

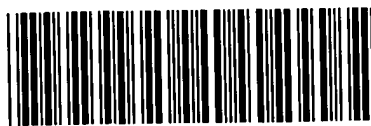
**CSS Scotland Limited**

(Company number SC293743)

Annual Report and Audited Financial Statements

For the year ended 31 December 2018

WEDNESDAY



\*A8AUJNT5\*

A07

31/07/2019

#418

COMPANIES HOUSE

## **CSS Scotland Limited**

	<b>Page</b>
Administration	2
Report of the Directors	3 - 4
Statement of Directors' Responsibilities in respect of the Director's Report and the financial statements	5
Independent Auditor's Report	6 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 13

## **CSS Scotland Limited**

### **Administration**

<b>Directors:</b>	Kim Gozzett John Loveless Edmund Truell (appointed 5 June 2018) Stuart Davies (resigned 5 June 2018)
<b>Secretary:</b>	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ
<b>Registered Office:</b>	50 Lothian Road Festival Square Edinburgh EH3 9WJ
<b>Administrator:</b>	TMF Group Fund Services Limited PO Box 406 Mill Court La Charroterie St Peter Port Guernsey GY1 3GG
<b>Legal Adviser:</b>	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ
<b>Independent Auditor:</b>	KPMG Channel Islands Limited Glategny Court Glategny Esplanade St Peter Port Guernsey GY1 1WR

## **CSS Scotland Limited**

### **Report of the Directors**

The Directors submit their report and the audited financial statements for the year ended 31 December 2018. The directors of the company who served during the year are set out on page 2.

#### **Principal Activities and Business Review**

The Company's principal activity is that of a General Partner for Capital Structured Solutions (Scotland) LP (the "Partnership").

The Company has the overall responsibility for establishing the business objectives and policies of the Partnership and for the supervision of the business management functions carried out by the Managing Partner, Tusk GP Limited. The Company is however not permitted to do anything which constitutes "Regulated Activities" for the purposes of the Financial Services and Markets Act 2000, as amended from time to time.

#### **Statement of principal risks facing the business**

The Company's key responsibility is its fiduciary duty to the Limited Partners of the Partnership. Other than operating risk relating to the fiduciary duties, the Directors consider that there are no principal risks and uncertainties facing the Company.

#### **Going Concern**

In accordance with paragraph 15.1.1 of the Limited Partnership Agreement between the Company, Tusk GP Limited, Pension Insurance Corporation Holdings LLP and the limited partners dated 16 March 2007, expenses incurred by the Company in connection with the business of the Partnership will be borne by the Partnership.

In future the Partnership will retain sufficient funds from future distributions from Pension Corporation II LP to cover its own running costs, as well as those of the Company. It is envisaged that the partnership will continue to be operational for the foreseeable future. The Directors are therefore satisfied that the going concern assumption for the structure, including the Company, remains reasonable.

#### **Results**

The results for the year are shown in the Statement of Comprehensive Income on page 8. There have been no material post balance sheet events.

#### **Dividends**

The Directors do not recommend the payment of a dividend (2017: £nil).

#### **Secretary**

The secretary of the Company at 31 December 2018 was Burness Paull LLP, who have been secretary since incorporation.

## **CSS Scotland Limited**

### **Report of the Directors (continued)**

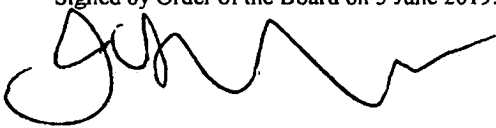
#### **Auditor**

Pursuant to Section 495 of the Companies Act 2006, the shareholders passed a resolution on 14 December 2005 to dispense with the obligation to appoint auditors annually and therefore KPMG Channel Islands Limited will continue in office.

#### **Statement of Disclosure of Information to Auditor**

The Directors who held office at the date of approval of this Report of the Directors individually confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed by Order of the Board on 5 June 2019.

A handwritten signature in black ink, appearing to be 'John Loveless', written over a horizontal line.

**John Loveless**  
Director

## **CSS Scotland Limited**

### **Statement of Directors' Responsibilities in respect of the Report of the Directors and the Financial Statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSS SCOTLAND LIMITED**

## **Opinion**

We have audited the financial statements of CSS Scotland Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CSS SCOTLAND LIMITED (CONTINUED)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

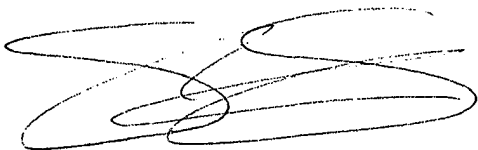
### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Steven D Stormonth (Senior Statutory Auditor)**

**for and on behalf of KPMG Channel Islands Limited, Statutory Auditor**

Chartered Accountants

Glategny Court, Glategny Esplanade, St. Peter Port, Guernsey GY1 1WR

Date: 6 June 2019.



# CSS Scotland Limited

## Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2018	2017
Income	2	£	£
Priority profit share		1,000	1,000
<b>Expense</b>	<b>2</b>		
Audit fee		1,000	1,000
<b>Profit before taxation</b>		-	-
Taxation	2	-	-
<b>Profit and comprehensive income for the year</b>		-	-

The above results relate to continuing operations of the Company.

The notes to the financial statements on pages 11 to 13 form an integral part of these financial statements

# CSS Scotland Limited

## Statement of Financial Position As at 31 December 2018

	Notes	2018 £	2017 £
<b>Current Assets</b>			
Trade and other receivables	4	1	1
		<hr/>	<hr/>
		1	1
<b>Current Liabilities</b>			
Trade and other payables	5	-	-
		<hr/>	<hr/>
<b>Net Current Assets</b>		1	1
		<hr/>	<hr/>
<b>Net Assets</b>		1	1
		<hr/>	<hr/>
<b>Financed by:</b>			
Share capital	7	1	1
Reserves		-	-
		<hr/>	<hr/>
<b>Total Equity</b>		1	1
		<hr/>	<hr/>

The notes to the financial statements on pages 11 to 13 form an integral part of these financial statements.

The financial statements on pages 8 to 13 were approved by the board of directors on 5 June 2019 and signed on its behalf by:



**John Loveless**  
Director

## CSS Scotland Limited

### Statement of Changes in Equity For the year ended 31 December 2018

	Share capital £	Reserves £	Total £
At 1 January 2017	1	-	1
Total comprehensive income for the financial year	-	-	-
At 31 December 2017	1	-	1
Total comprehensive income for the financial period	-	-	-
As at 31 December 2018	1	-	1

The notes to the financial statements on pages 11 to 13 form an integral part of these financial statements

# CSS Scotland Limited

## Notes to the Financial Statements

For the year ended 31 December 2018

### 1. Basis of accounting

The financial statements have been prepared in accordance Financial Reporting Standard 102 ("FRS 102") and applicable law. The financial statements are prepared in Sterling which is the functional currency of the Company and under the historical cost convention.

#### *Going Concern*

In accordance with paragraph 15.1.1 of the Limited Partnership Agreement between the Company, Tusk GP Limited, Pension Insurance Corporation Holdings LLP and the limited partners dated 16 March 2007, expenses incurred by the Company in connection with the business of the Partnership will be borne by the Partnership.

In future the Partnership will retain sufficient funds from future distributions from Pension Corporation II LP to cover its own running costs, as well as those of the Company. It is envisaged that the partnership will continue to be operational for the foreseeable future. The Directors are therefore satisfied that the going concern assumption for the structure, including the Company, remains reasonable.

### 2. Principal accounting policies

#### 2.1 Income and expenditure

Income comprises priority profit share receivable which is accounted for on an accruals basis. Other income and expenses are accounted for on an accruals basis. The priority profit share receivable is offset against expense accruals before out of pocket expenses are borne by the Partnership.

#### 2.2 Foreign currency transactions

Monetary assets and liabilities are translated into GBP at the rate of exchange ruling at the balance sheet date. Transactions in foreign currency are translated at the rate of exchange ruling at the date of the transaction. Any resulting exchange gains and losses are included in the Statement of Comprehensive Income.

#### 2.3 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet. The Company is taxed in the UK at the standard rate of 19% (2017: 19%).

#### 2.4 Trade and other receivables

Short term debtors are measured at transaction price, less any impairment.

#### 2.5 Trade and other payables

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

#### 2.6 Cash flow statement

No cash flow statement has been presented, as the Company has held no cash or bank balances at any point in the two years ended 31 December 2018 and 31 December 2017.

# CSS Scotland Limited

## Notes to the Financial Statements

For the year ended 31 December 2018

### 3. Significant judgements and estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### a. Judgements

##### (i) Determination of functional currency

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Company's transactions and ultimate investments are denominated in Sterling. Shareholders' contributions and distributions are also received and paid in Sterling. Accordingly, the directors have determined that the functional currency of the Company is Sterling.

#### b. Estimates

No estimates have been used in preparing these financial statements.

### 4. Trade and other receivables

	2018	2017
	£	£
Called up share capital not paid	1	1

### 5. Trade and other payables

	2018	2017
	£	£
Audit fee	-	-

Auditor's remuneration totalled £2,650 (2017: £2,580) for the period. Costs of £1,650 (2017: £1,580) were borne on behalf of the Partnership by Cornhill Corporation LLP.

### 6. Directors' emoluments

No directors' fees or benefits were paid to the directors during the period (2017: £nil). No share options are in issue. The Company currently has no employees (2017: none).

### 7. Share capital

	2018	2017
	£	£
Authorised share capital		
100 Ordinary shares of £1 each	100	100
Issued share capital		
Called up but not paid – 1 Ordinary share of £1 each	1	1

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

## **CSS Scotland Limited**

### **Notes to the Financial Statements**

For the year ended 31 December 2018

#### **8. Related Parties**

The Company acts as the General Partner for the Partnership.

The Company received a priority profit share from the Partnership of £1,000 (2017: £1,000) during the period. As at 31 December 2018 £nil (2017: £nil) was outstanding.

Any expenses incurred by the Company in excess of the Priority Profit Share are borne by the Partnership in accordance with paragraph 15.1.1 of the Limited Partnership Agreement. Administration fees of £6,628 (2017: £4,770) and audit fees of £1,650 (2017: £1,580) were payable by the Partnership.

#### **9. Ultimate Controlling Party**

The Company is a wholly owned subsidiary of the Adelie Charitable Trust.

The Company's ultimate controlling party is SG Kleinwort Hambros Trust Company (CI) Limited as the Trustee of the Adelie Charitable Trust.

#### **10. Subsequent events**

There are no subsequent events.