

**EIS FINANCIAL SERVICES LIMITED**

**COMPANY REGISTRATION NUMBER SC122216**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



## **EIS FINANCIAL SERVICES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	M Carroll T Deeks R Murphy J Quilty P Ryan
<b>Company secretary</b>	M Carroll
<b>Registered number</b>	SC122216
<b>Registered office</b>	6 Clairmont Gardens Glasgow G3 7LW
<b>Independent auditor</b>	Azets Audit Services Limited Exchange Place 3 Semple Street Edinburgh EH3 8BL

## **EIS FINANCIAL SERVICES LIMITED**

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## **EIS FINANCIAL SERVICES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Introduction**

The directors present the Strategic Report, the Directors' Report and the financial statements of the company for the year ended 31 December 2021.

#### **Business Review and Future Developments**

Turnover for the year to 31 December amounted to £1,837,108 (2020: £1,333,240). The directors consider the profit on ordinary activities before taxation to be satisfactory and in line with growth expectations.

On 1st Feb 2021 Cornmarket Group Financial Services Limited acquired 100% of the issued share capital of EIS Financial Services Limited from its subsidiary Cornmarket Insurance Services Limited.

The company will continue to seek to extend its current customer base amongst members of the Educational Institute of Scotland trade union and their immediate families, whilst continuing to maintain high standards by ensuring that all compliance reviews and training are up to date. The company has set high growth expectations for 2022-2026.

#### **Principal Activities**

The company's principal activities are the provision of independent financial advice and the sale of regulated pension and investment products, together with the sale of general insurance to members of the Educational Institute of Scotland and their immediate families. In terms of the advice and sale of regulated financial products, the company is registered with the Financial Conduct Authority (FCA).

#### **Principal Risks and Uncertainties**

The principal risks affecting the continuing growth of the company include prevailing economic conditions, the key relationship with the Educational Institute of Scotland and the highly competitive and regulated market in which EIS Financial Services Limited operates. It is recognised that awareness of the services offered helps mitigate these risks.

Throughout the year ended 31st December 2021 Covid-19 had a significant impact on new business growth due to government restrictions preventing face to face meetings. The company reacted to the impact of Covid-19 by adopting a hybrid selling model & making use of technology to communicate with new and existing customers.

#### **Financial Key Performance Indicators**

Key performance indicators are monitored regularly to assess performance. External consultants are used to ensure all sales are carried out correctly from a compliance point of view. Any problems identified are rectified immediately and remedial training is carried out as and when required.

#### **Dividends**

No dividends were paid during the year 2021. (2020: £500,000).

This report was approved by the board on 21/4/22 and signed on its behalf by:

  
M Carroll  
Director



P Ryan  
Director

## **EIS FINANCIAL SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

#### **Directors**

The directors who served during the year were:

M Carroll  
R Murphy  
J Quilty  
P Ryan  
T Deeks

**EIS FINANCIAL SERVICES LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Events after the reporting date**

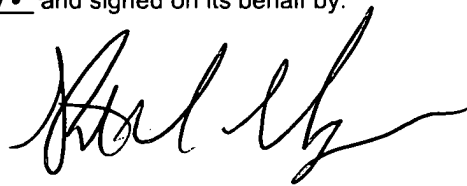
There were no significant events after the reporting date up to the date of signing this report which requires amendment to or disclosure in the financial statements.

**Auditor**

The auditor, Azets Audit Services, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board on 21/4/22 and signed on its behalf by:

  
**M Carroll**  
Director



**P Ryan**  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EIS FINANCIAL SERVICES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Opinion**

We have audited the financial statements of EIS Financial Services Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion there on.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EIS FINANCIAL SERVICES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EIS FINANCIAL SERVICES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

***The extent to which the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EIS FINANCIAL SERVICES LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Auditor's responsibilities for the audit of the financial statements (continued)**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

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, as a body, 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.

*Azets Audit Services*

**Nick Bennett (Senior Statutory Auditor)**  
**for and on behalf of**  
**Azets Audit Services, Statutory Auditor**  
**Chartered Accountants**  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date: 29 April 2022

**EIS FINANCIAL SERVICES LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021	2020
		£	£
Turnover	4	1,837,108	1,333,240
Cost of Sales	5	(1,548,650)	(1,155,456)
<b>Operating profit</b>		<b>288,458</b>	<b>177,784</b>
Other Operating Income	6	—	10,000
Interest receivable and similar income		49	515
		<b>49</b>	<b>10,515</b>
<b>Profit before tax</b>		<b>288,507</b>	<b>188,299</b>
Tax on profit	9	(29,915)	(35,776)
<b>Profit after tax</b>		<b>258,592</b>	<b>152,523</b>
Retained earnings at the beginning of the period		218,642	566,119
Profit for the period		258,592	152,523
Dividends declared and paid	10	—	(500,000)
<b>Retained earnings at the end of the period</b>		<b>477,234</b>	<b>218,642</b>

None of the company's activities were acquired or discontinued during the financial period.

The notes on pages 12 to 22 form part of these financial statements.

**EIS FINANCIAL SERVICES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Tangible Assets	11		28,417		37,403
Intangible Assets	12		10,405		12,438
			<u>38,822</u>		<u>49,841</u>
<b>Current Assets</b>					
Debtors: Amounts falling due within one year	13	77,485		40,975	
Cash in Bank and In Hand		679,826		315,062	
		<u>757,311</u>		<u>356,037</u>	
<b>Creditors: Amounts falling due within one year</b>	14	(261,463)		(129,800)	
			<u>495,848</u>		<u>226,237</u>
<b>Net Current Assets</b>			<u>534,670</u>		<u>276,078</u>
<b>Provisions for Liabilities</b>					
Deferred Tax	15		(7,436)		(7,436)
<b>Net Assets</b>			<u><u>527,234</u></u>		<u><u>268,642</u></u>
<b>Capital and Reserves</b>					
Called up Share Capital	16		50,000		50,000
Profit and Loss Account	17		477,234		218,642
			<u><u>527,234</u></u>		<u><u>268,642</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21/01/2022 by:

  
M Carroll  
Director

  
P Ryan  
Director

The notes on pages 12 to 22 form part of these financial statements.

**EIS FINANCIAL SERVICES LIMITED****STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial period	<b>258,592</b>	152,523
Adjustments for :		
Loss on Sales of tangible assets	<b>129</b>	91
Depreciation of tangible assets	<b>12,875</b>	12,026
Amortisation of intangible assets	<b>5,405</b>	1,002
Interest received	<b>(49)</b>	(515)
Taxation charge	<b>29,915</b>	35,776
Increase in debtors	<b>(36,510)</b>	(14,347)
Increase/(decrease) in creditors	<b>110,359</b>	(91,999)
Corporation tax paid	<b>(8,612)</b>	(47,087)
<b>Net cash generated from operation activities</b>	<b>372,104</b>	47,470
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(4,018)</b>	(5,781)
Purchase of intangible fixed assets	<b>(3,372)</b>	(13,440)
Interest received	<b>49</b>	515
<b>Net cash used in investing activities</b>	<b>(7,341)</b>	(18,706)
<b>Cash flows from financing activities</b>		
Dividend paid	<b>—</b>	(500,000)
<b>Net cash used in financing activities</b>	<b>—</b>	(500,000)
 Net increase / (decrease) in cash and cash equivalents	 <b>364,763</b>	 (471,236)
Cash and cash equivalents at beginning of period	<b>315,062</b>	786,298
<b>Cash and cash equivalents at the end of the period</b>	<b>679,825</b>	315,062
 <b>Cash and cash equivalents at the end of the period comprise:</b>		
Cash at bank and in hand	<b>679,825</b>	315,062

**EIS FINANCIAL SERVICES LIMITED**

**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Analysis of changes in net debt**

	At 1 Jan 2021	Cash Flows	Other non- cash changes	At 31 Dec 2021
	£	£	£	£
<b>Cash and cash equivalents</b>				
Cash and Cash Equivalents	315,062	364,764	-	679,826
	<u>315,062</u>	<u>364,764</u>	<u>-</u>	<u>679,826</u>
<b>Borrowings</b>				
Debt due within one year	(129,800)	(131,663)	-	(261,463)
Debt due after one year	(7,436)	-	-	(7,436)
	<u>(137,236)</u>	<u>(131,663)</u>	<u>-</u>	<u>(268,899)</u>
<b>Total</b>	<u>177,826</u>	<u>233,101</u>	<u>-</u>	<u>410,927</u>

## **EIS FINANCIAL SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2021.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in Scotland. Details of the registered office can be found on the company information page of these financial statements. The company's registered number is SC122216.

#### **2. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimated uncertainty applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the company's financial statements, unless otherwise stated.

##### **a. Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

##### **b. Going concern**

The directors have assessed the future financial performance, the business operating model, the future business strategies & the current business risks. Based on their assessment the directors believe that the going concern basis of accounting is appropriate and that no material uncertainties exist that would cast doubt upon the entities ability to continue as a going concern. For this reason the financial statements for EIS Financial Services Limited have been prepared on a going concern basis of accounting.

##### **c. Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

##### **d. Revenue**

Revenue comprises commissions and fees from the intermediation of financial services, corporate services and actuarial/pension administration services.

Revenue is recognised by the company as control is passed, either over time or at a point in time. Accordingly, initial commissions from the intermediation of financial services are recognised as revenue at the point in time the service is provided subject to a reduction for expected clawback where commission is earned on an indemnity basis. Ongoing or trail commissions are recognised as revenue when the contingent events, typically renewal or persistency, have occurred.

## **EIS FINANCIAL SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting Policies (continued)**

##### **e. Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

##### **f. Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### **g. Group personal pension plan**

The company operates a group personal pension plan for its employees under which the company contributes into each employee's individual personal pension plan. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position

##### **h. Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of tangible fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss in the period they are incurred. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.



## **EIS FINANCIAL SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting Policies (continued)**

##### **h. Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer Equipment, Fixture and Fittings	10%-33% on cost
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The assets' residual values, useful lives and depreciation/amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### **i. Intangible assets**

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

IT Software	33% on cost
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

##### **j. Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **k. Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

## **EIS FINANCIAL SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **l. Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **m. Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

##### **n. Leases: the company as lessee**

Rentals paid under leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

##### **o. Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the period in which they are incurred.

#### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also required management to exercise judgement in applying the company's accounting policies.

The directors are satisfied that accounting policies are appropriate and applied consistently. Key sources of accounting estimation have been applied to the depreciation rates which are deemed to be appropriate for the class of assets.

## EIS FINANCIAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 4. Turnover

	2021	2020
	£	£
An analysis of turnover by class of business is as follows:		
Fees – Life and Pensions	1,820,939	1,313,915
Commissions – General	16,169	19,325
	<u>1,837,108</u>	<u>1,333,240</u>

All turnover arose within the United Kingdom.

#### 5. Cost of sales

	2021	2020
	£	£
Amortisation of intangible assets	5,405	1,002
Depreciation on property, plant and equipment	12,875	12,026
Loss/(Gain) on disposal of assets	129	91
Staff Costs	1,121,826	872,239
Marketing Costs	61,320	24,867
Administrative Expenses	249,550	162,308
Computer Expenses	64,327	43,485
Establishment Expenses	33,218	39,438
	<u>1,548,650</u>	<u>1,155,456</u>

Administrative Expenses are inclusive of Auditors Remuneration for Audit Fees in the year of £9,000 (2020 £9,000) and fees for non-audit services £2,450 (2020 £2,635) respectively.

#### 6. Other Operating Income

A grant of £10,000 was received in 2020 from the Scottish Government to help small businesses deal with the impact of Covid-19.

## EIS FINANCIAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 7. Staff Costs

	2021	2020
	£	£
Staff Costs, including Directors' Remuneration, were as follows:		
Wages and salaries	944,902	710,440
Social welfare costs	111,668	83,172
Pension contributions	39,779	25,811
Indirect staff costs	25,477	52,816
	<u>1,121,826</u>	<u>872,239</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2021	2020
	No.	No.
Office and management	<u>15</u>	<u>13</u>

#### 8. Directors' Emoluments

	2021	2020
	£	£
Directors' Salary	115,413	77,583
Directors' National Insurance	12,700	8,095
Directors' Pension Costs – Defined Contribution	10,056	6,567
Directors' Bonus	17,400	9,000
	<u>151,794</u>	<u>101,245</u>

At the year end, pensions contributions were accruing for 1 director (2020: 1) in respect of the Director's personal pension Scheme.

The key management personnel compensation is made up of Directors only.

#### 9. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on Profits for the Year	29,915	35,776
Total current tax	<u>29,915</u>	<u>35,776</u>

# EIS FINANCIAL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 9. Taxation (continued)

#### Factors affecting tax charge for the period/year

The tax assessed for the period is the standard rate of corporation tax in the UK of 19% (2020- 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	288,507	188,299
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 -19%)	54,816	35,776
Effects of:		
Expenses not deductible for tax purposes	2,262	-
Prior period under/ (over) provision	(27,163)	-
<b>Total tax charge for the period/year</b>	<b>29,915</b>	<b>35,776</b>

Group relief of £149,309 was used for financial year 2020, resulting in an over provision of £27,163 reversed in 2021.

### 10. Dividends

	2021 £	2020 £
Dividends in respect of the year 31 December 2021 Nil (2020:£13.33 on 37,500 "A" Ordinary Shares of £1 each)	-	500,000

Dividends in respect of the year ended 31 December 2020 were issued to Ordinary "A" shares only.

**EIS FINANCIAL SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Tangible Fixed Assets**

	<b>Computer Equipment, Fittings and Fixtures £</b>
<b>Cost</b>	
At 1 January 2020	75,615
Additions	5,781
Disposals	(13,277)
At 1 January 2021	<u>68,119</u>
Additions	4,018
Elimination of assets with carrying value	(278)
Elimination of assets with Nil carrying value	(7,293)
At 31 December 2021	<u>64,566</u>
<b>Depreciation</b>	
At 1 January 2020	31,876
Charge for the year	12,026
Disposals	(13,186)
At 1 January 2021	<u>30,716</u>
Charge for the year	12,875
Elimination of assets with carrying value	(278)
Elimination of assets with Nil carrying value	(7,293)
Loss on Disposal	129
At 31 December 2021	<u>36,149</u>
<b>Net Book value</b>	
<b>At 31 December 2021</b>	<u><u>28,417</u></u>
<i>At 31 December 2020</i>	<u><u>37,403</u></u>

# **EIS FINANCIAL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **12. Intangible Fixed Assets**

	<b>IT Software £</b>
<b>Cost or Valuation</b>	
At 1 January 2020	—
Additions	<b>13,440</b>
At 1 January 2021	<b>13,440</b>
Additions	<b>3,372</b>
At 31 December 2021	<b>16,812</b>
<b>Amortisation</b>	
At 1 January 2020	—
Charge for the year	<b>1,002</b>
At 1 January 2021	<b>1,002</b>
Charge for the year	<b>5,405</b>
At 31 December 2021	<b>6,407</b>
<b>Net Book Value</b>	
At 31 December 2021	<b>10,405</b>
At 31 December 2020	<b>12,438</b>

### **13. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
Other Debtors	<b>2,400</b>	<b>15,915</b>
Prepayments and Accrued Income	<b>75,085</b>	<b>25,060</b>
	<b>77,485</b>	<b>40,975</b>

### **14. Creditors**

	<b>2021 £</b>	<b>2020 £</b>
Corporation tax	<b>57,078</b>	<b>35,775</b>
Other taxation and social security	<b>23,005</b>	<b>39,335</b>
Trade creditors	<b>120</b>	<b>-</b>
Accruals and deferred income	<b>181,260</b>	<b>54,690</b>
	<b>261,463</b>	<b>129,800</b>

# **EIS FINANCIAL SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

### **15. Deferred Taxation**

	<b>2021</b>
	<b>£</b>
At the beginning of year	7,436
Charged to profit and loss	-
<b>At end of year</b>	<b>7,436</b>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fixed asset timing differences	7,436	7,436
	<b>7,436</b>	<b>7,436</b>

### **16. Share Capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, Called Up and Fully Paid</b>		
Nil "A" Ordinary shares of £1 each (2020: 37,500)	—	37,500
Nil "B" Ordinary shares of £1 each (2020: 12,500)	—	12,500
50,000 Ordinary shares of £1 each	50,000	—
	<b>50,000</b>	<b>50,000</b>

The 37,500 ordinary "A" shares of £1 each were transferred to Cornmarket Insurance Services Limited upon the acquisition of EIS Financial Services Limited in March 2020. On 1 Feb 2021 all the 37,500 ordinary "A" shares and 12,500 ordinary "B" shares were converted to ordinary shares of same amount. The 50,000 ordinary shares of £1 each were acquired by Cornmarket Group Financial Services Limited from its subsidiary Cornmarket Insurance Services Limited.

### **17. Reserves**

The Profit and Loss Account includes all current and prior year retained profits and losses.

### **18. Commitments under Leases**

At 31 December 2021 the company had future minimum lease payments under non-cancellable leases as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	22,694	22,694
Later than 1 year and not later than 5 years	13,816	36,510
	<b>36,510</b>	<b>59,204</b>



## EIS FINANCIAL SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19. Related Party Transactions

##### Cornmarket Insurance Services Limited & Cornmarket Group Financial Services Limited

	2021	2020
	£	£
<b>Turnover</b>		
CIS commission	4,982	4,212
<b>Cost of Sales</b>		
Seconded part-time employee	25,200	18,000
Travel and accommodation	343	8,909
	<u>25,543</u>	<u>26,909</u>

The administration of the company's general insurance business is conducted on its behalf by Cornmarket Insurance Services Limited from its Belfast Office. EIS Financial Services Ltd receives a share of the commission on premiums as a consequence which amounted to £4,982 (2020: £4,212).

Cornmarket Insurance Services Limited has provided assistance to the company in meeting its compliance and marketing obligations through the provision on a part time basis of two seconded employees from October 2019. EIS Financial Services Ltd has been invoiced £25,200 (2020: £18,000) in respect of this arrangement.

EIS Financial Services Ltd has also met the travel and accommodation costs incurred by these seconded employees as a consequence of these arrangements which amounted to £343 (2020: £8,909).

#### 20. Controlling Party

As at 31 December 2021 the company's immediate parent is Cornmarket Group Financial Services Limited, a company incorporated in the Republic of Ireland. As at 31 December 2021 the company's ultimate parent is Power Corporation of Canada, a company incorporated in Canada.

The smallest group in which the results of the company are consolidated is Cornmarket Group Financial Services Limited, a company incorporated in the Republic of Ireland. The consolidated financial statements of Cornmarket Group Financial Services Limited are available from the Irish Companies Registration Office.

The largest group in which the results of the company are consolidated is Power Corporation of Canada, a company incorporated in Canada. The consolidated financial statements of Power Corporation are available online at [www.powercorporation.com](http://www.powercorporation.com) and copies can be obtained from Power Corporation registered offices of 751 Victoria Square, Montreal, Quebec, Canada, H2Y 2J3.