



Scott-Moncrieff
business advisers and accountants

EIS FINANCIAL SERVICES LIMITED

Company registration number SC122216

Financial Statements

For the year ended 31 May 2015

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EIS FINANCIAL SERVICES LIMITED

Financial statements for the year ended 31 May 2015

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EIS FINANCIAL SERVICES LIMITED

Directors, officers and advisers

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

Strategic report for the year ended 31 May 2015

The directors present the Strategic Report, the Directors' Report and the financial statements of the company for the year ended 31 May 2015.

Review of the business and future developments

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 increased this year by 26 per cent to £834,644. The directors consider the profit on ordinary activities before taxation to be satisfactory.

The company will continue to seek business outside its current customer base, whilst continuing to maintain high standards by ensuring that all compliance reviews and training is up to date.

Key performance indicators

Key performance indicators are monitored quarterly 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 £143,152 (2014: £73,632).

Dividends of £55,224 were paid during the year (2014: £50,812).

Signed on behalf of the board



C M MacKenzie
Secretary

Approved by the board on 2 September 2015.

EIS FINANCIAL SERVICES LIMITED

Directors' report for the year ended 31 May 2015

The information regarding the principal activity, review of the business, future developments, principal risks and uncertainties, key performance indicators and results and dividends is shown in the Strategic Report and not the Directors' Report.

Directors

The directors who served during the year were:

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 2 September 2015.

EIS FINANCIAL SERVICES LIMITED

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

We have audited the financial statements of EIS Financial Services Limited for the year ended 31 May 2015 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 the directors and the 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2015 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



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

Date: 2 September 2015

EIS FINANCIAL SERVICES LIMITED

Profit and loss account for the year ended 31 May 2015

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Turnover	2	834,644	663,834
Administrative expenses		<u>(658,690)</u>	<u>(572,115)</u>
Operating profit	3	175,954	91,719
Investment income		<u>492</u>	<u>412</u>
Profit on ordinary activities before taxation		176,446	92,131
Taxation on profit on ordinary activities	6	<u>(33,294)</u>	<u>(18,499)</u>
Profit for the financial year	13	<u>143,152</u>	<u>73,632</u>

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.

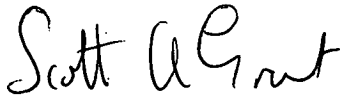
EIS FINANCIAL SERVICES LIMITED

Balance sheet at 31 May 2015

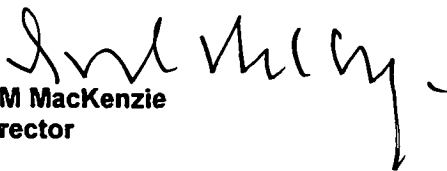
	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Fixed assets			
Tangible assets	8	3,984	5,047
Current assets			
Debtors	9	15,487	5,917
Cash at bank and in hand		<u>519,335</u>	<u>391,918</u>
		534,822	397,835
Creditors: amounts falling due within one year	10	<u>(127,918)</u>	<u>(80,412)</u>
Net current assets		<u>406,904</u>	<u>317,423</u>
Total assets less current liabilities		<u>410,888</u>	<u>322,470</u>
Provision for liabilities	11	<u>(490)</u>	<u>-</u>
Net assets		<u><u>410,398</u></u>	<u><u>322,470</u></u>
Capital and reserves			
Called up share capital	12	50,000	50,000
Profit and loss account	13	<u>360,398</u>	<u>272,470</u>
Shareholders' funds	15	<u><u>410,398</u></u>	<u><u>322,470</u></u>

The financial statements were authorised for issue by the board of directors on 2 September 2015 and signed on its behalf by:

S A Grant
Director



C M MacKenzie
Director



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 2015

	<u>Notes</u>	<u>2015</u> £	<u>2014</u> £
Operating activities			
Net cash flow from operating activities	16a	202,246	94,121
Returns on investments and servicing of finance			
Interest and similar income received		492	412
Dividends paid		<u>(55,224)</u>	<u>(50,812)</u>
Net cash flow from returns on investments and servicing of finance		(54,732)	(50,400)
Taxation			
Corporation tax paid		(18,499)	(20,530)
Capital expenditure			
Payments to acquire tangible fixed assets		<u>(1,598)</u>	<u>(3,784)</u>
Increase in cash	16b	<u><u>127,417</u></u>	<u><u>19,407</u></u>

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

1 Accounting policies**Going concern**

The company has net current assets of £406,904, 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.

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.

Recognition of income

General 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. Fees on life assurance policies are recognised on the same monthly basis as such fees are earned.

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.

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 2015 (continued)

2 Turnover

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

	<u>2015</u> £	<u>2014</u> £
Turnover analysed by segments:		
Fee income - life and pension	744,620	573,407
Commission - general	87,735	85,976
Commission - other	2,500	5,000
Instalment charges and discounts	(211)	(549)
	<u>834,644</u>	<u>663,834</u>

3 Operating profit

This is stated after charging:

	<u>2015</u> £	<u>2014</u> £
Depreciation of owned assets	2,661	2,659
Auditor's remuneration - Audit fee	7,412	7,100
Auditor's remuneration - fees for non audit services	4,325	4,510

4 Employee information

	<u>2015</u> £	<u>2014</u> £
Staff costs:		
Wages and salaries	151,549	136,124
Consultants' basic salaries	110,000	110,000
Consultants' commission payments	123,541	85,453
Social security costs	43,751	36,495
Other pension costs	17,543	18,369
	<u>446,384</u>	<u>386,441</u>

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

	<u>2015</u> Number	<u>2014</u> Number
Office and management	<u>8</u>	<u>8</u>

5 Director's emoluments

	<u>2015</u> £	<u>2014</u> £
Emoluments	104,124	92,800
Director's pension costs	11,595	11,356
	<u>115,719</u>	<u>104,156</u>

One director (2014: one) is a member of a defined contribution pension scheme.

EIS FINANCIAL SERVICES LIMITED

Notes to the financial statements for the year ended 31 May 2015 (continued)

6 Taxation on profit on ordinary activities

	<u>2015</u> £	<u>2014</u> £
United Kingdom corporation tax at 20% (2014: 20%)	32,804	18,499
Deferred taxation (note 11)	490	-
	<u>33,294</u>	<u>18,499</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014: 20%)	35,289	18,426
Effects of:		
Expenses not deductible for tax purposes	220	254
Capital allowances in excess of depreciation	145	(307)
Provisions tax adjustment	<u>(2,850)</u>	<u>126</u>
Current tax charge for the year	<u>32,804</u>	<u>18,499</u>

7 Pension costs

The pension cost charge for the year amounted to £17,543 (2014: £18,369).

8 Tangible fixed assets

	<u>Computer equipment, fixtures and fittings</u> £
Cost	
At 1 June 2014	54,202
Additions	1,598
At 31 May 2015	<u>55,800</u>
Depreciation	
At 1 June 2014	49,155
Provision for the year	2,661
At 31 May 2015	<u>51,816</u>
Net book value	
At 31 May 2015	<u>3,984</u>
At 31 May 2014	<u>5,047</u>

9 Debtors

	<u>2015</u> £	<u>2014</u> £
Trade debtors	3,173	2,394
Other debtors	9,753	2,549
Prepayments and accrued income	<u>2,561</u>	<u>974</u>
	<u>15,487</u>	<u>5,917</u>

EIS FINANCIAL SERVICES LIMITED

Notes to the financial statements for the year ended 31 May 2015 (continued)

10 Creditors: amounts falling due within one year

	<u>2015</u> £	<u>2014</u> £
Trade creditors	2,251	5,008
Corporation tax	32,804	18,499
Other tax and social security	15,169	8,876
Accruals and deferred income	<u>77,694</u>	<u>48,029</u>
	<u>127,918</u>	<u>80,412</u>

11 Provisions for liabilities

	<u>2015</u> £	<u>2014</u> £
Deferred tax movement in the year	<u>490</u>	<u>-</u>
Provision at start of year	-	
Deferred tax charge in profit and loss account for year (note 6)	<u>490</u>	
Provision at end of year	<u>490</u>	

12 Called-up share capital

	<u>2015</u> £	<u>2014</u> £
Allotted, called up and fully paid Equity shares:		
"A" Ordinary Shares of £1 each	25,000	25,000
"B" Ordinary Shares of £1 each	<u>25,000</u>	<u>25,000</u>
	<u>50,000</u>	<u>50,000</u>

13 Reserves

	Profit and loss account £
At 1 June 2014	272,470
Profit for the year	143,152
Dividends paid (note 14)	<u>(55,224)</u>
At 31 May 2015	<u>360,398</u>

14 Dividends

	<u>2015</u> £	<u>2014</u> £
On equity shares:		
A dividend in respect of the year ended 31 May 2015 of 110.448p (2014: 101.624p) per all ordinary shares	<u>55,224</u>	<u>50,812</u>

EIS FINANCIAL SERVICES LIMITED

Notes to the financial statements for the year ended 31 May 2015 (continued)

15 Reconciliation of movement in shareholders' funds

	<u>2015</u> £	<u>2014</u> £
Profit for the year	143,152	73,632
Dividends	<u>(55,224)</u>	<u>(50,812)</u>
Net addition to shareholders' funds	87,928	22,820
Shareholders' funds at 1 June 2014	<u>322,470</u>	<u>299,650</u>
Shareholders' funds at 31 May 2015	<u><u>410,398</u></u>	<u><u>322,470</u></u>

16 Notes to the cash flow statement

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

	<u>2015</u> £	<u>2014</u> £
Operating profit	175,954	91,719
Depreciation charges	2,661	2,659
(Increase)/decrease in debtors	(9,570)	577
Increase/(decrease) in creditors	<u>33,201</u>	<u>(834)</u>
Net cash inflow from operating activities	<u><u>202,246</u></u>	<u><u>94,121</u></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>391,918</u>	<u>127,417</u>	<u>-</u>	<u><u>519,335</u></u>

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

	<u>2015</u> £	<u>2014</u> £
Net increase in cash	127,417	19,407
Net funds at 1 June 2014	<u>391,918</u>	<u>372,511</u>
Net funds 31 May 2015	<u><u>519,335</u></u>	<u><u>391,918</u></u>

17 Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 May 2015 were as set out below:

	<u>2015</u> <u>Other</u> £	<u>2014</u> <u>Other</u> £
Operating leases which expire:		
Within two to five years	<u><u>4,434</u></u>	<u><u>4,434</u></u>

18 Related parties

The Educational Institute of Scotland is the ultimate controlling party of EIS Financial Services Limited.

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 £41,418 (2014: £38,109) during the year and is entitled to commission of £35,951 in relation to the year ended 31 May 2015 (2014: £18,772). At the year end there was a balance of £35,951 due to the Educational Institute of Scotland (2014: £18,772).

During the year the Educational Institute of Scotland invoiced EIS Financial Services Limited £6,988 (2014: £17,193) for postage, stationery and advertising, £10,154 (2014: £9,750) for rent and £2,500 (2014: £2,500) for common charges. At the year end there was a balance of £3,663 due to the Educational Institute of Scotland (2014: £3,663).

19 Controlling party

The ultimate controlling party is The Educational Institute of Scotland.

20 Transactions in which the directors have an interest

During the year Scott Grant, Director, received a dividend of £13,806 (2014: £12,703).

EIS FINANCIAL SERVICES LIMITED

Profit and loss account for the year ended 31 May 2015

	<u>2015</u> <u>£</u>	<u>2014</u> <u>£</u>
Sales		
Fees/commission - life and pension	744,620	573,407
Commission - general	87,735	85,976
Commission - other	2,500	5,000
Instalment charges and discounts	(211)	(549)
	834,644	663,834
Deduct: Overhead expenses		
Establishment	45,836	45,758
Administration	608,075	521,714
Financial	2,118	1,984
Depreciation	2,661	2,659
	658,690	572,115
Other income		
Bank interest	492	412
Net profit before taxation	<u>176,446</u>	<u>92,131</u>

EIS FINANCIAL SERVICES LIMITED

Profit and loss account for the year ended 31 May 2015 (continued)

	<u>2015</u> £	<u>2014</u> £
Establishment		
Rent, rates and insurance	40,173	40,611
Light and heat	5,357	4,487
Repairs and maintenance	306	660
	<u>45,836</u>	<u>45,758</u>
Administration		
Emoluments for services as directors	96,433	83,490
Director's pension costs	11,595	11,356
Office salaries	55,116	52,634
Employers NI	43,751	36,495
Employers pension costs	5,948	7,013
Other staff costs	12,559	6,108
Consultants' basic salaries	110,000	110,000
Consultants' commission payments	123,541	85,453
Telephone	4,615	4,261
Postage, stationery and advertising	17,657	25,705
Subscriptions	807	587
Computer consumables	13,657	13,152
Sundry expenses	7,089	6,218
Motor expenses	31,998	27,978
Entertaining - UK	1,100	1,269
Audit fees	7,412	7,100
Other fees paid to auditor	4,325	4,510
Legal fees	24,521	19,613
EIS profit share	35,951	18,772
	<u>608,075</u>	<u>521,714</u>
Financial		
Bank charges	<u>2,118</u>	<u>1,984</u>
Depreciation		
Fixtures and fittings	<u>2,661</u>	<u>2,659</u>