

CSS Scotland Limited

(Company number SC293743)

Annual Report and Audited Financial Statements

For the year ended 31 December 2020

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CSS Scotland Limited

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CSS Scotland Limited

Administration

Directors: Kim Gozzett
John Loveless
Edmund Truell
Peter Priestly
Henry Tilbury (Permanent Alternate Director)

Secretary: Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Registered Office: 50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Administrator: TMF Group Fund Services (Guernsey) Limited
PO Box 406
Mill Court
La Charroterie
St Peter Port
Guernsey
GY1 3GG

Legal Adviser: Burness Paull LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Independent Auditor: Grant Thornton Limited
PO Box 313
Lefebvre House
Lefebvre Street
St Peter Port
Guernsey
GY1 3TF

CSS Scotland Limited

Report of the Directors

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2020. The Directors of CSS Scotland Limited ('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

The coronavirus pandemic has impacted the global economy and the market environment and continues to evolve. The Directors have performed a review of the impact on the going-concern status of the Company and continue to monitor the situation. The Directors' assessment at the date of signing is that there is no material impact. The Directors continue to actively monitor the Company's investments and the broader situation. In the event that the situation is likely to have an impact on the entity, then the Directors will communicate this without delay to the investors, together with any measures designed to mitigate the potential losses.

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 distributions received 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 9. There have been no material post balance sheet events.

Dividends

The Directors do not recommend the payment of a dividend (2019: £nil).

Secretary

The secretary of the Company at 31 December 2020 was Burness Paull LLP.

CSS Scotland Limited

Report of the Directors (continued)

Auditor

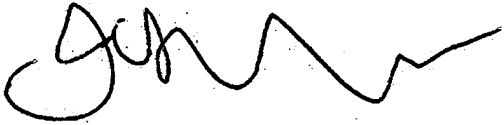
KPMG Channel Islands Limited resigned as auditor on 17 November 2020. Grant Thornton Limited was appointed as auditor with effect from 18 November 2020 and will be deemed to be re-appointed as auditor for a further term under the provisions of section 487(2) of the Companies Act 2006.

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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Signed by Order of the Board on 29 July 2021

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

The Companies Act 2006 (the "Company Law") requires the Directors to prepare financial statements for each financial year. Under that Company Law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 year. 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 FRS 102 has 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 Company Law. 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.

CSS Scotland Limited

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 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 2020 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from COVID-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included the Report of the Directors and Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work

CSS Scotland Limited

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

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 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.

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

Matters on which we are required to report by exception

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 for the financial statements

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent 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, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

CSS Scotland Limited

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the most significant are those that relate to the reporting and legal frameworks (FRS 102 and the Companies Act 2006).
- We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from discussions with management. We discussed the policies and procedures regarding compliance with laws and regulations and corroborated these enquiries through reviews of board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to transactions with related parties and revenue transactions.
- Our audit procedures involved:
 - Reviewing the financial reporting practices of the Company, with a focus on accounting estimates, judgements and decisions made by management;
 - Journal entry testing, with a focus on material journals, including those with unusual account combinations and those posted at year-end;
 - Reviewing of unusual significant transactions or unusual adjustment immediately prior to year end.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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 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.

Other matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 1 September 2020.



Michael Carpenter
Senior Statutory Auditor
for and on behalf of Grant Thornton Limited
Statutory Auditor, Chartered Accountants
St Peter Port, Guernsey

Date: 04 August 2021

CSS Scotland Limited

Statement of Comprehensive Income

For the year ended 31 December 2020

	Note	2020	2019
Income	2	£	£
Priority profit share		1,000	1,000
Expense	2		
Audit fee		1,000	1,000
Profit before taxation		<u>-</u>	<u>-</u>
Taxation	2	-	-
Profit and comprehensive income for the year		<u><u>-</u></u>	<u><u>-</u></u>

The above results relate to continuing operations of the Company.

The notes to the financial statements on pages 12 to 14 form an integral part of these financial statements

CSS Scotland Limited

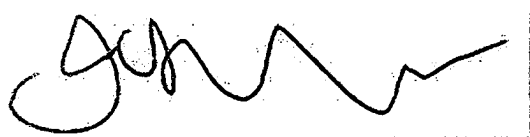
Statement of Financial Position As at 31 December 2020

	Note	2020 £	2019 £
Current Assets			
Trade and other receivables	4	1	1
		<u>1</u>	<u>1</u>
Current Liabilities			
Trade and other payables	5	-	-
		<u>-</u>	<u>-</u>
Net Current Assets		<u>1</u>	<u>1</u>
Net Assets		<u>1</u>	<u>1</u>
Financed by:			
Share capital	7	1	1
Reserves		<u>-</u>	<u>-</u>
Total Equity		<u>1</u>	<u>1</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes to the financial statements on pages 12 to 14 form an integral part of these financial statements.

The financial statements on pages 9 to 14 were approved by the board of directors on 29 July 2021 and signed on its behalf by:



John Loveless
Director

CSS Scotland Limited

Statement of Changes in Equity For the year ended 31 December 2020

	Share capital £	Reserves £	Total £
At 1 January 2019	1	-	1
Total comprehensive income for the financial year	-	-	-
At 31 December 2019	1	-	1
Total comprehensive income for the financial year	-	-	-
As at 31 December 2020	1	-	1

The notes to the financial statements on pages 12 to 14 form an integral part of these financial statements

CSS Scotland Limited

Notes to the Financial Statements

For the year ended 31 December 2020

1. General information and basis of accounting

CSS Scotland Limited (the "Company") is a private company limited by shares and is registered in Scotland. The Company's principal activity is that of a General Partner for Capital Structured Solutions (Scotland) LP (the "Partnership").

The financial statements of the Company have been prepared in accordance with the FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements are prepared in Sterling which is the functional currency of the Company and under the historical cost convention.

Going Concern

The coronavirus pandemic has impacted the global economy and the market environment and continues to evolve. The Directors have performed a review of the impact on the going-concern status of the Company and continues to monitor the situation.

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 Capital Structured Solutions (Scotland) LP (the "Partnership") will be borne by the Partnership.

In future the Partnership will retain sufficient funds from distributions received 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.

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 Sterling 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 date. The Company is taxed in the UK at the standard rate of 19% (2019: 19%).

2.4 Trade and other receivables

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

2.5 Trade and other payables

Short term payables 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 2020 and 31 December 2019.

CSS Scotland Limited

Notes to the Financial Statements

For the year ended 31 December 2020

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

Called up share capital not paid

2020	2019
£	£
1	1

5. Trade and other payables

Audit fee

2020	2019
£	£
-	-

Auditor's remuneration totalled £1,000 (2019: £2,700) for the period. Costs of £nil (2019: £1,700) were borne by the Partnership.

6. Directors' emoluments

No directors' fees or benefits were paid to the directors during the year (2019: £nil). No share options are in issue. The Company currently has no employees (2019: none).

7. Share capital

Authorised share capital
100 Ordinary shares of £1 each

2020	2019
£	£
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 2020

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 (2019: £1,000) during the year. As at 31 December 2020 £nil (2019: £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 £9,850 (2019: £4,016) and audit fees of £nil (2019: £1,700) 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 events that occurred after the Statement of Financial Position date that warrant inclusion or disclosure in these financial statements.