

AECENSUS 2016/17

THE NATIONAL CENSUS
FOR ACCOUNTING
ENTITIES

FOREWORD

Singapore's accountancy sector performed well in 2016 amidst a challenging business environment. Revenue grew 5%, reaching a record of \$2.17 billion, while the general business services sector shrank 0.9%. The Singapore economy grew 2%.¹

The sector also saw healthy growth in the Accounting Entity (AE) workforce with 450 new jobs created, a 2.5% increase over 2015, bringing the total to 18,262. Productivity was also generally up with a 2.5% increase, reaching a revenue of \$118,707 per employee.

Interestingly, AECensus 2016/17 reveals a gradual transformation of the accountancy sector into one that will provide high value adding professional accountancy services. Let's have a look at some key areas.

Diversification of Services

The bulk of the revenue continued to be generated by the traditional services such as audit and assurance. However, there seems to be greater diversification in the offer of services. For example, growth in revenue for non-audit services at 6% outpaced growth of revenue for audit services at 4%. AEs expect strong growth to continue for non-audit services for 2018, particularly in corporate finance & deal advisory services (12%), risk management & governance (10%) and business valuation (10%). These are areas cited by the Committee for the Future Economy's (CFE) Working Group (WG) for Legal and Accounting Services as high growth practice areas.

Additionally, the Big 4 and Large AEs seem to have fairly diversified businesses as only 48% of their revenue is from audit and assurance services compared with 56% or more among the Medium, Small and Micro AEs. To be ready for the future, more Medium, Small and Micro AEs need to develop capabilities to provide advisory services.

Digitalisation

The data shows that the larger AEs have adopted digital strategies far more extensively than the smaller ones. With spending on technology correlating with the size of the AE, the Big 4 AEs spent a median of \$8.5 million on technology in 2016, followed by the large AEs at \$0.2 million, and the Medium, Small and Micro AEs at \$50,000, \$20,000 and \$3,000 respectively.

Productivity

The Big 4 AEs saw a 6% increase in productivity, reaching \$159,251 in average revenue per employee in 2016, possibly aided by the extensive use of technology and the offer of greater diversification of services which include the high growth practice areas identified by the CFE working group. These include Restructuring & Insolvency; Risk Management & Governance; and Corporate Finance & Deal Advisory, the top three business services with highest average revenue per employee.

Conversely, productivity of Medium and Micro AEs decreased by 8% and 9% respectively. These AEs spend less on technology citing reasons such as high cost, lack of knowledge of software to adopt and the inability to see the need to change current processes. These AEs also tend to offer a less diversified range of services, with greater focus on audit services. They could move up the value chain by building capabilities in advisory services and adopting technology.

¹ Ministry of Trade and Industry Singapore. Economic Survey of Singapore 2016.

FOREWORD

Internationalisation

AEs saw a fall in revenue from work performed overseas to 9% from 12% in 2015. This could be due a weaker global economy which grew 2.4% in 2016 compared with 2015 at 2.8%.

Nurturing Talent

Professionals must have the right skills for the future economy. It is heartening to see a steady increase in an accountancy workforce that is professionally qualified from 43% on 2015 to 48% in 2016. Employers acknowledge the value that first year senior associates with the Chartered Accountant (CA) (Singapore) qualification bring to their jobs with 10% of the AEs paying them more than \$4,400 per month. In comparison, only 3% of AEs pay their first year senior associates without the CA (Singapore) qualification more than \$4,400.

In Appreciation

I would like to thank all 197 respondents for helping to make AECensus 2016/17 possible. The findings are critical in helping us refine our strategies as we develop Singapore into a leading global accountancy hub.



Mr Evan Law

Chief Executive
Singapore Accountancy Commission

INTRODUCTION

AEcensus 2016/17 is a national census conducted by the Singapore Accountancy Commission (SAC) for AEs that are registered under the Accountants Act (Chapter 2) and companies which provide accounting-related services.

The results of AEcensus 2016/17 will enable SAC to recommend more effective policies to address immediate and long-term challenges faced by AEs.

AEcensus 2016/17 is supported by the Accounting and Corporate Regulatory Authority, the Ministry of Manpower and Workforce Singapore (formerly the Singapore Workforce Development Agency).

About Singapore Accountancy Commission

The Singapore Accountancy Commission (SAC) spearheads the development of the Singapore accountancy sector with the vision of developing Singapore into a leading global accountancy hub. SAC is working to achieve this by deepening the skills of the accountancy talent pool; developing the industry to capture growth opportunities; and creating a hub and exchange by building Singapore into a centre for thought leadership. SAC is a statutory body under the Ministry of Finance.

Acknowledgement

SAC would like to extend our sincere appreciation to all respondents who contributed their time to complete the survey and participate in the interviews.

Supporting Partners:



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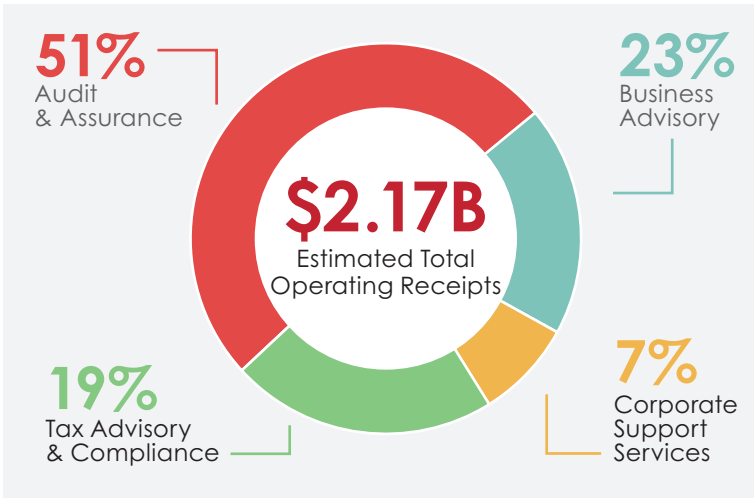
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SUMMARY OF FINDINGS



KEY FINDING 1 REVENUE

Audit revenues growth outperformed non-audit revenues growth

5% Growth in total operating receipts

- 6% Growth in Non-Audit Revenues
- 4% Growth in Audit & Assurance Revenues
- 5% Expected revenue growth in 2018
- 9% Of revenues attributed to work performed outside Singapore

KEY FINDING 3 TALENT

Employment growth driven by Medium and Micro AEs

2.5% Growth in total estimated workforce

450 Estimated new jobs created

6% Growth in employment of Singaporeans and Permanent Residents

KEY FINDING 4 TECHNOLOGY

\$10K Median spending on technology

Big 4 AEs \$8,500,000	Large AEs \$241,000
Medium AEs \$50,000	Small AEs \$20,000
	Micro AEs \$3,000

- 28% Time Savings
- 16% Improvement in Controls & Risk Management
- 14% Cost Savings
- 8% Increase in revenue

Lower technology adoption level amongst Medium, Small and Micro AEs compared to Big 4 and Large AEs

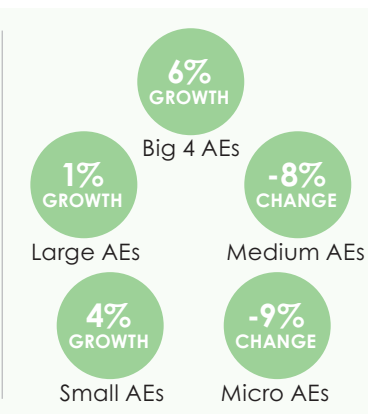
Average Number of Software Used, By AE Size

KEY FINDING 2 PRODUCTIVITY

The sector registered

2.5% Productivity Growth

in terms of average revenue per employee



ABOUT THE CENSUS

The AECensus was conducted from 25th July to 25th August 2017. A total of 197 responses (176 AEs and 21 Accounting Service Entities² (ASEs)) were received.

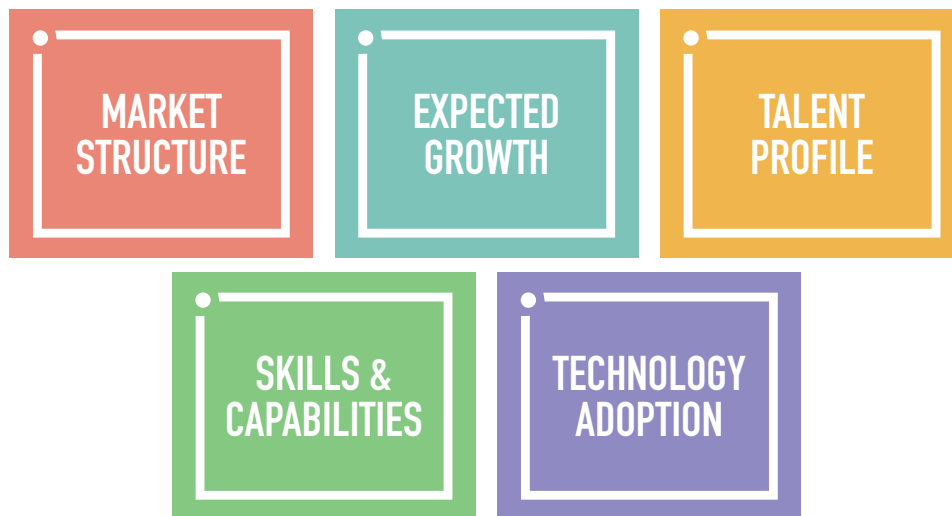
AEs are categorised into five major groups based on the number of employees in the census.

These categories are:

- Big 4 AEs: Headcount of at least 1,000 employees
- Large AEs: Headcount of between 101 to 999 employees
- Medium AEs: Headcount of between 31 to 100 employees
- Small AEs: Headcount of between 10 to 30 employees
- Micro AEs: Headcount of less than 10 employees

The census achieved a response rate of 100% from the Big 4 and Large AEs, as well as a response rate of 80% from Medium AEs. It is estimated that the 176 AE respondents generated about 88% of the total estimated operating receipts for the sector.

There are 5 key segments in the census: market structure, expected growth, talent profile, skills & capabilities and technology adoption.



The following key indicators were used for the census:

- Operating receipts: measured by both domestic revenue (work performed in Singapore) and foreign revenue (work performed outside Singapore)
- Productivity: measured by average annual revenue per employee³
- Technology adoption: measured through average adoption level of 9 common accounting related (e.g audit and tax software) and broad base software (e.g HR/Payroll and Marketing/CRM software)
- Expected growth: measured by firms' expected annual revenue growth in 2018 for different service lines

To enable more meaningful comparisons, 2015's data has been restated as the number of Large AEs has increased from 8 in 2015 to 9 in 2016.

² Accounting Services Entities (ASEs) are defined as entities that provide accounting services (excluding public audit services) and not registered under the Accountants Act.

³ According to SPRING's IMPACT Framework on productivity, sales per employee is one of the 10 common indicators used to gauge an organisation's productivity performance. It may not fully reflect the productivity levels of AEs as information on expenses is not captured in the census. SAC may explore other indicators for Census 2018.

RESPONDENTS PROFILE

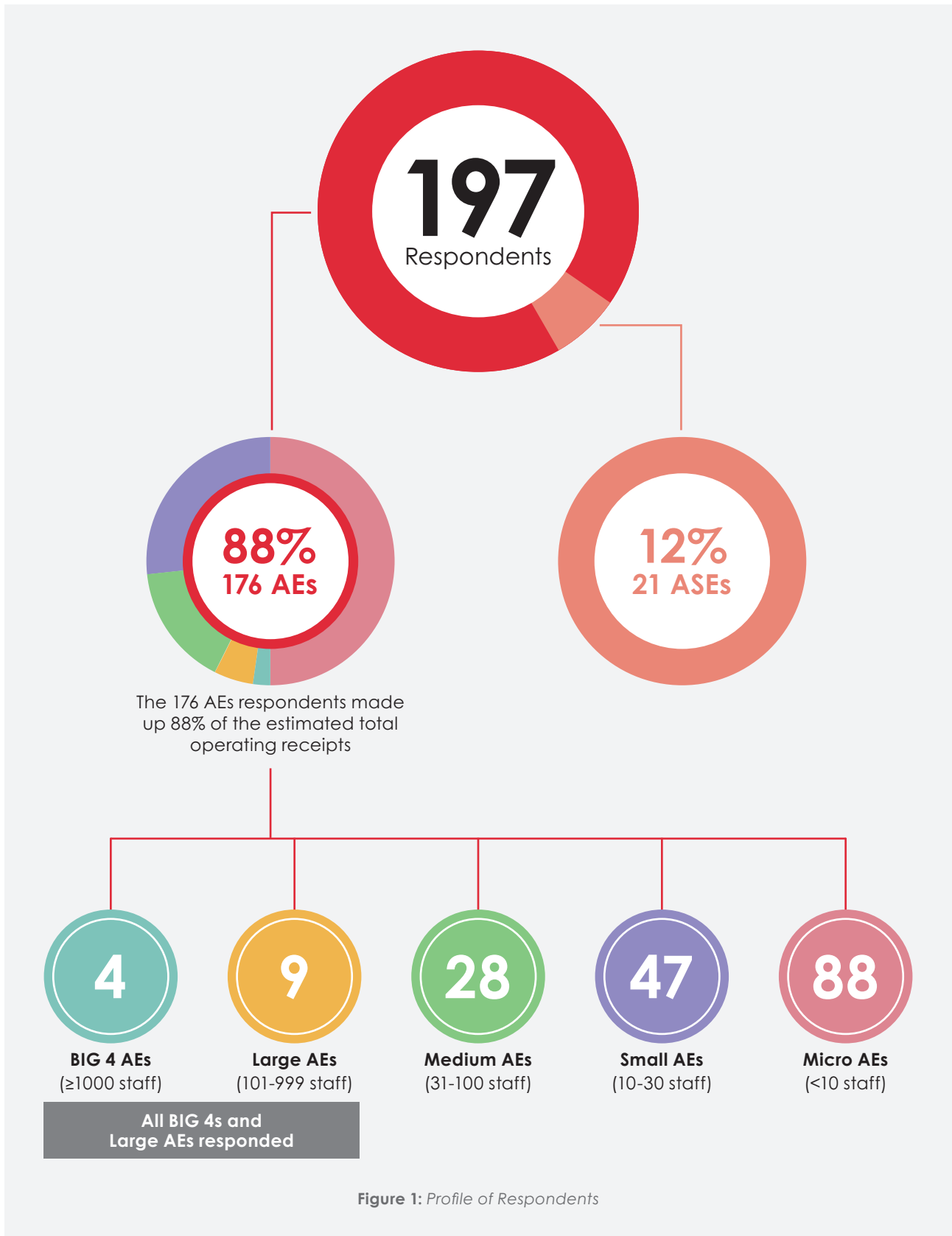


Figure 1: Profile of Respondents

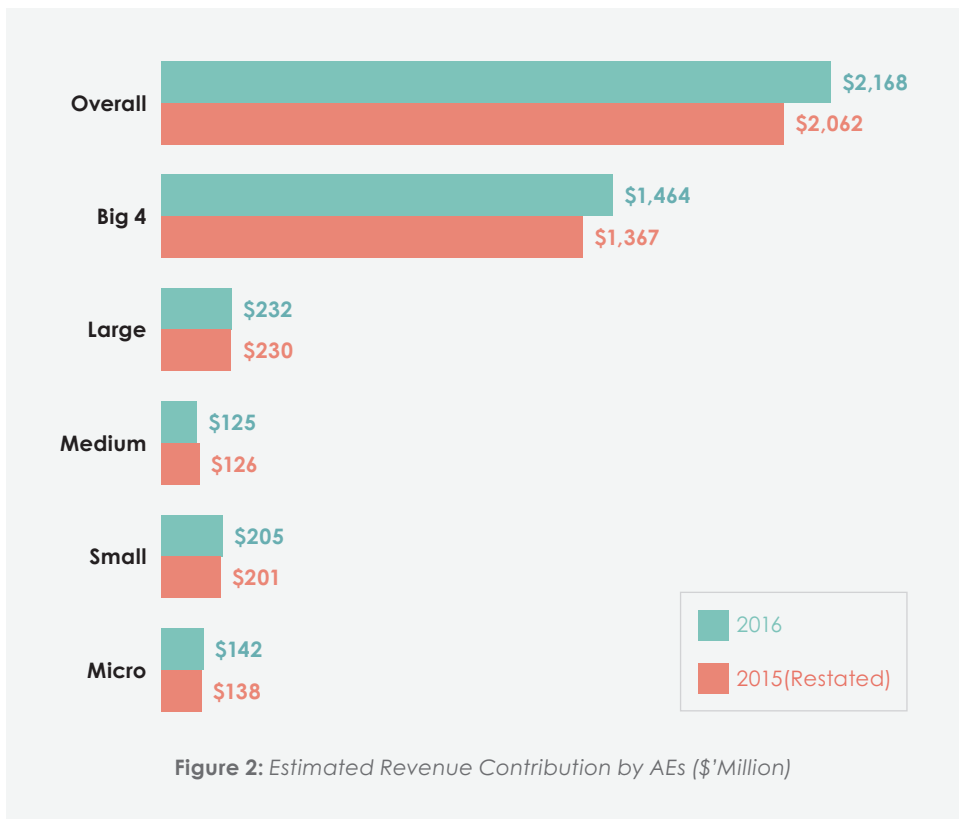
MARKET STRUCTURE

OPERATING RECEIPTS

The accounting sector generated an estimated total operating receipts of \$2.17 billion in 2016, an increase of \$106 million (5%) from 2015. This is similar to the legal sector which grew 4.9% in 2016. In comparison, the Singapore economy grew 2% in 2016 with the business services sector shrinking by 0.9% in the same year.⁴

The increase in operating receipts is largely attributed to the Big 4 AEs, which accounted for about 68% of the sector's total operating receipts. The Big 4 AEs' revenues increased 7% to \$1,464 million in 2016. In contrast, the remaining 680 AEs generated about a total of \$704 million in revenue – an increase of about 1%.

5%
**GROWTH
IN TOTAL
OPERATING
RECEIPTS**



⁴ Ministry of Trade and Industry Singapore. Economic Survey of Singapore 2016.

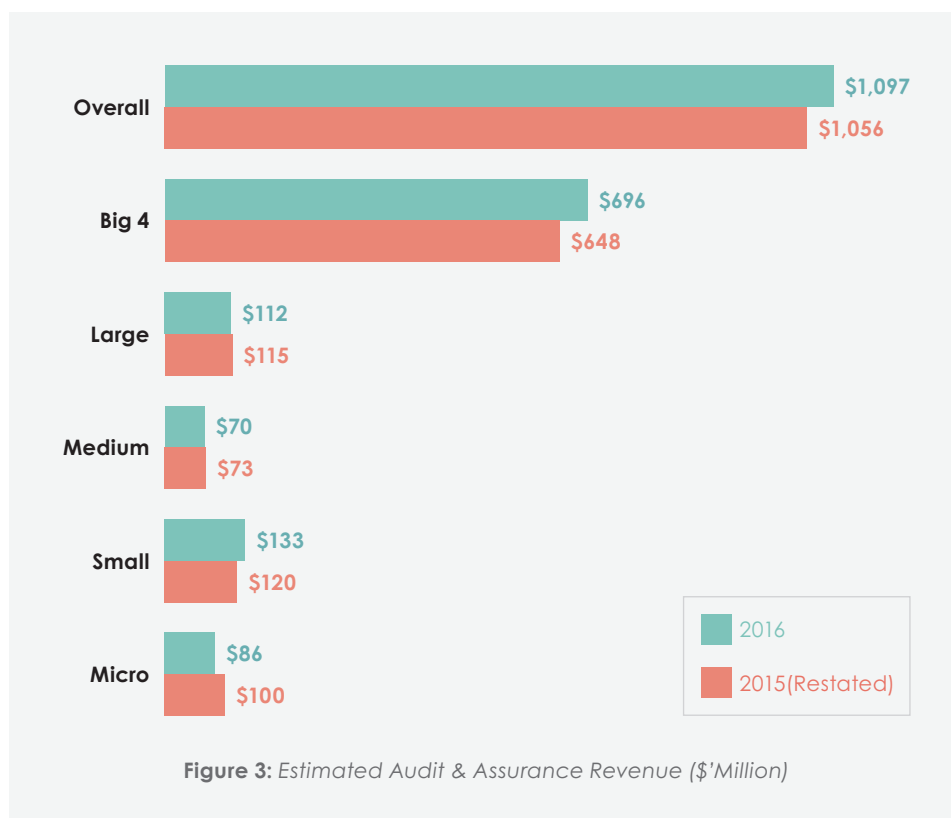
MARKET STRUCTURE

OPERATING RECEIPTS

SLOWDOWN IN GROWTH OF AUDIT REVENUES

AEs saw a slowdown in growth of audit & assurance revenues in 2016. Such revenues increased by 4% as compared to 11% in 2015. The increase is contributed mainly by the Big 4 AEs which increased such revenues by \$48 million (7%) in 2016. In contrast, such revenues decreased by \$6 million (-2%) for the non-Big 4 AEs.

Demand for audit & assurance services may have declined slightly in 2016 due to the implementation of higher audit exemption thresholds. In particular, Micro AEs observed the largest decrease in such revenues by 13%, followed by Medium and Large AEs which observed a decrease of 4% and 3% respectively. On the other hand, Small AEs reported an increase of 11% in audit & assurance revenues. This is largely due to a higher proportion of Small AEs focusing on the provision of audit services.



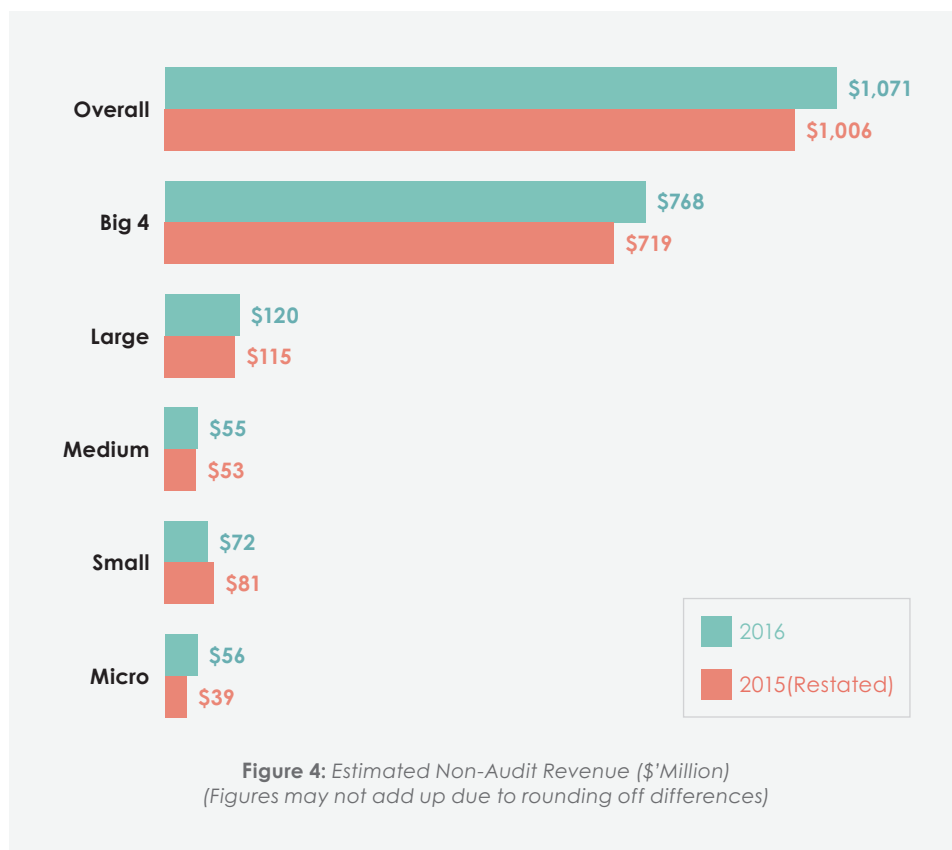
MARKET STRUCTURE

OPERATING RECEIPTS

CONSISTENT GROWTH IN NON-AUDIT REVENUES

Similar to 2015, non-audit revenues of AEs grew by 6% in 2016. While the increase in audit revenues is largely attributed only to the Big 4 AEs, both the Big 4 and non-Big 4 AEs were able to grow their non-audit revenues by 7% and 5% respectively.

In 2016, the non-audit revenues of Micro AEs is estimated to have increased \$17 million (43%). In contrast, their audit revenues decreased \$13 million (13%) during the same period. The decrease in audit revenues could have prompted the diversification and growth of non-audit revenues. The increase in non-audit revenues is largely driven by from revenues from corporate support services (\$12 million), tax compliance services (\$4 million) and restructuring & insolvency services (\$3 million).



MARKET STRUCTURE

REVENUE COMPOSITION

Audit & assurance services continued to be the primary source of revenue for AEs. Similar to 2015, the provision of such services generated over half (51%) of the total market revenue in 2016.

Traditional services (audit & assurance, corporate support services and tax related services) contributed about 77% of the sector's revenue. The remaining 23% of the revenues were generated from varying types of advisory services, such as business valuation and risk management.

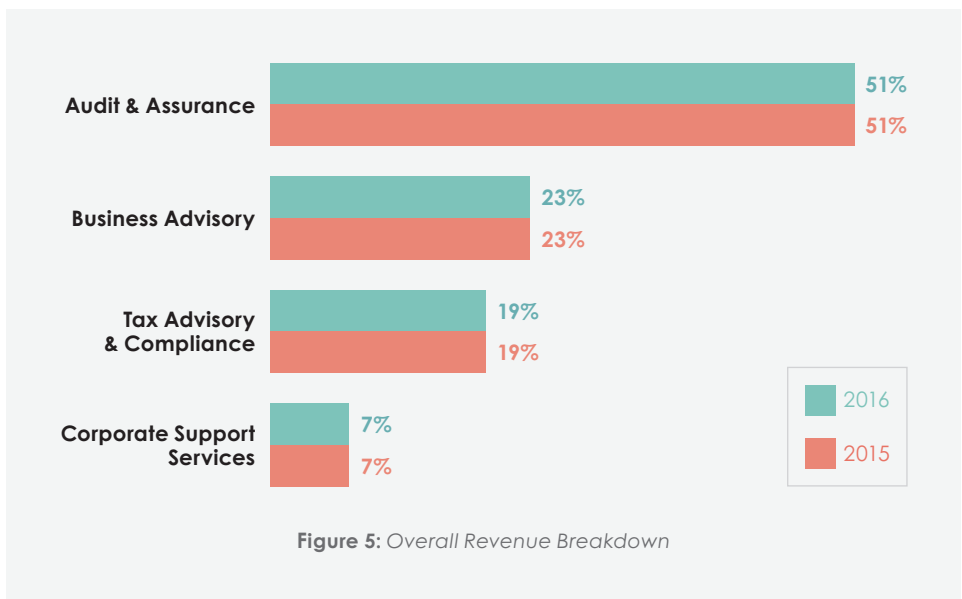
The census observed some key differences in revenue contribution across AE size. First, both the Big 4 and Large AEs appear to have fairly diversified businesses – only 48% of the Big 4s and Large AEs' revenues were from audit & assurance services. In contrast, over 55% of the Medium, Small and Micro AEs' revenues were from audit & assurance work.

Second, almost 30% of the Big 4 AEs' revenue was derived from business advisory services. This is significantly higher compared to Large AEs (21%). In comparison, the Medium, Small and Micro AEs provide little advisory services (8%, 4% and 5% respectively).

Third, while the Big 4 AEs had minimal revenues from corporate support services (less than 1%), Large, Medium, Small and Micro AEs continued to rely on corporate support services as their second most important revenue streams. Such revenues contributed between 20% and 23% of their total revenues.

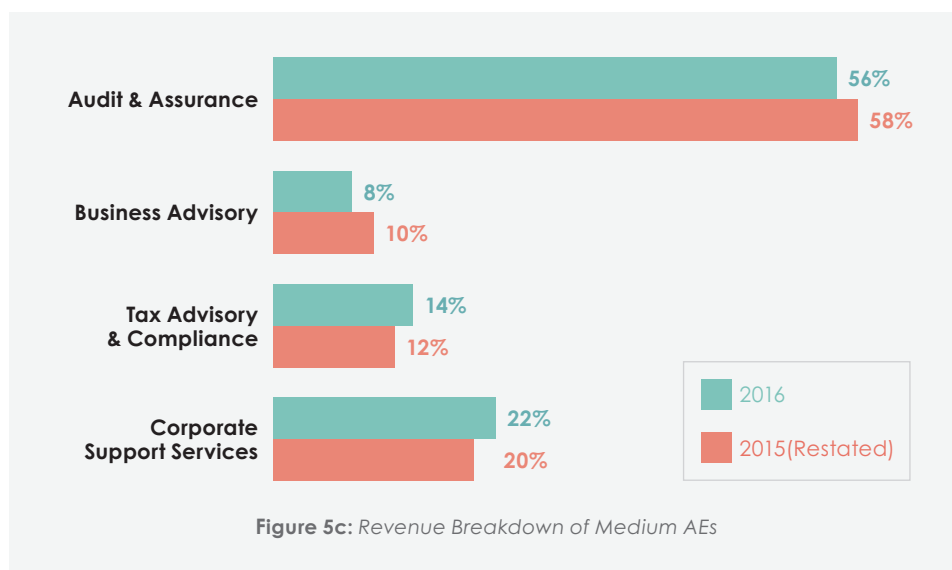
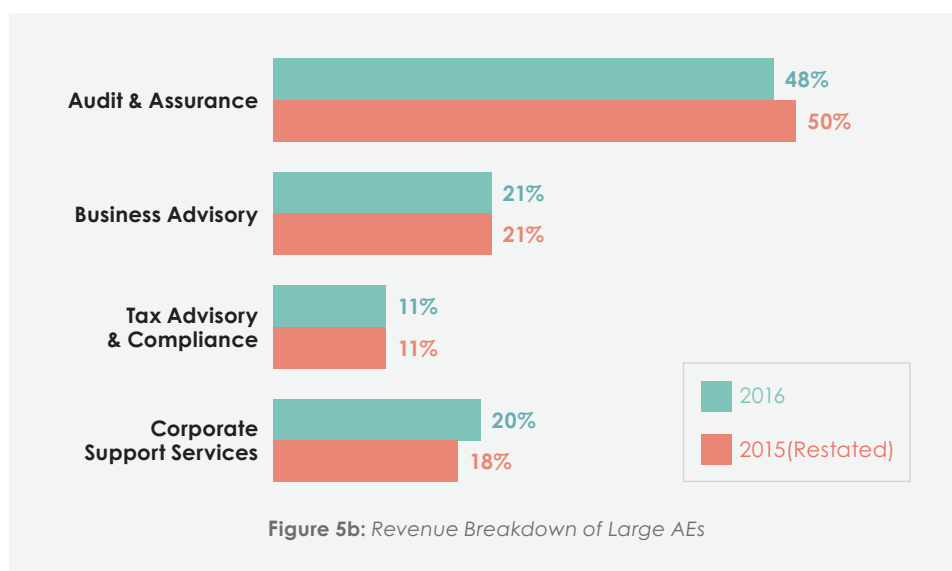
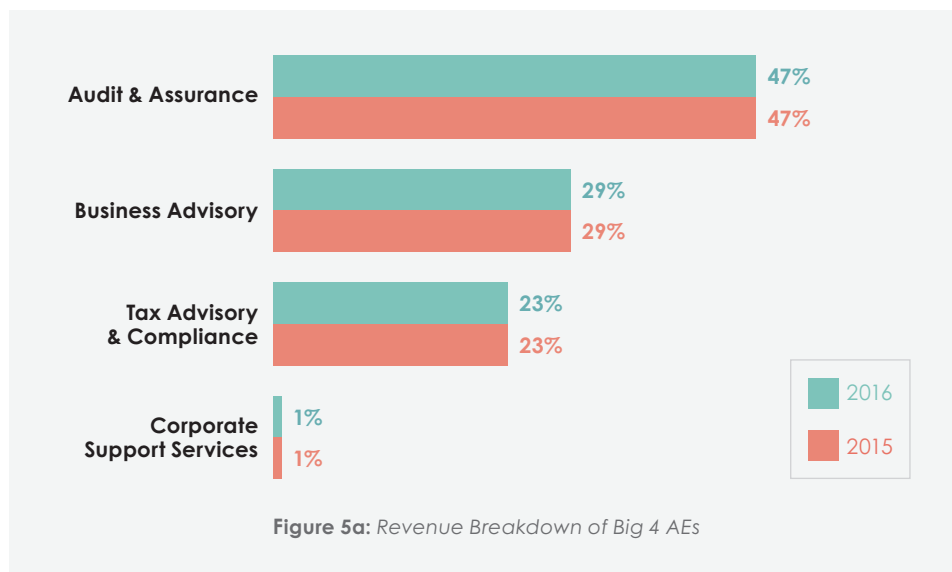
Next, almost a quarter of the revenue generated by the Big 4 AEs pertains to tax advisory & compliance services (23%). However, such revenues only contributed only 8% to 14% of the non-Big 4 AEs' revenue.

51%
OF TOTAL OPERATING RECEIPTS WERE GENERATED FROM AUDIT & ASSURANCE SERVICES



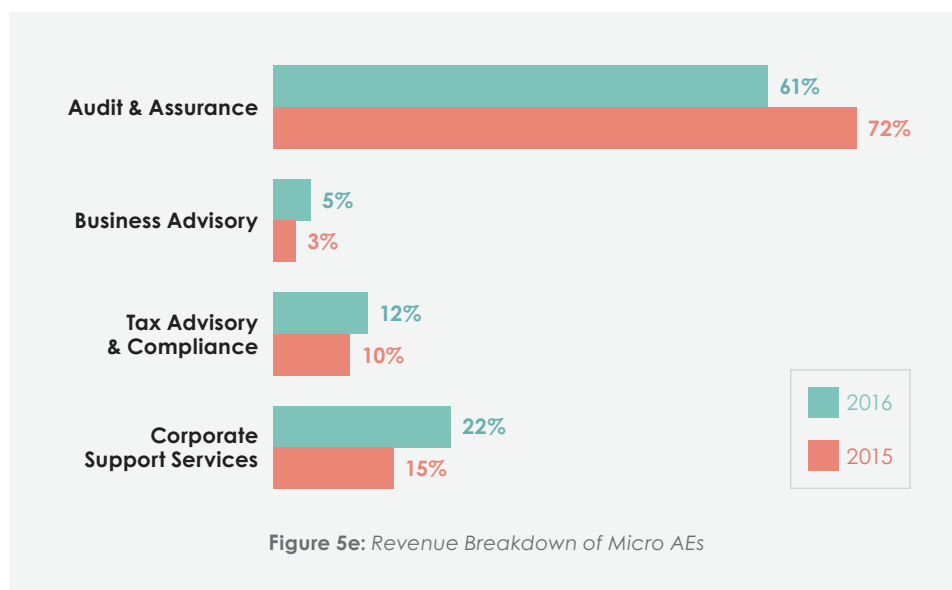
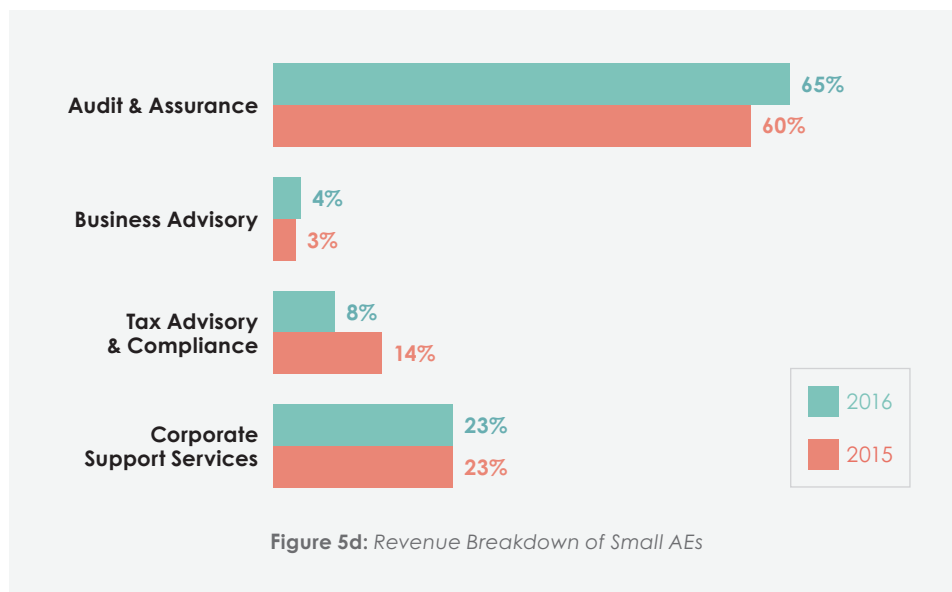
MARKET STRUCTURE

REVENUE COMPOSITION



MARKET STRUCTURE

REVENUE COMPOSITION



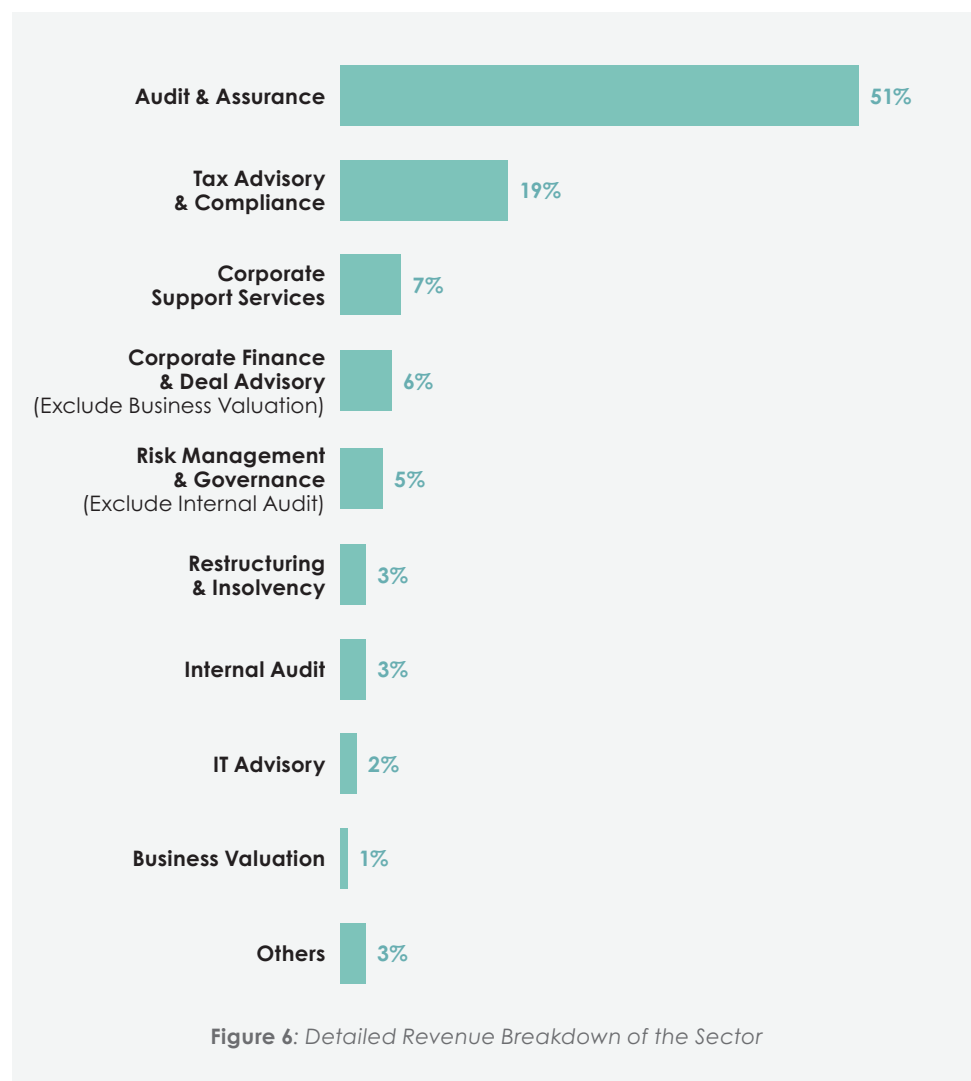
MARKET STRUCTURE

REVENUE COMPOSITION

DETAILED REVENUE COMPOSITION BY AE SIZE

AEs provide different regulatory and advisory services to support organisations with their compliance and growth needs. The census revealed that there were at least 40 different types of assurance, tax and advisory services being provided in 2016. Such services are broadly categorised across 9 different major services which comprise of audit & assurance, tax advisory & compliance, corporate support services, corporate finance & deal advisory, risk management & governance, restructuring & insolvency, internal audit, IT advisory and business valuation.

While the CFE WG report encouraged firms to develop competencies in high growth practice areas such as business valuation and risk management to capture opportunities in the region, the census showed that such services, defined as business advisory services, made up only 23% of the sector's operating receipts. In 2016, the top 3 business advisory services with the highest revenues were corporate finance & deal advisory (6%), risk management & governance (5%) and restructuring & insolvency (3%).



MARKET STRUCTURE

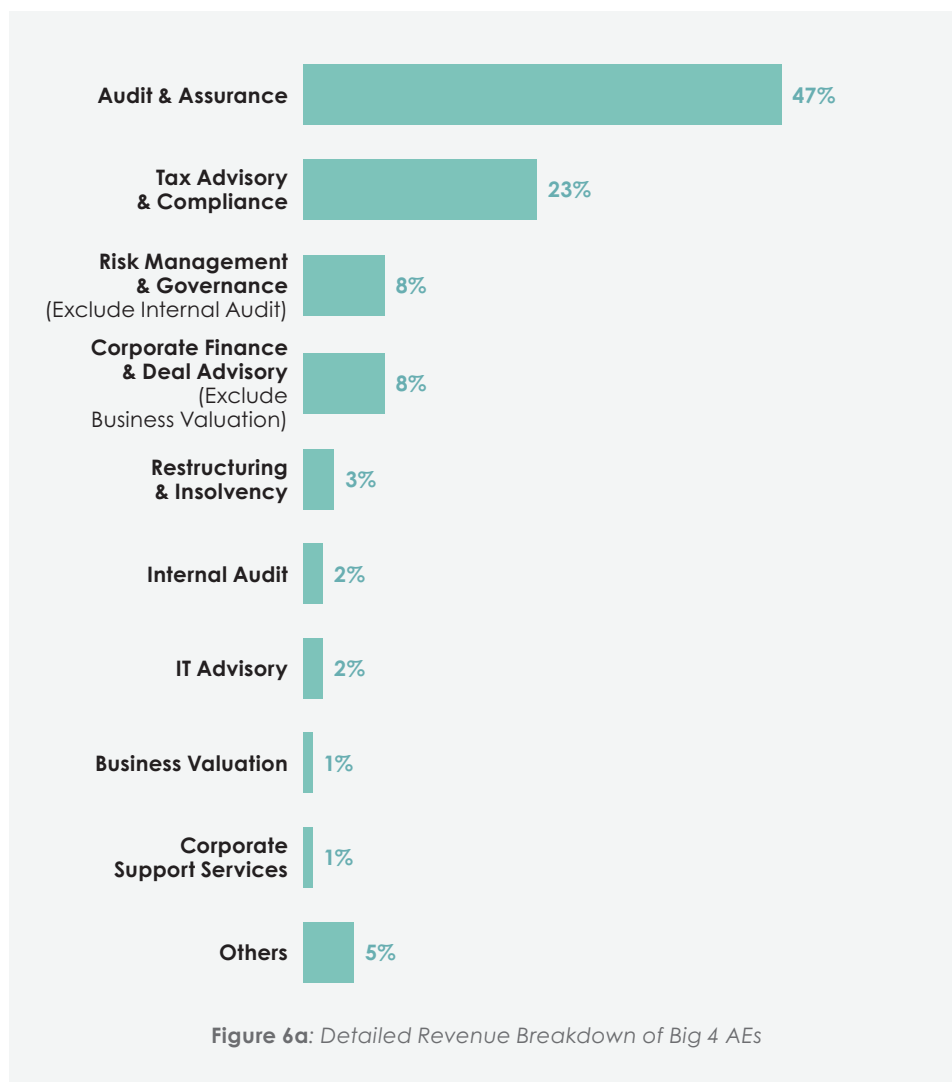
REVENUE COMPOSITION

BIG 4 AEs

Similar to 2015, audit & assurance revenues remained the key source of revenue (47%), followed by business advisory services (29%) and tax advisory & compliance services (23%) for the Big 4 AEs.

Compared to other AEs, the Big 4 AEs have the highest proportion of revenue from business advisory services and are the most diversified beyond traditional business activities. The top 3 business advisory services by revenue size for the Big 4s were: risk management & governance (8%), corporate finance & deal advisory (8%), and restructuring & insolvency (3%).

On average, the Big 4 AEs indicated that they provide 30 different services.⁵ In comparison, the average number of services provided by non-Big 4 AEs is only about 6. For example, the non-Big 4 AEs provide very limited range of tax related services such as corporate tax, personal tax, and goods and services tax (GST). In comparison, the Big 4 AEs also provide transfer pricing, international tax and tax advisory services.



⁵ The census revealed that there were at least 40 different types of assurance, tax and advisory services being provided in 2016.

MARKET STRUCTURE

REVENUE COMPOSITION

LARGE AEs

The revenue composition of Large AEs did not change significantly compared to the previous year. Audit and assurance work remained the main source of revenue (48%), followed by business advisory services (21%), corporate support services (20%) and tax related services (11%).

Similar to the Big 4 AEs, Large AEs provide a wide range of services and are fairly diversified with over 20% revenue contribution from business advisory services. However, unlike the Big 4 AEs which have little corporate support services (1%), the Large AEs rely on such services as a core revenue stream (20%).

The top 3 business advisory services by revenue size for the Large AEs were: internal audit (7%), corporate finance & deal advisory (5%) and restructuring & insolvency (4%).

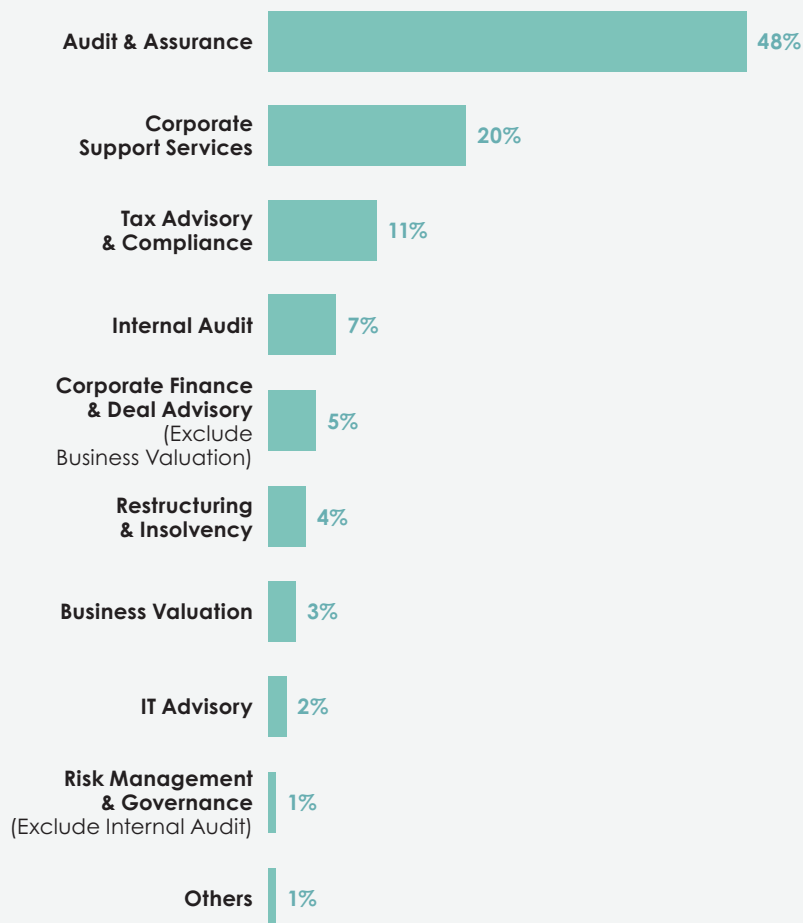


Figure 6b: Detailed Revenue Breakdown of Large AEs
(may not add up to 100% due to rounding off)

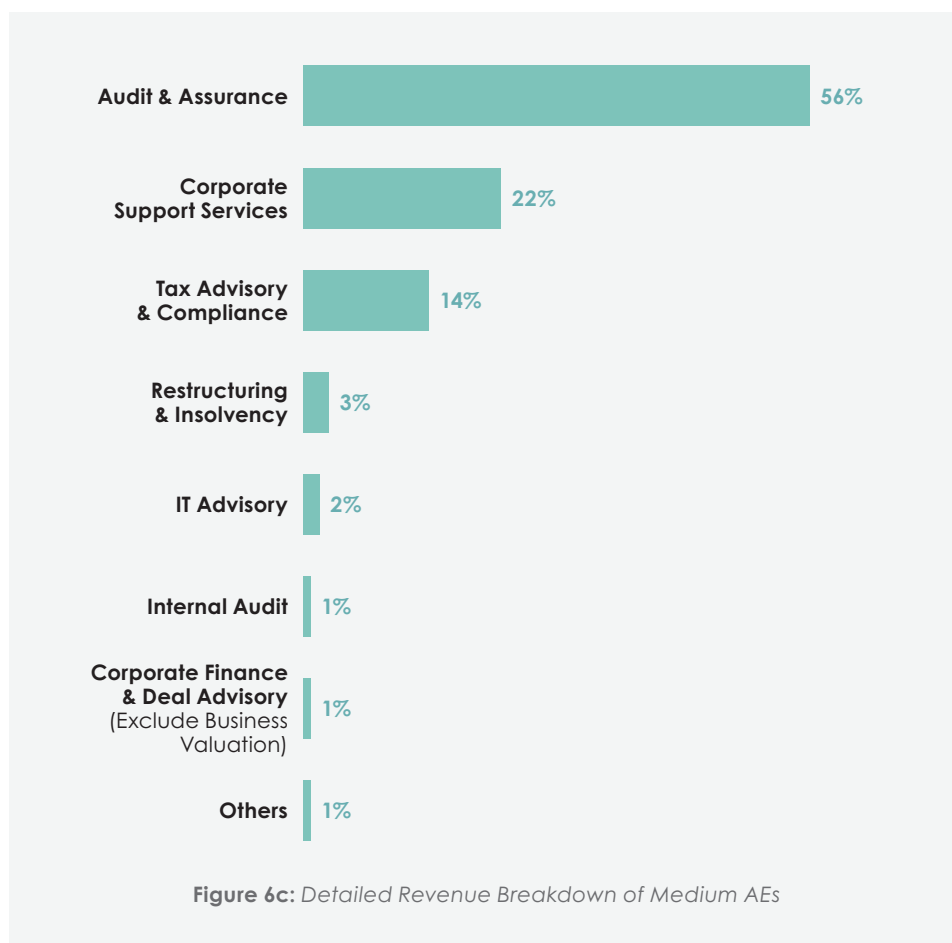
MARKET STRUCTURE

REVENUE COMPOSITION

MEDIUM AEs

The census observed increased diversification of services among some Medium AEs in 2016. In 2015, audit & assurance revenues made up 58% of their total revenues (\$73 million). Non-audit revenues made up the remaining 42% (\$53 million) during the same period. However, revenues from audit & assurance revenues declined slightly to \$70 million in 2016 (56%). In comparison, the amount of non-audit revenues increased \$2 million, mainly from revenue increases in corporate support services and tax related services.

Compared to the Big 4 and Large AEs, the Medium AEs provide limited business advisory (8%). The top 3 business advisory services by revenue size for the Medium AEs were restructuring & insolvency (3%), IT advisory (2%) and internal audit (1%).



MARKET STRUCTURE

REVENUE COMPOSITION

SMALL AEs

The census indicated that more Small AEs were reliant on audit & assurance services in 2016. Such revenues made up 65% of their total revenues in 2016 compared to 60% in 2015. While this contributed to an additional \$13 million in audit & assurance revenues (11%), total non-audit revenues decreased \$9 million (11%).

The decrease in non-audit revenues is mainly due to a decrease in tax related revenues. Such revenues made up 9% of total receipts for Small AEs in 2016 as compared to 14% in 2015. Revenues from corporate support services and business advisory services remained largely unchanged.

Of note, most small AEs do not provide business advisory services. Small AEs which provide business advisory services engaged mainly in restructuring & insolvency services (2%) and internal audit (1%).

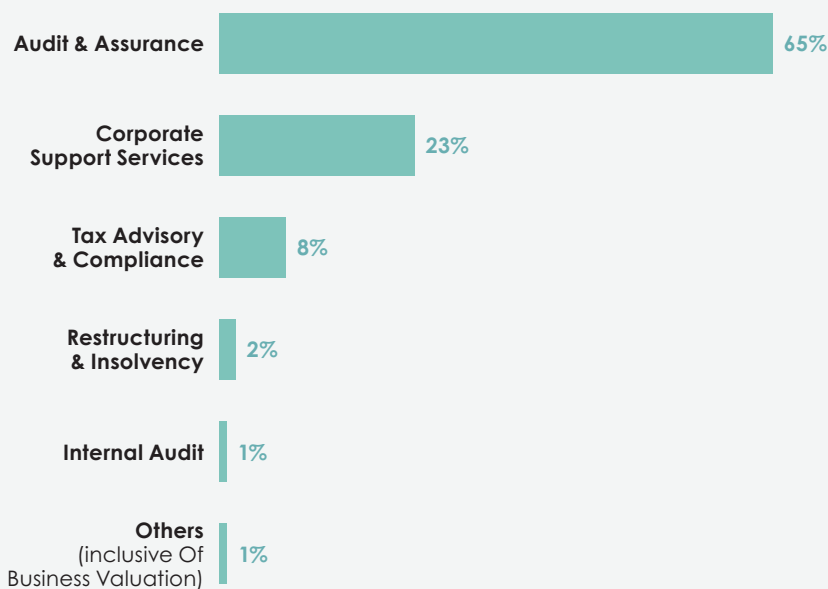


Figure 6d: Detailed Revenue Breakdown of Small AEs

MARKET STRUCTURE

REVENUE COMPOSITION

MICRO AEs

Revenues from audit & assurance activities in 2016 decreased \$13 million (13%) from the previous year. While such revenues remained the key source of revenues for Micro AEs (61%), this was significantly lower compared to 2015 (72%).

On the other hand, non-audit revenues increased sharply in 2016 from \$39 million in 2015 to \$56 million in 2016(43%). This is largely attributed to an increase in revenues from corporate support services. Such revenues made up 15% of total revenues for Micro AEs in 2015 and grew to 22% of total revenues in 2016.

Revenues from tax related services and business advisory services also increased slightly in 2016. They made up 12% and 5% of the Micro AE's revenues respectively.

Similar to Small AEs, most Micro AEs do not provide business advisory services. Micro AEs which provide business advisory services engaged mainly in restructuring & insolvency services (4%).

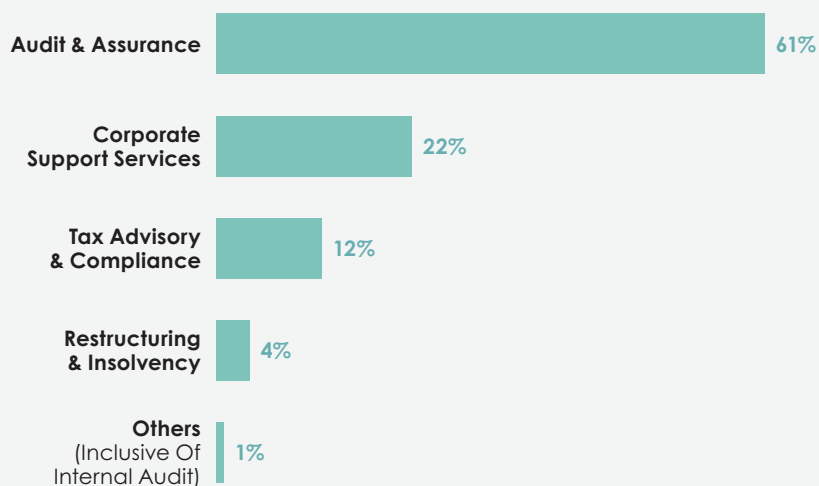


Figure 6e: Detailed Revenue Breakdown of Micro AEs

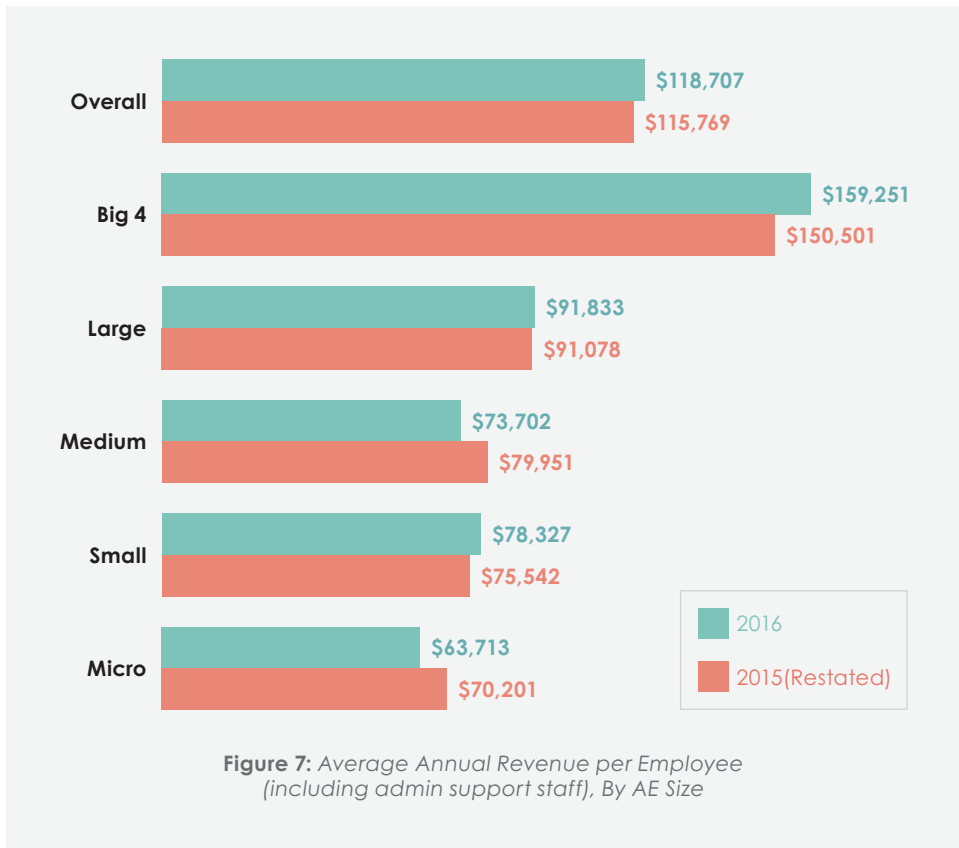
PRODUCTIVITY

The average productivity of the sector, defined as average revenue per employee, continued to improve. Revenue per employee increased 2.5% from \$115,769 in 2015 to \$118,707 in 2016. However, the census found that productivity among Medium and Micro AEs did not improve during the year.

The Big 4 AEs reported an estimated average revenue per employee of \$159,251 in 2016, an increase of 6% from \$150,501 in 2015. This could partly be attributed to the extensive use of technology to increase efficiency, as well as the provision of high value advisory services to diversify businesses.

Large and Small AEs also reported slight improvements in their productivity (1% and 4% respectively). However, the average revenue per employee generated by the Large and Small AEs still lagged significantly behind the Big 4 AEs. In comparison, the average revenues per employee generated by Medium and Micro AEs declined 8% and 9% respectively in 2016.

2.5%
**INCREASE
IN AVERAGE
REVENUE PER
EMPLOYEE**



PRODUCTIVITY

PRODUCTIVITY BY BUSINESS ACTIVITIES

Top 3 business services with highest average revenue per employee

- 1) Restructuring & Insolvency
- 2) Risk Management & Governance
- 3) Corporate Finance & Deal Advisory

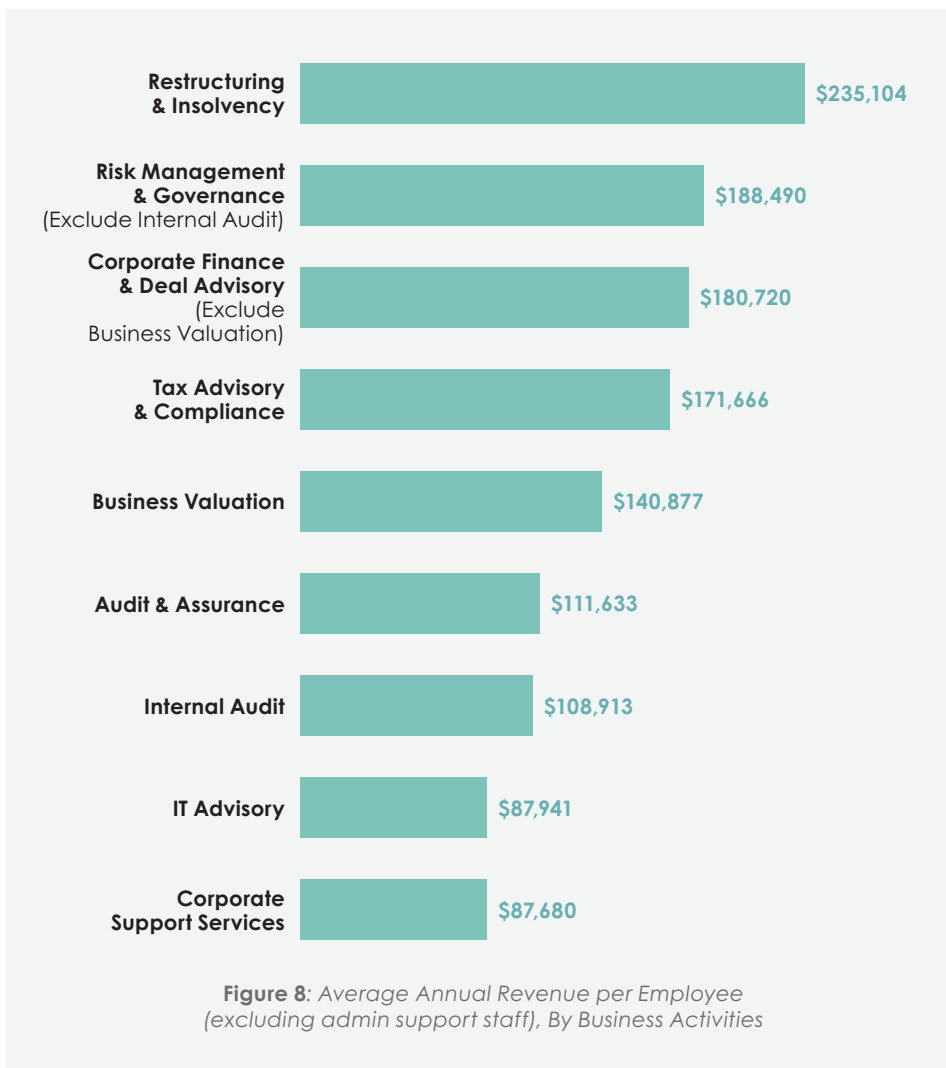
To ensure a meaningful comparison on the productivity levels across the different business services, revenue per employee is measured based only on the revenues generated by professional staff (administrative and support staff are excluded).

The census revealed that the average revenue per employee in non-traditional businesses (such as restructuring & insolvency) is generally higher than that of traditional business activities (such as audit & assurance).

The top 3 business services with the highest revenue per employee were restructuring & insolvency (\$235,104), followed by risk management & governance (\$188,490), and corporate finance & deal advisory (\$180,720). These activities have also been identified in the CFE WG report as high growth practice areas that firms could consider growing.

\$158,408

**AVERAGE
REVENUE PER
EMPLOYEE
FOR BUSINESS
ADVISORY
SERVICES**



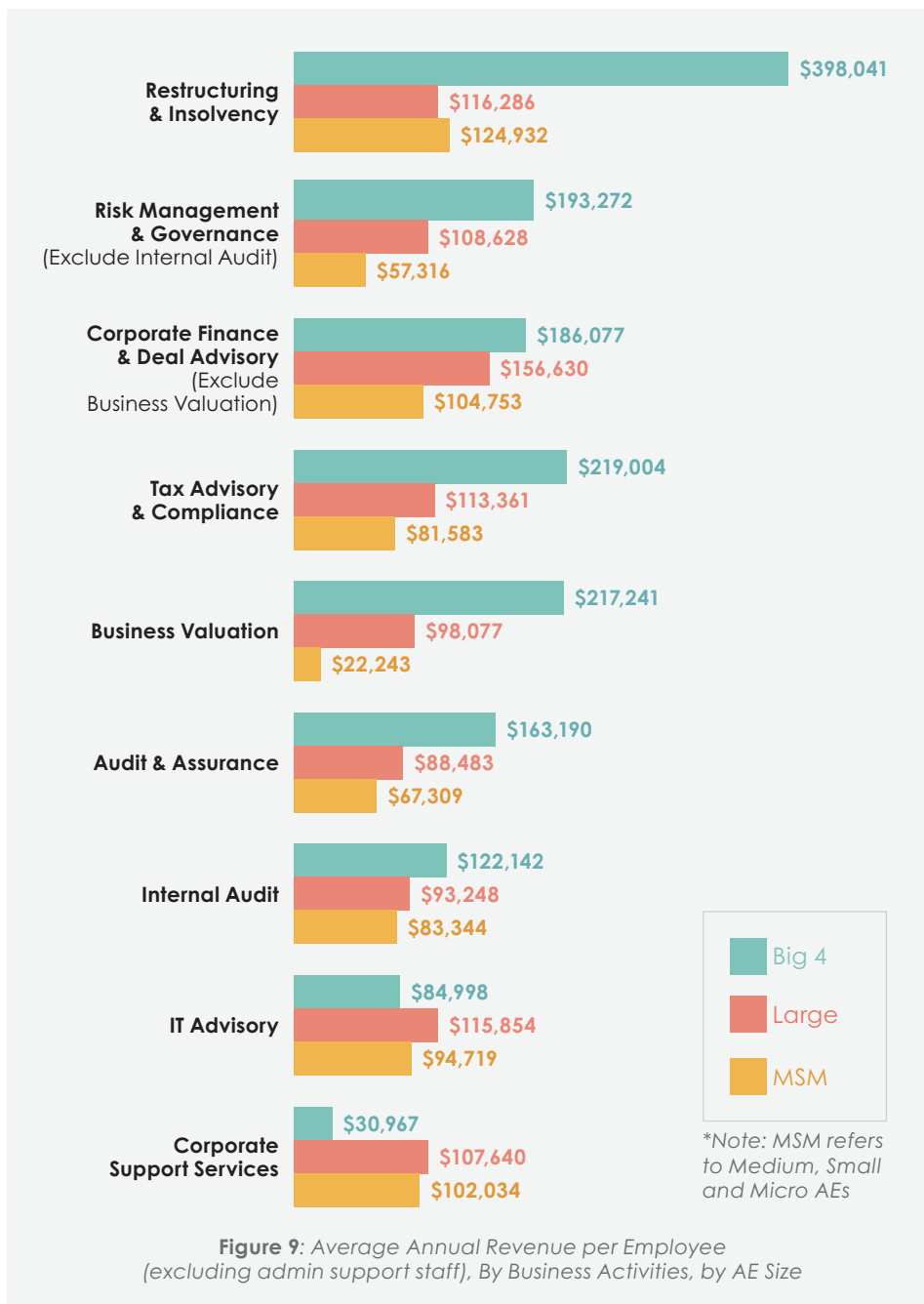
PRODUCTIVITY

PRODUCTIVITY BY BUSINESS ACTIVITIES

Big 4 AEs' average revenue per employee in audit and assurance services is **TWICE** that of Large AEs

A deeper analysis across AEs of different sizes revealed that the Big 4 AEs were able to generate significantly higher revenues per employee for audit & assurance services (Big 4: \$163,190 vs Average: \$111,633). On the other hand, Micro AEs were only able to generate only \$58,845 per employee for such services.

In general, the Big 4 AEs were able to generate higher revenues per employee across all services lines compared to other AEs, except for IT advisory and corporate support services which are often viewed as supporting activities rather than revenue generating activities.



PRODUCTIVITY

PRODUCTIVITY BY AE SIZE

Average revenue per employee generated varies across business services and entity size

In 2016, the average annual revenue per professional staff stood at \$129,475. In line with the earlier analyses, the average annual revenue per professional staff for the Big 4 AEs (\$170,313) is significantly higher than other AEs. In comparison, the Large, Medium, Small and Micro AEs generated revenue per professional staff of about \$99,109, \$82,818, \$86,709 and \$73,479 respectively.

Further analyses revealed that the average annual revenue per professional staff for the different business services varied slightly across AEs of different sizes. Restructuring & insolvency services has consistently generated the highest revenue per professional staff across all sub-segments. This could partly be attributed to the high volume of restructuring work in 2016 as sectors such as oil & gas, and shipping were not doing well. This is also in line with World Bank reports which indicated the percentage of non-performing bank loans to total gross loans in Singapore in 2016 was the highest since 2010⁶.

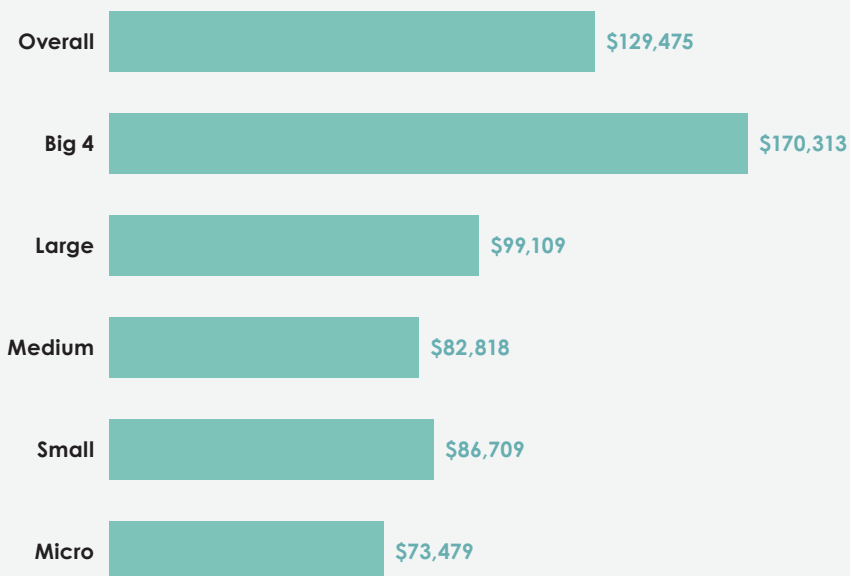


Figure 10: Average Annual Revenue per Employee (excluding admin support staff), By AE Size

⁶ Source: The World Bank Data

PRODUCTIVITY

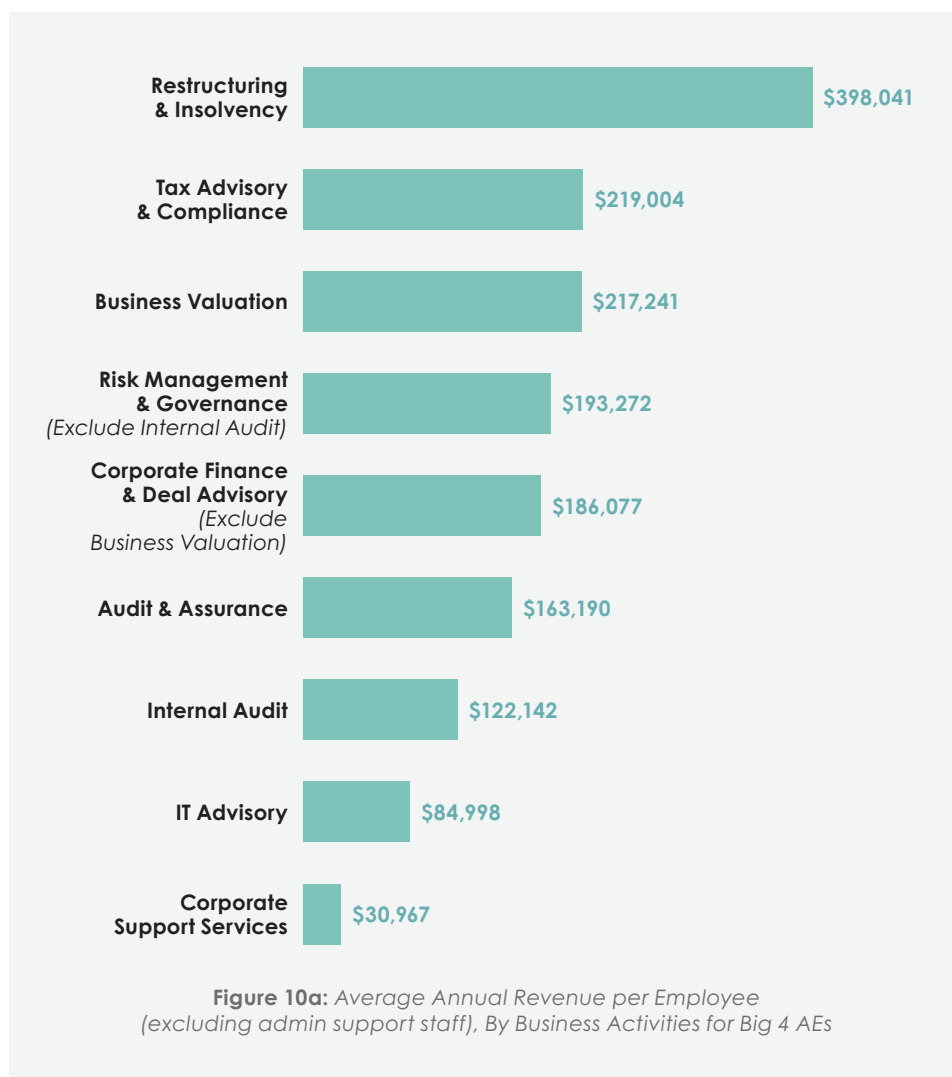
PRODUCTIVITY BY AE SIZE

BIG 4 AEs

The Big 4 AEs had an average annual revenue per professional staff of \$170,313, higher than the sector's average annual revenue per professional staff of \$129,475.

The top 3 services with the highest average revenue per professional staff among the Big 4 AEs were restructuring & insolvency (\$398,041), tax advisory & compliance (\$219,004) and business valuation services (\$217,241).

Interestingly, IT advisory and corporate support services generated relatively lower revenues per professional staff. Further analysis showed that the Big 4 AEs tend to regard such activities as supporting activities whereby the relevant teams spend most of their time to support the revenue generating activities of other business units across the entire organisation.



PRODUCTIVITY

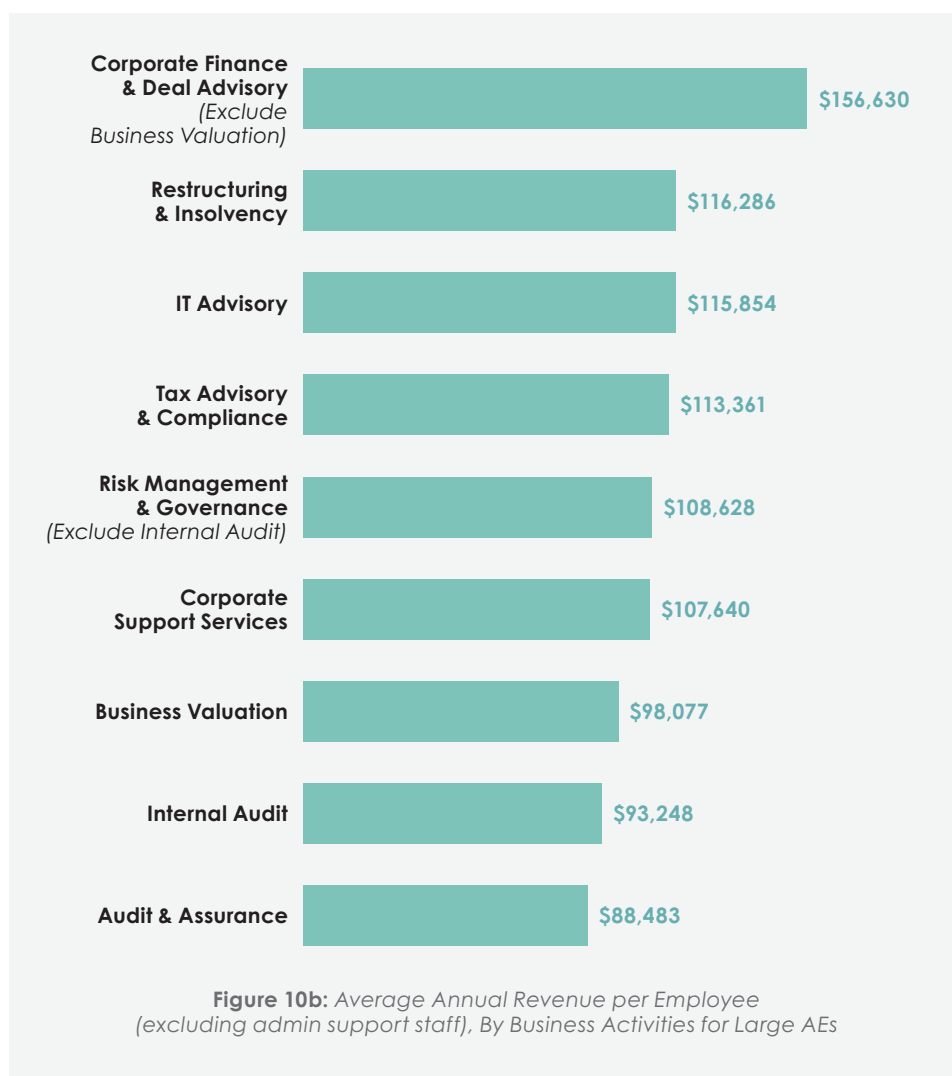
PRODUCTIVITY BY AE SIZE

LARGE AEs

Large AEs had an average annual revenue per professional staff of \$99,109 which was lower than the sector's average of \$129,475.

Similar to the Big 4 AEs, Large AEs were fairly diversified. The top 3 services with the highest average revenue per professional staff are corporate finance & deal advisory (\$156,630), restructuring & insolvency (\$116,286) and IT advisory services (\$115,854).

Although audit & assurance services revenue made up close to 50% of the Large AEs' revenue, the census showed that its average revenue per professional staff was the lowest amongst all business services.



PRODUCTIVITY

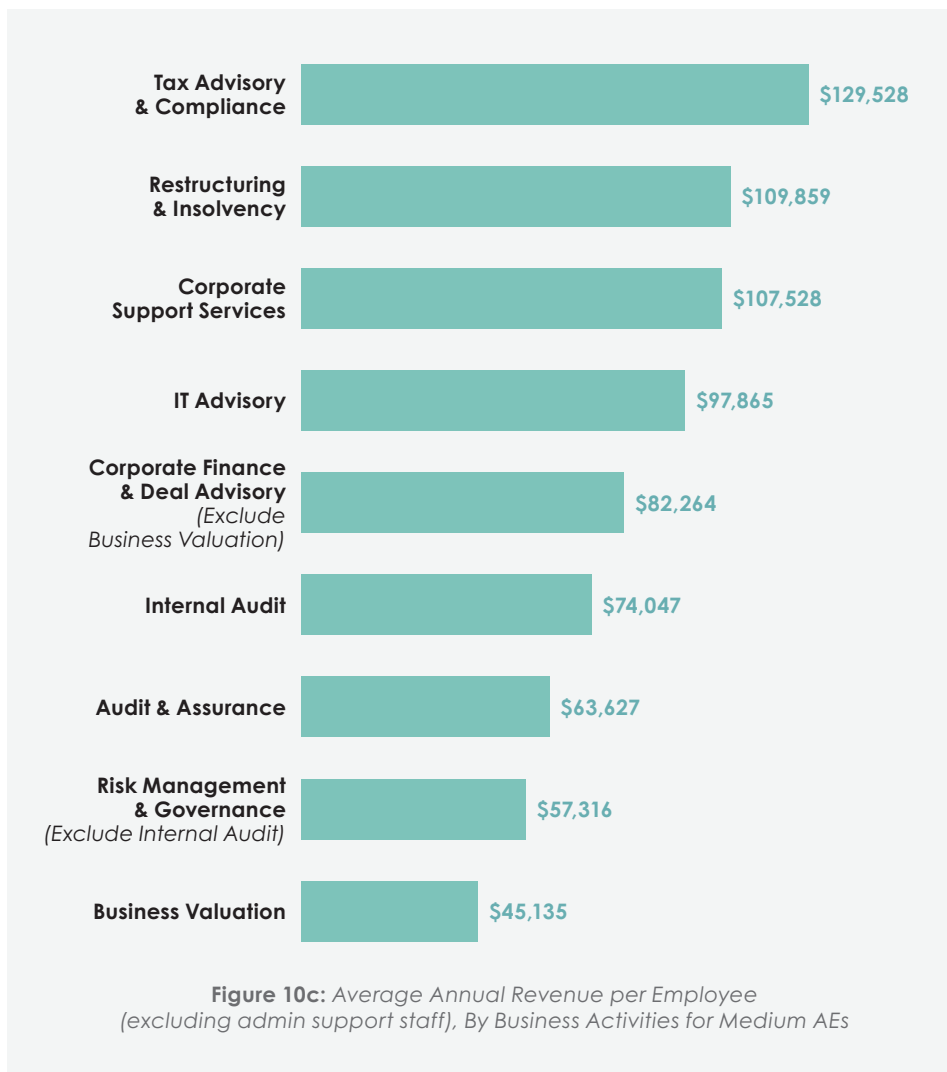
PRODUCTIVITY BY AE SIZE

MEDIUM AEs

Medium AEs had an average annual revenue per professional staff of \$82,818, significantly lower than the sector average of \$129,475.

While the census found that audit & assurance services made up 56% of the total revenues of Medium AEs, the average revenue per professional staff for such services is relatively low (\$63,627). In comparison, the top 3 services with the highest average revenue per professional staff were tax advisory & compliance (\$129,528), restructuring & insolvency (\$109,859) and corporate support services (\$107,528).

The census also noted that only a handful of Medium AEs generated revenues in risk management and business valuation. As most of these AEs did not have dedicated risk management or business valuation teams, they generated relatively low levels of revenue in such services.



PRODUCTIVITY

PRODUCTIVITY BY AE SIZE

SMALL AEs

Small AEs had an average annual revenue per professional staff of \$86,709 compared to the sector average of \$129,475.

The census showed that Small AEs were fairly reliant on audit & assurance services which made up 65% of their total revenues. However, the average revenue per professional staff for such services was only about \$76,809.

Interesting, Small AEs generated the highest revenue per professional staff for corporate finance & deal advisory (\$159,307). However, the census found that only two firms provided such services which are mainly for financial modelling and due diligence work.

Tax advisory & compliance services and corporate support services made up almost one-third of the revenues for Small AEs (32%). These services also generated relatively higher revenues per professional staff (\$136,413 and \$115,693 respectively).

Only 4% of the revenues generated by Small AEs were from the provision of business advisory services. Of note, internal audit services generated more than \$100,000 per professional staff (\$101,322).

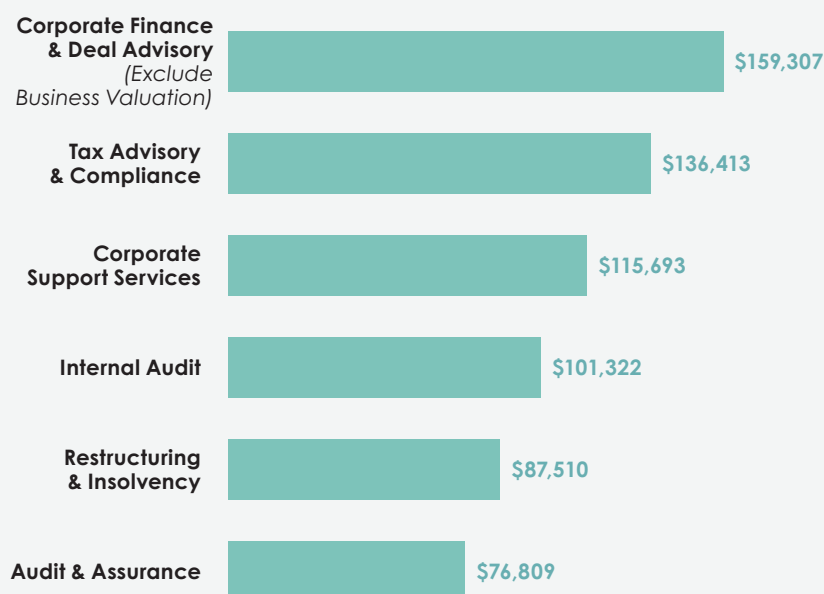


Figure 10d: Average Annual Revenue per Employee (excluding admin support staff), By Business Activities for Small AEs

PRODUCTIVITY

PRODUCTIVITY BY AE SIZE

MICRO AEs

Micro AEs had the lowest average annual revenue per professional staff of \$73,479 compared to other AEs. Beyond the traditional audit & assurance, tax compliance and corporate support services, Micro AEs provided very little business advisory services (5%).

Restructuring & insolvency services generated the highest revenue per professional staff for Micro AEs (\$190,219). However, they made up only 4% of the total revenues generated by these firms. Corporate support services, which accounted for 22% of the total revenues generated by Micro AEs, had the second highest average revenue per professional staff of \$83,661.

In comparison, audit & assurance services which made up 61% of their total revenues, only had an average revenue per professional staff of \$58,845. This is significantly lower than other AEs. For example, Medium and Small AEs had an average revenues per professional staff of \$63,627 and \$76,809 respectively.

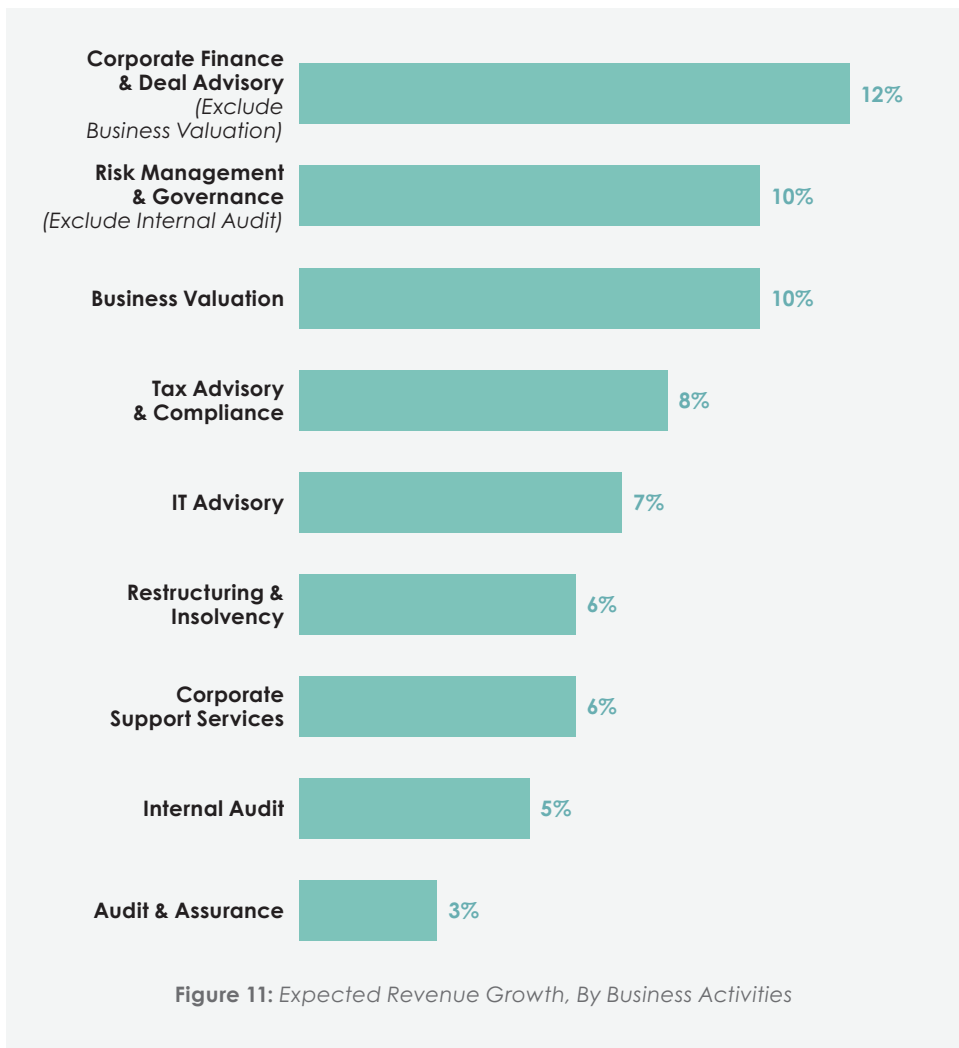


EXPECTED REVENUE GROWTH

According to the Ministry of Trade and Industry, the Singapore economy grew by 3.6% in 2017. Growth for the economy for 2018 is forecasted to be in the range of 1.5% to 3.5%. For the accounting sector, the census indicated that AEs expect overall positive revenue growth of 5% in 2018.

The top 3 services that are expected to experience the highest growth in 2018 are corporate finance & deal advisory services (12%), risk management & governance (10%) and business valuation (10%). Audit & assurance is expected to experience the slowest growth amongst all business services (3%).

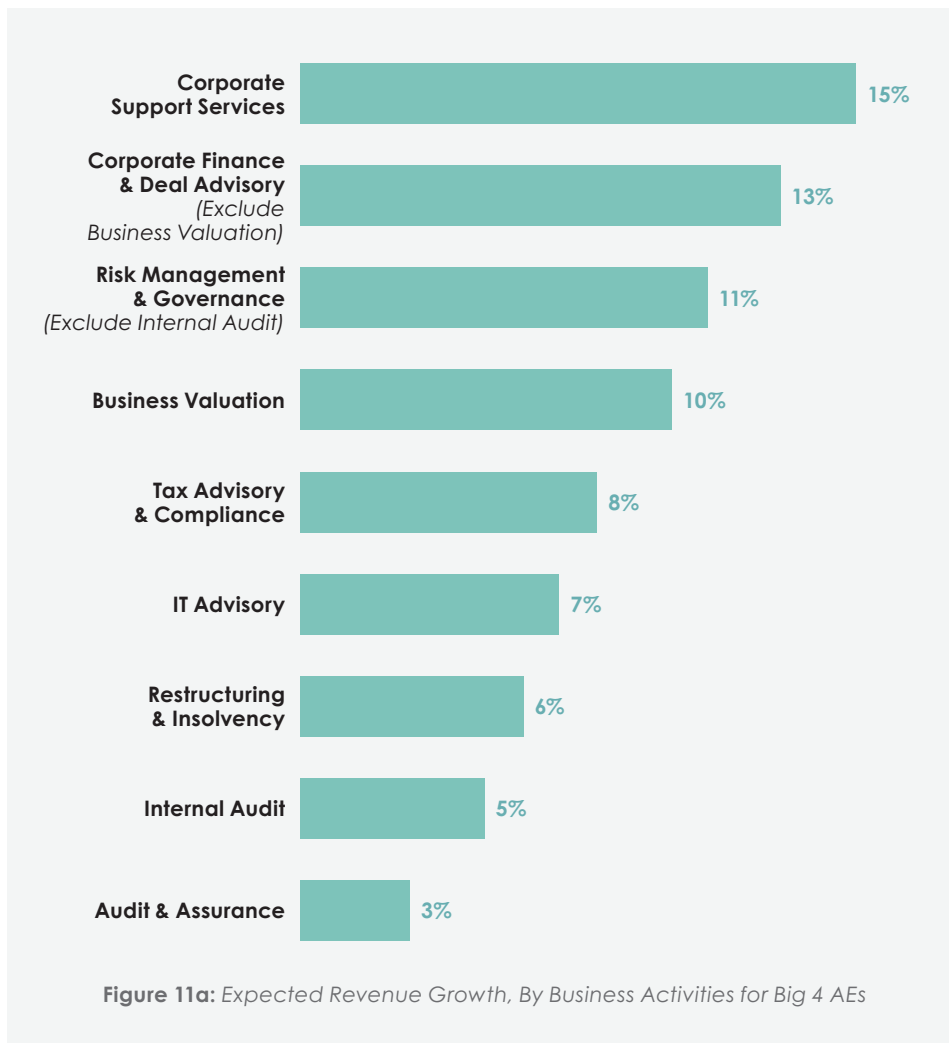
5%
**AVERAGE
EXPECTED
ANNUAL
REVENUE
GROWTH FOR
2018**



EXPECTED REVENUE GROWTH

BIG 4 AEs

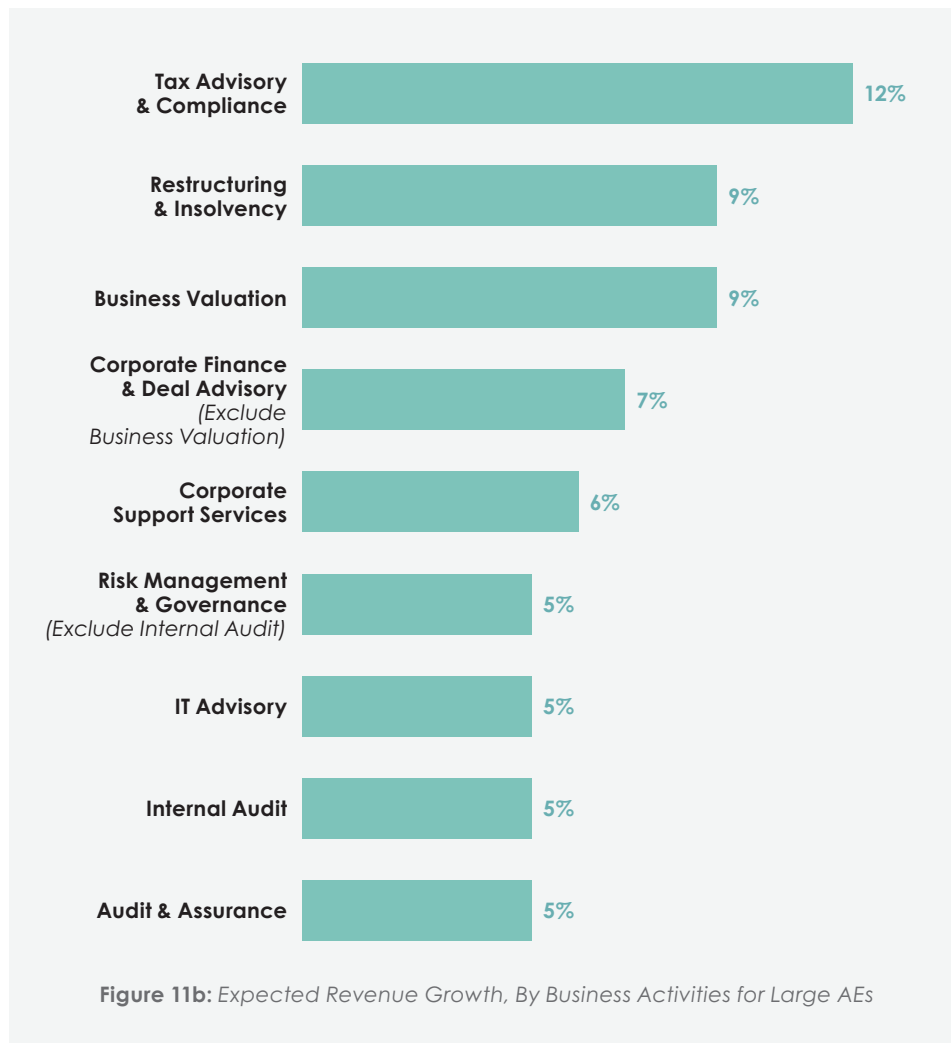
Although the Big 4s AEs did not provide much corporate support services (1%) in 2016, they expect revenues from such services to grow 15% in 2018. This is followed by corporate finance & deal advisory (13%) and risk management & governance services (11%). Such expectations are in line with the high growth practice areas identified by the CFE WG. In comparison, the Big 4 AEs expect audit & assurance revenues to grow only 3%.



EXPECTED REVENUE GROWTH

LARGE AEs

Large AEs expect tax advisory & compliance services to grow the fastest in 2018 (12%), followed by restructuring & insolvency services (9%), and business valuation services (9%). Currently, such services represent 18% of their total revenue. Large AEs appear to be fairly optimistic about the economic growth as they expect other services to grow at least 5% in 2018.



EXPECTED REVENUE GROWTH

MEDIUM, SMALL AND MICRO AEs

Medium, Small and Micro AEs expect internal audit (11%), business valuation (8%) and IT advisory services (7%) to have the highest growth in 2018. Interestingly, such revenues contribute only about 2% to their total revenue in 2016. This suggests that such AEs are increasingly thinking of diversifying their services beyond audit & assurance services which made up more than 50% of their combined revenues.

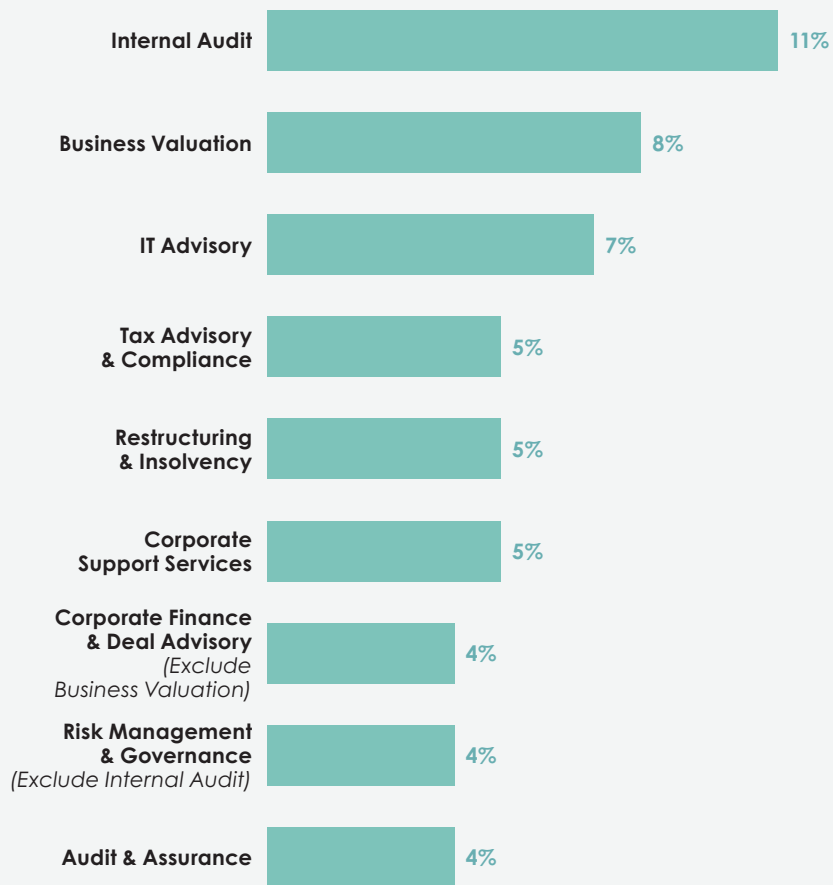


Figure 11c: Expected Revenue Growth, By Business Activities for Medium, Small and Micro AEs

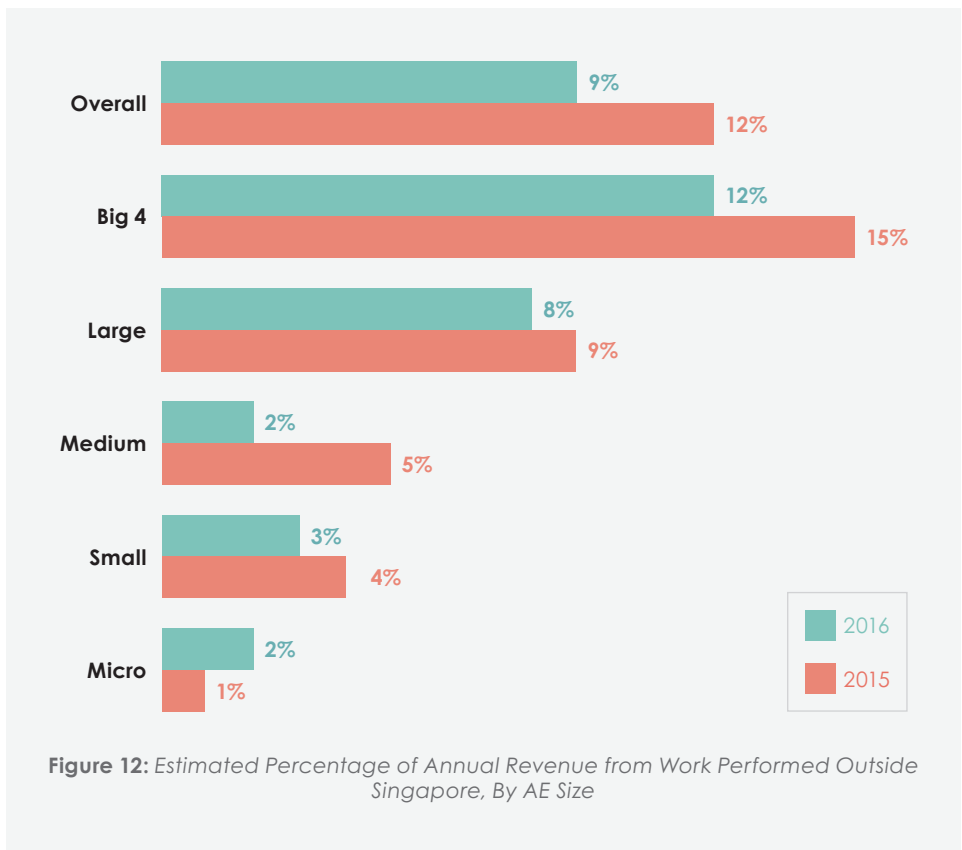
ESTIMATED REVENUE FROM WORK PERFORMED OUTSIDE SINGAPORE

According to the World Bank⁷, the world economy grew slower in 2016 as compared to 2015 (2016: 2.4% vs 2015: 2.8%). In particular, growth in the advanced economies was only 1.6% in 2016 as compared to 2.2% in 2015. The weak global economy appeared to have adversely impacted the growth of AEs as the census showed that work performed outside Singapore decreased 15% in 2016.

Overall, the AEs indicated that they generated about 9% of their annual revenue from work performed outside Singapore as compared to 12% in 2015. The decrease in overseas work is largely attributed to the Big 4s and Large AEs where the combined revenues from overseas work decreased 15%.

While the Big 4s and Large AEs were able to derive relatively modest revenues from work performed outside Singapore, the census revealed that Medium, Small and Micro AEs' revenues were mainly from the domestic market. They have less than 4% revenue from work performed outside Singapore.

9%
**OF REVENUES
ATTRIBUTED
TO WORK
PERFORMED
OUTSIDE
SINGAPORE**



⁷ World Bank. (2018). Global Economic Prospects.

ESTIMATED REVENUE FROM WORK PERFORMED OUTSIDE SINGAPORE

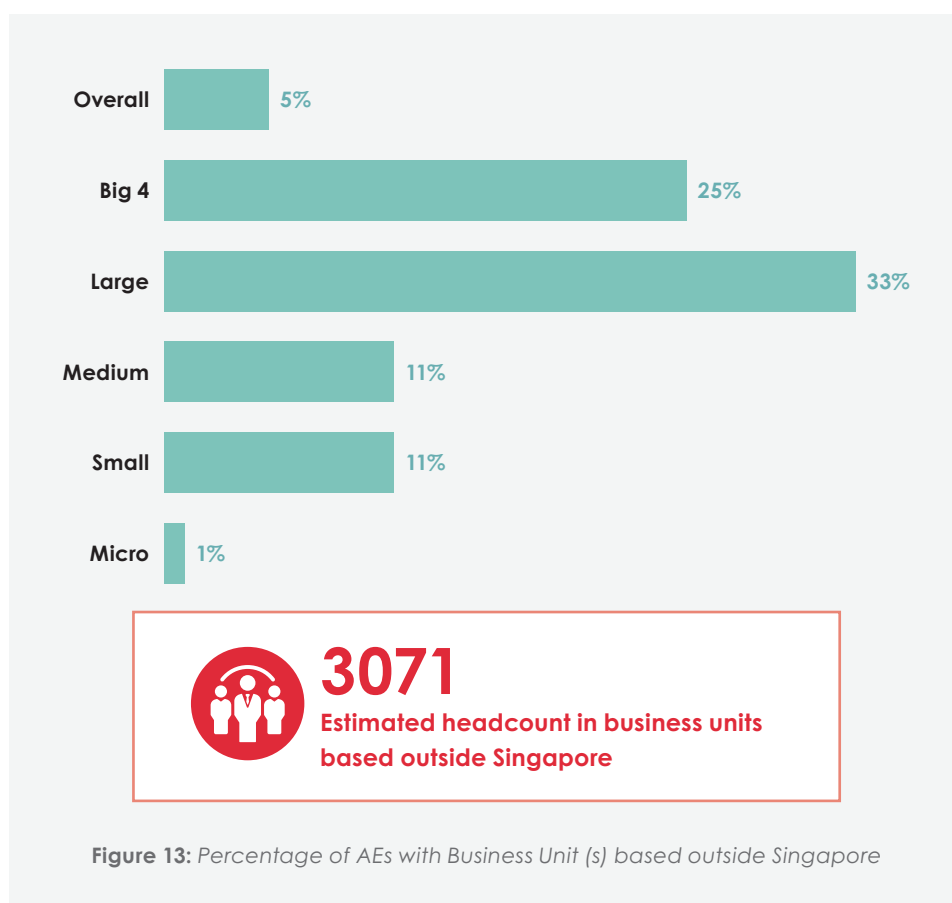
ESTIMATED REVENUE FROM BUSINESS ACTIVITIES BASED OUTSIDE SINGAPORE

\$95.5million generated from business units based outside SG

A previous study on the regionalisation activities of AEs showed that most AEs internationalise via networks rather than setting up subsidiaries.⁸ The census indicated that only an estimated 5% of the AEs have business unit(s) based outside Singapore in 2016 (e.g. subsidiary or joint venture overseas). Together, they generated about S\$95.5 million revenue.

AEs also reported that an estimated 3,071 employees were employed in these business units based outside Singapore.

In total, the census showed that AEs generated about \$300 million in revenue from activities outside Singapore - \$95.5 million from business units based outside Singapore and the remaining from work performed outside Singapore by business units based in Singapore.



⁸ Singapore Accountancy Commission (2017). Accounting Entities Regionalisation Survey 2016.

TALENT PROFILE

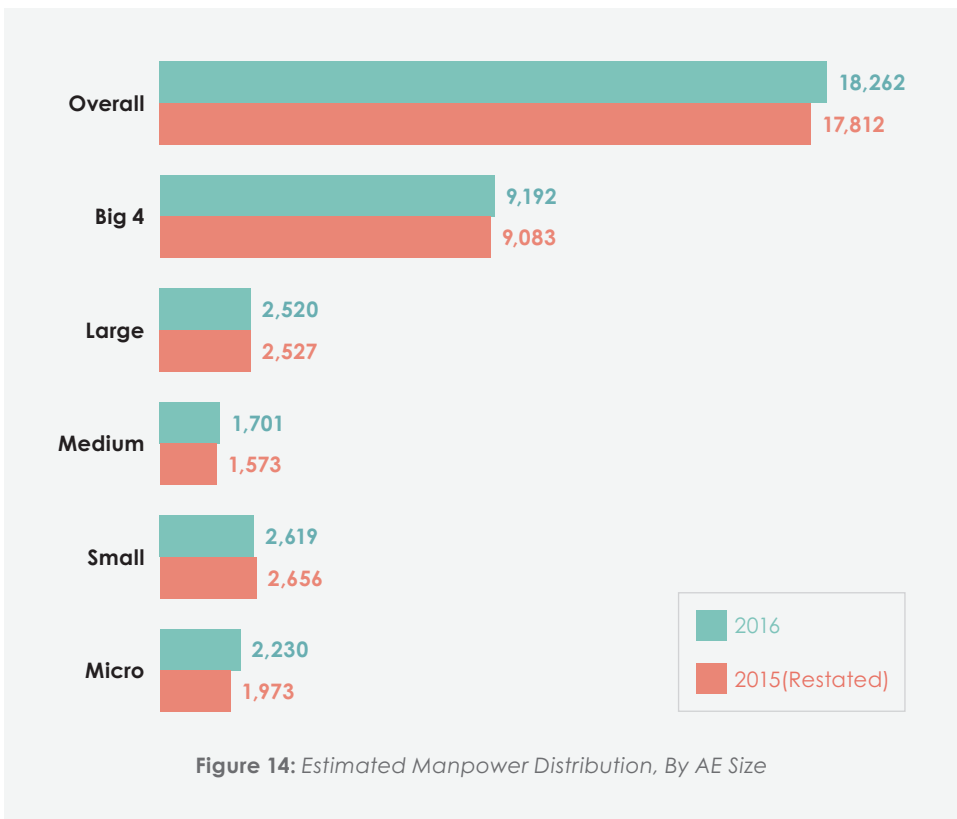
ACCOUNTANCY WORKFORCE

Based on the census, the total number of people working in AEs in 2016 was estimated to be 18,262, an increase of 2.5% from the previous year. Majority of the workforce were employed in the provision of audit & assurance services (54%), followed by tax advisory & compliance services (12%) and corporate support services (10%).

An estimated 450 new jobs were created in 2016. About 70% of the new jobs were created by the Medium and Micro AEs. Majority of the new jobs were created for audit & assurance work (32%) followed by tax advisory & compliance (19%) and IT advisory services (13%).

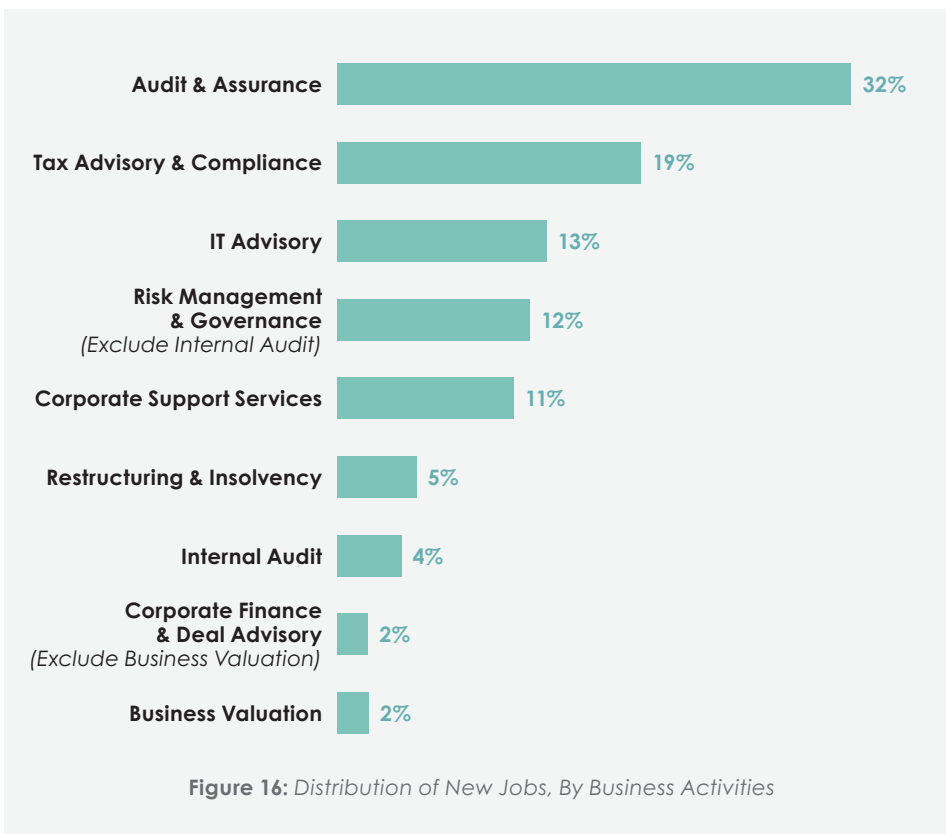
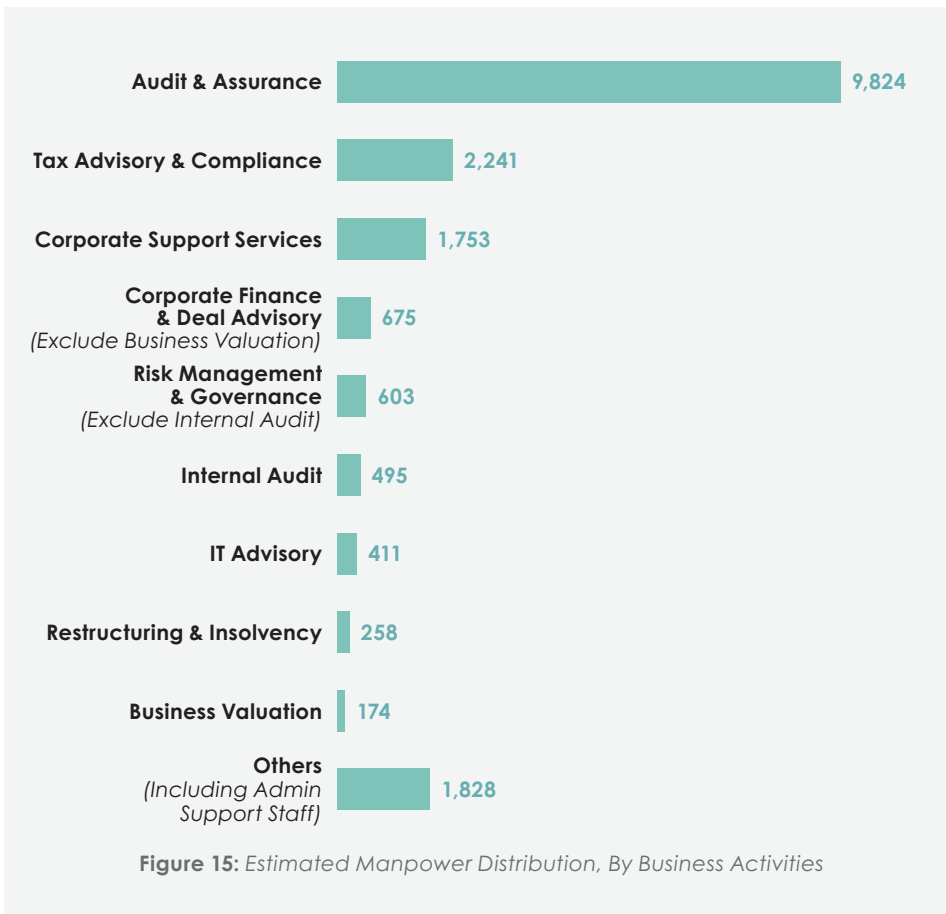
The Big 4 AEs continued to employ the highest number of people in the AE segment (50%). They reported a slight increase in their employment numbers of about 109 headcounts (1%). In comparison, the size of the workforce within the Large and Small AEs remained similar to 2015.

2.5%
GROWTH
IN TOTAL
WORKFORCE OF
ACCOUNTING
ENTITIES



TALENT PROFILE

ACCOUNTANCY WORKFORCE



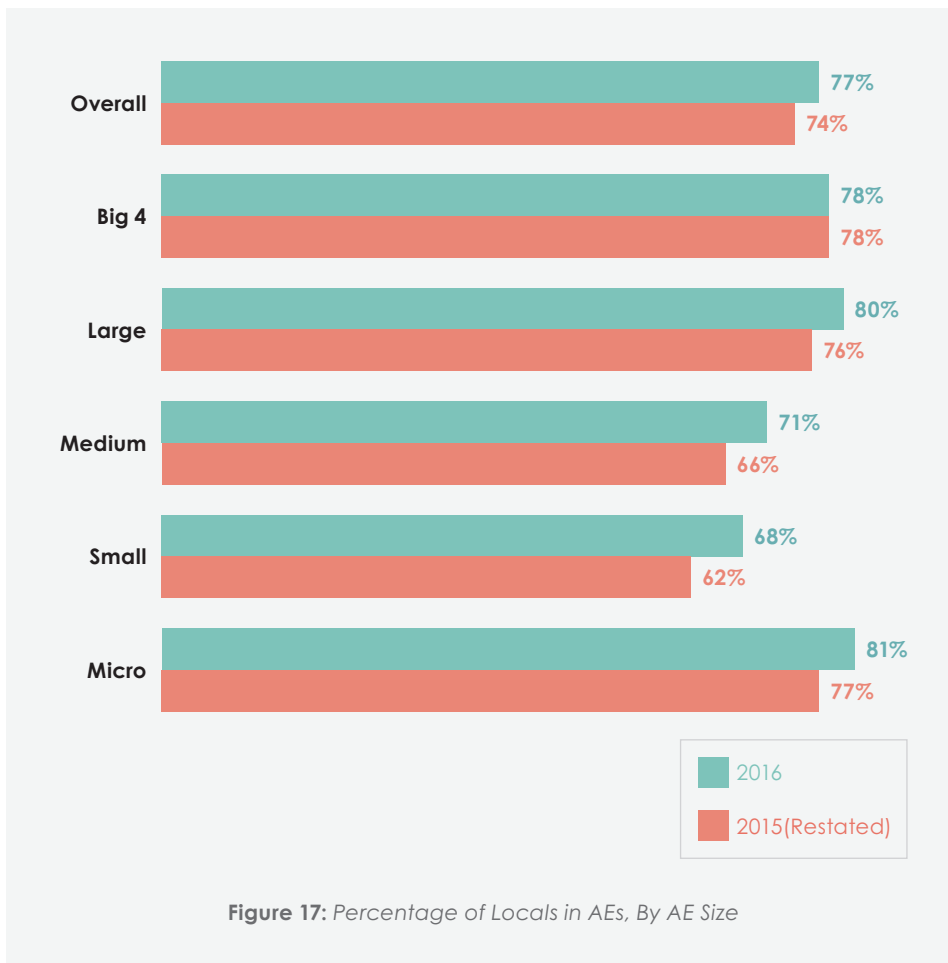
TALENT PROFILE

LOCAL WORKFORCE

The census revealed that locals made up 77% of the AE workforce, an improvement from 74% reported in the previous year. The total number of Singaporeans and Permanent Residents employed by AEs increased by about 764 (6%).

The proportion of locals in the workforce appears to have increased across the entire sector, particularly among the non-Big 4 AEs. This suggests that access to local talent, which has been frequently cited as a challenge for smaller firms, appears to have improved in 2016.

6%
**GROWTH IN
EMPLOYMENT OF
SINGAPOREANS
AND PERMANENT
RESIDENTS**



SKILLS AND CAPABILITIES

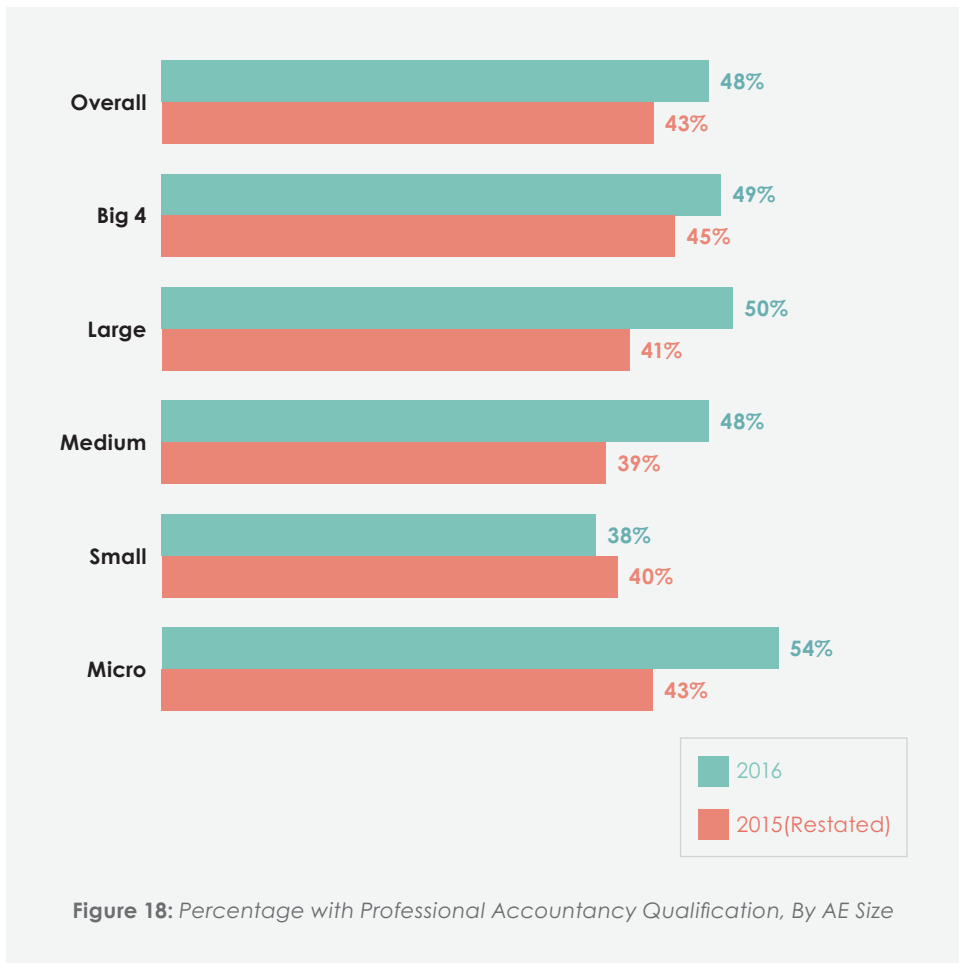
HIGHER EDUCATION AND QUALIFICATIONS

According to the CFE report, in today's increasingly complex business environment, accountants have to build on their core skills and become professionals who can value add to clients. Given the competition for skilled talents in the current economy, it is critical that AEs have the right human resource policies in place to attract, retain and develop skilled and experienced talents, particularly in high growth practice areas.

The census indicated that 48% of the accountancy workforce had accountancy related professional qualifications, an increase from the 43% reported in 2015. This improvement was observed across all AE tiers except amongst Small AEs. Interestingly, the Micro AEs indicated that they had the highest percentage of workforce with accountancy related professional qualifications (54%).

The census also revealed that similar to 2015, 83% of the accountancy workforce were graduates. The Big 4 AEs had the highest proportion of graduates in their workforce (88%) followed by Large (83%), Medium (82%), Small (76%) and Micro (73%). Micro AEs were the most open to hiring non-graduates with diplomas and accountancy related qualifications.

48%
OF
**ACCOUNTANCY
WORKFORCE ARE
PROFESSIONALLY
QUALIFIED**



SKILLS AND CAPABILITIES

HIGHER EDUCATION AND QUALIFICATIONS

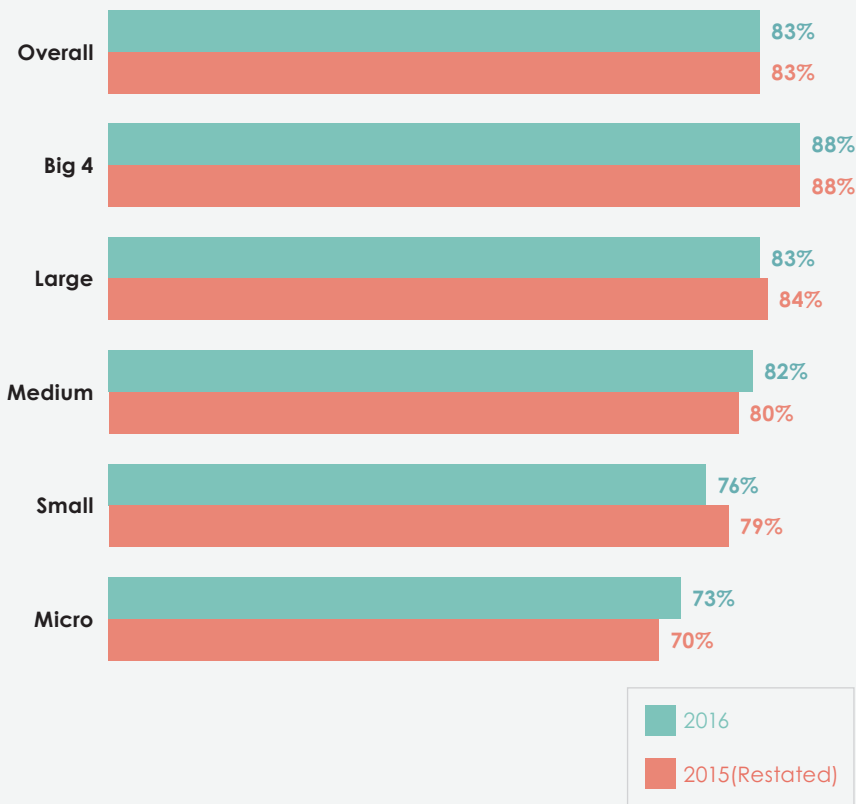


Figure 19: Percentage of Graduates Employed, By AE Size

SKILLS AND CAPABILITIES

TALENT ATTRACTION AND RETENTION (WAGE)

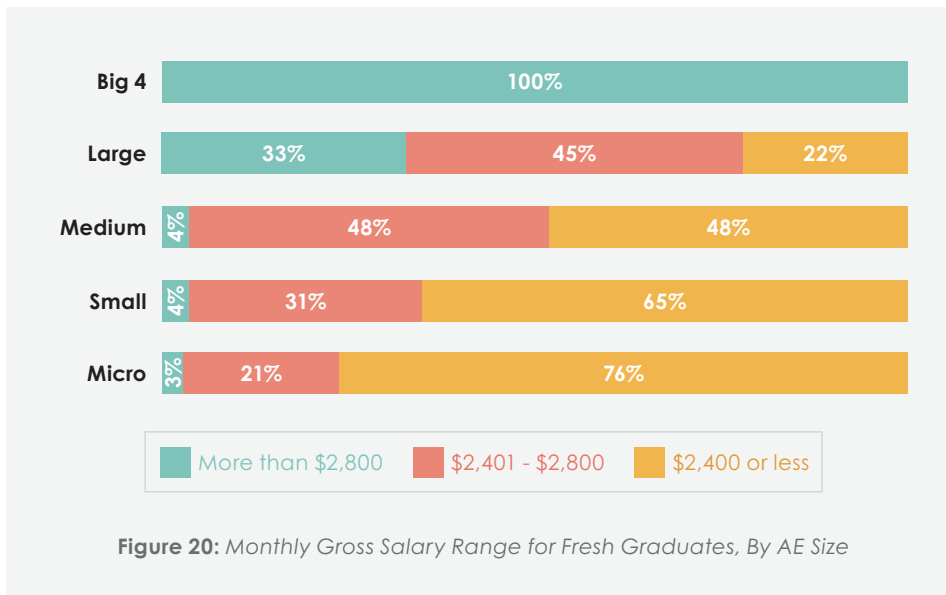
FRESH GRADUATES

According to the Ministry of Manpower, it is estimated that the median monthly salary of accountancy graduates ranges from \$2,900 to \$3,000 across the local universities.⁹ However, the census showed that only an estimated 5% of AEs offered monthly salaries of more than \$2,800.

It is estimated that there are slightly more than 1,000 new accountancy graduates in 2016 of which the majority were hired by the Big 4 AEs. The census indicated that the Big 4 AEs pay them monthly salaries of more than \$2,800. In comparison, only 33% of Large AEs and 4% of Medium AEs offered fresh graduates similar salaries.

Large and Medium AEs tend to offer fresh graduates between \$2,400 and \$2,800 while Small and Micro AEs tend to pay fresh graduates less than \$2,400.

5%
OF
ACCOUNTING
ENTITIES
PAY FRESH
GRADUATES
MONTHLY
SALARIES OF
MORE THAN
\$2,800



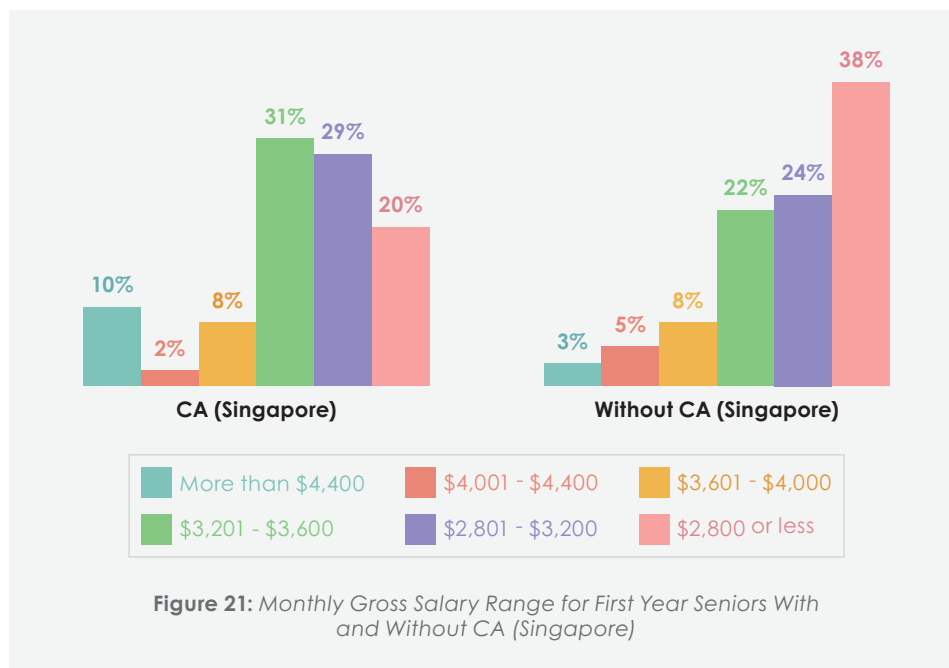
FIRST-YEAR SENIORS

Employers appear willing to pay higher salaries to first year senior associates (i.e. at least 3 years of experience) with the Chartered Accountant (CA) (Singapore) qualification. The census indicated that 10% of AEs pay their first year senior associates with CA (Singapore) more than \$4,400. In comparison, only 3% of AEs pay their first year senior associates without CA (Singapore) more than \$4,400.

⁹ The median gross monthly starting salary of accountancy graduates from NTU, NUS and SMU is \$2,900, \$2,963, \$3,000 respectively [Ministry of Manpower, Singapore Yearbook of Manpower Statistics 2017]

SKILLS AND CAPABILITIES

TALENT ATTRACTION AND RETENTION (WAGE)

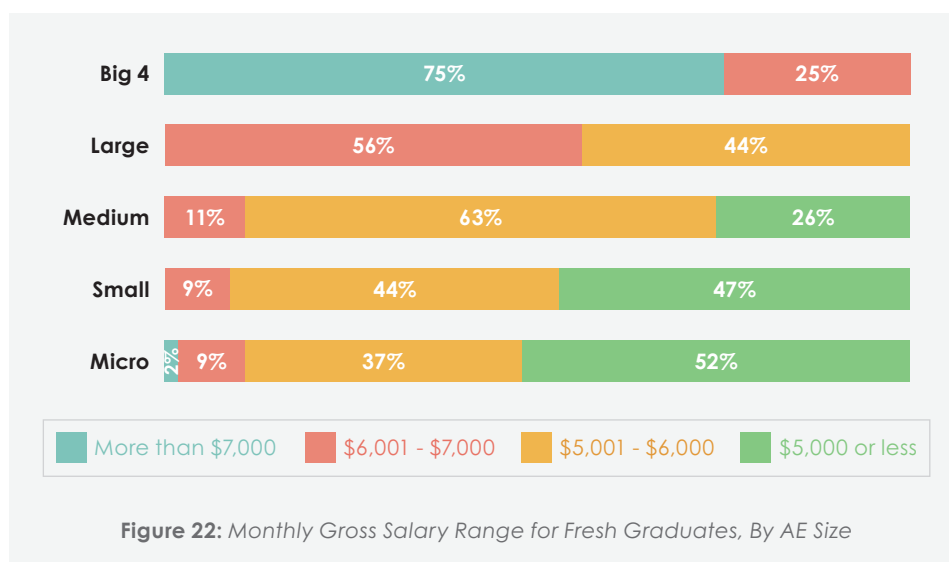


FIRST-YEAR MANAGERS

According to MOM data, a typical manager in Singapore aged between 25 to 29 years earns about \$5,538.¹⁰ For the accounting sector, only 12% of AEs are estimated to pay their first year managers monthly salaries of more than \$6,000 with another 40% paying such managers between \$5,000 and \$6,000.

75% of the Big 4 AEs tend to pay their first year managers relatively well at more than \$7,000 monthly. In comparison, majority of Large AEs tend to pay between \$6,000 and \$7,000 (56%). More than 60% of Medium AEs pay first year managers between \$5,000 and \$6,000, similar to the national average.

In contrast, close to 50% of Small and Micro AEs tend to pay their first year managers \$5,000 or less (47% and 52% respectively).



¹⁰ Ministry of Manpower. (2016). Labour force in Singapore 2016.

TECHNOLOGY

TECHNOLOGY SPENDING

The census found that the median technology spending across the accountancy sector is \$10,000 in 2016. It further showed that spending on technology tend to increase among bigger AEs. Median technology spending among the Big 4 AEs is \$8.5 million in 2016. This is significantly higher than Large AEs with median technology spending of \$0.2 million.

In comparison, the Medium, Small and Micro AEs have a median technology spending of \$50,000, \$20,000 and \$3,000 respectively.

\$10,000
MEDIAN
TECHNOLOGY
SPENDING
BY AEs

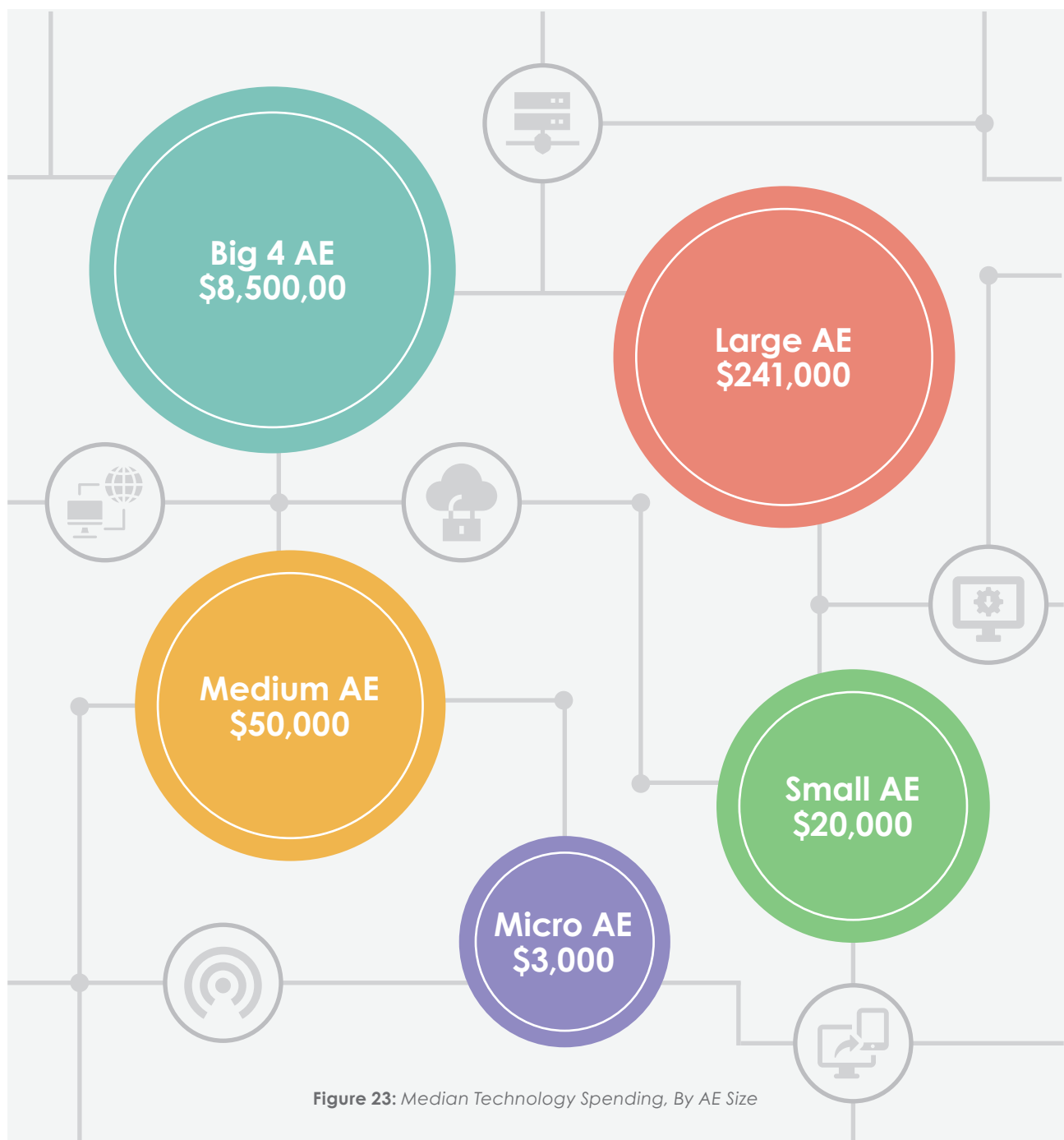


Figure 23: Median Technology Spending, By AE Size

TECHNOLOGY

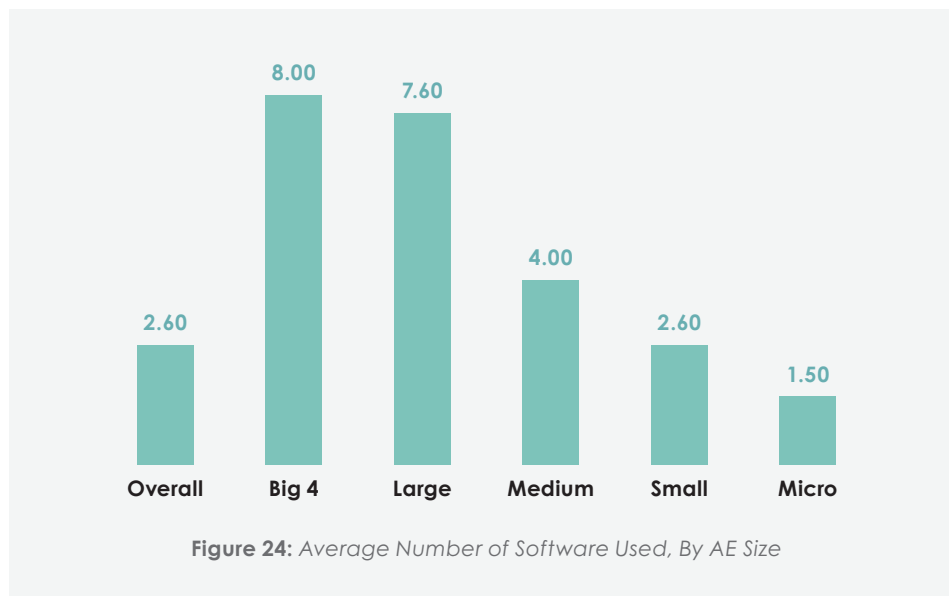
TECHNOLOGY ADOPTION

Based on the census, technology adoption amongst Medium, Small and Micro (MSM) AEs lagged significantly behind that of the Big 4 and Large AEs across all technology areas.

The SAC, in consultation with the industry, identified 9 areas, such as audit software and practice management systems, where technology may be adopted within AEs. The census revealed that technology adoption across the 9 areas differed significantly across the sector. On the average, the sector adopts technology in 2.6 areas. The Big 4 and Large AEs tend to use more technology. On the average the Big 4 and Large AEs use technology in about 8 areas.

Technology adoption among Medium, Small and Micro AEs tend to be low compared to bigger firms. On the average, Medium AEs use technology in 4 areas while Small and Micro AEs use technology in 2.6 and 1.5 areas respectively.

34%
**OF MEDIUM,
SMALL AND
MICRO
ACCOUNTING
ENTITIES USE
AUDIT SOFTWARE**

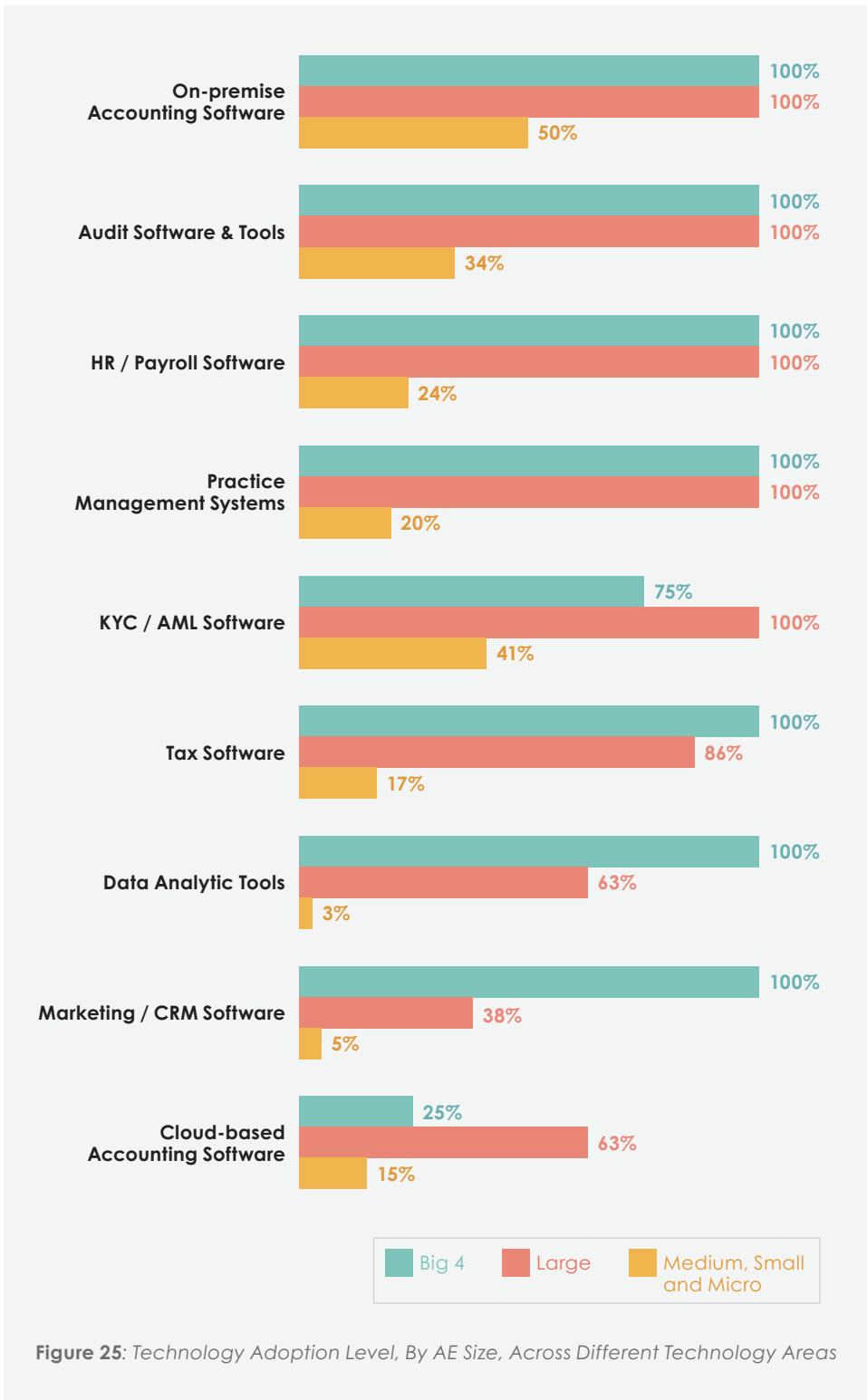


The census showed that the Big 4 AEs adopt technology in most of the areas, except in know-your-client/ anti-money laundering (KYC/AML) processes and cloud-based accounting software (75% and 25% respectively).

Adoption of technology among Large AEs is also fairly high. All the Large AEs use technologies such as on-premise accounting software, audit software, human resource / payroll systems, practice management systems and KYC/AML solutions. They tend to use less technology in tax, data analytics and marketing (86%, 63%, 38% respectively).

Technology adoption among MSM AEs is relatively low. For example, while most MSM AEs tend to provide audit and accounting services, only some of them use on-premise accounting software, cloud-based accounting software and audit software (50%, 15% and 34% respectively). While 41% of them use KYC/AML solutions, less than a quarter of them adopt technology in other areas.

TECHNOLOGY TECHNOLOGY ADOPTION



TECHNOLOGY

TECHNOLOGY BENEFITS



Based on the census, AEs who have adopted technology indicated significant improvements in time savings of 28%, followed by improvement in controls & risk management (16%), cost savings (14%) and increase in revenue (8%) across the 9 software areas.

In terms of productivity savings via time, cost and increase in revenue, AEs indicated on-premise accounting software, cloud-based accounting software and HR/ Payroll software as the top 3 software with the highest productivity savings.

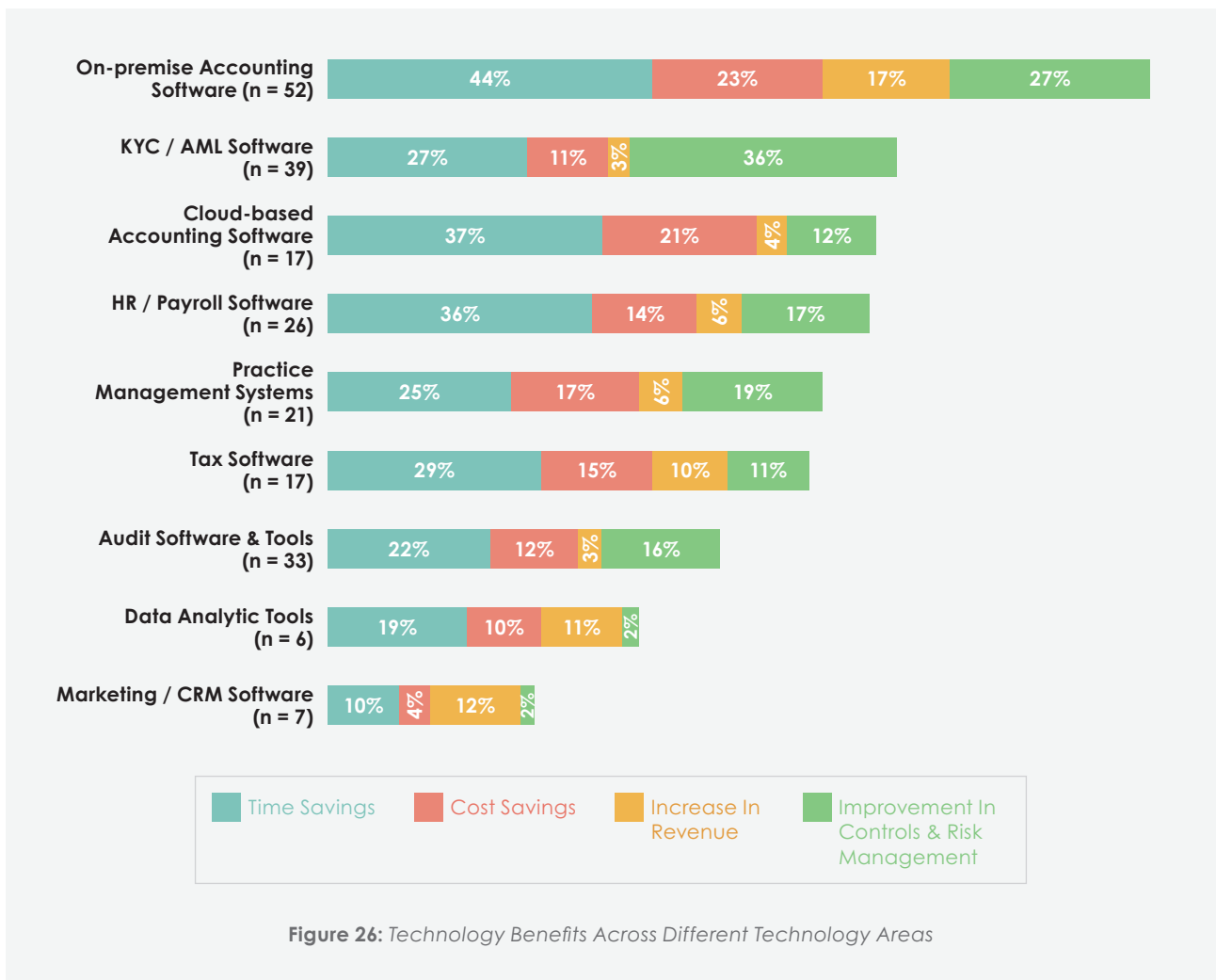


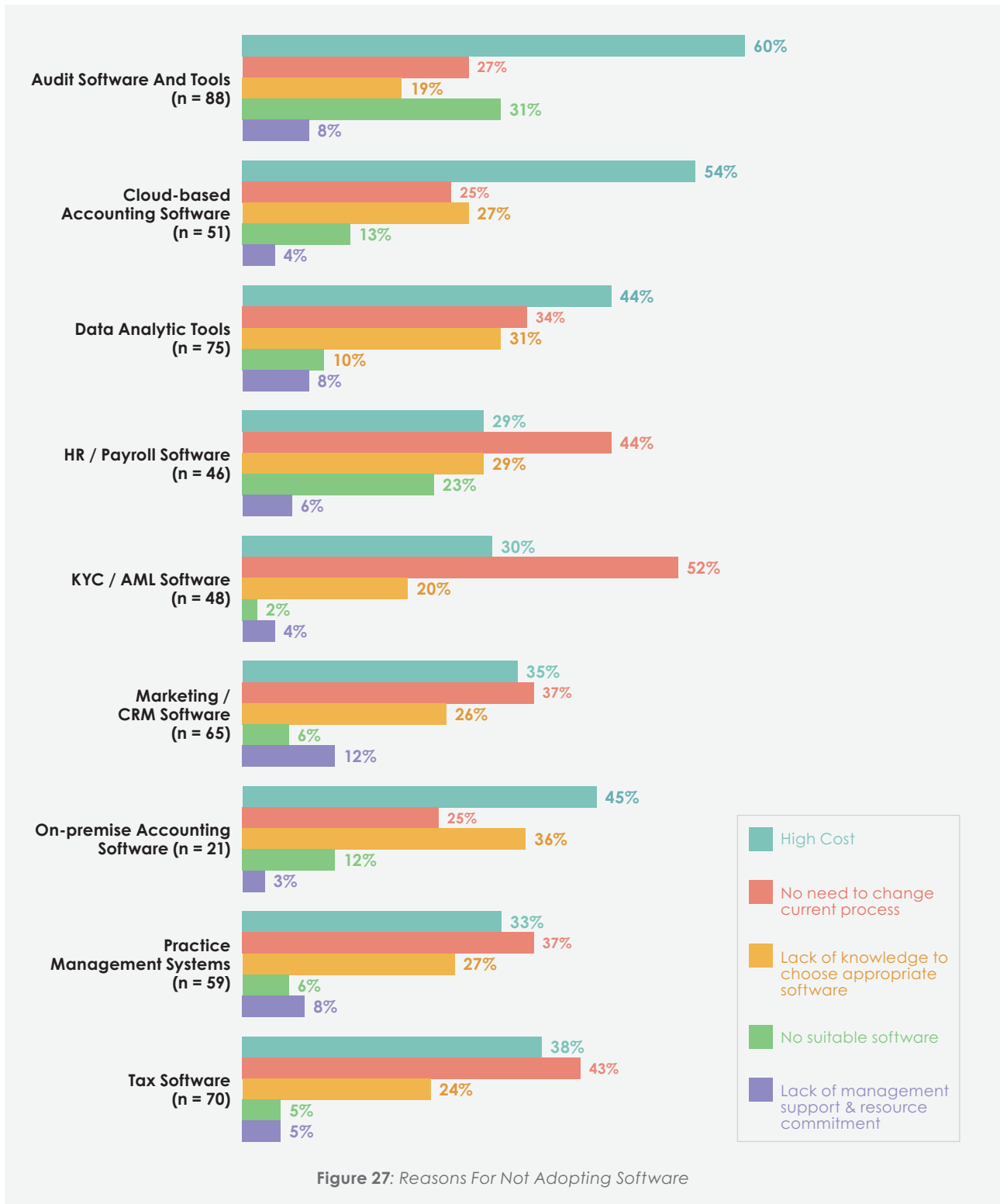
Figure 26: Technology Benefits Across Different Technology Areas

TECHNOLOGY

REASONS FOR NOT ADOPTING TECHNOLOGY

Perceived high cost - the top reason for not adopting technology

Despite the benefits of adopting technology, technology adoption among MSMs is low. Across the different software areas, AEs indicated perceived high cost as the key reason for not adopting technology (average of 41% across the 9 areas). More than a third also indicated that they do not see a need to change current processes (36%) and more than a quarter cited that they lack the knowledge to choose appropriate software (26%).



ACCOUNTING SERVICES ENTITIES (ASEs)

Apart from the 684 AEs that are approved under the Accountants Act (Chapter 2), the accounting sector also comprises of other entities that provide non-audit related services. Such entities do not perform audit related work and are not regulated by ACRA. However, they provide valuable accounting-related services and contribute significantly to Singapore's economy.

MARKET STRUCTURE

21 Accounting Service Entities (ASEs) responded to the census. Three of them employed more than 30 employees, with an average of 133 employees. The remaining 18 entities have an average headcount of 8 staff. The census revealed that ASEs generate most of their revenue from corporate support services (75%), followed by tax advisory & compliance services (7%) and business advisory services (18%). ASEs' outlook on growth prospects remained positive with most of them expecting corporate support services to grow by 4% and tax advisory & compliance services to grow by 10% in 2018.

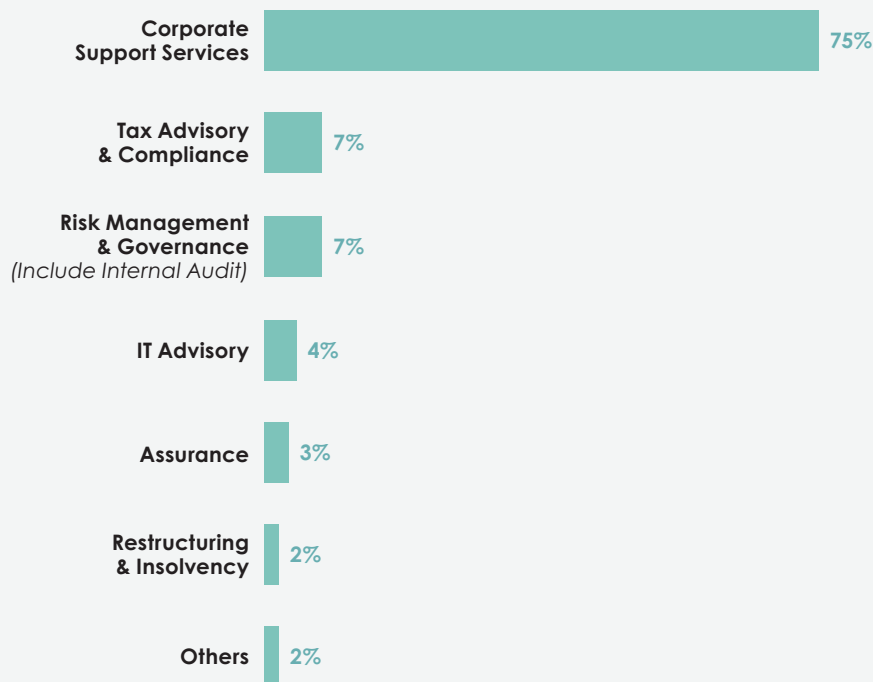


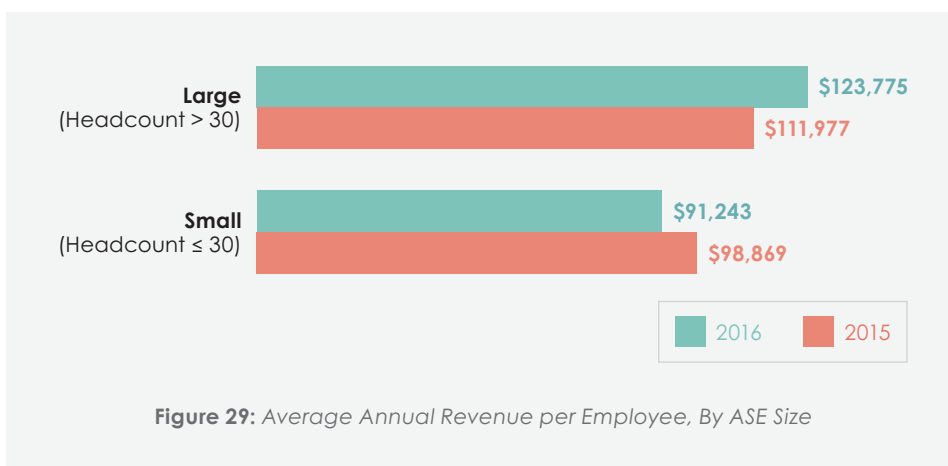
Figure 28: Revenue Composition of ASEs

ACCOUNTING SERVICES ENTITIES (ASEs)

PRODUCTIVITY

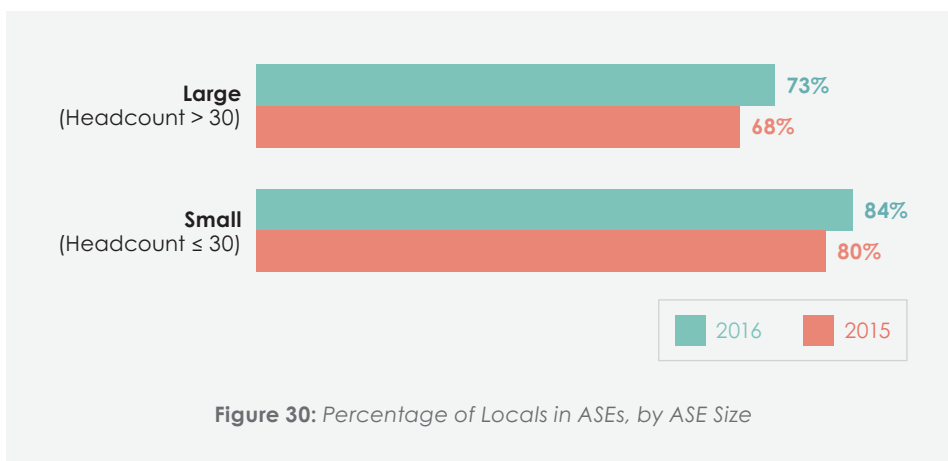
The average revenue per employee of Large ASEs with more than 30 employees is \$123,775 in 2016, higher than the amount reported (\$111,977) in 2015. This is also higher than that of Large and Medium AEs which have revenue per employee of about \$91,833 and \$73,702 respectively.

The average productivity of ASEs with less than 30 headcounts is \$91,243 in 2016, lower than the amount reported (\$98,869) in 2015. However, this is higher compared to Small and Micro AEs which have revenue per employee of \$78,327 and \$63,713 respectively. In general, the average productivity of ASEs is higher than that of AEs of the same headcount size.



WORK FORCE

ASEs indicated that the proportion of Singaporeans and PRs within their work force in 2016 is higher for both Large and Small ASEs as compared to 2015. The percentage of locals in Large and Small ASEs is 73% and 84% respectively in 2016.



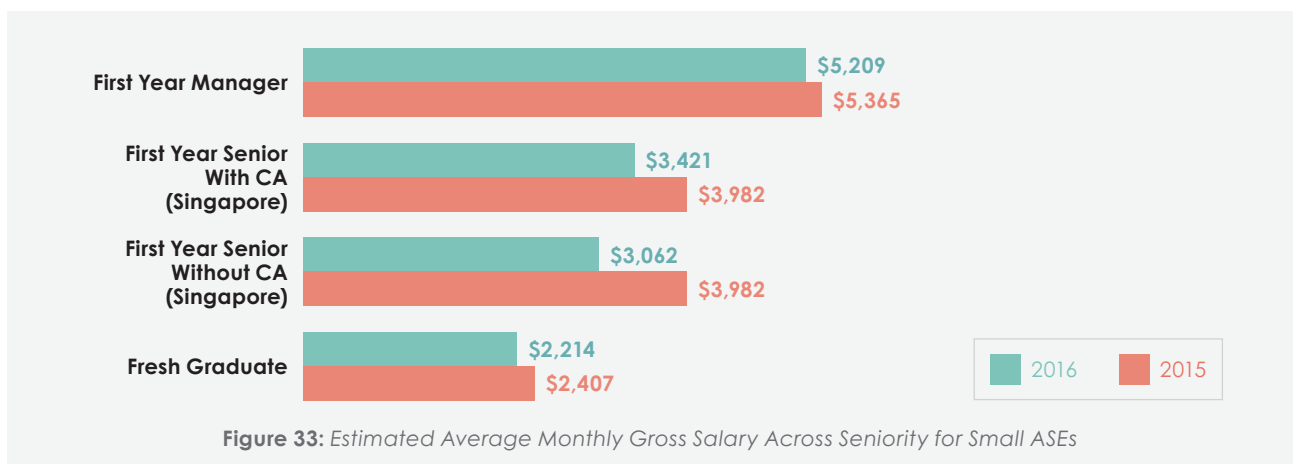
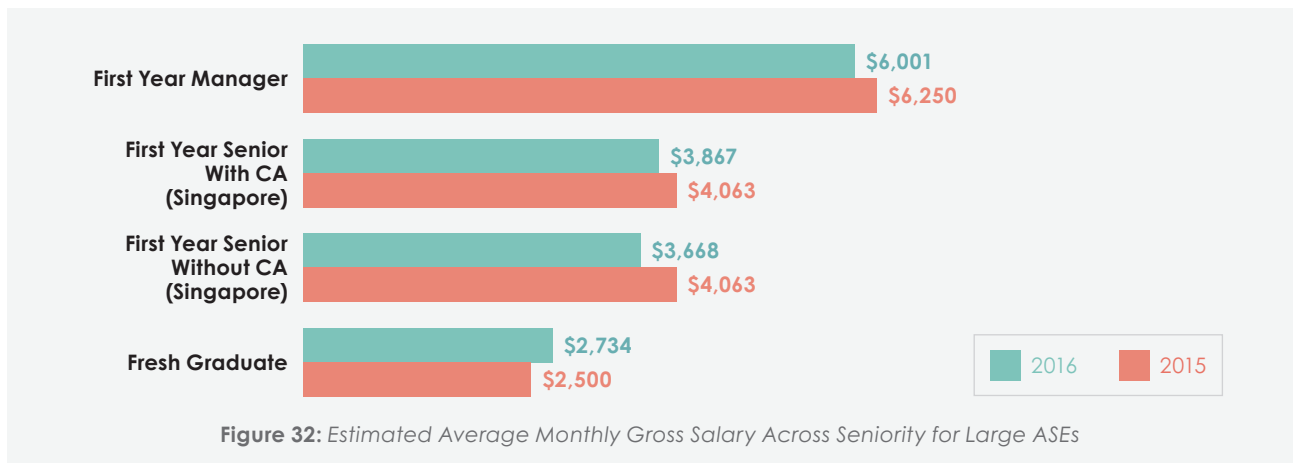
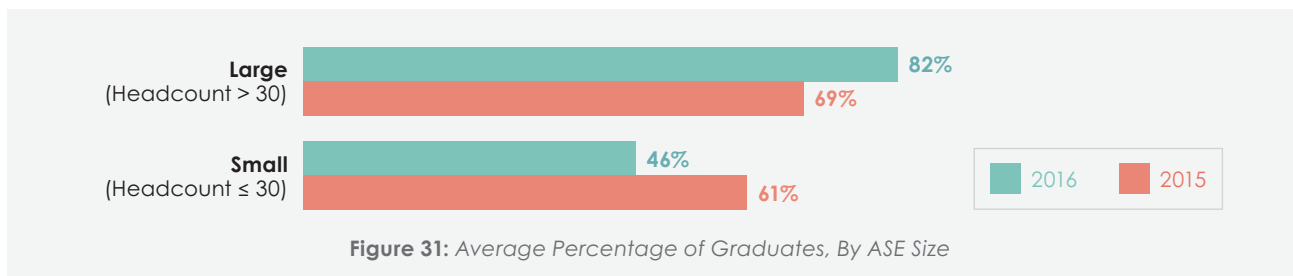
ACCOUNTING SERVICES ENTITIES (ASEs)

SKILLS & TALENT

The average percentage of graduates in Large ASEs increased from 69% in 2015 to 82% in 2016. This is comparable to that of AEs which have an average graduate percentage of 83%. However, the average percentage of graduates in Small ASEs decreased from 61% in 2015 to 46% in 2016.

On the average, the ASEs paid less in wages to their workforce across different seniority levels in 2016, with the exception of fresh graduates in the Large ASEs. The salary for fresh graduates in Large ASEs increased by 9% from \$2,500 in 2015 to \$2,734 in 2016.

In the Large ASEs, average wages for first year senior with CA is 5% higher than that of those without CA. This trend is similarly observed in the small ASEs where the average wages for first year senior with CA is 12% higher than those without.



TOP 50 ACCOUNTING ENTITIES

BIG 4
HEADCOUNT
≥ 1000

Deloitte & Touche LLP
Ernst & Young LLP
KPMG LLP
PricewaterhouseCoopers LLP

LARGE
HEADCOUNT
101-999

Baker Tilly TFW LLP	Moore Stephens LLP
BDO LLP	Nexia TS PAC
Crowe Horwath First Trust LLP	RSM Chio Lim LLP
Foo Kon Tan LLP	UHY Lee Seng Chan & Co.
Mazars LLP	

MEDIUM
HEADCOUNT
31-100

A Garanzia LLP	Lo Hock Ling & Co.
Ardent Associates LLP	Natarajan & Swaminathan
Audit Alliance LLP	PG Wee Partnership LLP
CA Trust PAC	Philip Liew & Co
Ecovis Assurance LLP	Pinebridge LLP
Fiducia LLP	PKF-CAP LLP
EisnerAmper PAC	Precursor Assurance PAC
Grant Thornton Audit LLP	Robert Yam & Co.
Helmi Talib & Co	Reanda Adept PAC
Heng Lee Seng LLP	Robert Tan & Co
HLB Atrede LLP	Rohan.Mah & Partners LLP
Infinity Assurance LLP	RT LLP
Kreston David Yeung PAC	Steven Tan Russell Bedford PAC
Liew Keow Seng PAC	Tan, Chan & Partners

SMALL
HEADCOUNT
10-30

Akber Ali & Co	MGI N Rajan Associates
CSI & Co. PAC	Reliance Audit LLP
Cypress Singapore PAC	Thong & Lim Chartered Accountants
L W Ong & Associates LLP	TKNP International
MGI Menon & Associates	

GLOSSARY OF TERMS

Accounting Entity (AE)	<p>An Accounting Corporation, Accounting Firm, or Accounting Limited Liability Partnership, approved under the Accountants Act (Chapter 2). An accounting entity provides audit and assurance services – regulated by ACRA – as well as other non-audit related services such as basic accounting services, tax preparations, corporate advisory services and consultancy services.</p>
Accounting Services Entity (ASE)	<p>An entity that does not provide audit and assurance services that are regulated by ACRA, but provide non-audit related accounting services such as basic accounting services, tax preparations and corporate advisory services.</p>
Audit and Assurance	<p>Comprise of:</p> <ul style="list-style-type: none"> • Statutory audit; • Accounting advisory; and • Other assurance services
Corporate Support Services	<p>Comprise of:</p> <ul style="list-style-type: none"> • Bookkeeping; • Corporate secretarial & legal services; • Outsourcing of accounting/finance personnel; • Payroll; • Statutory financial reporting/compilation services; and • Fund administration services
Corporate Finance & Deal Advisory	<p>Comprise of:</p> <ul style="list-style-type: none"> • Business valuation; • Financial modelling; • Debt and capital advisory; • IPOs & capital advisory; • M&A & due diligence; • Personal wealth management; and • Strategy formulation & implementation
IT Advisory	<p>Comprise of:</p> <ul style="list-style-type: none"> • IT solution business; • Technology risk advisory; • Technology consulting; • Data analytics; and • IT forensic services
Restructuring and Insolvency Advisory	<p>Comprise of:</p> <ul style="list-style-type: none"> • Corporate restructuring (operational restructuring) • Debt restructuring (capital advisory, judicial management, scheme of arrangement) • Insolvency services (liquidation, receiverships); and • Litigation support & expert witness services

GLOSSARY OF TERMS

Risk Management & Governance	<p>Comprise of:</p> <ul style="list-style-type: none"> • Risk advisory; • Corporate governance advisory; • Fraud & forensic services; and • Internal audit services
Tax Advisory & Compliance	<p>Comprise of:</p> <ul style="list-style-type: none"> • Compliance in corporate tax; • Compliance in personal income tax; • Compliance in GST; • Transfer pricing advisory; • International tax advisory; and • Tax advisory – others
Other Advisory Services	<p>Comprise of:</p> <ul style="list-style-type: none"> • Process improvement; • Sustainability & CSR reporting; • HR compliance; • Succession planning/business transfer; and • Other services
Work Performed in Singapore	<p>Income received by all entities based in Singapore which is sourced locally. This excludes non-operating income, such as sale/disposal of fixed assets, grants and from receipts collected on behalf of others.</p> <p>An example is as follow:</p> <ul style="list-style-type: none"> • Income received from the provision of accounting services in Singapore
Work Performed outside Singapore	<p>Income received by all entities based in Singapore which is sourced overseas. This excludes non-operating income, such as sale/disposal of fixed assets, grants and gross receipts collected on behalf of others.</p> <p>Some examples are as follow:</p> <ul style="list-style-type: none"> • Revenue from work performed by Singapore staff outside Singapore • Revenue from the provision of cloud-based services to clients based outside Singapore
Business Unit	<p>A segment of the entity that represents a specific business function or an entity comprising a business function.</p>

ANNEX: DATA TABLES

BASED ON RESPONSES RECEIVED (Figures may not add up to 100% due to rounding off differences)

TABLE 1

ANNUAL REVENUE DERIVED FROM WORK PERFORMED IN SINGAPORE

	LESS THAN S\$0.5M	S\$0.5M TO < S\$1M	S\$1M TO < S\$5M	S\$5M TO < S\$10M	S\$10M TO < S\$25M	S\$25M TO < S\$50M	S\$50M OR MORE
OVERALL	38%	20%	32%	4%	3%	1%	2%
BIG 4	0%	0%	0%	0%	0%	0%	100%
LARGE	0%	0%	0%	13%	75%	13%	0%
MED	0%	0%	81%	19%	0%	0%	0%
SMALL	2%	30%	68%	0%	0%	0%	0%
MICRO	73%	24%	2%	1%	0%	0%	0%

TABLE 2

ANNUAL REVENUE DERIVED FROM WORK PERFORMED OUTSIDE SINGAPORE

	N/A	LESS THAN S\$0.5M	S\$0.5M TO < S\$1M	S\$1M TO < S\$5M	S\$5M TO < S\$10M	S\$10M TO < S\$25M	S\$25M TO < S\$50M	S\$50M OR MORE
OVERALL	79%	16%	1%	2%	1%	1%	0%	1%
BIG 4	0%	0%	0%	0%	25%	25%	0%	50%
LARGE	50%	0%	0%	50%	0%	0%	0%	0%
MED	65%	35%	0%	0%	0%	0%	0%	0%
SMALL	74%	26%	0%	0%	0%	0%	0%	0%
MICRO	92%	7%	1%	0%	0%	0%	0%	0%

TABLE 3

ANNUAL REVENUE DERIVED FROM WORK BASED OUTSIDE SINGAPORE

	N/A	LESS THAN S\$0.5M	S\$0.5M TO < S\$1M	S\$1M TO < S\$5M	S\$5M TO < S\$10M	S\$10M TO < S\$25M	S\$25M TO < S\$50M	S\$50M OR MORE
OVERALL	93%	3%	1%	3%	0%	0%	0%	1%
BIG 4	75%	0%	0%	25%	0%	0%	0%	0%
LARGE	67%	0%	0%	33%	0%	0%	0%	0%
MED	88%	4%	4%	0%	0%	0%	0%	4%
SMALL	89%	9%	0%	2%	0%	0%	0%	0%
MICRO	99%	1%	0%	0%	0%	0%	0%	0%

ANNEX: DATA TABLES

TABLE 4

ANNUAL REVENUE PER EMPLOYEE (EXCLUDING ADMINISTRATIVE/SUPPORT STAFF)

	LESS THAN S\$60,000	S\$60,000 TO < S\$80,000	S\$80,000 TO < S\$100,000	S\$100,000 TO < S\$125,000	S\$125,000 TO < S\$150,000	S\$150,000 OR MORE
OVERALL	28%	23%	29%	12%	3%	5%
BIG 4	0%	0%	0%	0%	0%	100%
LARGE	0%	13%	50%	38%	0%	0%
MED	7%	41%	41%	7%	4%	0%
SMALL	17%	15%	37%	26%	2%	2%
MICRO	44%	24%	20%	5%	3%	3%

TABLE 5

PERCENTAGE OF EMPLOYEES WITH PROFESSIONAL ACCOUNTANCY QUALIFICATIONS

	LESS THAN 20%	20% TO < 40%	40% TO < 60%	60% OR MORE
OVERALL	15%	33%	16%	37%
BIG 4	0%	50%	25%	25%
LARGE	0%	33%	33%	33%
MED	15%	23%	23%	38%
SMALL	9%	58%	13%	20%
MICRO	20%	21%	13%	46%

TABLE 6

ANNUAL SALARY RANGE – FRESH GRADUATES

	S\$2,000 OR LESS	S\$2,001 - S\$2,400	S\$2,401 - S\$2,800	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600
OVERALL	17%	45%	30%	7%	1%
BIG 4	0%	0%	0%	75%	25%
LARGE	11%	11%	44%	33%	0%
MED	4%	44%	48%	4%	0%
SMALL	9%	56%	31%	4%	0%
MICRO	31%	45%	21%	2%	2%

ANNEX: DATA TABLES

TABLE 7

ANNUAL SALARY RANGE – FIRST YEAR SENIORS WITH CA SINGAPORE

	S\$2,800 OR LESS	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	MORE THAN S\$4,400
OVERALL	16%	25%	37%	9%	4%	9%
BIG 4	0%	0%	0%	25%	0%	75%
LARGE	0%	0%	56%	11%	22%	11%
MED	8%	29%	50%	8%	4%	0%
SMALL	21%	24%	34%	16%	5%	0%
MICRO	21%	31%	31%	2%	0%	14%

TABLE 8

ANNUAL SALARY RANGE – FIRST YEAR SENIORS WITHOUT CA SINGAPORE

	S\$2,800 OR LESS	S\$2,801 - S\$3,200	S\$3,201 - S\$3,600	S\$3,601 - S\$4,000	S\$4,001 - S\$4,400	MORE THAN S\$4,400
OVERALL	31%	23%	28%	10%	5%	4%
BIG 4	0%	0%	0%	25%	0%	75%
LARGE	0%	11%	33%	44%	11%	0%
MED	22%	22%	44%	7%	4%	0%
SMALL	29%	27%	33%	7%	4%	0%
MICRO	45%	23%	16%	7%	5%	4%

TABLE 9

ANNUAL SALARY RANGE – FIRST YEAR MANAGERS

	S\$5,000 OR LESS	S\$5,001 - S\$5,500	S\$5,501 - S\$6,000	S\$6,001 - S\$6,500	S\$6,501 - S\$7,000	MORE THAN \$7,000
OVERALL	40%	31%	13%	12%	1%	3%
BIG 4	0%	0%	0%	25%	0%	75%
LARGE	0%	22%	22%	44%	11%	0%
MED	26%	44%	19%	11%	0%	0%
SMALL	47%	30%	14%	9%	0%	0%
MICRO	52%	28%	9%	7%	2%	2%

ANNEX: DATA TABLES

TABLE 10

PERCENTAGE OF REVENUE FROM AUDIT AND ASSURANCE SERVICES

	30% OR LESS	31% - 40%	41% - 50%	51% - 60%	61% - 70%	MORE THAN 70%
OVERALL	14%	11%	17%	10%	14%	34%
BIG 4	0%	0%	75%	25%	0%	0%
LARGE	0%	11%	33%	33%	11%	11%
MEDIUM	4%	18%	21%	18%	18%	21%
SMALL	17%	4%	11%	13%	17%	38%
MICRO	18%	13%	15%	3%	13%	39%

TABLE 11

PERCENTAGE OF REVENUE FROM CORPORATE SUPPORT SERVICES

	10% OR LESS	11% - 20%	21% - 30%	31% - 40%	41% - 50%	MORE THAN 50%
OVERALL	45%	10%	11%	12%	11%	11%
BIG 4	100%	0%	0%	0%	0%	0%
LARGE	22%	44%	22%	11%	0%	0%
MEDIUM	36%	14%	14%	21%	11%	4%
SMALL	51%	6%	11%	6%	17%	9%
MICRO	44%	8%	9%	13%	10%	16%

TABLE 12

PERCENTAGE OF REVENUE FROM TAX ADVISORY & COMPLIANCE SERVICES

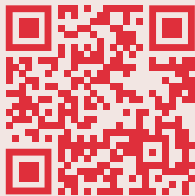
	10% OR LESS	11% - 20%	21% - 30%	31% - 40%	41% - 50%	MORE THAN 50%
OVERALL	47%	38%	9%	5%	2%	1%
BIG 4	0%	50%	50%	0%	0%	0%
LARGE	11%	89%	0%	0%	0%	0%
MEDIUM	32%	61%	4%	0%	4%	0%
SMALL	64%	26%	9%	2%	0%	0%
MICRO	48%	31%	9%	8%	3%	1%

TABLE 13

PERCENTAGE OF REVENUE FROM TAX ADVISORY & COMPLIANCE SERVICES

	10% OR LESS	11% - 20%	21% - 30%	31% - 40%	41% - 50%	MORE THAN 50%
OVERALL	86%	7%	3%	2%	0%	2%
BIG 4	0%	0%	75%	25%	0%	0%
LARGE	22%	44%	22%	11%	0%	0%
MEDIUM	79%	14%	0%	7%	0%	0%
SMALL	89%	6%	0%	0%	0%	4%
MICRO	97%	1%	1%	0%	0%	1%

For more enquiries,
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