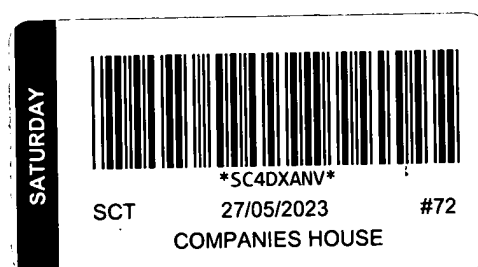


Company registration number SC122216 (Scotland)

EIS FINANCIAL SERVICES LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



EIS FINANCIAL SERVICES LTD

COMPANY INFORMATION

Directors	Mr M Carroll	
	Mr I Ahern	(Appointed 11 March 2022)
	Ms T Deeks	
	Ms F Middlemiss	(Appointed 30 September 2022)
	Mr R Murphy	
	Mr J Quilty	
	Mr P Ryan	
Secretary	Mr M Carroll	
Company number	SC122216	
Registered office	6 Clairmont Gardens Glasgow United Kingdom G3 7LW	
Auditor	Azets Audit Services Exchange Place 3 Sempie Street Edinburgh United Kingdom EH3 8BL	

EIS FINANCIAL SERVICES LTD

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EIS FINANCIAL SERVICES LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

2022 was a challenging year particularly for writing new business. The war in Ukraine, deteriorating consumer confidence and market instability meant new business was difficult to close. On a positive note, ongoing fee remained stable despite the market volatility and this can be mainly attributed to the increasing volume of clients who are now invested in the Centralised Investment Proposition (CIP).

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.

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.

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).

Future Developments

The company plans to develop and launch new products and services in 2023 which will make us more relevant to all segments of the EIS Union membership. With the CDP (Consumer Duty Principal) coming into effect in July 2023 there will be a big focus on implementing the company's strategic plan as well as restoring the profitability to the projected profit levels.

On behalf of the board



Mr M Carroll
Director



Mr P Ryan
Director

27 April 2023

EIS FINANCIAL SERVICES LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

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).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Carroll	
Mr I Ahern	(Appointed 11 March 2022)
Ms T Deeks	
Ms F Middlemiss	(Appointed 30 September 2022)
Mr R Murphy	
Mr J Quilty	
Mr P Ryan	

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

EIS FINANCIAL SERVICES LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board



Mr M Carroll
Director



Mr P Ryan
Director

27 April 2023

EIS FINANCIAL SERVICES LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF EIS FINANCIAL SERVICES LTD

Opinion

We have audited the financial statements of EIS Financial Services Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2022 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 UK, including the FRC'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 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 thereon. 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 a 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.

Opinions on other matters prescribed by the Companies Act 2006

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

EIS FINANCIAL SERVICES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF EIS FINANCIAL SERVICES LTD

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, 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.

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 the 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.

EIS FINANCIAL SERVICES LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF EIS FINANCIAL SERVICES LTD

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:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 non-compliance. 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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Nick Bennett ACA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

27 April 2023

Chartered Accountants
Statutory Auditor

Exchange Place 3
Semple Street
Edinburgh
United Kingdom
EH3 8BL

EIS FINANCIAL SERVICES LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	1,767,094	1,837,108
Cost of sales		(1,704,007)	(1,548,650)
Gross profit		63,087	288,458
Other operating income	4	43,230	-
Operating profit	5	106,317	288,458
Interest receivable and similar income	8	1,098	49
Profit before taxation		107,415	288,507
Tax on profit	9	37,481	(29,915)
Profit for the financial year		144,896	258,592
Retained earnings brought forward		477,234	218,642
Retained earnings carried forward		622,130	477,234

The profit and loss account has been prepared on the basis that all operations are continuing operations.


EIS FINANCIAL SERVICES LTD

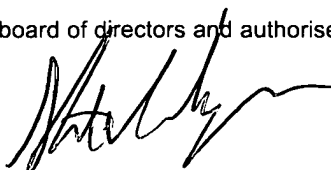
BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10		4,801		10,405
Tangible assets	11		18,668		28,417
			<u>23,469</u>		<u>38,822</u>
Current assets					
Debtors	12	72,478		77,485	
Cash at bank and in hand		763,534		679,826	
		<u>836,012</u>		<u>757,311</u>	
Creditors: amounts falling due within one year	13	(182,234)		(261,463)	
Net current assets			653,778		495,848
Total assets less current liabilities			677,247		534,670
Provisions for liabilities					
Deferred tax liability	14	5,117	(5,117)	7,436	(7,436)
Net assets			<u>672,130</u>		<u>527,234</u>
Capital and reserves					
Called up share capital	16		50,000		50,000
Profit and loss reserves			622,130		477,234
Total equity			<u>672,130</u>		<u>527,234</u>

The financial statements were approved by the board of directors and authorised for issue on 27 April 2023 and are signed on its behalf by:


Mr M Carroll
Director


Mr P Ryan
Director

27/4/23

Company Registration No. SC122216

EIS FINANCIAL SERVICES LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		83,609		372,104
Net cash inflow from operating activities			83,609		372,104
Investing activities					
Purchase of intangible assets		-		(3,372)	
Purchase of tangible fixed assets		(999)		(4,018)	
Interest received		1,098		49	
Net cash generated from/(used in) investing activities			99		(7,341)
Net increase in cash and cash equivalents			83,708		364,763
Cash and cash equivalents at beginning of year			679,826		315,062
Cash and cash equivalents at end of year			763,534		679,825

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

EIS Financial Services Ltd is a private company limited by shares incorporated in Scotland. The registered office is 6 Clairmont Gardens, Glasgow, United Kingdom, G3 7LW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 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.

1.3 Turnover

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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33%
----------	-----

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10%
Computers	33%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Interest income

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

1.15 Other operating income

Insurance settlements are reported as other income and recognised when entitlement has been established, the amount can be measured reliably and it is probable that the income will be received.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover

	2022	2021
	£	£
Turnover analysed by class of business		
Fees - Life and Pensions	1,757,895	1,820,939
Commissions - General	9,199	16,169
	<u>1,767,094</u>	<u>1,837,108</u>

All turnover arose in the United Kingdom.

4 Other Operating Income

The other operating income relates to a £43,230 payment from Arch Insurance in respect of loss events suffered by the company during the year ended 31 December 2022

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	13,200	10,000
Fees payable to the company's auditor for non-audit services	5,875	3,046
Depreciation of owned tangible fixed assets	10,748	12,875
(Profit)/loss on disposal of tangible fixed assets	-	129
Amortisation of intangible assets	5,604	5,405
Operating lease charges	3,809	4,856
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Office and management	<u>19</u>	<u>15</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,043,141	944,902
Social security costs	130,116	111,668
Pension costs	56,680	39,779
	<u>1,229,937</u>	<u>1,096,349</u>

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	194,084	139,076
Company pension contributions to defined contribution schemes	22,995	10,056
	<u>217,079</u>	<u>149,132</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 1).

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	1,098	49
	<u>1,098</u>	<u>49</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	1,098	49
	<u>1,098</u>	<u>49</u>

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(35,162)	29,915
	<u>(35,162)</u>	<u>29,915</u>
Deferred tax		
Origination and reversal of timing differences	(2,319)	-
	<u>(2,319)</u>	<u>-</u>
Total tax (credit)/charge	<u>(37,481)</u>	<u>29,915</u>

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	107,415	288,507
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	20,409	54,816
Tax effect of expenses that are not deductible in determining taxable profit	868	2,262
Adjustments in respect of prior years	(57,058)	-
Under/(over) provided in prior years	-	(27,163)
Deferred tax adjustments in respect of prior years	(1,168)	-
Fixed asset differences	(57)	-
Remeasurement of deferred tax for changes in tax rates	(622)	-
Other differences	147	-
Taxation (credit)/charge for the year	(37,481)	29,915

10 Intangible fixed assets

	Software £
Cost	
At 1 January 2022 and 31 December 2022	16,812
Amortisation and impairment	
At 1 January 2022	6,407
Amortisation charged for the year	5,604
At 31 December 2022	12,011
Carrying amount	
At 31 December 2022	4,801
At 31 December 2021	10,405

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 January 2022	23,050	41,516	64,566
Additions	-	999	999
At 31 December 2022	23,050	42,515	65,565
Depreciation and impairment			
At 1 January 2022	6,403	29,746	36,149
Depreciation charged in the year	2,193	8,555	10,748
At 31 December 2022	8,596	38,301	46,897
Carrying amount			
At 31 December 2022	14,454	4,214	18,668
At 31 December 2021	16,647	11,770	28,417

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	1,426	2,400
Prepayments and accrued income	71,052	75,085
	72,478	77,485

13 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	102	120
Corporation tax	21,916	57,078
Other taxation and social security	28,667	23,005
Other creditors	8,153	-
Accruals and deferred income	123,396	181,260
	182,234	261,463

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	<u>5,117</u>	<u>7,436</u>
		2022
Movements in the year:		£
Liability at 1 January 2022		7,436
Credit to profit or loss		<u>(2,319)</u>
Liability at 31 December 2022		<u>5,117</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

15 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>56,680</u>	<u>39,779</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	9,194	22,694
Between two and five years	1,143	13,816
	<u>10,337</u>	<u>36,510</u>

18 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Entities with control, joint control or significant influence over the company	6,325	4,982	(10,847)	(25,543)
Other related parties	-	-	(1,100)	-
	<u>-</u>	<u>-</u>	<u>(11,947)</u>	<u>(25,543)</u>

19 Ultimate controlling party

As at 31 December 2022 the company's immediate parent is Cornmarket Group Financial Services Limited, a company incorporated in the Republic of Ireland. As at 31 December 2022 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 and copies can be obtained from Power Corporation registered offices of 751 Victoria Square, Montreal, Quebec, Canada, H2Y 2J3.

EIS FINANCIAL SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

20 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	144,896	258,592
Adjustments for:		
Taxation (credited)/charged	(37,481)	21,303
Investment income	(1,098)	(49)
(Gain)/loss on disposal of tangible fixed assets	-	129
Amortisation and impairment of intangible assets	5,604	5,405
Depreciation and impairment of tangible fixed assets	10,748	12,875
Movements in working capital:		
Decrease/(increase) in debtors	5,007	(36,510)
(Decrease)/increase in creditors	(44,067)	110,359
Cash generated from operations	<u>83,609</u>	<u>372,104</u>

21 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	<u>679,826</u>	<u>83,708</u>	<u>763,534</u>

EIS FINANCIAL SERVICES LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021
	£	£	£	£
Turnover				
Sales of goods		1,767,094		1,837,108
Cost of sales				
<i>Purchases and other direct costs</i>				
Wages and salaries	849,057		797,775	
Social security costs	117,598		98,968	
Staff welfare	421		-	
Staff training	4,987		2,796	
Staff pension costs defined contribution	33,685		29,723	
Other staff costs	-		8,051	
Directors' remuneration	194,084		129,038	
Directors' social security costs	12,518		12,700	
Directors' fees	-		10,038	
Directors' pension costs - defined contribution scheme	22,995		10,056	
Rent re licences and other	16,520		19,799	
Rates	8,151		1,689	
Cleaning	2,502		-	
Power, light and heat	4,135		(3,000)	
Property repairs and maintenance	-		(27)	
Equipment repairs	168		-	
Computer running costs	63,692		55,900	
Leasing - other assets	3,809		4,856	
Motor running expenses	6,005		-	
Travelling expenses	15,381		11,395	
Accommodation and subsistence	15,068		14,757	
Postage, courier and delivery charges	2,890		2,243	
Professional subscriptions	1,844		1,974	
Legal and professional fees	80,489		87,509	
Accountancy	30,421		11,450	
Bank charges	1,748		1,339	
Insurances (not premises)	53,343		39,561	
Printing and stationery	1,951		373	
Advertising	6,490		11,316	
Telecommunications	13,368		12,037	
Other office supplies	1,012		4,453	
Entertaining	4,570		3,316	
Sundry expenses	5,926		1,306	
Amortisation	5,604		5,405	
Depreciation	10,748		12,875	
Profit or loss on sale of tangible assets (non exceptional)	-		129	
Loss events	49,201		73,328	
Charitable donations	50,000		50,004	
Seconded employees	13,626		25,518	
Total purchases and other direct costs	1,704,007		1,548,650	
Total cost of sales		(1,704,007)		(1,548,650)

EIS FINANCIAL SERVICES LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021
	£	£	£	£
Gross profit	3.57%	63,087	15.70%	288,458
Other operating income				
Insurance claims receivable		43,230		-
		<u> </u>		<u> </u>
Operating profit		106,317		288,458
Interest receivable and similar income				
Bank interest received	1,098		49	
	<u> </u>	1,098	<u> </u>	49
Profit before taxation	6.08%	<u>107,415</u>	15.70%	<u>288,507</u>
