

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 seventh Announcement to members and is an 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 which was appointed by The Pensions Regulator (TPR) to take over the running of the Schemes on 13 June 2013. Dalriada is experienced in dealing with pension schemes that have complex issues and / or have unusual investments.

As 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. On 23 August 2017 The Pensions Regulator prohibited Timothy Walker and Macalister Lindsay from acting as pension scheme trustees because of their links to the Schemes.

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

In the fourth announcement, which 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 Financial Services Commission (FSC) 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 27th 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. The land was ultimately sold for £89,000 at the end of 2016, which indicated that the original price paid for the land was grossly overinflated.

In the sixth announcement issued in June 2017, we set out that legal action had been taken by CVR and some limited recoveries made. Since then, CVR issued a High Court claim in October 2017, seeking recovery of a large proportion of scheme monies paid to Advalorem. We are in regular communication with CVR regarding the claim, but it is impossible to say at this stage whether the claim will be successful and, if so, what recoveries might be made.

Whilst Advalorem was the most significant investment made by the Schemes, £1,100,000 was invested in a ‘sub fund’ of Swan Holding 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 were not invested in property directly, but rather by making a loan to a third party which then invested in property. Dalriada requested a copy of the relevant loan documentation. However it has not been provided and it remains unclear what realisable value, if any, the investment holds.

In the sixth announcement we also told you that Grant Thornton has been appointed as liquidator by order of the Court to a firm of advisers called Turnberry Wealth Management (TWM) who had received large payments for purportedly providing advice in relation to the Schemes. We are still liaising with Grant Thornton regarding any assets that may be recoverable. The prospects of any recovery remain uncertain at this stage.

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

General Data Protection Regulations (GDPR)

You will also have recently received a Data Privacy Notice from us in relation to the General Data Protection Regulations, which came into effect on 25th May 2018. You will find any updates to the Data Privacy Notice, as well as other GDPR related news on the members' website – www.dalriadatrustees.co.uk/milton.

Should you 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:

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