



Scott-Moncrieff  
business advisers and accountants

**EIS FINANCIAL SERVICES LIMITED**

***Company registration number SC122216***

**Financial Statements**

**For the year ended 31 May 2013**

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**EIS FINANCIAL SERVICES LIMITED**

**Financial statements for the year ended 31 May 2013**

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**EIS FINANCIAL SERVICES LIMITED**

**Directors, officers and advisers**

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**Directors**

S A Grant  
C M MacKenzie  
A K Munro  
P J Flanagan

**Secretary and registered office**

C M MacKenzie  
6 Clairmont Gardens  
Glasgow  
Scotland  
G3 7LW

**Registered number**

SC122216

**Auditor**

Scott-Moncrieff  
Chartered Accountants  
Statutory Auditor  
25 Bothwell Street  
Glasgow  
G2 6NL

**EIS FINANCIAL SERVICES LIMITED**  
**Directors' report for the year ended 31 May 2013**

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The directors present their report and the financial statements of the company for the year ended 31 May 2013.

**Review of the business**

The principal activity of the company in the year under review was that of insurance agents for members of the Educational Institute of Scotland and their families.

Turnover has reduced this year by 14 per cent to £733,451. The directors consider the profit on ordinary activities before taxation to be satisfactory in the light of difficult trading conditions.

**Key performance indicators**

Key performance indicators are monitored monthly for both divisions to ensure all sales are carried out correctly from a compliance point of view and any problems identified are rectified immediately and remedial training is carried out as and when required.

**Principal risks and uncertainties**

The principal risks affecting the continuing growth of the company include the economic conditions and the highly competitive market in which EIS Financial Services Limited operates. Whilst it is recognised that attracting new business in a fiercely competitive market is difficult, it is hoped that increased awareness of the services offered will help address the problem.

**Results and dividends**

The results for the year are shown on the profit and loss account on page 6. The profit for the year after taxation was £67,749 (2012: £118,586).

Dividends of £88,940 were paid during the year (2012: £89,543).

**Directors**

The directors who served during the year were:

S A Grant  
C M MacKenzie  
D J Mackie (resigned 8 June 2012)  
A K Munro  
P J Flanagan (appointed 13 June 2012)

## EIS FINANCIAL SERVICES LIMITED

### Directors' report for the year ended 31 May 2013 (continued)

#### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
- Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information, and to establish that the company's auditor is aware of the information.

#### Auditor

A resolution to reappoint Scott-Moncrieff as the auditor of the company will be proposed at the forthcoming annual general meeting.

#### Signed on behalf of the board

C M MacKenzie  
Secretary



Approved by the board on 19/9/13 .....

## **EIS FINANCIAL SERVICES LIMITED**

### **Independent auditor's report to the members of EIS Financial Services Limited**

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We have audited the financial statements of EIS Financial Services Limited for the year ended 31 May 2013 which comprise the profit and loss account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**EIS FINANCIAL SERVICES LIMITED**

**Independent auditor's report to the members of EIS Financial Services Limited (continued)**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Scott-Moncrieff*

Iain D Lee (Senior Statutory Auditor)  
for and on behalf of Scott-Moncrieff, Statutory Auditor  
Chartered Accountants  
25 Bothwell Street  
Glasgow  
G2 6NL

Date: 19/9/13

**EIS FINANCIAL SERVICES LIMITED**

**Profit and loss account for the year ended 31 May 2013**

	<u>Notes</u>	<u>2013</u> £	<u>2012</u> £
<b>Turnover</b>	2	<b>733,451</b>	856,133
Administrative expenses		<b>(648,117)</b>	(709,926)
<b>Operating profit</b>	3	<b>85,334</b>	146,207
Investment income		<b>2,731</b>	2,445
<b>Profit on ordinary activities before taxation</b>		<b>88,065</b>	148,652
Taxation on profit on ordinary activities	6	<b>(20,316)</b>	(30,066)
<b>Profit for the financial year</b>	13	<b>67,749</b>	118,586

None of the company's activities were acquired or discontinued during the above two years.

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.



# EIS FINANCIAL SERVICES LIMITED

## Balance sheet at 31 May 2013

	<u>Notes</u>	<u>2013</u> £	<u>2012</u> £
<b>Fixed assets</b>			
Tangible assets	8	3,922	3,849
<b>Current assets</b>			
Debtors	9	6,494	18,956
Cash at bank and in hand		372,511	415,606
		<u>379,005</u>	<u>434,562</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(83,277)</u>	<u>(117,356)</u>
<b>Net current assets</b>		<u>295,728</u>	<u>317,206</u>
<b>Total assets less current liabilities</b>		<u>299,650</u>	<u>321,055</u>
<b>Provision for liabilities</b>	11	-	(214)
<b>Net assets</b>		<u>299,650</u>	<u>320,841</u>
<b>Capital and reserves</b>			
Called up share capital	12	50,000	50,000
Profit and loss account	13	249,650	270,841
		<u>299,650</u>	<u>320,841</u>
<b>Shareholders' funds</b>	15	<u>299,650</u>	<u>320,841</u>

The financial statements were authorised for issue by the board of directors on 14/9/13 and signed on its behalf by:

S A Grant  
Director

*S A Grant*

C M MacKenzie  
Director

*C M MacKenzie*

Company Registration No: SC122216

The notes on pages 9 to 14 form part of these financial statements.

**EIS FINANCIAL SERVICES LIMITED**

**Cash flow statement for the year ended 31 May 2013**

	<u>Notes</u>	<u>2013</u> £	<u>2012</u> £
<b>Operating activities</b>			
Net cash flow from operating activities	16a	75,269	147,662
<b>Returns on investments and servicing of finance</b>			
Interest and similar income received		2,731	2,445
Dividends paid		<u>(88,940)</u>	<u>(89,543)</u>
Net cash flow from returns on investments and servicing of finance		(86,209)	(87,098)
<b>Taxation</b>			
Corporation tax paid		(30,181)	(31,617)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<u>(1,974)</u>	<u>(893)</u>
Net cash flow from investing activities		<u>(1,974)</u>	<u>(893)</u>
(Decrease) / increase in cash	16b	<u><u>(43,095)</u></u>	<u><u>28,054</u></u>

The notes on pages 9 to 14 form part of these financial statements.

## **EIS FINANCIAL SERVICES LIMITED**

### **Notes to the financial statements for the year ended 31 May 2013**

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#### **1 Accounting policies**

##### **Going concern**

The company has net assets of £299,650, no borrowing or other debt and has a solid base of existing customers. As a consequence the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

##### **Turnover**

Turnover represents commission and fees earned in the year.

##### **Tangible fixed assets**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Computer equipment & fixtures and fittings	10% - 33.33% on cost
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##### **Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Pension costs**

The company operates money purchase (defined contribution) pension schemes. Contributions payable to these schemes are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

##### **Recognition of income**

Brokerage commission is recognised in the profit and loss account in respect of all premiums relating to policies commenced or renewed within the financial year. Commission on life assurance policies is recognised on the same monthly basis as such commission is identified by the insurance companies as being earned.

##### **Operating leases**

Rentals under operating leases are charged to the profit and loss account as they fall due.

# EIS FINANCIAL SERVICES LIMITED

## Notes to the financial statements for the year ended 31 May 2013 (continued)

### 2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

	<u>2013</u> £	<u>2012</u> £
<b>Turnover analysed by segments:</b>		
Commission - life and pension	634,980	737,637
Commission - general	94,310	113,288
Commission - other	5,000	5,000
Instalment charges and discounts	(839)	208
	<u>733,451</u>	<u>856,133</u>

### 3 Operating profit

This is stated after charging:

	<u>2013</u> £	<u>2012</u> £
Depreciation of owned assets	1,901	2,147
Auditor's remuneration - Audit fee	6,900	6,700
Auditor's remuneration - fees for non audit services	4,285	4,502

### 4 Employee information

	<u>2013</u> £	<u>2012</u> £
<b>Staff costs:</b>		
Wages and salaries	136,257	143,701
Consultants' basic salaries	125,058	102,042
Consultants' commission payments	127,509	182,431
Social security costs	45,525	51,699
Other pension costs	17,688	17,947
	<u>452,037</u>	<u>497,820</u>

The average number of persons employed during the year, including executive directors, was made up as follows:

	<u>2013</u> Number	<u>2012</u> Number
Office and management	9	9

### 5 Director's emoluments

	<u>2013</u> £	<u>2012</u> £
Emoluments	90,177	96,649
Director's pension costs	11,128	10,832
	<u>101,305</u>	<u>107,481</u>

One director is a member of a defined contribution pension scheme.

# EIS FINANCIAL SERVICES LIMITED

## Notes to the financial statements for the year ended 31 May 2013 (continued)

### 6 Taxation on profit on ordinary activities

	<u>2013</u> £	<u>2012</u> £
United Kingdom corporation tax at 20% (2012: 20%)	20,530	30,181
Deferred taxation (note 11)	(214)	(115)
	<u>20,316</u>	<u>30,066</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2012: 20%)	17,613	29,730
Effects of:		
Expenses not deductible for tax purposes	309	336
Depreciation in excess of capital allowances	-	115
Capital allowances in excess of depreciation	(115)	-
Provisions tax adjustment	2,723	-
Current tax charge for the year	<u>20,530</u>	<u>30,181</u>

### 7 Pension costs

The pension cost charge for the year amounted to £17,688 (2012: £17,947).

### 8 Tangible fixed assets

	<u>Computer equipment &amp; fixtures and fittings</u> £
<b>Cost</b>	
At 1 June 2012	52,229
Additions	1,974
Disposals	(1,630)
At 31 May 2013	<u>52,573</u>
<b>Depreciation</b>	
At 1 June 2012	48,380
Provision for the year	1,901
Adjustments for disposals	(1,630)
At 31 May 2013	<u>48,651</u>
<b>Net book value</b>	
At 31 May 2013	<u>3,922</u>
At 31 May 2012	<u>3,849</u>

**EIS FINANCIAL SERVICES LIMITED**

**Notes to the financial statements for the year ended 31 May 2013 (continued)**

**9 Debtors**

	<u>2013</u> £	<u>2012</u> £
Trade debtors	2,956	3,258
Other debtors	2,401	14,293
Prepayments and accrued income	1,137	1,405
	<u>6,494</u>	<u>18,956</u>

**10 Creditors: amounts falling due within one year**

	<u>2013</u> £	<u>2012</u> £
Trade creditors	8,414	5,840
Corporation tax	20,530	30,181
Other tax and social security	8,948	12,446
Accruals and deferred income	45,385	68,889
	<u>83,277</u>	<u>117,356</u>

**11 Provisions for liabilities**

	<u>2013</u> £	<u>2012</u> £
Deferred tax brought forward	214	329
Deferred tax movement in the year	(214)	(115)
	<u>-</u>	<u>214</u>
Provision at start of year	214	
Deferred tax charge in profit and loss account for year (note 6)	(214)	
Provision at end of year	<u>-</u>	

**12 Called-up share capital**

	<u>2013</u> £	<u>2012</u> £
<b>Allotted, called up and fully paid</b>		
<b>Equity shares:</b>		
"A" Ordinary Shares of £1 each	25,000	25,000
"B" Ordinary Shares of £1 each	25,000	25,000
	<u>50,000</u>	<u>50,000</u>

**13 Reserves**

	<b>Profit and loss account</b> £
At 1 June 2012	270,841
Profit for the year	67,749
Dividends paid (note 14)	(88,940)
At 31 May 2013	<u>249,650</u>

# EIS FINANCIAL SERVICES LIMITED

## Notes to the financial statements for the year ended 31 May 2013 (continued)

### 14 Dividends

	<u>2013</u> £	<u>2012</u> £
<b>On equity shares:</b>		
A dividend in respect of the year ended 31 May 2013 of 177.88p (2012: 179.09p) per all ordinary shares	<u>88,940</u>	<u>89,543</u>

### 15 Reconciliation of movement in shareholders' funds

	<u>2013</u> £	<u>2012</u> £
Profit for the year	67,749	118,586
Dividends	<u>(88,940)</u>	<u>(89,543)</u>
Net (reduction in) / addition to shareholders' funds	<u>(21,191)</u>	29,043
Shareholders' funds at 1 June 2012	<u>320,841</u>	291,798
Shareholders' funds at 31 May 2013	<u>299,650</u>	<u>320,841</u>

### 16 Notes to the cash flow statement

#### a) Reconciliation of operating profit to net cash flow from operating activities

	<u>2013</u> £	<u>2012</u> £
Operating profit	85,334	146,207
Depreciation charges	1,901	2,147
Decrease in debtors	12,462	1,696
Decrease in creditors	<u>(24,428)</u>	<u>(2,388)</u>
Net cash inflow from operating activities	<u>75,269</u>	<u>147,662</u>

#### b) Analysis of change in net funds

	<u>Brought forward</u>	<u>Cash flows</u>	<u>Other changes</u>	<u>Carried forward</u>
Cash at bank and in hand	<u>415,606</u>	<u>(43,095)</u>	<u>-</u>	<u>372,511</u>

#### c) Reconciliation of net cash flow to movement in net funds

	<u>2013</u> £	<u>2012</u> £
Net (decrease)/increase in cash	<u>(43,095)</u>	28,054
Net funds at 1 June 2012	<u>415,606</u>	387,552
Net funds 31 May 2013	<u>372,511</u>	<u>415,606</u>

# EIS FINANCIAL SERVICES LIMITED

## Notes to the financial statements for the year ended 31 May 2013 (continued)

### 17 Leasing commitments

#### Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 May 2013 were as set out below:

	<u>2013</u> <u>Other</u> <u>£</u>	<u>2012</u> <u>Other</u> <u>£</u>
Operating leases which expire:		
Within one year	3,451	-
Within two to five years	-	4,141
	<u>3,451</u>	<u>4,141</u>

### 18 Contingent liabilities

Life assurance commission from some insurance companies is received on indemnity terms. Provision has been made in these financial statements for commission repaid subsequent to the year end but no provision has been made for possible liabilities which may arise in the future to repay commission earned up to 31 May 2013.

### 19 Related parties

The Educational Institute of Scotland was a related party during the year.

The Educational Institute of Scotland is entitled to commission based on the net profit before tax of the company. The Educational Institute of Scotland received a dividend of £66,705 (2012: £67,157) during the year and is entitled to commission of £17,943 this year (2012: £30,288). At the year end there was a balance of £17,943 due to the Educational Institute of Scotland (2012: £30,288).

### 20 Controlling party

The ultimate controlling party is The Educational Institute of Scotland.

### 21 Transactions in which the directors have an interest

During the year Scott Grant, Director, received a dividend of £22,235 (2012: £22,386).