform a detailed assessment of the impact and plans to adopt the standard on the required effective date.

### b) Consolidation

#### *Subsidiaries*

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

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

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

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

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

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For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

### b) Consolidation (cont'd)

#### *Associate*

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

#### *Accounting for subsidiaries and associate by the Institute*

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

### c) Functional and foreign currencies

#### *Functional currency*

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

#### *Foreign currencies*

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

### d) Inventories

Inventories, comprising commemorative gold coins, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

### e) Property, plant and equipment

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

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



# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

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

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

Freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

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

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

### f) Investment properties

Investment properties, comprise freehold land and buildings of the Group and the Institute, that are leased out to earn rental. Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Depreciation of the buildings is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years.

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

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

### g) Intangible assets

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

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

### 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.

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# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

### h) Impairment of non-financial assets (cont'd)

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

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

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

### i) Financial assets

#### i) *Classification*

The Group classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The Group's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding prepayments) and "cash and cash equivalents" on the balance sheet.

#### ii) *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in income or expenditure. Any amount in the fair value reserve relating to that asset is also transferred to income or expenditure.

#### iii) *Initial measurement*

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

#### iv) *Subsequent measurement*

Loans and receivables are carried at amortised cost using the effective interest method, less impairment. Interest income on financial assets is recognised separately as income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

### i) Financial assets (cont'd)

#### v) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered objective evidence that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognised in income or expenditure. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through income or expenditure to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

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

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

### k) Provisions

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

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



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## 2 Significant accounting policies (cont'd)

### l) Operating leases

#### *Lessee*

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

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

#### *Lessor*

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

### m) Cash and cash equivalents

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

### n) Revenue recognition

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

Members' annual and admission fees are recognised when due.

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

Administrative fee income from the administration of Singapore CA Qualification ("CA Qualification") is recognised net of expenditure incurred. The net amount of the income recognised is derived based on a pre-determined fixed percentage of the pre-approved expenditure incurred for the CA Qualification.

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

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

Management fees are recognised when services are rendered.

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

### o) Government grants

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

# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

For the financial year ended 31 December 2016

## 2 Significant accounting policies (cont'd)

### o) Government grants (cont'd)

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

### p) Employee benefits

#### *Defined contribution plans*

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

#### *Employee leave entitlement*

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

### q) Income tax

Income tax 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.

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

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

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

## 3 Key sources of estimation uncertainty

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

#### *Deferred income tax assets*

The Group and the Institute recognise deferred income tax assets on carried forward tax losses and other temporary differences to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group and the Institute are in compliance with certain provisions of tax legislation. Significant management judgement is required to determine the amount of deferred tax

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**For the financial year ended 31 December 2016**

## **3   Key sources of estimation uncertainty (cont'd)**

### *Deferred income tax assets (cont'd)*

assets that can be recognised, based upon the likely timing and level of future taxable profits. The unrecognised tax losses and the carrying values of deferred tax assets recognised of the Group and the Institute at 31 December 2016 are disclosed in Notes 6 and 13 respectively.

### *Depreciation of property, plant and equipment and investment properties*

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

The carrying amounts of the Group's and Institute's property, plant and equipment and investment properties as at 31 December 2016 and the annual depreciation charges for the financial year ended 31 December 2016 are disclosed in Notes 9 and 10 respectively.

### *Amortisation of intangible assets*

The Group reviews the useful lives of intangible assets at the balance sheet date in accordance with the accounting policy in Note 2(g). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful lives differing from the management's current estimates. The net carrying amount of intangible assets at 31 December 2016 and the annual amortisation charge for the financial year ended 31 December 2016 are disclosed in Note 14. Any changes in the expected useful lives of these assets would affect the net carrying amount of intangible assets, and the amortisation charge for the financial year.

### *Impairment of financial assets*

The Group assesses at the balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group and Institute's receivables at the balance sheet date are disclosed in Note 15. If the present value of estimated future cash flows differ from management's estimates, the Group and Institute's allowance for impairment for receivables and the receivables balances at the balance sheet date will be affected accordingly.

### *Impairment of non-current assets*

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

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

The carrying amounts of the Group and Institute's property, plant and equipment, investment properties and intangible assets are disclosed in Notes 9, 10 and 14 respectively. The carrying amount of the Institute's investment in subsidiaries is disclosed in Note 11. During the financial year, there was an impairment loss of \$300,000 (2015: Nil) recognised in the financial statements of the Institute in relation to the investments in subsidiaries.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 4 Other income

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Secretariat</i>				
Advertising income	74,315	123,856	74,315	123,856
Government grants*	383,454	89,879	372,214	89,879
Interest income from bank deposits and bank balances	139,471	107,462	124,316	94,960
Management fees	695,099	936,655	695,099	936,655
Other fees	188,084	126,031	188,084	126,031
Practice Monitoring income	282,150	150,000	282,150	150,000
Registration and subscription fees	783,180	755,325	–	–
Rental income	1,891,598	2,149,910	1,891,598	2,149,910
Seminar and talk fees	1,008,421	985,765	891,515	877,979
Sundry income	156,261	504,740	151,090	499,719
	<b>5,602,033</b>	<b>5,929,623</b>	<b>4,670,381</b>	<b>5,048,989</b>
<i>Training Division</i>				
CA Qualification net administrative fee	200,141	175,780	200,141	175,780
Government grants*	121,449	155,843	–	9,000
Interest income from bank deposits and bank balances	1,566	20,318	–	–
Other fees	165,158	285,237	14,101	13,580
Rental income	104,617	167,584	30,929	28,861
Seminar and talk fees	86,401	105,515	74,640	96,715
Sundry income	590,256	561,558	574,573	473,566
	<b>1,269,588</b>	<b>1,471,835</b>	<b>894,384</b>	<b>797,502</b>
Sub-total	<b>6,871,621</b>	<b>7,401,458</b>	<b>5,564,765</b>	<b>5,846,491</b>
Elimination	<b>(964,870)</b>	<b>(1,488,531)</b>	<b>–</b>	<b>–</b>
<b>Combined</b>	<b>5,906,751</b>	<b>5,912,927</b>	<b>5,564,765</b>	<b>5,846,491</b>

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

	\$	\$	\$	\$
Staff costs	(687,713)	(624,394)	(687,713)	(624,394)
Contributions to CPF	(90,571)	(84,317)	(90,571)	(84,317)
Rental expenses	(120,365)	(69,887)	(120,365)	(69,887)
Depreciation of property, plant equipment (Note 9)	(5,876)	(23,700)	(5,876)	(23,700)
Amortisation of intangible assets (Note 14)	(59,801)	(53,357)	(59,801)	(53,357)

\* Government grants for the Group and the Institute mainly relate to Special Employment Credit, Wage Credit, Temporary Employment Credit and Productivity and Innovation Credit Cash Payout.

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## 5 (Deficit)/surplus from operating activities

	<b>Secretariat</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Group</b>		
<b>Income</b>		
Members' annual fees	7,871,680	7,363,710
Members' admission fees	1,142,400	595,400
Income from Continuing Professional Education	–	–
Income from other training courses	–	–
Other income	5,602,033	5,929,623
<b>Total income</b>	<b>14,616,113</b>	<b>13,888,733</b>
<b>Less expenditure</b>		
Operating expenses	(18,416,051)	(17,626,047)
<b>(Deficit)/surplus from operating activities</b>	<b>(3,799,938)</b>	<b>(3,737,314)</b>
<b>Institute</b>		
<b>Income</b>		
Members' annual fees	7,871,680	7,363,710
Members' admission fees	1,142,400	595,400
Income from Continuing Professional Education	–	–
Income from other training courses	–	–
Other income	4,670,381	5,048,989
<b>Total income</b>	<b>13,684,461</b>	<b>13,008,099</b>
<b>Less expenditure</b>		
Operating expenses	(17,894,616)	(16,726,630)
<b>(Deficit)/surplus from operating activities</b>	<b>(4,210,155)</b>	<b>(3,718,531)</b>

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Training division		Elimination		Total	
2016	2015	2016	2015	2016	2015
\$	\$	\$	\$	\$	\$
-	-	-	-	7,871,680	7,363,710
-	-	-	-	1,142,400	595,400
5,029,086	4,866,223	-	(580)	5,029,086	4,865,643
9,544,269	11,852,350	-	-	9,544,269	11,852,350
1,269,588	1,471,835	(964,870)	(1,488,531)	5,906,751	5,912,927
15,842,943	18,190,408	(964,870)	(1,489,111)	29,494,186	30,590,030
(13,678,870)	(15,661,794)	1,474,967	1,489,111	(30,619,954)	(31,798,730)
2,164,073	2,528,614	510,097	-	(1,125,768)	(1,208,700)
-	-	-	-	7,871,680	7,363,710
-	-	-	-	1,142,400	595,400
5,029,086	4,866,223	-	-	5,029,086	4,866,223
4,198,851	4,078,473	-	-	4,198,851	4,078,473
894,384	797,502	-	-	5,564,765	5,846,491
10,122,321	9,742,198	-	-	23,806,782	22,750,297
(6,277,193)	(6,022,406)	-	-	(24,171,809)	(22,749,036)
3,845,128	3,719,792	-	-	(365,027)	1,261



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## 6 Income tax expense

Income tax expense attributable to results is made up of:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Current income tax	7,167	7,103	–	–
Deferred tax	144,000	(143,000)	–	(105,000)
	151,167	(135,897)	–	(105,000)
(Over)/under provision of income tax in prior years	(2,577)	274	–	–
Under provision of deferred tax in prior years	–	170,000	–	132,000
	148,590	34,377	–	27,000

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:

	\$	\$	\$	\$
(Deficit)/surplus before tax	(1,125,072)	(1,207,952)	(365,027)	1,261
Tax calculated at a tax rate of 17%	(191,262)	(205,351)	(62,055)	215
Singapore statutory stepped income exemption	(10,966)	(9,788)	–	–
Income not subject to tax	(19,175)	(45,842)	(10,166)	(34,281)
Expenses not deductible for tax purposes	33,867	134,298	154,363	93,866
Effect of tax incentive and tax rebate*	(335,793)	(185,721)	(333,726)	(164,129)
Deferred tax assets not recognised	676,979	168,157	251,000	–
(Over)/under provision of income tax in prior years	(2,577)	274	–	–
Under provision of deferred tax in prior years	–	170,000	–	132,000
Tax rebate	(5,058)	–	–	–
Others	2,575	8,350	584	(671)
	148,590	34,377	–	27,000

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

At the balance sheet date, the Group has unutilised tax losses and unabsorbed approved donations of approximately \$4,859,000 (2015: \$2,214,000) and \$519,000 (2015: \$225,000) respectively and the Institute has unutilised tax losses and unabsorbed approved donations of approximately \$1,802,000 (2015: \$409,000) and \$482,000 (2015: \$188,000) respectively. These are available for carry forward to offset against future taxable income, subject to the agreement of the tax authority and compliance with the relevant provisions of the Income Tax Act. The Group has recognised deferred tax assets in respect of \$441,000 (2015: \$409,000) and \$482,000 (2015: \$225,000) respectively of such tax losses and approved donations. The Institute has recognised deferred tax assets in respect of \$441,000 (2015: \$597,000) and \$482,000 (2015: \$188,000) respectively of such tax losses and approved donations. These assets have been recognised on the basis that there are sufficient estimated future taxable profits and taxable temporary differences against which the tax benefits can be utilised, based on the management projection of surplus from operations. No deferred tax assets have been recognised in respect of the remaining \$4,418,000 (2015: \$1,805,000) and \$37,000 (2015: Nil) unutilised tax losses and unabsorbed approved donations of the Group and \$1,361,000 (2015: Nil) unutilised tax losses of the Institute as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

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## 7 Deficit for the year

This is arrived at after charging/(crediting) the following:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Advertisement expenses	762,024	1,050,585	521,341	448,847
Allowance for doubtful receivables	74,323	–	584,420	–
Amortisation of intangible assets (Note 14)	300,566	218,541	223,968	131,770
Bad debts written off	14,898	4,164	744	4,164
Depreciation of investment properties (Note 10)	434,135	376,701	434,135	434,135
Depreciation of property, plant and equipment (Note 9)	705,352	880,519	528,814	551,034
Direct costs of providing training and other courses	5,102,815	6,054,705	2,786,961	2,922,720
Finance cost	3,884	4,463	3,884	4,463
Impairment loss of investment in subsidiary	–	–	300,000	–
Loss on disposal of property, plant and equipment	7,190	–	–	–
Property, plant and equipment written off	63,939	–	63,939	–
Rental expenses	3,619,262	3,523,373	2,410,894	2,328,354
Repair and maintenance	500,944	575,006	387,569	419,065
Publications	476,598	646,223	476,598	646,223
Seminar and talk expenses	872,405	847,811	845,311	831,841
Staff costs (Note 8)	14,067,648	14,606,603	11,574,336	11,785,935
Write-back of impairment loss of freehold land and building	–	(101,700)	–	(101,700)
Website and IT expenses	937,272	451,395	837,038	363,818

## 8 Staff costs

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and bonuses	12,302,073	12,876,818	10,125,761	10,401,111
Contributions to CPF	1,485,788	1,483,451	1,223,819	1,181,478
Other employee benefit expenses	279,787	246,334	224,756	203,346
	14,067,648	14,606,603	11,574,336	11,785,935

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## 9 Property, plant and equipment

### Group

	Freehold land	Freehold buildings	Furniture and office equipment	Computers	Renovation	Total
Cost	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	8,799,321	2,871,686	2,202,427	2,156,948	1,576,642	17,607,024
Additions	–	–	28,825	314,156	–	342,981
Balance at 31 December 2015	8,799,321	2,871,686	2,231,252	2,471,104	1,576,642	17,950,005
Additions	–	–	28,407	110,001	3,674	142,082
Write-off/disposals	–	–	(292,232)	(884,994)	(95,281)	(1,272,507)
Reclassified to investment properties (Note 10)	(8,799,321)	(2,871,686)	–	–	–	(11,671,007)
Balance at 31 December 2016	–	–	1,967,427	1,696,111	1,485,035	5,148,573
<b>Accumulated depreciation and impairment</b>						
Balance at 1 January 2015	101,700	976,373	736,652	1,798,003	463,109	4,075,837
Depreciation charge for the year	–	57,434	343,735	265,514	237,536	904,219
Write-back of impairment loss	(101,700)	–	–	–	–	(101,700)
Balance at 31 December 2015	–	1,033,807	1,080,387	2,063,517	700,645	4,878,356
Depreciation charge for the year	–	–	297,083	245,929	168,216	711,228
Write-off/disposals	–	–	(220,083)	(884,994)	(95,281)	(1,200,358)
Reclassified to investment properties (Note 10)	–	(1,033,807)	–	–	–	(1,033,807)
Balance at 31 December 2016	–	–	1,157,387	1,424,452	773,580	3,355,419
<b>Carrying amount</b>						
Balance at 31 December 2015	8,799,321	1,837,879	1,150,865	407,587	875,997	13,071,649
<b>Balance at 31 December 2016</b>	–	–	810,040	271,659	711,455	1,793,154

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For the financial year ended 31 December 2016

## 9 Property, plant and equipment (cont'd)

### Group (cont'd)

- (a) In previous financial year, certain units consisting of 2 floors (units #04-01, #04-02, #05-01 and #05-02 measuring 1,212 square metres) were occupied by its wholly-owned subsidiary, SAA Global Education Centre Pte. Ltd. ("SAA GE"), and therefore were classified as property, plant and equipment in the Group's consolidated balance sheet at the previous balance sheet date. In 2016, SAA GE had shifted out from Elite Building. As such, all the units in Elite Building are classified as investment properties in the Group's consolidated balance sheet.

The fair value of these units was valued at \$12,000,000 at the previous balance sheet date. The valuation was determined based on the properties' highest and best use by an external and independent professional valuer using the Direct Comparison Approach, under which the property was assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing and all other factors affecting its value. The fair value measurement was categorised under Level 3 of the fair value hierarchy.

As the recoverable amount of Elite Building units in the previous financial year was higher than its carrying amount, a write-back of impairment loss of \$101,700 was recognised by the Group in the previous financial year.

- (b) Depreciation charge is taken up as follows:

	2016	2015
	\$	\$
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - CA Qualification net administrative fee (Note 4)	5,876	23,700
- Operating expenses (Note 7)	705,352	880,519
	<b>711,228</b>	<b>904,219</b>

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



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For the financial year ended 31 December 2016

## 9 Property, plant and equipment (cont'd)

### Institute

	Furniture and office equipment \$	Computers \$	Renovation \$	Total \$
<b>Cost</b>				
Balance at 1 January 2015	1,487,637	1,891,569	1,127,608	4,506,814
Additions	18,721	309,090	–	327,811
Balance at 31 December 2015	1,506,358	2,200,659	1,127,608	4,834,625
Additions	11,528	87,593	–	99,121
Write-off	(248,742)	(884,994)	(95,281)	(1,229,017)
Balance at 31 December 2016	<b>1,269,144</b>	<b>1,403,258</b>	<b>1,032,327</b>	<b>3,704,729</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2015	396,222	1,588,218	182,744	2,167,184
Depreciation charge for the year	218,097	234,616	122,021	574,734
Balance at 31 December 2015	614,319	1,822,834	304,765	2,741,918
Depreciation charge for the year	200,343	220,266	114,081	534,690
Write-off	(184,803)	(884,994)	(95,281)	(1,165,078)
Balance at 31 December 2016	<b>629,859</b>	<b>1,158,106</b>	<b>323,565</b>	<b>2,111,530</b>
<b>Carrying amount</b>				
Balance at 31 December 2015	892,039	377,825	822,843	2,092,707
Balance at 31 December 2016	<b>639,285</b>	<b>245,152</b>	<b>708,762</b>	<b>1,593,199</b>
Depreciation charge is taken up as follows:				
			2016 \$	2015 \$
Statement of Profit or Loss and Other Comprehensive Income				
- Other income - CA Qualification net administrative fee (Note 4)			5,876	23,700
- Operating expenses (Note 7)			528,814	551,034
			<b>534,690</b>	574,734

### Group and Institute

During the financial year, the Group and the Institute have written off property, plant and equipment amounting to \$63,939 (2015: Nil) due to the office relocation of certain departments.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 10 Investment properties

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 1 January	30,211,757	30,211,757	41,882,764	41,882,764
Reclassified from property, plant and equipment (Note 9)	11,671,007	–	–	–
Balance at 31 December	41,882,764	30,211,757	41,882,764	41,882,764
<b>Accumulated depreciation and impairment</b>				
Balance at 1 January	4,159,429	3,782,728	5,193,236	4,860,801
Reclassified from property, plant and equipment (Note 9)	1,033,807	–	–	–
Depreciation charge (Note 7)	434,135	376,701	434,135	434,135
Write-back of impairment loss	–	–	–	(101,700)
Balance at 31 December	5,627,371	4,159,429	5,627,371	5,193,236
<b>Carrying amount</b>				
Balance at 31 December	36,255,393	26,052,328	36,255,393	36,689,528

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

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Rental income	1,891,598	1,633,286	1,891,598	2,149,910
Direct operating expenses arising from investment properties that generated rental income	(395,087)	(297,766)	(395,087)	(407,112)
Write-back of impairment loss	–	–	–	101,700
Depreciation charge	(434,135)	(376,701)	(434,135)	(434,135)

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For the financial year ended 31 December 2016

## 10 Investment properties (cont'd)

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

Location	Floor area (Square metres)	Tenure
i) Elite Building 20 Aljunied Road Singapore 389805	2,779 (2015: 1,567)	Freehold
<b>Group</b> Consisting of 5 (2015: 3) floors (Units #01-01, #01-03, #01-04, #01-05, #01-06, #02-01, #02-02, #04-01, #04-02, #05-01, #05-02, #06-01 and #06-02) (2015: all above excluding #04-01, #04-02, #05-01 and #05-02)		
<b>Institute</b> Consisting of 5 floors	2,779	Freehold
ii) 6 Raffles Quay #23-00 Singapore 048580	941	Freehold

## 11 Subsidiaries and intra-group transactions

- a) Investments in subsidiaries

	Institute	
	2016	2015
	\$	\$
Unquoted equity shares, at cost	300,003	300,003
Less: accumulated impairment loss	(300,000)	–
	3	300,003

During the financial year ended 31 December 2016, management performed an impairment test for the investments in subsidiaries. An impairment loss of \$300,000 (2015: Nil) has been recognised to fully write down the cost of investment in a subsidiary as the subsidiary has been making losses and is in net liabilities position.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 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	
			2016	2015
			%	%
Association of Taxation Technicians (S) Limited <sup>(1)(2)</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	<b>100</b>	100
Certified Accounting Technicians (Singapore) Ltd <sup>(1)(2)(3)</sup>	Singapore	To support and advance the status and interests of Certified Accounting Technicians	<b>100</b>	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	<b>100</b>	100
<i>Held by Institute of Singapore Chartered Accountants Pte. Ltd.</i>				
SAA Global Education Centre Pte. Ltd.	Singapore	Operating a private education centre which offers higher education programmes	<b>100</b>	100
Singapore Institute of Accredited Tax Professionals Limited <sup>(1)</sup>	Singapore	Accreditation body for tax professionals	<b>100</b>	100
ISCA Cares Limited <sup>(1)(4)</sup>	Singapore	To provide disadvantaged Singapore youths access to quality accountancy education through pecuniary and non-pecuniary assistance	<b>100</b>	100

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

<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> Certified Accounting Technicians (Singapore) Ltd had ceased operation during the financial year and is in the process of striking off.

<sup>(4)</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 20).



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For the financial year ended 31 December 2016

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

### c) Intra-group transactions

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

	<b>Institute</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Income</i>		
Management fees	<b>680,095</b>	921,100
Rental income	<b>258,312</b>	516,624
Seminar and talk fees	<b>8,500</b>	28,500
<i>Expenditure</i>		
Disbursement of expenses	<b>5,171</b>	5,021
Donation to ISCA Cares Limited	<b>10,332</b>	–
Rental expenses	<b>10,574</b>	11,534
<i>Others</i>		
Advances from a subsidiary	<b>1,245,624</b>	–

## 12 Associate

	<b>Group</b>		<b>Institute</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Investment in associate	<b>108,552</b>	107,856	–	–

Details of associate are as follows:

<b>Name of associate</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Effective interest held by the Group</b>	
			<b>2016</b>	<b>2015</b>
			<b>%</b>	<b>%</b>
Insolvency Practitioners Association of Singapore Limited*	Singapore	Professional body for insolvency practitioners	<b>50</b>	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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 12 Associate (cont'd)

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:

	2016 \$	2015 \$
Revenue	24,239	25,438
Profit after tax	1,393	1,496
Current assets	243,744	243,251
Current liabilities	(26,640)	(27,540)
Net assets	217,104	215,711
Group's share of net assets based on proportion of ownership interest, representing net carrying amount of investment	108,552	107,856

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

	Group and Institute 2016 \$	2015 \$
Management fee income	15,004	15,555

## 13 Deferred tax assets

	Group 2016 \$	2015 \$	Institute 2016 \$	2015 \$
Deferred tax assets comprise tax effect of temporary differences arising from:				
Depreciation and amortisation for tax purposes	(59,000)	150,000	(59,000)	6,000
Provisions and accruals	95,000	85,000	95,000	85,000
Unutilised tax losses	75,000	70,000	75,000	70,000
Unabsorbed approved donations	82,000	32,000	82,000	32,000
	193,000	337,000	193,000	193,000
Representing:				
Non-current				
Deferred tax assets	193,000	337,000	193,000	193,000

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For the financial year ended 31 December 2016

## 14 Intangible assets

### Group

	Computer software \$	System work-in- progress \$	Others \$	Total \$
<b>Cost</b>				
At 1 January 2015	1,178,990	–	49,388	1,228,378
Additions	45,565	111,202	11,500	168,267
At 31 December 2015	1,224,555	111,202	60,888	1,396,645
Additions	36,800	1,083,322	–	1,120,122
Reclassification	1,194,524	(1,194,524)	–	–
<b>At 31 December 2016</b>	<b>2,455,879</b>	<b>–</b>	<b>60,888</b>	<b>2,516,767</b>
<b>Accumulated amortisation</b>				
At 1 January 2015	545,612	–	21,054	566,666
Amortisation charge for the year	261,578	–	10,320	271,898
At 31 December 2015	807,190	–	31,374	838,564
Amortisation charge for the year	346,534	–	13,833	360,367
<b>At 31 December 2016</b>	<b>1,153,724</b>	<b>–</b>	<b>45,207</b>	<b>1,198,931</b>
<b>Carrying amount</b>				
At 31 December 2015	417,365	111,202	29,514	558,081
<b>At 31 December 2016</b>	<b>1,302,155</b>	<b>–</b>	<b>15,681</b>	<b>1,317,836</b>

Amortisation charge is taken up as follows:

	2016 \$	2015 \$
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - CA Qualification net administrative fee (Note 4)	59,801	53,357
- Operating expenses (Note 7)	300,566	218,541
	<b>360,367</b>	271,898

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 14 Intangible assets (cont'd)

### Institute

	Computer software \$	System work-in- progress \$	Others \$	Total \$
<b>Cost</b>				
At 1 January 2015	756,650	–	49,388	806,038
Additions	26,975	111,202	11,500	149,677
At 31 December 2015	783,625	111,202	60,888	955,715
Additions	36,800	1,083,322	–	1,120,122
Reclassification	1,194,524	(1,194,524)	–	–
<b>At 31 December 2016</b>	<b>2,014,949</b>	<b>–</b>	<b>60,888</b>	<b>2,075,837</b>
<b>Accumulated amortisation</b>				
At 1 January 2015	289,063	–	21,054	310,117
Amortisation charge for the year	174,807	–	10,320	185,127
At 31 December 2015	463,870	–	31,374	495,244
Amortisation charge for the year	269,936	–	13,833	283,769
<b>At 31 December 2016</b>	<b>733,806</b>	<b>–</b>	<b>45,207</b>	<b>779,013</b>
<b>Carrying amount</b>				
At 31 December 2015	319,755	111,202	29,514	460,471
<b>At 31 December 2016</b>	<b>1,281,143</b>	<b>–</b>	<b>15,681</b>	<b>1,296,824</b>

Amortisation charge is taken up as follows:

	2016 \$	2015 \$
Statement of Profit or Loss and Other Comprehensive Income		
- Other income - CA Qualification net administrative fee (Note 4)	59,801	53,357
- Operating expenses (Note 7)	223,968	131,770
	<b>283,769</b>	185,127

### Group and Institute

Computer software comprise membership, financial management and administrative systems. Additions during the year relate to implementation of membership and financial management systems.



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## 14 Intangible assets (cont'd)

### Group and Institute (cont'd)

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

Included in additions of intangible assets is an amount of \$348,978 (2015: Nil) payable to a third party. The cash outflow on additions to intangible assets of the Group and the Institute amounted to \$771,144 (2015: \$168,267) and \$771,144 (2015: \$149,677) respectively.

## 15 Trade and other receivables

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Trade receivables				
- third parties	1,531,856	1,186,053	1,525,461	1,054,926
- subsidiaries	–	–	801,132	412,282
- associate	16,054	16,644	16,054	16,644
	1,547,910	1,202,697	2,342,647	1,483,852
Less: allowance for doubtful receivables				
- third party	(74,323)	–	(74,323)	–
- subsidiary	–	–	(510,097)	–
	1,473,587	1,202,697	1,758,227	1,483,852
Non-trade amount due from a subsidiary	–	–	100,000	100,000
Accrued practice review fee receivable	138,000	128,700	138,000	128,700
Deposits	864,113	978,929	495,113	603,329
Interest receivables	31,251	34,967	21,621	27,677
Prepayments	657,468	734,195	541,590	583,747
Others	27,285	72,318	18,745	44,145
	3,191,704	3,151,806	3,073,296	2,971,450

Non-trade amount due from a subsidiary is unsecured, interest-free and repayable on demand.

## 16 Cash and cash equivalents

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

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Interest bearing accounts	13,881,163	13,750,205	12,417,542	10,319,810
Non-interest bearing accounts	3,920,218	4,452,070	2,286,587	2,318,473
	17,801,381	18,202,275	14,704,129	12,638,283
Less: Fixed deposit pledged	(15,246)	(15,208)	–	–
As per statements of cash flows	17,786,135	18,187,067	14,704,129	12,638,283

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

## 16 Cash and cash equivalents (cont'd)

Included in interest bearing accounts of the Group and Institute are fixed deposits totaling \$11,504,091 (2015: \$12,175,234) and \$10,319,301 (2015: \$8,744,839) respectively which are placed for varying periods of between 1 to 12 months (2015: 1 and 18 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of 0.2% to 1.5% (2015: 0.1% to 1.8%) per annum. Fixed deposit of the Group of \$15,246 (2015: \$15,208) is pledged to bank for banking facilities.

Included in interest bearing accounts of the Group is bank balance of ISCA Cares Fund amounting to \$221,311 (2015: Nil), of which \$7,280 (2015: Nil) is held in the bank balance of the Institute.

## 17 Provisions

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

Movements in provisions are as follows:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
At beginning of year	537,319	532,856	361,519	357,056
Unwind of discount	3,884	4,463	3,884	4,463
Reversal of provision	(22,826)	–	(22,826)	–
Provision utilised	(28,000)	–	(28,000)	–
At end of year	490,377	537,319	314,577	361,519

The provisions represent the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased property to its original state. The estimates have been made on the basis of quotes obtained from external contractors. The unexpired term of the leases including the renewal options range from 1 to 10 years (2015: 2 to 11 years).

## 18 Trade and other payables

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Trade payables	1,489,024	1,166,352	1,212,591	796,108
Other payables	7,168	–	–	–
Amount due to a subsidiary	–	–	1,039,188	2,403
Accrued operating expenses	3,818,821	3,701,709	3,478,716	3,067,332
Accrual for unutilised annual leave	649,214	587,360	557,179	498,342
Deposits received	413,322	413,322	413,322	413,322
Billings in advance	436,926	296,619	436,926	296,619
	6,814,475	6,165,362	7,137,922	5,074,126

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

Included in trade payables of the Group and Institute is an amount of \$348,978 (2015: Nil) relating to consultancy fee payable for implementation of membership and financial management systems.

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## 19 Community Service Project Fund

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

## 20 ISCA Cares Fund

	<b>Group</b>	
	<b>2016</b>	2015
	<b>\$</b>	<b>\$</b>
At beginning of year	–	–
Donations received		
- Tax deductible receipts	278,005	–
- Non-tax deductible receipts	11,495	–
Interest income	83	–
Bursary awards	(55,350)	–
Administrative expenses	(19,190)	–
	<hr/>	
At end of year	215,043	–
	<hr/>	
Represented by:		
Current assets		
Cash and cash equivalents	221,311	–
Trade and other receivables	3,400	–
	<hr/>	
	224,711	–
Current liabilities		
Trade and other payables	(9,668)	–
	<hr/>	
	215,043	–
	<hr/>	

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 21 Significant related party transactions

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

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>With key management personnel</b>				
CPE course fees	<b>14,100</b>	1,300	<b>14,100</b>	1,300

Related parties comprise key management personnel and firms/companies which are controlled or jointly controlled by certain Council Members of the Institute.

- (b) Key management personnel compensation comprise:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Short-term employee benefits	<b>1,896,656</b>	1,539,535	<b>1,687,398</b>	1,454,535
Contribution to CPF	<b>141,771</b>	70,185	<b>133,891</b>	68,060
	<b>2,038,427</b>	1,609,720	<b>1,821,289</b>	1,522,595

## 22 Commitments

### (a) Lease commitments - where the Group is a lessee

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

The future minimum lease payments under non-cancellable operating leases contracted for at balance sheet date, but not recognised as liabilities, are as follows:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Within one year	<b>3,355,134</b>	3,431,896	<b>2,019,216</b>	2,236,847
After one year but within five years	<b>5,868,517</b>	5,558,356	<b>3,637,012</b>	5,551,818



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## 22 Commitments (cont'd)

### (b) Lease commitments - where the Group is a lessor

The Group leases out office premises to non-related parties, while the Institute leases out office premises to subsidiaries and non-related parties, all of which are under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Within one year	1,228,524	1,633,286	1,228,524	2,020,754
After one year but within five years	163,764	1,392,288	163,764	1,392,288

### (c) Capital commitment

Capital commitment not provided for in the financial statements:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Capital commitment in respect of intangible assets	18,900	1,000,822	–	1,000,822

### (d) Other commitment - Institute

As at 31 December 2016, the Institute has provided continuing financial support of \$877,498 (2015: Nil) to a subsidiary in net current liabilities position.

## 23 Financial instruments

### (a) Categories of financial instruments

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

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
<i>Financial assets</i>				
Loans and receivables (including cash and cash equivalents)	20,335,617	20,619,886	17,235,835	15,025,986
<i>Financial liabilities</i>				
Amortised cost	5,728,336	5,281,384	6,143,817	4,279,165

# N O T E S   T O   T H E F I N A N C I A L   S T A T E M E N T S

For the financial year ended 31 December 2016

## 23 Financial instruments (cont'd)

### (b) Financial risk management

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

#### *Interest rate risk*

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

#### *Credit risk*

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

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

#### *Financial assets that are neither past due nor impaired*

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

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

The age analysis of trade receivables past due but not impaired is as follows:

	<b>Group</b>		<b>Institute</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>\$</b>	\$	<b>\$</b>	\$
Past due 0 to 3 months	<b>1,078,326</b>	1,074,317	<b>1,109,729</b>	1,356,132
Past due 3 to 6 months	<b>172,982</b>	118,186	<b>171,894</b>	117,663
Past due over 6 months	<b>54,994</b>	10,194	<b>54,847</b>	10,194
	<b>1,306,302</b>	1,202,697	<b>1,336,470</b>	1,483,989

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For the financial year ended 31 December 2016

## 23 Financial instruments (cont'd)

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

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

*Financial assets that are past due and impaired*

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for doubtful receivables are as follows:

	Group		Institute	
	2016	2015	2016	2015
	\$	\$	\$	\$
Gross amount	222,419	–	776,037	–
Less: Allowance for doubtful receivables	(74,323)	–	(584,420)	–
	148,096	–	191,617	–

*Movement in allowance for doubtful receivables:*

	\$	\$	\$	\$
At beginning of year	–	–	–	–
Allowance made	74,323	–	584,420	–
At end of year	74,323	–	584,420	–

Trade receivables that are individually determined to be impaired at the balance sheet date relate to a debtor that has defaulted on payments and a subsidiary that is in net liabilities position. Trade receivables are not secured by any collateral or credit enhancements.

#### *Liquidity risk*

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

The financial liabilities of the Group and the Institute are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

#### *Foreign currency risk*

The Group's and the Institute's foreign currency risk results mainly from cash flows and transactions denominated in foreign currencies. It is the Group's and the Institute's policy not to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

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

	Carrying amount \$	Fair value measurement at balance sheet date		
		Level 1 \$	Level 2 \$	Level 3 \$
<hr/>				
<b>2016</b>				
<b>Group and Institute</b>				
Investment properties	<b>36,255,393</b>	–	–	<b>54,800,000</b>
<hr/>				
<b>2015</b>				
<b>Group</b>				
Investment properties	26,052,328	–	–	43,130,000
<hr/>				
<b>Institute</b>				
Investment properties	36,689,528	–	–	55,130,000

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

### (c) Determination of fair values

#### *Investment properties*

The fair values are determined based on the properties' highest and best use by an external and independent professional valuer using the Direct Comparison Approach, under which the properties are assessed having regards to the recent transactions within the development and around the vicinity. Appropriate adjustments have been made between comparables and the subject property to reflect the differences in size, tenure, location, condition, prevailing marketing and all other factors affecting their value. The fair value measurement is categorised under Level 3 of the fair value hierarchy.



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**For the financial year ended 31 December 2016**

## **25 Fund management**

The Group's and the Institute's objectives when managing these funds are to safeguard the Group's and the Institute's ability to maintain adequate working capital to continue as going concern, to promote its objective to lead, develop and support accountancy professionals in Singapore and uphold the public interest and these objectives remain unchanged from previous year.

## **26 Subsequent event**

Subsequent to the end of the financial year, a subsidiary, Institute of Singapore Chartered Accountants Pte. Ltd. entered into the Collective Sale Agreement with all other units owners to sell the Elite Building, on an en bloc basis. The collective sale was launched on 15 February 2017.

## **27 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 2016 were authorised for issue by the Council on 9 March 2017.

# N O T I C E   O F A N N U A L   G E N E R A L   M E E T I N G   2 0 1 7

NOTICE is hereby given that, in accordance with Article 78 of the Constitution of the Institute, the Annual General Meeting 2016/2017 of the Institute of Singapore Chartered Accountants will be held on **Saturday, 22 April 2017 at 2.00 pm**, at Marina Mandarin, Marina Mandarin Ballroom, Level 1, 6 Raffles Boulevard, Marina Square, Singapore 039594.

## Agenda

1. President's address.
2. To confirm the minutes of the Annual General Meeting 2015/2016 held on 23 April 2016.
3. To receive the Report of the Council for the year 2016/2017 and Accounts of the Institute for the year ended 31 December 2016.
4. To elect eight members to the Council in accordance with Article 33 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
Paul Lee Seng Meng Max Loh Khum Whai Ong Pang Thye Tan Khoon Guan	Chan Hon Chew Ho Tuck Chuen Ho Yew Kee Lee Wai Fai

Nominations have been received for the following:

Chartered Accountants of Singapore who are Public Accountants	Nominated by
Balasubramaniam Janamanchi	Phang Lay Koon Terence Ng Chi Hou Tan Lye Heng Paul Chang Chi Hsung G Arull
Paul Lee Seng Meng	Kaka Singh Teo Cheow Tong Pang Hui Ting How Beng Tiong Lee Mong Sheong
Max Loh Khum Whai	Phan Swee Kim Christopher Wong Mun Yick Tan Swee Ho Nagaraj Sivaram Winston Ngan
Roger Tay Puay Cheng	Lee Chin Siang Barry Yeo Boon Chye Lee Jee Cheng Philip Ong Kian Guan Kum Chew Foong

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Chartered Accountants of Singapore who are not Public Accountants	Nominated by
Chan Mei Chuen Yvonne	Alice Tan Guong Khim Michael Kee Cindy Sim Poh Leng Maurice Loh Seow Wee Tew Bee Leng Meryl
Lee Wai Fai	Leong Hong Yew Ang Siang Hoon Yeo Lee Kian Khoo Hui Joo Wong Sin Huey
Darren Tan Siew Peng	Ang Suat Ching Kwang Chan Chee Tan Sok Hong Ng Choon Kiat Chiang Lee Yoon
Tan Wee Peng Kelvin	Wee Hiang Bing Terry Low Jooi Kok Choo Boon Poh Khoo Kian Teck Lay Xiu Bing

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Institute for the financial year ending 31 December 2017 and to authorise the Council to fix their remuneration.
6. 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



**JANET TAN**  
Secretary  
27 March 2017

# FORM OF PROXY

## THE SCHEDULE

Rule 34

## THE INSTITUTE OF SINGAPORE CHARTERED ACCOUNTANTS (GENERAL MEETINGS) RULES

I, \_\_\_\_\_ , \_\_\_\_\_  
(Full Name in Block) (NRIC/Passport Number)

of \_\_\_\_\_  
(Address)

being a member of the Institute, do hereby appoint:

Name	Address	NRIC /Passport Number

or failing him/her

Name	Address	NRIC /Passport Number

each of whom is a CA (Singapore) of ISCA as my proxy to vote for me at the Annual General Meeting of the Institute to be held on 22 April 2017 and any adjournment of such meeting.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

### 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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