

Eternal Flame Action

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Directors' report and financial statements

For the year ended 31 March 2016

HORIZON (HK) CPA Limited

中瑞誠(香港)會計師事務所有限公司

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Eternal Flame Action
(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)
Directors' report

The directors have pleasure in submitting herewith their report and the audited financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the Company is a charity institute with the principal aim of advancing of education of the Youth in Hong Kong.

Results and state of affairs

The results of the Company for the year ended 31 March 2016 and its state of affairs at that date are set out in the financial statements on pages 5 to 10.

Debenture issued

During the financial year, the Company did not issue any debenture.

Directors

The directors of the Company who held office during the year and up to the date of this report were:

Tam Fung Chee
Yeung Sui Kuen, Jolene
Wong Kwok Chuen
Li Chi Ming

There being no provision in the Company's articles of association for retirement by rotation, all directors continue in office.

Permitted indemnity provision

At no time during the financial year and up to the time of approval of this report, there are no permitted indemnity provisions in force for the benefit of one or more directors of the Company.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Business review

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

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Directors' report

Equity-linked arrangements

During the financial year, the Company did not enter into any equity-linked agreement. At the end of the financial year, the Company subsisted of no equity-linked agreement.

Auditors

The financial statements have been audited by HORIZON (HK) CPA Limited who retire and, being eligible, offer themselves for re-appointment.

Approval of directors' report

This report was approved by the Directors on 12 September 2016.

On behalf of the Board

x 
Director: Tam Fung Chee
Hong Kong 12 SEP 2016

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ETERNAL FLAME ACTION
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Report on the financial statement

We have audited the financial statements of Eternal Flame Action ("the Company") set out on pages 5 to 10 which comprise the statement of financial position as at 31 March 2016, and the income statement for the year then ended, and a summary of significant accounting policies and explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with (the Small and Medium-sized Entity Financial Reporting Standard)" issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

HORIZON (HK) CPA Limited

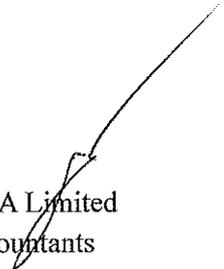
中瑞誠(香港)會計師事務所有限公司

Room 302, 3/F, Malaysia Building,
50 Gloucester Road, Hong Kong.
香港告士打道 50 號馬來西亞大廈 3 樓 302 室
Tel : (852) 2832 9718 Fax : (852) 2573 8611

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ETERNAL FLAME ACTION
(incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its result and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.



HORIZON (HK) CPA Limited
Certified Public Accountants
Li Ka Sing
Practising Certificate Number P01487
Hong Kong, 12 September 2016

Eternal Flame Action

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Income statement

for the year ended 31 March 2016

	Note	2016 HK\$	2015 HK\$
Revenue	3	52,566	138,653
Other Income	4	803	603
Administrative and other operating expenses		(299,587)	(302,217)
Training and workshop		(2,600)	(45,491)
Deficits before tax		(248,818)	(208,452)
Income tax expense	5	-	-
Deficits for the year	7	<u>(248,818)</u>	<u>(208,452)</u>

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

Eternal Flame Action

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Statement of financial position

as at 31 March 2016

	Note	2016 HK\$	2015 HK\$
Non-current assets			
Property, plant and equipment	8	-	-
		-	-
Current assets			
Prepayments and other receivables		277,829	129,150
Cash and bank balances		183,341	499,377
		461,170	628,527
Current liabilities			
Accruals and other payables		1,927	923
Received in advance		111,400	30,943
		113,327	31,866
Net current assets		347,843	596,661
Net assets		347,843	596,661
Equity			
Accumulated surplus	9	347,843	596,661
		347,843	596,661

Approved on behalf of the Board by:


 Director: Tam Fung Chee


 Director: Yeung Sui Kuen,
 Jolene

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

Eternal Flame Action

(Incorporated in Hong Kong as a company limited by guarantee and not having a share capital)

Schedule to detailed income statement

for the year ended 31 March 2016

1. General

Eternal Flame Action is a company domiciled and incorporated in Hong Kong with limited liability. The Company's registered office is located at Flat 101, G/F, Magnolia House, Ma Tau Wai Estate, Tokwawan, Kowloon. The principal activity of the Company is a charity institute with principal aim of advancing of education of the Youth in Hong Kong.

The Company is incorporated as a limited company in Hong Kong limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding HK\$10.

Unless stated otherwise, all currency figures in these financial statements are presented in Hong Kong Dollars (HK\$).

2. Basis of preparation and accounting policies

In this year, the Company firstly adopts Small and Medium-sized Entity Financial Reporting Standard (SME-FRS). The Company used to prepare its annual financial statements in compliance with Hong Kong Financial Reporting Standard (HKFRS). The transition from HKFRS to SME-FRS has changed the presentation of the financial statements and the following accounting policies. The comparatives have been amended as required in accordance with the relevant requirements.

Changes in the presentation of financial statements

The statement of profit or loss and other comprehensive income has been replaced by income statement which has been presented in accordance with the Hong Kong Companies Ordinance and SME-FRS. The presentation of the statement of financial position has been changed in accordance with the Hong Kong Companies Ordinance and SME-FRS. The statement of changes in equity and statement of cash flows have been removed. The notes to financial statements have been revised in accordance with the Hong Kong Companies Ordinance and SME-FRS.

Changes in accounting policies

No material change in accounting policies has raised as a result of the first time adoption of SME-FRS.

The opening balances for the current period have not been restated. It is because there is no material change in accounting policies which has effect to the opening balances.

The Company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Company is a going concern.

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Schedule to detailed income statement

for the year ended 31 March 2016

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

(a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- (i) Rental income is recognised on a time proportion basis over the lease terms.
- (ii) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

(b) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) Foreign exchange

The reporting currency of the Company is Hong Kong Dollars, which is the currency of the primary economic environment in which the Company operates.

Foreign currency transactions are converted at the exchange rate applicable at the transaction date. Foreign currency monetary items are translated into Hong Kong Dollars using exchange rates applicable at the end of the reporting period. Gains and losses on foreign exchange are recognised in the income statement.

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(e) Trade and other receivables

Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

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Schedule to detailed income statement

for the year ended 31 March 2016

3. Revenue	2016 HK\$	2015 HK\$
An analysis of the Company's revenue is as follows:		
Donation received	17,027	136,813
Membership fee received	140	1,630
SLP 8	2,293	-
YHC 44-46	22,678	-
Life game 2016	10,393	-
AYP	35	210
	<u>52,566</u>	<u>138,653</u>
Usage of flag day donations collected used up to 31 March 2016 are as follow:		
Young Heart Camp	2,201	39,446
Youth activities	14,899	6,045
Salaries	-	57,025
Printing and promotion	1,224	7,149
Rent and rates	-	24,441
Office expenses	-	5,213
MPF contribution	-	2,713
	<u>18,324</u>	<u>142,032</u>
Balance for future use	-	18,324
	<u>18,324</u>	<u>160,356</u>
4. Other income		
Bank Interest income	3	603
Sundry income	800	-
	<u>803</u>	<u>603</u>

5. Income tax expense

No profits tax has been provided as the company carried on activities as an institution under Inland Revenue Ordinance Section (88) which is exempt from Hong Kong (2015: Nil)

6. Directors' remuneration and loans

Remuneration of the directors (including former directors and shadow directors) of the Company disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

Emoluments (including benefit in kind)

Acting as directors	-	-
Provision of management services	-	-
	<u>-</u>	<u>-</u>

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Schedule to detailed income statement

for the year ended 31 March 2016

Loans, quasi-loans and other dealings in favour of directors (including shadow directors) of the Company and its holding company disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follow:

During the year, there's no loan, quasi-loan and credit transaction entered into by the Company for a director of the Company or of its holding company or a controlled body corporate of such a director.

During the year, there're no Guarantee or security given by the Company in connection with loans, quasi-loans and credit transactions.

7. Deficits for the year	2016	2015
	HK\$	HK\$
Deficits for the year is arrived at:		
After charging the following items:		
MPF contribution	9,000	8,840
Staff costs	<u>180,000</u>	<u>176,800</u>
8. Property, plant and equipment		Total
		HK\$
Cost:		
At 1 April 2015 and at 31 March 2016		<u>-</u>
Accumulated depreciation:		
At 1 April 2015		-
Depreciation for the year		-
At 31 March 2016		<u>-</u>
Net carrying amount:		
At 31 March 2016		<u>-</u>
At 1 April 2015		<u>-</u>
9. Changes in equity		Accumulated
		surplus
		HK\$
At 31 March 2015		596,661
Deficits for the year		<u>(248,818)</u>
At 31 March 2016		<u>347,843</u>
10. Approval of financial statements		

These financial statements were authorised for issue by the Company's board of directors on 12 September 2016

-End of Notes