

## Important Announcement to members of the following pension schemes (“the Schemes”)

### Ochil Birch Retirement Benefit Scheme Binnian Cedar Retirement Benefit Scheme Bodmin Stincher Retirement Benefit Scheme Sidlaw Larch Retirement Benefit Scheme

---

This is the sixth Announcement to members and is the annual update for members on what actions have been taken in relation to our appointment.

You may recall that Dalriada Trustees Limited (Dalriada) is a professional independent trustee who was appointed by The Pensions Regulator (TPR) to take over the running of the Schemes on 13<sup>th</sup> June 2013. Dalriada is experienced in dealing with pension schemes that have complex issues and/or have unusual investments.

Because it is an independent trustee, Dalriada is not linked in any way with the original trustees of the Schemes. Dalriada effectively replaced the original trustees, Timothy Walker and Macalister Lindsay, and was given exclusive powers to deal with the Schemes. The original trustees have had no involvement in running the Schemes since our appointment.

Dalriada was appointed because The Pensions Regulator (TPR) was concerned that the Schemes were being used for pension liberation.

In our fourth announcement that we issued in March 2015 we explained to members that in relation to the £7,700,000 investment made by the Schemes in Advalorem Value Asset Fund Limited (Advalorem), the FSC (Financial Services Commission) in Gibraltar appointed Adrian Hyde formerly of Chantrey Vellacott (a firm of Chartered Accountants) and now of CVR Global (a firm of insolvency practitioners) (CVR) as administrator of Advalorem on 27<sup>th</sup> January 2014 pursuant to the terms of an order granted by the Gibraltar High Court. Of the money invested, £6,600,000 was used to buy land in Scotland which was worth significantly less than the amount paid for it.

CVR can take all actions necessary for recovery and is seeking to do so. Assets recovered, less costs, will fall to the Schemes.

In 2015 CVR applied to the Court in Gibraltar for a freezing order over the property of a number of entities and individuals involved in the Advalorem investment. With one exception these were granted. Following issue of the freezing order by the Gibraltar Court, CVR reached agreement with a number of individuals to release them from the Order on a successful claim under the Directors D&O policy (D&O insurance policies cover company managers from claims which may arise from the decisions and actions they take). That claim was admitted and a sum of £325,000 was paid. This has been used to fund further action by CVR and its legal team to seek recovery of the full amount (£6.6m) “invested” in Advalorem.

CVR have also marketed the land in Scotland, that was bought by Advalorem as the investment under the fund, by way of auction. The starting price for the land was initially £300,000 but was subsequently reduced to £200,000. Given there were no buyers for the land at this price, it was ultimately sold for £89,000 at the end of 2016. The vast difference between the price Advalorem paid for the land and the amount that it was really worth on the open market indicated clearly the nature of the inappropriate action taken to buy the land at this overinflated price.

Much of the time since the last Announcement has been spent identifying and pursuing individuals and entities that appear to be culpable in knowingly making the Advalorem investment. Dalriada have regular updates from CVR including an overview of expenditure to ensure that the action is taken on a cost benefit basis. Because the matters are, or are likely to be, before the Court we are unable to provide greater detail in this Announcement.

We cannot predict what the likelihood is of getting a return of the money, how much may be returned (if any) nor how long this legal process will take. We do not anticipate a quick resolution of any of the legal matters and certainly not this year. As we have information that we can share with you we will issue further Announcements.

Whilst Advalorem was the most significant investment made by the Schemes, £1,100,000 was invested in a 'sub fund' of Swan Holdings PCC Limited (Swan), a company incorporated in the Isle of Man. The Schemes hold shares in this entity and we have been informed by a director of Swan that the funds have been invested in UK property. The investment term is at least 10 years.

To date, Dalriada has been unable to obtain audited accounts or any notable documentation which could evidence the value and/or performance of the fund. The directors of Swan have informed Dalriada that Swan did not invest in property directly, but rather by making a loan to a third entity which then invested in property. Dalriada requested a copy of the relevant loan documentation but has not yet received it. Dalriada are continuing to press Swan for information.

In our second Announcement we highlighted the involvement of a firm of advisers called Turnberry Wealth Management (TWM) who had received large payments for purportedly providing advice in relation to the Schemes. Since that Announcement, Grant Thornton has been appointed as liquidator by order of the Court. We are liaising with Grant Thornton regarding potential assets and lines of enquiry that can be pursued.

Dalriada have, as required by law, produced a Chairman's Statement for each of the Schemes. These have been published on the members website mentioned below.

We have updated the Frequently Asked Questions (FAQs) on the website [www.dalriadatrustees.co.uk/Milton](http://www.dalriadatrustees.co.uk/Milton) and added this Announcement to this page.

Should you, however, have any specific personal queries in relation to this Announcement, your membership of the Schemes or should you wish to provide us with further information, please contact us.

You can contact us as follows:

By Telephone: 028 9085 0934

By Post: Dalriada Trustees Limited  
22 Great Victoria Street  
Belfast  
BT2 7BA

Via e-mail: [msadmin@dalriadatrustees.co.uk](mailto:msadmin@dalriadatrustees.co.uk)

**Issued by Dalriada Trustees Limited**

**June 2017**