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# **Binnian Cedar Retirement Benefits Scheme**

**Report and Financial Statements  
For the year ended 30 June 2022**

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**Binnian Cedar Retirement Benefits Scheme  
Principal Employer and Advisers to the Scheme**

**Trustees**

Timothy Walker ("the original trustees") (appointed: 10 November 2012, removed: 23 August 2017)

Macalister Lindsay ("the original trustees") (appointed: 10 November 2012, removed: 23 August 2017)

Dalriada Trustees Limited  
Linen Loft  
27 - 37 Adelaide Street  
Belfast  
BT2 8FE

**Principal Employer**

Binnian Cedar Limited (Dissolved 6 December 2016)  
46b McNabb Street  
Dollar  
Clackmannanshire  
FK14 7DL

**Administrator**

Dalriada Trustees Limited  
Linen Loft  
27-37 Adelaide Street  
Belfast  
BT2 8FE

**Auditor**

Johnston Carmichael LLP  
227 West George Street  
Glasgow  
G2 2ND

**Legal Adviser**

Pinsent Masons LLP  
30 Crown Place  
Earl Street  
London  
EC2A 4ES

**Investment adviser**

Advisory Investment Services Limited  
Burnetts, School Lane  
Ashurst  
Sussex  
BN44 3AY

**Binnian Cedar Retirement Benefits Scheme**  
**Principal Employer and Advisers to the Scheme**

**Investment managers**

Advalorem Value Asset Fund Limited (In Administration)  
c/o Robert Starkins, CVR Global LLP  
20 Fumival Street  
London  
EC4A 1JQ

Swan Holding PCC Limited  
Third Floor  
10-12 Prospect Hill  
Douglas  
IM1 1EJ

**Investment platform provider**

Mobius Life Limited  
3rd Floor  
20 Gresham Street  
London  
EC2V 7JE

**Third party investment managers**

Legal & General Investment Management

BlackRock Life Limited

all c/o Mobius Life Limited

**Bankers**

Barclays Bank PLC  
Donegall House  
Donegall Square North  
Belfast  
BT1 5GB



## **Binnian Cedar Retirement Benefits Scheme Trustee's Report**

### **Introduction**

The Trustee of the Binnian Cedar Retirement Benefits Scheme ("the Scheme") present its report together with the audited financial statements for the year ended 30 June 2022. The Scheme is a defined contribution scheme.

The Scheme was established on 10 November 2012 and is currently governed by the trust deed and rules of the same date. In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Scheme is a registered pension scheme under Chapter 2 of Part 4 of the Finance Act 2004. Members of the Scheme are contracted-in to the State Second Pension (S2P, previously known as the State Earnings-Related Pension Scheme).

The Compliance Statement set out on pages 27 and 28, the Investment Report included as Appendix 1, the Implementation Statement included as Appendix 2 and the Annual Governance Statement included as Appendix 3 form part of this report.

### **Scheme management**

The Trustee who served during the year was:

- Dalriada Trustees Limited.

The directors of Dalriada Trustees Limited ("Dalriada") are D N Copeland (resigned 30 September 2022), R D Fogarty, C M Johnstone (resigned 29 April 2022), A B Kennett, T Lukic, C J Roberts, B D Spence, K S Stafford (appointed 6 June 2022) and V Vassou. The directors of Dalriada were appointed in accordance with that company's Memorandum and Articles of Association.

In accordance with the provisions of the Pensions Act 1995 as amended, The Pensions Regulator has the power to appoint an independent trustee. Dalriada was so appointed, with exclusive powers, on 13 June 2013 under Section 7 of the Pensions Act 1995 and may only be removed by The Pensions Regulator.

Timothy Walker and Macalister Lindsay ceased to be trustees on 23 August 2017, which was the date that they were prohibited from acting as a trustee of any trust scheme by order of The Pensions Regulator.

Dalriada has appointed external specialists to advise on legal and accounting matters.

### **Internal Dispute Resolution Procedure (IDRP)**

It is a requirement of the Pensions Act 1995 that all occupational pension schemes must have an IDRP in place for dealing with any disputes between the Trustee and the Scheme beneficiaries. An IDRP has been agreed by the Trustee, details of which can be obtained by writing to Dalriada Trustees Limited, Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE, or by request via email to [msadmin@dalriadatrustees.co.uk](mailto:msadmin@dalriadatrustees.co.uk)

### **Financial development of the Scheme**

The financial statements of the Scheme for the year ended 30 June 2022 are set out on pages 15 to 24. The Trustee's summary of contributions and the Auditor's statement about contributions are set out on pages 25 and 26. The financial statements have been prepared and audited in accordance with the regulations made under Section 41(1) and (6) of the Pensions Act 1995. They show that the value of the fund decreased from £1,035,208 at 30 June 2021 to £959,294 at 30 June 2022.

## Binnian Cedar Retirement Benefits Scheme Trustee's Report

For defined contribution schemes, investments purchased by the Scheme are allocated to provide benefits to the individual members. The original trustees / administrators did not make any allocation of funds when the members transferred into the Scheme. Consequently Dalriada has been unable to carry out an allocation of funds to members and may, in time, require further direction from the Court as to the most appropriate allocation method to use.

### Transfers at less than cash equivalent

No cash equivalent transfers were paid during the period.

### Membership

As at 30 June 2022, 106 members were entitled to benefits from the Scheme.

There were no changes to the membership of the Scheme during the year as set out in the following table.

	<b>Deferred</b>	<b>Pensioner</b>
Membership at 01/07/2021	106	-
<b>Membership at 30/06/2022</b>	<b>106</b>	<b>-</b>

### Pension increases

No pensions were paid during the year and no increases were applied to the deferred pensions.

### Changes to the Scheme rules

There were no changes to the Scheme rules during the year.

### Governance and Risk Management

Following their appointment, Dalriada identified a number of concerns surrounding the Scheme investments and the administration of the Scheme.

Beyond any remaining assets held in the Trustee's bank account, the Scheme's assets were invested in Advalorem Value Asset Fund Limited, a Gibraltar based investment company and also non-redeemable shares in a 'sub-fund' of Swan Holding PCC Limited (called 'Cell A'). The purpose of the Swan Holding PCC Limited was to invest in UK commercial and residential properties and land. There is no evidence of an investment adviser being appointed and appropriate investment advice being sought or received.

No agreements appeared to be in place with Marley Administration Services Ltd, the company previously employed to provide administration services. Similarly, no proper accounting records appeared to have been kept. Dalriada has now put in place more robust administration processes and created proper accounting records.

In November 2020, a judgment was handed down following Court proceedings involving Dalriada and the Pension Protection Fund ("PPF") with regard to eligibility of pension schemes like the Scheme to make claims on the Fraud Compensation Fund ("FCF"). In short, the judge found that schemes of this nature were able to make applications for compensation and Dalriada is now considering how this might impact on the Scheme. Further information will be provided as matters progress.

Dalriada has developed (and will continue to develop) its business plan which sets out its objectives in various key areas. Alongside the business plan, a risk register has been put in place, setting out the key risks to which the Scheme is subject and the controls in place to mitigate these.

## **Binnian Cedar Retirement Benefits Scheme Trustee's Report**

### **Trustee knowledge and understanding**

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective from 6 April 2006 and was updated with effect from April 2015. As a professional trustee, Dalriada maintains an ongoing training programme for all of its staff.

### **Further information**

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries.

If members have any complaints or queries regarding the Scheme, or wish to obtain further information, they should contact Dalriada Trustees Limited, Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE, or by request via email: [msadmin@dalriadatrustees.co.uk](mailto:msadmin@dalriadatrustees.co.uk).

The General Data Protection Regulations 2016/679 ("GDPR") cover information which is held electronically (i.e. computer-based information) and extend data protection laws to cover paper-based records held for individuals. The GDPR contain restrictions on the processing of special categories of data as defined in the GDPR, to which individuals must give their consent. This category of data can include information on, for example, the health of a member or marital status.

Members' personal data will be used by the Scheme's advisers to administer the Scheme and may be passed to other professional providers or advisers.

The Trustee and the Scheme's advisers each have a legal obligation and a legitimate interest to process data relating to members for the purposes of administering and operating the Scheme, which includes passing on data to third parties, as mentioned above.

Dalriada is regarded as 'Controller' for the purposes of the GDPR, in relation to the process referred to above. The advisers appointed by the Trustee are usually 'Processors', however, some advisers, such as the Scheme Actuary and auditors are considered to be controllers by the various professional regulatory bodies. Under the GDPR where two or more controllers jointly determine the purposes and means of processing, they shall be joint controllers of the data.

### **Investment report**

There are concerns that the original trustees, Timothy Walker and Macalister Lindsay, failed to comply with the appropriate investment regulations and did not properly carry out their fiduciary duties as trustees, as required under general trust law.

In relation to the £7,700,000 investment made by the Scheme (and the other schemes that form the "Milton Schemes") in Advalorem Value Asset Fund Limited ("Advalorem"), the Financial Services Commission in Gibraltar appointed Adrian Hyde, formerly of Chantrey Vellacott (a firm of Chartered Accountants) and now of CVR Global ("CVR") (a firm of insolvency practitioners), 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 that was worth significantly less than the amount paid. 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.

**Binnian Cedar Retirement Benefits Scheme  
Trustee's Report**

**Investment report (continued)**

Legal action was taken by CVR and as a result of this action a payment of £277,784 was paid to the Scheme on 5 July 2019. We are liaising with CVR regarding any further possible recoveries that might be made through the liquidation. As a result of further legal action taken by CVR (now called BTG Global Advisory) we have been informed that a dividend payment is expected to be made to creditors, albeit the timing is still unclear. Whilst it is not yet clear exactly how much that dividend will be, the expectation is that it will be minimal in comparison to the total amounts invested and previously received. Dalriada's legal advisors will continue to liaise with BTG Global Advisory to realise that dividend. Beyond this expected dividend, Dalriada does not anticipate substantial further sums being recovered to the Scheme from the liquidation.

Whilst Advalorem was the most significant investment made by the Milton 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 Milton Schemes hold shares in this entity. Dalriada explored avenues to recover these funds, however following the receipt of legal advice, the Trustee took the decision on a cost/benefit analysis that the risks of any potential legal proceedings against Swan outweighed the potential for returns. As such, the Trustee does not envisage making any recoveries in respect of the investment in Swan.

During the year, the day-to-day management of the Scheme's investments was delegated by the Trustee to the Investment Adviser, Advisory Investment Services Limited ("AIS") and, following advice on investment strategy from AIS, the majority of the Scheme's liquid funds were invested in corporate bond and cash funds with Legal & General and BlackRock, via an investment platform with Mobius Life Limited ("Mobius") on 19 January 2021. The detailed investment platform provider's report is included as Appendix 1.

Dalriada will now focus on the pursuit of further recovery of funds by way of a claim for compensation on the FCF. As mentioned above, a Court ruling determined that schemes like the Milton Schemes were able to make claims on the FCF for losses arising from acts of fraud and dishonesty. Dalriada has been working, and will continue to work, with the PPF in regard to a potential claim by the Scheme. While a formal application has not been made in respect of the Scheme, Dalriada has submitted initial evidence to the FCF and we expect the formal application for compensation to be lodged in the next financial year (i.e. in the year to 30 June 2023).

**Custodial arrangements**

**Mobius Life Limited ("Mobius")**

The funds held by the Scheme invest in unitised vehicles offered by other investment managers. As such, Mobius owns units of other funds and does not directly hold stock.

The third-party investment managers of the underlying funds will appoint their own custodians.

**Investment principles**

Trustees are required to produce a Statement of Investment Principles ("SIP"), which incorporates the investment strategy, in accordance with Section 35 of the Pensions Act 1995. This is a requirement for schemes with 100 members or more. No serviceable SIP was prepared for the Scheme by the previous trustees and/or their administrators.

As commented earlier, Dalriada has now taken advice from AIS and implemented an investment strategy that, whilst still cautious, looks to generate a greater return than just holding funds in cash. Dalriada has prepared a suitable SIP that reflects that strategy, which was updated in October 2022 and has been made available on the dedicated member website <https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/Binnian-SIP-2022.pdf>

**Binnian Cedar Retirement Benefits Scheme  
Trustee's Report**

**Implementation statement**

It is noted that in line with Paragraph 30 of Schedule 3 of the Occupational and Personal Pension Scheme (Disclosure of Information) Regulations 2013 ("the Regulations") that a statement, known as an Implementation Statement, should be included within the 2021 Annual Report for the Scheme, for schemes with 100 members or more. The Implementation Statement sets out key information in relation to the investments made by the Scheme and their management, includes details on how the Trustee has carried out the principles contained in the Scheme's SIP and reports on any changes made to the SIP during the financial year.

In previous financial years, until 30 June 2021, it had not been possible to incorporate a legislatively compliant Implementation Statement, which was a breach of the Regulations and was duly notified to The Pensions Regulator. The Trustee has now rectified this and produced an Implementation Statement for the financial year ending 30 June 2022, which is included as Appendix 2.

**Employer-related investments**

There were no employer-related investments at any time during the year within the meaning of Section 40(2) of the Pensions Act 1995.

The Scheme's Investments with Mobius comply with the restrictions prescribed by regulations made under Section 40 of the Pensions Act 1995.

**Binnian Cedar Retirement Benefits Scheme  
Trustee's Report**

**Statement of Trustee's Responsibilities**

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (i.e. FRS 102), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

The Trustee is responsible under pensions legislation for securing that a payment schedule is prepared, maintained and from time to time revised, showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions are made to the Scheme by the employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and the members.

Signed for and on behalf of the Trustee

For Dalriada Trustees Limited .....

27/01/2023

Date .....

**Binnian Cedar Retirement Benefits Scheme**  
**Independent Auditor's report to the Trustee**

**Opinion**

We have audited the financial statements of the Binnian Cedar Retirement Benefits Scheme (the 'Scheme') for the year ended 30 June 2022 which comprise the fund account, statement of net assets 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:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 June 2022, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

**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 responsibilities for the audit of the financial statements section of our report. We are independent of the Scheme 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 Trustee's 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 Scheme'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 Trustee with respect to going concern are described in the relevant sections of this report.



**Binnian Cedar Retirement Benefits Scheme  
Independent Auditor's report to the Trustee**

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the report and financial statements. Our opinion on the financial statements does not cover the other information and 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.

**Responsibilities of Trustee**

As explained more fully in the Trustee's responsibilities statement set out on page 10, the Scheme's Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Scheme'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 Trustee either intends to wind up the Scheme or to cease operations, or have no realistic alternative but to do so.

**Auditor 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.

*Extent to which the audit is 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:



**Binnian Cedar Retirement Benefits Scheme  
Independent Auditor's report to the Trustee**

**Auditor responsibilities for the audit of the financial statements (continued)**

- The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.
- The Pension Schemes Statement of Recommended Practice (2018).
- The Pensions Acts 1995 and 2004.

We gained an understanding of how the Scheme is complying with these laws and regulations by making enquiries of the Trustee. We corroborated these enquiries through our review of Trustee maintained breaches register.

We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur, by enquiring of the Trustee to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Trustee is remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Trustee oversees the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing member announcements published by the Trustee on the Scheme's website.
- Reviewing the latest available internal control reports of the Scheme administrator and Scheme investment platform provider.
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.

**Binnian Cedar Retirement Benefits Scheme  
Independent Auditor's report to the Trustee**

**Auditor responsibilities for the audit of the financial statements (continued)**

- Conclude on the appropriateness of the Trustee's 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 Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the Scheme's Trustee, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Scheme's Trustee 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 Scheme's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP  
**Statutory Auditor**

227 West George Street  
Glasgow  
G2 2ND

Date:

**Binnian Cedar Retirement Benefits Scheme  
Financial Statements**

**For the year ended 30 June 2022**

**Fund Account**

	Note	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Contributions and benefits</b>			
Administrative expenses	3	(44,191)	(40,290)
		<u>(44,191)</u>	<u>(40,290)</u>
<b>Net withdrawals from dealings with members</b>		<u>(44,191)</u>	<u>(40,290)</u>
<b>Returns on investments</b>			
Investment income	4	40	51
Change in market value of investments	5	(31,763)	(2,133)
<b>Net returns on investments</b>		<u>(31,723)</u>	<u>(2,082)</u>
<b>Net decrease in the fund for the year</b>		(75,914)	(42,372)
<b>Net assets at 1 July 2021</b>		1,035,208	1,077,580
<b>Net assets at 30 June 2022</b>		<u><b>959,294</b></u>	<u><b>1,035,208</b></u>

The notes on pages 17 to 24 form an integral part of these financial statements.

**Binnian Cedar Retirement Benefits Scheme  
Financial Statements**

**Statement of Net Assets  
(available for benefits) as at 30 June 2022**

	Note	<b>2022 £</b>	<b>2021 £</b>
<b>Investment assets:</b>	5		
Pooled investment vehicles	6	657,160	738,923
		<u>657,160</u>	<u>738,923</u>
 <b>Current assets</b>	9	 308,642	 304,655
<b>Current liabilities</b>	10	(6,508)	(8,370)
 <b>Net assets at 30 June 2022</b>		 <u><u>959,294</u></u>	 <u><u>1,035,208</u></u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year.

The notes on pages 17 to 24 form an integral part of these financial statements.

These financial statements were approved by the Trustee and authorised for issue on 27/01/2023 .....

Signed for and on behalf of the Trustee

For Dalriada Trustees Limited

.........

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**1. Basis of preparation**

The financial statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (SORP), Financial Reports of Pension Schemes (revised 2018), published by the Pensions Research Accountants Group.

**1.1. Identification of the financial statements**

The Scheme is established as a trust and is governed by, the laws of England and Wales. The address for enquiries to the Scheme is included in the Trustee's Report on page 7.

**2. Accounting policies**

**Functional currency**

The functional currency used in the financial statements is Sterling and all figures have been rounded to the nearest pound.

**Investment Income**

Interest on bank deposits is accounted for as it accrues.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value, otherwise it is accounted for when declared by the fund manager.

**Change in Market Value**

The change in market value of investments comprises all increases and decreases in the market value of investments held at any time during the year, including all profits and losses realised on sales of investments during the year.

**Transfers**

Individual transfers to and from the Scheme during the year are included in the financial statements on the basis of when the member liability is accepted or discharged which is normally when the transfer amount is paid or received.

There were no transfers out during the year.

**Benefits**

Benefits payable are included in the accounts on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving. Currently Dalriada is not able to identify benefits payable.

**Administrative expenses and investment management expenses**

Administrative expenses are accounted for on an accruals basis.

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**Investments Assets**

The Scheme had two investments, those being the investments held in Advalorem, a company incorporated in Gibraltar, and in a 'sub fund' of Swan, a company incorporated in the Isle of Man. Of the money invested in Advalorem, £6,600,000 was used to buy land in Scotland which was worth significantly less than the amount paid. 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 relation to Swan, Dalriada has 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 explored avenues to recover these funds, however following the receipt of legal advice, the Trustee took the decision on a cost/benefit analysis that the risks of any potential legal proceedings against Swan outweighed the potential for returns. As such, the Trustee does not envisage making any recoveries in respect of the investment in Swan.

In the absence of evidence to contrary, the only reasonable and prudent approach that Dalriada can take in valuing the remaining investments is to assume that they have no value. Where the amount to be recovered or returned can be estimated with reasonable certainty, investments are valued on this basis.

Unitised pooled investment vehicles are valued at the closing bid price or, if single priced, at the closing single price as advised by the investment managers at the year end.

**3. Administrative expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Consultancy fees	480	600
Audit fees	3,600	3,600
Legal fees	6,824	6,363
Trustee fees	33,247	29,672
Other professional fees	40	55
	<u>44,191</u>	<u>40,290</u>

**4. Investment income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest on cash deposits	40	51
	<u>40</u>	<u>51</u>

**5. Reconciliation of investments**

	<b>Value at 30/06/2021</b>	<b>Purchases at cost</b>	<b>Sale proceeds</b>	<b>Change in market value</b>	<b>Value at 30/06/2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Pooled investment vehicles	738,923	297,585	(347,585)	(31,763)	657,160
<b>Investments Total</b>	<u><b>738,923</b></u>	<u><b>297,585</b></u>	<u><b>(347,585)</b></u>	<u><b>(31,763)</b></u>	<u><b>657,160</b></u>
<b>Unallocated to members</b>	<u><b>738,923</b></u>				<u><b>657,160</b></u>

Where the investments are held in managed and unitised funds the change in market value also includes expenses both implicit and explicit to the Scheme and any reinvested income, where the income is not distributed.

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

Pooled investment vehicles are all managed by companies registered in the United Kingdom.

Indirect transaction costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Trustee.

For defined contribution schemes, investments purchased by the Scheme are allocated to provide benefits to the individual members. The original Trustees/administrators did not make any allocation of funds when the members transferred into the Scheme.

Consequently, Dalriada has been unable to carry out an allocation of funds to members and will, in time, require further direction from the Court as to the most appropriate allocation method to use.

**Concentration of Investments**

The following investments exceed 5% of the total value of the net assets of the Scheme:

	<b>2022</b>		<b>2021</b>	
	£	%	£	%
L&G Life AR Cash Fund	372,515	38.8	74,092	7.2
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond	92,714	9.7	222,312	21.5
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	191,931	20.0	442,519	42.7

**6. Pooled investment vehicles**

	<b>2022</b>	<b>2021</b>
	£	£
Bonds	284,645	664,831
Other	372,515	74,092
	<u>657,160</u>	<u>738,923</u>

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**7. Fair value hierarchy**

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1: The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets and liabilities fall within the above hierarchy categories as follows:

	<b>30 June 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Pooled investment vehicles	-	657,160	-	657,160
	-	657,160	-	657,160

	<b>30 June 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Pooled investment vehicles	-	738,923	-	738,923
	-	738,923	-	738,923

**8. Investment risk disclosures**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

- Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Market risk: this comprises currency risk, interest rate risk and other price risk.
  - Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
  - Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
  - Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The SORP recommends these risk disclosures are made for all investments.



**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**8. Investment risk disclosures (continued)**

The Trustee determines the investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

Further information on the Trustees approach to risk management, credit and market risk is set out below.

**(i) Investment strategy**

The investment objective of the Scheme is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, the benefits of the Scheme payable under the trust deed and rules as they fall due.

The Trustee sets the investment strategy for the Scheme taking into account considerations such as the long-term liabilities of the Scheme. The investment strategy is set out in the Scheme's SIP.

The current strategy (beyond the first £85,000 (or such sum as the Trustee's estimate will be required to pay the annual fees) which will be held 100% in cash), is to hold 90% in short-dated corporate bonds and 10% in cash.

Following a review of the investment strategy, the Trustee amended the investment strategy in early 2022 to take into account the high inflationary environment and make allowance for the expected time horizon to the wind-up of the Scheme. It is the intention of the Trustee to make an application on behalf of the Scheme for compensation from the FCF and then, if successful, distribute the compensation to members along with the invested assets, before winding-up the Scheme.

After considering the independent investment advice of AIS, the Trustee decided to adjust the investment strategy so as to increase the proportion of cash held within the Scheme portfolio based on the expected time horizon to wind-up of the Scheme, which is dependent on an estimate of the period to a determination of a claim on the FCF. The adjustment to the investment strategy is included in Appendix A of the revised SIP which can be found at <https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/Binnian-SIP-2022.pdf>

**(ii) Credit risk**

The Scheme is subject to direct credit risk within the investment portfolio to the extent of the holdings in pooled investment vehicles and assets held in cash, and is indirectly exposed to credit risks arising on the financial instruments held within the pooled investment vehicles which contain fixed interest investments. Cash in the Trustee's bank account is held within financial institutions which are at least investment grade credit rated.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager and the regulatory environments in which the pooled manager operates.

Indirect credit risk arises in relation to underlying investments held in the pooled investment vehicles, specifically the Scheme's bond mandates which hold credit instruments. The Trustee has delegated the day-to-day management of the pooled investment vehicles.

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**8. Investment risk disclosures (continued)**

A summary of pooled investments vehicles by type of arrangement is as follows:

	30-Jun-22	30-Jun-21
Unit linked insurance contracts	657,160	738,923
<b>Total</b>	<b>657,160</b>	<b>738,923</b>

**(iii) Currency risk**

The Scheme is not directly exposed to currency risk as the pooled investment vehicles held are denominated in Sterling.

Indirect exposure to currency risk arises as a result of the Scheme's pooled investment vehicles' underlying holdings including securities that are denominated in non-GBP currencies. The fund manager may choose to hedge foreign currency exposures within the pooled investment vehicles. The Trustee does not conduct any direct currency hedging however invest in GBP currency hedged versions of pooled funds where it deems it appropriate.

A summary of the underlying portfolio exposed to currency rate risk is as follows:

	30-Jun-22	30-Jun-21
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	191,931	442,519
<b>Total</b>	<b>191,931</b>	<b>442,519</b>

**(iv) Interest rate risk**

The Scheme is not directly exposed to interest rate risk across the pooled investment vehicles they invest in, as the price of those vehicles are not directly affected by changes in interest rates.

As a result of some of the pooled investment vehicles held by the Scheme investing in fixed interest products such as government and corporate bonds, the Scheme is exposed indirectly to interest rate risk. Movements in interest rates will have a bearing on the price of those underlying government and corporate debt securities held which will affect the net asset value of the vehicles and consequently, the unit price of the pooled investment vehicles.

A summary of the underlying portfolio exposed to interest rate risk is as follows:

	30-Jun-22	30-Jun-21
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	92,714	222,312
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	191,931	442,519
L&G Life AR Cash Fund	372,515	74,092
<b>Total</b>	<b>657,160</b>	<b>738,923</b>

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**(v) Other price risk**

The Scheme is not directly or indirectly exposed to other price risk.

The Trustees have delegated the day-to-day management of the Scheme's investments to its investment managers. A further breakdown of the Scheme's investments is included in note 6.

**9. Current assets**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sundry debtors	252,875	252,875
Cash balances	<u>55,767</u>	<u>51,780</u>
	<u><u>308,642</u></u>	<u><u>304,655</u></u>

Included in the bank balance is £55,767 (2021: £51,780) which is not allocated to members.

The sundry debtors are funds due from other schemes relates to expenses paid on behalf of other schemes. During the year the total fees paid on behalf of other schemes amounted to £nil and £252,875 brought forward from previous years. Where Dalriada is appointed to a number of schemes at the same time (a bulk appointment), much of the work it carries out is common to all the schemes covered by the appointment but could equally be carried out for any one scheme in isolation.

All other things being equal, the costs incurred in respect of these common tasks would be proportioned appropriately across each of the schemes but this isn't always possible due to different schemes having differing amounts of available assets (or, occasionally, no assets). Where Dalriada is looking at recovery action on these other schemes, it keeps a record of the costs incurred by one scheme on behalf of another (or others) as, if and when any recoveries are made from the other schemes' investments, these shared costs will be reimbursed to the Scheme in the first instance.

**10. Current liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accrued expenses	<u>(6,508)</u>	<u>(8,370)</u>
	<u><u>(6,508)</u></u>	<u><u>(8,370)</u></u>

**11. Related Party Transactions**

During the year Dalriada provided professional trustee services totalling £33,247 (2021: £29,672). At the year end £2,215 (2021: £2,576) was still due to be paid to Dalriada.

The Scheme has incurred costs and, also, incurred shared costs in respect of other schemes to which Dalriada was appointed to under the same bulk appointment. At the year end £252,875 (2021: £252,875) was still due from other schemes. If and when any recoveries are made from the other scheme's investments, these shared costs will be reimbursed to the Scheme in the first instance.

**Binnian Cedar Retirement Benefits Scheme**  
**Notes to the Financial Statements**

**12. Contingent asset**

CVR have advised that a further dividend should be paid to creditors in the next financial year (i.e. in the year to 30 June 2023), but the amount of any dividend cannot yet be quantified.

**13. Taxation**

The Scheme is a registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004 and is therefore exempt from income tax and capital gains taxes.

**14. Self-investment**

There were no known instances of self-investment during the year.

**Binnian Cedar Retirement Benefits Scheme  
Summary of Contributions**

During the year ended 30 June 2022 no contributions were paid or due to the Scheme.

Signed for and on behalf of the Trustee

For Dalriada Trustees Limited ..... 

Date ..... 27/01/2023 .....

**Independent Auditor's Statement about Contributions to the Trustee of the Binnian Cedar Retirement Benefits Scheme**

We have examined the summary of contributions to the Binnian Cedar Retirement Benefits Scheme for the Scheme year ended 30 June 2022 which is set out on page 25.

**Statement about contributions payable under the Scheme rules**

In our opinion contributions for the Scheme year ended 30 June 2022 as reported in the summary of contributions and payable under the Scheme rules have in all material respects been paid at least in accordance with the Scheme rules.

**Scope of work on Statement about Contributions**

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the Scheme rules. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Scheme rules.

**Respective responsibilities of the Trustee and the auditor**

As explained more fully in the Statement of Trustee's Responsibilities, the Scheme's Trustee is responsible for securing that a payment schedule is prepared, maintained and from time to time revised and for monitoring whether contributions are made to the Scheme by the employer in accordance with the payment schedule.

It is our responsibility to provide a Statement about Contributions paid under the Scheme rules and to report our opinion to you.

**Use of our report**

This report is made solely to the Trustee, as a body in accordance with Regulation 4 of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996. Our work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an Auditor's Statement about Contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP  
**Statutory Auditor**

227 West George Street  
Glasgow  
G2 2ND

Date:

**Binnian Cedar Retirement Benefits Scheme  
Compliance Statement**

**Changes in and other matters relating to the Scheme advisers**

Any changes to the Scheme advisers are shown on pages 3 and 4.

**Pension Tracing Service**

The Pension Tracing Service provides a tracing service for members (and their dependants) of previous employers' schemes, who have lost touch with earlier employers and trustees. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to:

Telephone: 0800 731 0193

Website: <https://www.gov.uk/find-pension-contact-details>

**The Money and Pensions Service (MaPS)**

MaPS creates one organisation from the three existing providers of government-sponsored financial guidance:

- The Money Advice Service
- The Pensions Advisory Service
- Pension Wise

MaPS brings together for the first time the provision of debt advice, money guidance and pensions guidance. For pensions guidance MaPS will provide information to the public on matters relating to workplace and personal pensions. From 30 June 2021, the new consumer-face of MaPS is Money Helper

Telephone: 0115 965 9570

Email: [pensions.enquiries@moneyhelper.org.uk](mailto:pensions.enquiries@moneyhelper.org.uk)

Website: [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

**The Pensions Ombudsman**

In cases where a complaint or dispute cannot be resolved under the IDRP, an application can be made to the Pensions Ombudsman to investigate and determine any complaint or dispute of fact or law involving occupational pension scheme. The Pensions Ombudsman can be contacted at:

10 South Colonnade  
Canary Wharf  
E14 4PU

Telephone: 0800 917 4487

Website: [www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk)

Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

**Binnian Cedar Retirement Benefits Scheme  
Compliance Statement**

**The Pensions Regulator**

The statutory body that regulates occupational pension schemes is The Pensions Regulator ("TPR"). TPR can be contacted at:

The Pensions Regulator  
Napier House  
Trafalgar Place  
Brighton BN1 4DW

Telephone: 0345 600 1011

Website: [www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk)

E-mail: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)



## Binnian Cedar Retirement Benefits Scheme

### Appendix 1

## Binnian Cedar Retirement Benefits Scheme Investment Manager's Report to 30 June 2022



Microsoft Edge

Fund Performance to: 30 Jun 2022

% Fund Growth	1 Year to 30 Jun 22	3 Years to 30 Jun 22	1 Year to 30 Jun 21	1 Year to 30 Jun 20	1 Year to 30 Jun 19	1 Year to 30 Jun 18
L&G Life AR Cash Fund	0.3 %	0.3 %	0.0 %	0.6 %	0.7 %	0.4 %
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	-5.9 %	na	2.0 %	na	na	na
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	-7.0 %	-2.4 %	0.1 %	0.0 %	0.0 %	na

Market Returns	1 Year to 30 Jun 22	3 Years to 30 Jun 22	1 Year to 30 Jun 21	1 Year to 30 Jun 20	1 Year to 30 Jun 19	1 Year to 30 Jun 18
FTSE ALL Share Index	1.6 %	2.4 %	21.5 %	-13.0 %	0.6 %	9.0 %
FTSE 100	5.8 %	2.5 %	18.0 %	-13.8 %	1.6 %	8.7 %
FTSE 250	-14.6 %	0.9 %	33.4 %	-10.0 %	-3.8 %	10.6 %
FTSE Small Cap	-12.6 %	6.7 %	50.1 %	-7.4 %	-2.0 %	8.3 %
FTSE AW World Index	-2.8 %	8.8 %	25.5 %	5.7 %	10.4 %	9.3 %
FTSE North America	-0.4 %	12.0 %	27.3 %	10.9 %	14.1 %	12.5 %
FTSE Developed Europe ex UK	-10.5 %	3.3 %	22.6 %	0.3 %	7.6 %	2.7 %
FTSE Developed Asia Pacific ex Japan	-10.9 %	3.1 %	30.0 %	-5.4 %	6.4 %	6.0 %
FTSE Japan	-8.5 %	3.0 %	12.0 %	6.8 %	-1.2 %	9.3 %
FTSE Over 15 year fixed interest	-22.9 %	-6.3 %	-10.9 %	19.8 %	7.2 %	4.2 %
FTA All Stock Fixed Interest Gilt Index	-13.6 %	-3.4 %	-6.2 %	11.2 %	4.9 %	1.9 %
FTA Over 5 Year Index-Linked Gilt Index	-19.1 %	-4.7 %	-4.4 %	11.9 %	9.1 %	2.0 %

Past performance should not be seen as a guide to future performance and may not be repeated.

#### Notes:

- Returns shown are gross of charges based on Mobius Life unit prices
- Returns for periods in excess of a year are annualised.
- Past performance should not be seen as a guide to future performance and may not be repeated. The value of investments may go down as well as up and investors may not get back the amount originally invested, are not certain to make a profit and may lose money.
- Exchange rate changes may cause the value of overseas investments to rise or fall.
- Investors should be aware that investment in emerging markets involves a high degree of risk and should be seen as long term in nature.
- Investment in property may not be readily realisable. The value of property is generally a matter of valuers opinion rather than fact.
- Where a fund is invested with another life company by means of a reinsurance arrangement, we monitor the way the reinsurer manages the business, but we do not guarantee the solvency of the reinsurer, so the risk of default by the reinsurer is borne by policyholders who invest in the relevant fund.
- Mobius Life Limited provides information on our products and services to enable you to make your own investment decisions, and this document should not be regarded as a personalised recommendation.

**Binnian Cedar Retirement Benefits Scheme**  
**Appendix 1**

**Fund Profiles**

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**BLK Life AQC Corporate Bond Up To 5 Years Index Fund**

The fund aims to achieve index returns in line with the iBoxx GBP non-gilts, 1-5 year index.

**L&G Life AR Cash Fund**

This Fund consists of monies which are invested in short term instruments. The Fund aims to perform in line with SONIA (Sterling Overnight Index Average), without incurring excessive risk.

**L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund**

Please Consult your Advisor

**Provided by the Advisor for L&G Life CSAJ Short Dated Sterling Corporate Bond Index Fund**

*The fund aims to track the performance of the Markit iBoxx Sterling Corporates 1-5 Year Index.*

## **Appendix 2**

# Binnian Cedar Retirement Benefit Scheme

## Implementation Statement

for the year ending 30 June 2022

**This Implementation Statement (“the Statement”) has been prepared by Dalriada Trustees Limited (“the Trustee”) for the Binnian Cedar Retirement Benefit Scheme (“the Scheme”).**

**It has been prepared to comply with the requirements of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 (SI 2013/2734), as amended by the Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (SI 2018/988) (“the Disclosure Regulations”).**

**Binnian Cedar Retirement Benefit Scheme**

**October 2022**

# Introduction

Dalriada Trustees Limited (“Dalriada”) was appointed Trustee of the Scheme (“the Trustee”) by Order of The Pensions Regulator (“TPR”) amid concerns as to how the Scheme was being managed by the former trustees and, further, that members may have been victims of a pensions scam.

A Statement of Investment Principles (“SIP”) dated September 2020 was prepared by the Trustee and published on 30 September 2020, to comply with Section 35 of the Pensions Act 1995 as amended by the Pensions Act 2004 and the Occupational Pension Schemes (Investment) Regulations 2005 as amended by the Occupational Pension Schemes (Investment) (Amendment) Regulations 2010 and the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

As such, the SIP has been in force for the Scheme Year and the Scheme’s assets have been invested in line with the SIP and Investment Strategy over the period. No SIP was in place prior to 30 September 2020, due to the particular circumstances of the Scheme, as outlined below.

The Scheme appointed Advisory Investment Services Limited (“AIS”) as Investment Adviser in the previous Scheme Year and AIS has remained in this role during the current Scheme Year.

This Statement has been prepared in accordance with the Disclosure Regulations, in as far as it has been possible to do so, given the circumstances of the Scheme.

## BACKGROUND OF THE SCHEME

Prior to Dalriada’s appointment as Trustee, the former trustees had invested Scheme assets in inappropriate and unorthodox investments, without taking appropriate advice, as required by pensions legislation. These assets were generally illiquid and/or of uncertain value.

Therefore, the Trustee’s aim is to recover what funds it can for members, resolve any associated tax or legal issues and, thereafter, to allow members to transfer the value of their pension pots to alternative, more appropriate arrangements and wind-up the Scheme. Given the irregular nature of the Scheme, the time frame for this is uncertain and may extend to a number of years.

In so far as it is possible to do so, the Trustee invests the available assets to secure a return over cash, with a lower level of risk. The tolerance to capital losses is minimal, accepting there will be drawdowns on the capital value, not least to meet ongoing expenses.

The SIP and this Statement only apply to those assets that the Trustee has been able to recover and realise, such that they are capable of being invested in accordance with the SIP. If the Trustee is able to recover and realise these unorthodox investments, such funds will be invested in line with the SIP.

Under applicable legislation, the Scheme is a defined contribution (“DC”) scheme, for the purpose of this Statement. The Trustee’s investment powers are set out in the Trust Deed and Rules and subsequent amending deeds. The SIP is consistent with those powers.

In this Statement we seek to:

- set out the Trustee’s investment policies as per the SIP;
- comment on the voting and engagement behaviour and how the Trustee’s policy has been followed during the Scheme Year; and
- set out how, and the extent to which, the SIP has been followed during the Scheme Year.

# Trustee Investment Policies

Generally, the ultimate objective of any (legitimate) pension scheme is to provide an income in retirement for its members which reflects the level of funds paid into members' individual accounts and the returns achieved from the investment funds held.

This section sets out the policies in the SIP in force at the Scheme year end, relating to the following:

- Financially Material Considerations for the Investment Strategy
- Non-Financial Matters
- Stewardship (Voting and Engagement)
- Investment Manager Arrangements

## FINANCIALLY MATERIAL CONSIDERATIONS FOR THE INVESTMENT STRATEGY

The Trustee has, to the extent possible given the particular circumstances of the Scheme, considered financially material factors such as environmental, social and governance ('ESG') issues as part of the investment process to determine the investment strategy over the length of time it is anticipated the Scheme will remain ongoing.

The Trustee believes that, to the extent possible given the particular circumstances of the Scheme, financially material considerations (including climate change) are allowed for when setting the investment strategy.

To invest in the best financial interests of the beneficiaries, the Trustee has elected to invest realised assets through pooled funds. The Trustee acknowledges that it cannot directly influence the environmental, social and governance policies and practices of the companies in which the pooled funds invest or of the unorthodox investments held by the Scheme. However, the fund managers and the investment consultant are expected to take account of financially material considerations when carrying out their respective roles.

The Trustee accepts that the Scheme's assets are subject to the investment managers' own philosophy and processes to ESG issues. The Trustee will assess that this corresponds with its responsibilities to the beneficiaries of the Scheme with the help of its investment consultant.

An assessment of the ESG and responsible investment policies forms part of the manager selection process when appointing new managers and these policies will also be reviewed regularly for existing managers with the help of the investment consultant. The Trustee will only invest with investment managers that are signatories for the United Nations Principles of Responsible Investment ('UN PRI') or other similarly recognised standard.

The Trustee will monitor financially material considerations through the following means:

- Obtain training where necessary on ESG considerations in order to understand fully how ESG factors, including climate change, could impact the Scheme and its investments;
- Use ESG ratings information to assess how the Scheme's investment managers take account of ESG issues; and
- Request that all of the Scheme's investment managers share information about their ESG policies and details of how they integrate ESG into their investment processes, via its investment consultant.

If the Trustee determines that financially material considerations have not been factored into the investment managers' processes, it will take this into account on whether to select or retain an investment manager.

#### NON-FINANCIALLY MATERIAL CONSIDERATIONS

The Trustee has not considered non-financially material matters in the selection, retention and realisation of investments.

#### STEWARDSHIP

The Trustee's policy on the exercise of rights attaching to investments, including any voting rights, is that these rights should be exercised by the investment managers on the Trustee's behalf, having regard to the best financial interests of the beneficiaries.

The investment managers should engage with companies to take account of ESG factors in the exercise of such rights as the Trustee believes this will be beneficial to the financial interests of members over the long term. The Trustee will review the investment managers' voting policies, with the help of its investment consultant, and decide if they are appropriate.

The Trustee also expects the fund managers to engage with investee companies on the capital structure of those companies and their management of conflicts of interest.

If the policies or level of engagement are not appropriate, the Trustee will engage with the investment managers, with the help of its investment consultant, to influence the investment managers' policy. If this fails, the Trustee will review the investments made with the investment manager.

The Trustee has taken into consideration the Financial Reporting Council's UK Stewardship Code and expect investment managers to adhere to this where appropriate for the investments they manage.

#### INVESTMENT MANAGER ARRANGEMENTS

The Trustee, after considering suitable advice from the Investment Adviser, appointed BlackRock and Legal & General Investment Management as the managers ("Investment Managers") of the assets held by the Scheme, all of which are held on the Mobius Life investment platform ("Mobius").

The investment managers are authorised and regulated by the FCA and are responsible for stock selection, asset allocation and the exercise of any voting rights. All the managers are remunerated by fund-based charges on the value of the Scheme's assets that they hold.

#### ***Incentives to align investment managers investment strategy and decisions with the Trustee's policies***

The Scheme invests in pooled funds. The Trustee acknowledges the funds' investment strategy and decisions cannot be tailored to the Trustee's policies. However, the Trustee sets its investment strategy and then selects managers that best suits its strategy, taking into account the fees being charged, which acts as the fund managers' incentive.

The Trustee uses the fund objective/benchmark as a guide on whether the fund's investment strategy is being followed and monitors this regularly.

#### ***Incentives for the investment manager to make decisions based on assessments about medium to long-term financial and nonfinancial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term***



The Trustee selects managers based on a variety of factors including investment philosophy, and process, which it believes should include assessing the long term financial and non-financial performance of the underlying company.

The Trustee also considers the managers voting and ESG policies and how it engages with the company, as it believes that these factors can improve the medium to long-term performance of the investee companies.

The Trustee will monitor the fund managers' engagement and voting activity on an annual basis as they believe this can improve long term performance. The Trustee expects their managers to make every effort to engage with investee companies but acknowledges that their influence may be more limited in some asset classes, such as cash and bonds, as they may not have voting rights.

The Trustee acknowledges that in the short term, these policies may not improve the returns it achieves, but do expect those companies with better financial and non-financial performance over the long term will lead to better returns for the Scheme.

The Trustee believes the annual fees paid to the fund managers incentivises them to execute their investment policies consistently, as the longer the units are held the larger the income to the investment manager.

If the Trustees feel that the fund managers are not assessing financial and non-financial performance or adequately engaging with the companies they are investing in, it will use these factors in deciding whether to retain or terminate a manager.

***How the method (and time horizon) of the evaluation of the asset manager's performance and the remuneration for asset management services are in line with the Trustee's policies***

The Trustee reviews the performance of each fund quarterly on a net of fees basis compared to its objective.

The Trustee assesses the performance periods of the individual funds over at least a 3-5 year period or over a market cycle, if appropriate, when looking to select or terminate a manager, unless there are reasons other than performance that need to be considered.

The fund managers' remuneration is a percentage of the assets held in each fund so the amount each manager receives is based upon the value of assets held with them. The remuneration paid out by the Scheme will depend upon the asset allocation. The charges are considered as part of the manager selection process. The charges are monitored regularly with the help of its investment consultant to ensure they are in line with the Trustee's policies for each fund. The Trustee believes that its and each fund manager's goals are aligned.

***How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they define and monitor targeted portfolio turnover or turnover range***

The Trustee monitors the portfolio turnover costs on an annual basis.

The Trustee defines target portfolio turnover as the average turnover of the portfolio expected in the type of strategy the manager has been appointed to manage. This is monitored on an annual basis.

The Trustee has delegated the responsibility of monitoring portfolio turnover costs and target portfolio turnover to their investment consultant.



***The duration of the arrangement with the asset manager***

The Trustee plans to hold each of its investments for the period which the Scheme expects to remain ongoing, but will keep this under review.

Changes in investment strategy or change in the view of the fund manager can lead to the duration of the arrangement being shorter than expected.

# Stewardship – Voting and Engagement

The Trustee is required to disclose the voting and engagement activity over the Scheme year, where applicable. The Trustee requested the Scheme's Investment Adviser to obtain voting and investment engagement information from the Investment Managers (LGIM and Blackrock) on the Scheme's behalf.

This statement provides a summary of the key information provided by the Investment Managers to the Investment Adviser in relation to the Scheme Year.

## VOTING AND ENGAGEMENT ACTIVITY

The Trustee's policy in relation to stewardship is set out on page 8 of the SIP.

As the Scheme's investments are exclusively in cash and bond funds, with no voting rights, there was no voting activity to report.

Should the Investment Strategy of the Scheme (and the SIP) be amended in the future to include an element of listed equities or other assets that carry voting rights and afford fund managers the opportunity to engage with investee companies, the Trustee will work with its Investment Adviser and Investment Managers in relation to providing information regarding voting and engagement activity in future implementation statements.

For completeness, as the Scheme's investments carry no voting rights, no "significant votes" have been identified or voted on over the course of the Scheme Year.

## MANAGER ENGAGEMENT INFORMATION

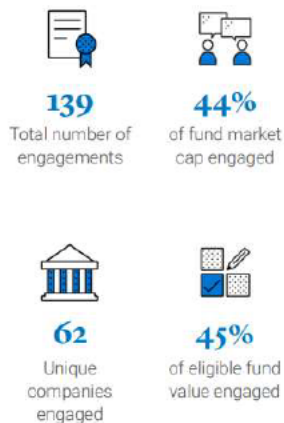
The Trustee believes that an important part of responsible oversight is for Investment Managers to engage with the senior management of investee companies on any perceived risks or shortcomings – both financial and non-financial – relating to the operation of the business, with a specific focus on ESG factors. As such, it expects the Scheme's Investment Managers to engage with investee companies where they have identified any such issues.

The engagement activity was requested from all of the Scheme's Investment Managers, where appropriate.

### LGIM

LGIM have provided the summary overleaf of the engagement activity for their Short-Dated Sterling Corporate Bond Index Fund.

## Engagement (12 month period)<sup>xi</sup>



### Number of engagements on:



### Top five engagement topics:



In relation to this fund, LGIM also provided the below summary of their key ESG metrics.

## Key ESG metrics

### Carbon footprint



**29.0**

Excluding  
sovereigns<sup>viii</sup>

Tonnes CO<sub>2</sub>e  
per \$1 million of  
EVI<sup>vi,vi</sup>

**6 month change** ▼ -47.61%  
**Eligibility<sup>v,vi,vii</sup>** 96.51%  
**Eligible Coverage<sup>xvi,vii</sup>** 74.46%  
**Total Coverage<sup>xvi,vii</sup>** 71.87%

### WACI



**62.4**

Excluding  
sovereigns<sup>viii</sup>

Tonnes CO<sub>2</sub>e  
per \$1 million  
revenue<sup>iv</sup>

Scope 1  
**41.4**

Scope 2  
**20.9**

**6 month change** ▼ -28.82%  
**Eligibility<sup>v,vi,vii</sup>** 96.51%  
**Eligible Coverage<sup>xvi,vii</sup>** 80.12%  
**Total Coverage<sup>xvi,vii</sup>** 77.33%

**29.8**

Including  
sovereigns<sup>viii</sup>

Tonnes CO<sub>2</sub>e  
per \$1 million of  
EVI<sup>vi,vi</sup>

**Eligibility<sup>v,vi,vii</sup>** 97.25%  
**Eligible Coverage<sup>xvi,vii</sup>** 74.65%  
**Total Coverage<sup>xvi,vii</sup>** 72.60%

**64.0**

Including  
sovereigns<sup>viii</sup>

Tonnes CO<sub>2</sub>e  
per \$1 million  
revenue<sup>iv</sup>

**Eligibility<sup>v,vi,vii</sup>** 97.25%  
**Eligible Coverage<sup>xvi,vii</sup>** 80.27%  
**Total Coverage<sup>xvi,vii</sup>** 78.06%

### Implied temperature alignment<sup>xii</sup>

**2.5°C**



- Over 3°C
- 2 to 3°C
- 1.5 to 2°C
- Under 1.5°C

Number of instruments: 254  
Total fund coverage: 74.23%

### SBTi Coverage



**37.1%**

Percentage of fund  
engaged in the Science  
Based Targets initiative

### Climate engagements



**32.3%**

Percentage of fund  
engaged where 'Climate  
Theme' was mentioned (74  
engagements)

### Carbon reserves



**994.8**

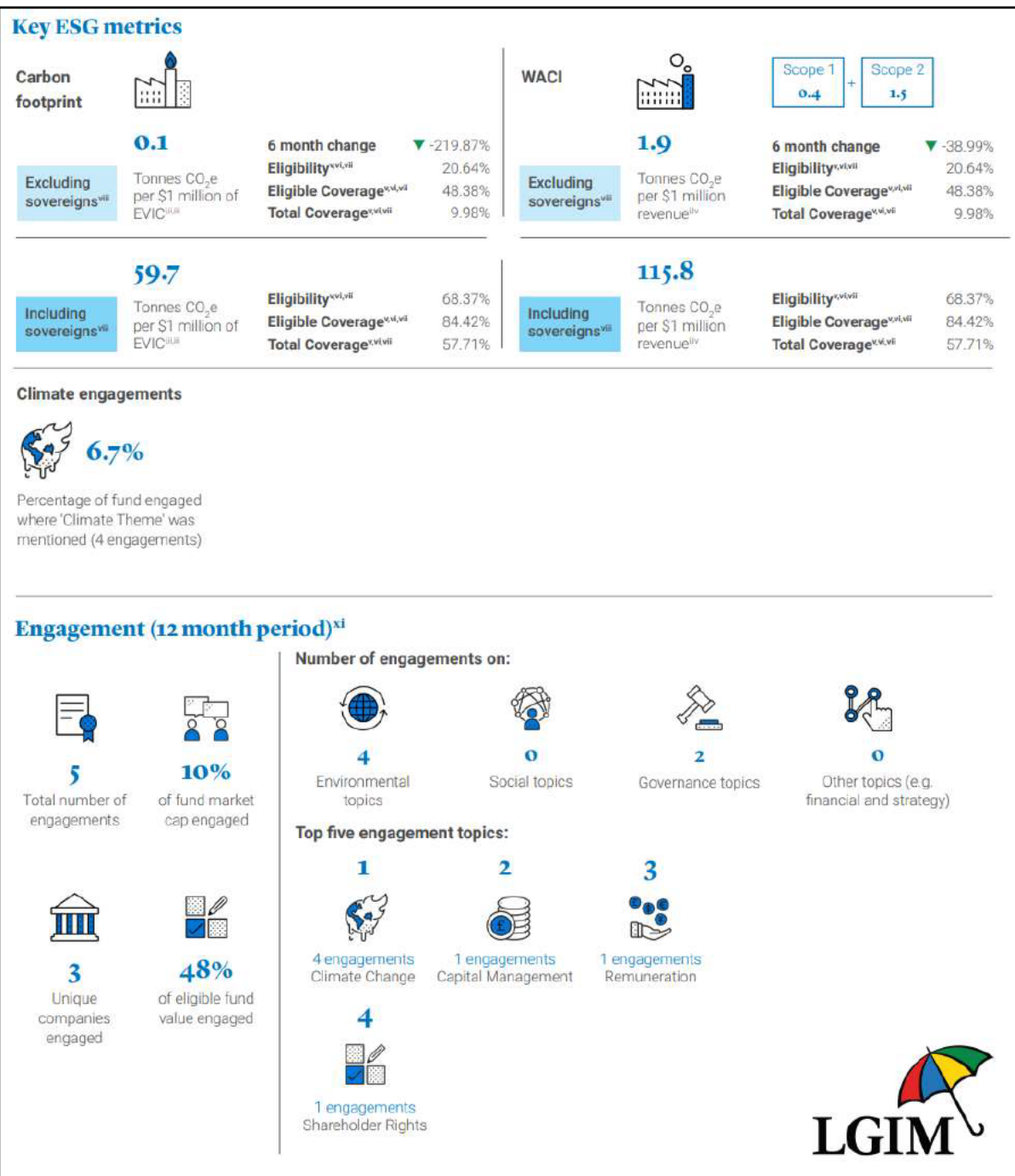
Tonnes CO<sub>2</sub>e per \$1  
million of EVI<sup>ix</sup>

### Green revenues<sup>x</sup>



**2.4%**

Although the LGIM Cash Fund will have limited potential for engagement activity, or ESG activity, LGIM still provided similar summaries for said fund, as detailed overleaf.



### Blackrock

Blackrock were unable to provide fund level engagement information in respect of the Sterling Corporate Bond 1-5 years Fund. However Blackrock did provide the Investment Adviser with an asset-level report, in respect of their Sterling Fixed Income funds.

In Q1 2022, the Blackrock Investment Stewardship ("BIS") team held more than 806 engagements with more than 719 unique companies across 43 markets. The BIS team also voted at more than 2,600 meetings in relation to over 22,000 management and shareholder proposals. Blackrock also states that as of 31 May 2022 they managed over \$37 billion on behalf of clients in green bonds.

Blackrock have produced a set of Global Principles, which set out the core elements of corporate governance that guide their investment stewardship activities globally. The Global Principles were

updated for 2022 to include climate risk, board diversity, sustainability reporting, ESG in executive compensation and changes to corporate form.

Blackrock have provided two examples of engagement with corporates (i.e. Barclays Plc and Shell Plc), in relation to votes supporting the efforts of both companies to manage their climate-related risks and opportunities. The report provided states that Blackrock is an active participant in the capital markets, but specific examples in relation to the Sterling Corporate Bond 1-5 years Fund were not available.

## OUTSTANDING INFORMATION

This section sets out the status of outstanding information the Investment Adviser has requested.

While Blackrock provided information at an asset class level, they did not have data at the fund level. The Investment Adviser has encouraged the Investment Manager to produce fund level reports in the future.

## CONCLUSION

As the Scheme's investments are exclusively in cash and bond funds, with no voting rights, there was no voting activity to report. For completeness, as a result, no "significant votes" have been identified or voted on over the course of the Scheme Year.

LGIM were able to provide fund specific summaries in relation to engagement and ESG metrics, for both the cash and bond funds. The engagement in relation to the LGIM Cash Fund was understandably low, given the nature of the fund. In relation to the Bond Fund, the LGIM summary indicates that engagement focused heavily on ESG issues, with climate change being the most significant engagement topic.

While the nature of the Scheme's portfolio does not lend itself to high levels of voting and engagement activity, the Trustee will continue to review the information provided. As this is the first year any engagement information has been provided, it is difficult to critically analyse how effective the Investment Managers have been with their engagement.

The Scheme's Investment Adviser will seek any outstanding information and will agree a way forward on any actions identified with the Trustee should this information become available.

# Review and Changes to the SIP during the Scheme Year

The Scheme did not have a SIP in place prior to September 2020. The SIP that applied over the Scheme Year, which was dated 30 September 2020, can be found [here](#).

The Trustee prepared and signed the SIP in September 2020, complying with all the legislative requirements including the requirements on clarifying and strengthening trustee duties that came into force on 1 October 2019, as well as other changes that came into force on 1 October 2020. The Scheme's assets, excluding the inappropriate assets, were invested in line with the SIP in January 2021.

The SIP sets out the Trustee's policies relating to:

- Investment strategy;
- Types of investment;
- Balance between different types of investment;
- Expected return on investments; Realisation of investments; and
- Risks.

Full details of these policies can be viewed in the SIP (linked above).

In order to comply with the requirements on clarifying and strengthening trustee duties (that came into force on 1 October 2019), the Trustee also set out the following in the SIP:

- how they take account of financially material considerations over the appropriate time horizon of the investments, including those arising from ESG considerations, including climate change;
- their policies in relation to the stewardship of the investments, including engagement with investee firms and the exercise of the voting rights associated with the investment, where applicable; and
- The Trustee decided not to set a policy for non-financial matters in the selection, retention and realisation of investments. Whilst the Trustee believes it looks out for the best interests of the members, they have not yet explicitly taken into account the member views on ESG or ethical views due to the particular circumstances of the Scheme.

In order to comply with the requirements on investment manager arrangements as well as policies on engagement and stewardship (that came into force on 1 October 2020), the Trustee set out the following in the SIP:

- Arrangements with any asset manager, including incentives, remuneration, performance evaluation, portfolio turnover and duration of the arrangement.
- How they monitor the investee company on capital structure and how they manage actual and potential conflicts of interest in relation to their engagement.
- The Trustee also set out how they would monitor financially material considerations.

The Trustee remains of the view that that all of the above policies will help deliver long-term value for all members.

#### REVIEW AND CHANGES TO THE INVESTMENT STRATEGY

During the Scheme Year, in response to the impact of the Covid-19 pandemic, disruptions to supply chains and inflationary pressures, and the consequent volatility in the financial markets, the Trustee sought the advice of the Investment Adviser to confirm the suitability of the SIP and associated investment strategy.

The primary aim of the investment strategy was to avoid default risk whilst achieving a return above that available on cash. The strategy was created for a benign economic environment, with relatively stable inflation and interest rates.

Given the higher-than-expected volatility in the market, the Trustee (with the advice of the investment advisor) decided to reduce the exposure of the Scheme to the current corporate bond funds and increase the proportion of funds invested in cash, based on the Scheme's expected time to wind-up. The timescale for the winding-up of the Scheme is uncertain, but the wind-up will begin after a successful application to the Fraud Compensation Fund ("FCF") has resulted in compensation being paid to the Scheme.

Given the estimate that the Scheme was two years from a possible wind-up, the Scheme's exposure to corporate bonds was reduced and the proportion of funds held in cash increased.

This amendment to the strategy was agreed by the Trustee, further to the advice of AIS, and implemented by Mobius. The SIP has been updated to reflect the amendment to the strategy and can be found via the link above.



# Compliance with SIP during the Scheme Year

The Trustee is of the opinion that the SIP has been followed over the Scheme Year. The actions taken over the year in compliance with the SIP are as follows:

- The Trustee has monitored the investments via regular reviews with the Investment Adviser to ensure that this objective is being met. This includes areas such as manager performance, fees and costs, as well as overall governance costs. Mobius also provide quarterly reports that have been reviewed by the Trustee and the Investment Adviser going forward.
- The ongoing monitoring of the investments identified that the volatility in the financial markets – due to the pandemic, supply chain disruptions and inflationary pressures – required an amendment to the strategy to help reduce the volatility in the Scheme’s portfolio. The Trustee sought appropriate advice from the Investment Adviser and decided to reduce risk by increasing the proportion of cash held in the portfolio. This action was taken in accordance with the objectives of the SIP and a consequence of the ongoing monitoring performed by the Trustee and Investment Adviser.
- Prior to investing the Scheme’s funds in January 2021, the Trustees engaged with the Investment Adviser at length and obtained advice as to the most appropriate funds and Investment Fund Managers to best implement the Investment Strategy. The Investment Adviser considered the performance of various funds and fund managers, including the costs of the funds, the fund managers’ philosophy, the underlying assets of the funds, before recommending the chosen Investment Managers. The managers were also selected as they are UN PRI signatories. The Trustee is of the opinion that the manager selection exercise satisfied the requirements of the SIP and the conclusions remain appropriate following subsequent reviews with the Investment Adviser during the Scheme Year.
- Implemented the Investment Strategy in line with the Scheme’s SIP and the advice of the Investment Adviser. The primary objective of the investment Strategy is to provide a reasonable, stable investment portfolio, that targets some return over cash whilst protecting against further capital loss. Investing in the funds detailed above was in line with this objective and also ensured that the Investment Strategy of the Scheme is consistent with relevant legislation/regulations, the Scheme’s Trust Deed and Rules and best practice. The requirement to include diversification in the portfolio was also satisfied by the implementation.
- The Scheme’s Investment Adviser has been able to obtain engagement and ESG information from the Investment Managers, which has enabled the Trustee to consider and review these requirements in line with the SIP. While the information provided is limited by the nature of the Scheme’s fund portfolio, the Trustee is of the opinion that the requirements of the SIP in relation to voting, engagement and ESG have been met.



# Conclusion

The Trustee is of the view that the Scheme's SIP has been followed during the Scheme year.

As identified in this Statement, the Trustee implemented an amendment to the investment strategy in response to the volatility in the financial markets over the course of the Scheme Year. The SIP has been amended to reflect this agreed change in approach.

With the input of the Investment Adviser, the Trustee will continue to review the Scheme's Investments on a quarterly basis and take action should the Investment Objectives and other SIP policies not be met.

## **Appendix 3**

# **Binnian Cedar Retirement Benefits Scheme**

## **Annual Governance Statement**

By the Chair of Trustees for the  
Scheme Year Ending 30 June 2022



**Dalriada.**  
A better way

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Signatory of:



Principles for  
Responsible  
Investment



# 1 Introduction and Background

This statement has been prepared in accordance with regulation 23 the Occupational Pension Scheme (Scheme Administration) Regulations 1996, as amended (the "Administration Regulations"), and having taken account of the related guidance from The Pensions Regulator ("TPR"), most recently updated in March 2022, when considering the various aspects of the operation of the Scheme on which we are required to report to members.

It relates to the Binnian Cedar Retirement Benefits Scheme ("the Scheme") and covers the period from 1 July 2021 to 30 June 2022.

This statement will be published on a website made available to members.

Consideration has also been given to TPR's 'A quick guide to the chair's statement' and to the Department for Work and Pensions guide on 'Reporting of costs, charges and other information', both published in September 2018.

Matters in relation to the Scheme are considered by a dedicated committee of the Dalriada Trustees Limited ("Dalriada") Board, which meets at least four times a year. However, issues are also considered on an ad hoc basis between committee meetings. The Scheme has a dedicated client manager, alongside a project manager, who ensures anything requiring attention by the committee is communicated, and acted upon, in a timely manner.

Dalriada was appointed as trustee to the Scheme (and other schemes, collectively known as "the Milton Schemes") by TPR amid concerns as to how the Scheme was being managed and, also that it may have been used as a vehicle for pension liberation. This has presented Dalriada with a number of challenges around governance. Nevertheless, this statement is a legal requirement and, as such, can serve as a useful reminder of the issues faced by Dalriada. Where it cannot meet certain governance obligations, I have explained why that is the case.

Whilst the previous trustees were not removed by TPR, Dalriada was appointed with exclusive powers, to the exclusion of all other trustees. Therefore, Dalriada is effectively the sole trustee of the Scheme. The previous trustees were also prohibited from acting as pension scheme trustees from 23 August 2017 and have had no involvement in running the Scheme since our appointment. The company linked to the administration of the Scheme was dissolved following being subject to a winding up order.

As members will recall the Milton Schemes invested £7,700,000 in a company called Advalorem Value Asset Fund Limited ("Advalorem"), the majority of which was used to purchase land at a grossly inflated price. A further £1.1m was invested into Swan Holding PCC Limited ("Swan") which is a company based in the Isle of Man.

In relation to Advalorem, the Financial Services Commission in Gibraltar appointed Adrian Hyde, formerly of Chantrey Vellacott (a firm of Chartered Accountants) and now of CVR Global ("CVR") (a firm of insolvency practitioners), as administrator of Advalorem. Of the money invested by the Milton Schemes, £6,600,000 was used to buy land in Scotland that was worth significantly less than the amount paid. 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.

Legal action was taken by CVR and as a result of this action a settlement of £1,860,000 was recovered to the Milton Schemes.

Dalriada continues to liaise with CVR regarding further possible recoveries that might be made through the liquidation. As a result of further legal action taken by CVR (now called BTG Global Advisory) we have been informed that a dividend payment is expected to be made to creditors, albeit the timing is still unclear. Beyond this expected dividend, Dalriada does not anticipate substantial further sums being recovered to the Scheme from the liquidation.

In relation to Swan, the Milton Schemes hold shares in this entity. Dalriada explored avenues to recover these funds, however following the receipt of legal advice and the lack of clarity as to Swan's asset position, the Trustee took the decision on a cost/benefit analysis that the risks of any potential legal proceedings against Swan outweighed the potential for returns. As such, the Trustee does not envisage making any recoveries in respect of the investment.

The latest Announcement issued in April 2022 set out the steps that we are continuing to take to recover members' funds, and provides information on the limited recoveries that have been made thus far. However Dalriada's focus will ultimately be on the pursuit of further recovery of funds by way of a claim on the Fraud Compensation Fund ("FCF").

As reported in our earlier announcement to members in November 2020, there was a significant Court decision that determined pension schemes like the Scheme were able to make claims on the FCF. Dalriada has since been working with the Pension Protection Fund ("PPF"), who manage the FCF. While a formal application has not been made in respect of the Scheme, Dalriada has submitted initial evidence to the FCF and we expect the formal application for compensation to be lodged in the next Scheme year (i.e. in the year to 30 June 2023).

The FCF is a fund of 'last resort' and Dalriada will need to determine with the PPF at what point this test is met, to the extent that we continue to pursue recovery of assets. Last resort means that the FCF will need to be satisfied that no further recoveries can be made, or else, that the costs and/or time likely to be incurred pursuing any recovery would outweigh any potential return.

We will look to ensure that we have provided all the necessary information to the FCF and responded to any queries as far as we can such that, when it is possible to progress any claim, this can be done as quickly and efficiently as possible.

Dalriada will keep members informed of any progress by way of further Announcements.

## **Default arrangement**

A number of requirements of the Administration Regulations relate only to a "default arrangement" as defined in the Occupational Pension Schemes (Charges and Governance) Regulations 2015.

The Scheme does not have a default fund for ongoing accrual. It is not a qualifying scheme within the meaning given by section 99 of the Pensions Act 2008. The Scheme is not used to meet any auto-enrolment obligations and no contributions are being paid into the Scheme. The Scheme's assets are made up solely by way of member transfer payments into the Scheme.

The Scheme did not, and does not, offer a Default Lifestyle Strategy and did not offer members any choice as to how their funds were invested.

As mentioned above, the Scheme invested in a number of unusual, unregulated, high risk and largely illiquid investments that are difficult to value. As such, in Dalriada's view, there has never been an appropriate default investment arrangement for the Scheme.

As set out in the Announcements there has been some limited recovery of Scheme assets. Dalriada has taken appropriate and professional investment advice and put in place a suitable investment strategy which reflects Dalriada's intention to wind up the Scheme as soon as it is able, giving members the opportunity to transfer any remaining funds to a more suitable pension arrangement.

This Chair's Statement, and other information, is published on a dedicated Scheme website. However, as the value of future recoveries (via the FCF or otherwise) remain uncertain, we cannot produce meaningful annual benefit statements for the Scheme members. We are therefore unable to comply with the requirement to notify members in an Annual Benefit Statement that the relevant parts of the Chair's Statement have been published on the website.

The purported investments made by the previous trustee(s) were not made acting upon the recommendation of any appropriately qualified advisor.

## **Statement of Investment Principles ("SIP")**

Ordinarily, trustees should prepare a SIP to govern decisions about investments. This is a requirement for schemes with 100 members or more.

As laid out above, where some assets have been recovered Dalriada has taken appropriate and professional investment advice to determine a suitable investment strategy, and has in place a SIP to reflect that strategy. The SIP was updated in October 2022 and will be reviewed by Dalriada every three years. Such a strategy reflects Dalriada's intention to wind-up the Scheme as soon as it is possible, giving members the opportunity to transfer any remaining funds to a more suitable arrangement.

As the unrealised investments are unconventional and predominantly unregulated, they do not comply with any maximum charge requirements. Dalriada is working to realise investments where it is appropriate and possible to do so.

A statement, known as an Implementation Statement, should be completed for schemes with 100 members or more and where there is a SIP in place. The Implementation Statement sets out key information in relation to the investments made by the Scheme and their management, includes details on how the Trustee has carried out the principles contained in the Scheme's SIP and reports on any changes made to the SIP during the financial year.

In previous financial years, it had not been possible to incorporate a legislatively compliant Implementation Statement for the Scheme, which was a breach of the Regulations and was duly notified to TPR. The Trustee has now rectified this and produced an Implementation Statement for the financial year ending 30 June 2022.

Copies of the Scheme's Report and Accounts, SIP and accompanying Implementation Statement are published on the members' website. The Scheme's Report and Accounts include the latest Chair Statement. Dalriada has also produced annual Trustees' Reports and Financial Statements which are also published on the members' website.

## **Review of default strategy and default arrangements**

There is no default investment arrangement or default investment strategy in place for the Scheme at the current time. As such, there has been no review of the default arrangement or default strategy in the year in question and no previous review for which a date can be given.

## **Core Financial Transactions**

Trustees have a specific duty to ensure that core financial transactions relating to DC schemes are processed promptly and accurately. These include the following:

- investing contributions in the scheme
- transferring assets related to members into or out of the scheme
- transferring the assets between different investments within the scheme
- making payments from the scheme to or on behalf of the members.

The Scheme does not currently accept contributions or transfers in and is unable to pay any level of benefit, including transfers values, to members at the present time.

This is due to a number of factors, not least uncertainty, to date, as to the value of any future recoveries, and the position with regard to potential tax charges which may be levied against the Scheme should it be deemed that any unauthorised payments to members occurred. More information on the investments has been provided in Dalriada's Announcements to members.

The financial transactions the Scheme does make are, in the main, in relation to costs.

Unsurprisingly, Dalriada has been unable to carry out routine administrative actions for the Scheme over the reporting period. Therefore, there have been no material administration service issues which need to be reported here.

Notwithstanding this, Dalriada, as a professional independent trustee, has processes and controls in place that are suitably designed to ensure any service objectives can be achieved once the Scheme is in a position to operate in the manner of a normal scheme. Dalriada's administrations processes are independently audited and accredited under AAF 01/06 and AAF 02/07.

Once Dalriada is in a position to process member benefit requests these will be managed and monitored in line with Dalriada's standard SLA levels and targets and formally reported on, on a quarterly basis.

In addition, acknowledging that we need accurate member data for the processing of member benefits, Dalriada will carry out an analysis of 'common data' and 'scheme specific data' (as defined by TPR). This helps us to ensure the integrity of member data that is processed.

We perform monthly bank account reconciliations for all the schemes to which Dalriada is appointed. The purpose of these reconciliations is to ensure that all transactions processed through the bank accounts (money in and out) can be accounted for. Any transactions which cannot be accounted for are investigated and corrected if required.

## **Charges and Transaction Costs**

The governance rules require trustees to make an assessment of investment management charges and transactions costs borne by the scheme members and the extent to which those charges and costs represent good value for money for members.

The investment management charges incurred by the regularised scheme investments are as follows:



Name	Fund Manager Charge	Additional Expenses	Mobius Life	Effective total annual fund charge
L&G Cash	0.05%	0.00%	0.04%	0.09%
L&G Short Dated Sterling Corporate Bond	0.14%	0.00%	0.04%	0.18%
BlackRock Sterling Corporate Bond 1-5 years	0.06%	0.015%	0.04%	0.115%

The Trustee has calculated the other charges and, so far as they were able to do so, the transaction costs, borne by Scheme members for the Scheme Year.

In this context, "charges" means (subject to some specific exceptions, such as charges relating to pension sharing orders) all administration charges other than transaction costs. "Transaction costs" are costs incurred as a result of the buying, selling, lending or borrowing of investments.

Dalriada has deviated from the approach set out in the statutory guidance for the reasons set out below.

In the period covered by this Chair's statement no payments into the Scheme have been accepted, either by way of contribution or transfers-in, that would have resulted in transaction costs. During the period there was a disinvestment of £50,000 made to the Scheme bank account from the regularised Scheme investments held with Mobius Life Limited. This disinvestment resulted in a transaction cost of £625.65. There have been no other transaction costs over the period.

Under the terms of its appointment, the fees of Dalriada and its advisers fall as a debt due from the employer. However, this company was dissolved in 2016 and so there will be no assets to meet costs. In this situation, the terms of appointment set out that costs (or "charges") should be met from Scheme funds.

Due to the mismanagement of the Scheme by its previous trustees and the subsequent actions taken by Dalriada since appointment, it is inevitable that the Scheme has incurred, and will continue to incur, significantly higher ongoing costs than would be the case for a similarly sized but conventional scheme.

Dalriada assumed trusteeship of the Scheme via a bulk appointment by TPR, when Dalriada was also appointed to three other schemes. All schemes shared (and continue to share) similar characteristics, such as the previous trustees, administration records and, on occasions, investments. Where work is carried out that has a mutual benefit to all schemes collectively, the costs will be shared across all schemes. If one or more of the schemes has no assets, the costs will be met by the other schemes.

The costs for the year ending 30 June 2022 (including trustee fees and legal and other professional fees) are set in the Report and Accounts and total: £44,191 (incl. VAT).

Dalriada has set out in its various Announcements to members the actions it has taken to realise, where possible, the investments made by the previous trustees. Generally, actions undertaken by Dalriada, beyond those considered necessary for the appropriate management of the Scheme, have been centred on legal advice and action around the realisation/recovery of funds.

Dalriada will continue to confirm to members the amount of costs incurred in subsequent Chair Statements. In addition, a full set of Report and Accounts has been prepared which have been audited by an independent auditor, which includes an audit of any core financial transactions that have taken place.

## **“Good value” assessment of charges and transactions**

Generally, trustees should assess the extent to which the charges described above represent “good value” for members during the scheme year, by considering the level of member borne charges against the benefits attributable to such charges.

Whether something represents good value is not capable of being precisely defined. However, for these purposes, trustees should consider that charges may be viewed as representing good value for members where an optimum combination of cost and quality is achieved for the whole membership, relative to other options available in the market.

The characteristics of the Scheme are unusual and there are no readily available comparators to determine whether the costs incurred represent good value.

However, the actions undertaken by Dalriada, beyond those considered necessary for the appropriate management of the Scheme, are centred on action around recovery of funds. Such actions are considered on a cost-benefit analysis. Where necessary, Court approval would be sought for the use of Scheme funds to pay for any legal action.

Dalriada was appointed following a tender exercise by TPR and is subject to ongoing oversight by TPR.

Dalriada’s costs (both for ongoing management and regarding action around recovery of funds) are calculated using a blended charging rate. This rate sits well below Dalriada’s standard market rates for senior staff. The trustee’s legal advisers operate on a similar basis, albeit on a different charging rate.

As commented above, Dalriada, as a professional independent trustee, has processes and controls in place that are suitably designed to ensure any service objectives can be achieved once the Scheme is in a position to operate in the manner of a normal scheme. Dalriada’s administration processes are independently audited and accredited under AAF 01/06 and AAF 02/07.

Once Dalriada is in a position to process member benefit requests these will be managed and monitored in line with Dalriada’s standard SLA levels and targets, and formally reported on, on a quarterly basis.

Dalriada is working with the PPF to submit a claim on the FCF on behalf of the Scheme. A successful FCF claim represents the best possible chance for members to see some element of recovery of their benefits under the Scheme. The Scheme will need to meet the eligibility criteria for FCF compensation and submission of a claim, in and of itself, does not mean that compensation will be paid to the Scheme.

Dalriada is required to advise members of the cumulative effect over time of the application of charges and costs on the value of a member’s accrued rights to money purchase benefits. However, due to the nature of Dalriada’s appointment and the uncertainty as to both Dalriada’s and its adviser’s fees, as well as the value of the Scheme’s investments and how these should then be attributed to the members, this is not possible to do at this time.

In the event of a successful claim on the FCF, the costs incurred by Dalriada attributable directly or indirectly to dealing with the act(s) of dishonesty giving rise to the claim can be compensated for as part of the claim. Dalriada would expect a significant proportion of the costs incurred by the Scheme to date to be compensated. Consequently, it is impossible at this time to provide a meaningful illustration of the cumulative effect over time of the relevant costs and charges on the value of the members’ benefits until the level of FCF compensation for costs incurred is known.

When Dalriada is in a position to do so, it will advise members of the cumulative effect over time of the relevant costs and charges on the value of the members' benefits.

Given the nature of the Scheme and the fact that Dalriada was appointed as Trustee with exclusive powers given TPR's concerns about the misuse and misappropriation of Scheme funds, and those concerns having been well founded, the Scheme could not and cannot provide good value to members.

Once the FCF claims process is complete, Dalriada will wind up the Scheme and secure members benefits with an alternative registered pension provider, to the extent it is possible to do so.

## 2 Trustee knowledge and understanding

The Trustee has considered the latest guidance in relation to Chairman's Statements from TPR and has ensured that its practices reflect the requirements set out. I have set out below how the Trustee ensures it currently meets the knowledge and understanding requirements of trustees.

### ***DALRIADA TRUSTEES LIMITED ("DALRIADA")***

Dalriada is an independent professional trustee, established in 2003, which has been appointed by TPR under section 7 of the Pensions Act 1995 to a significant number of schemes. These appointments have been as a result of TPR having concerns about the nature and operation of the schemes and the extent to which the then trustees understood their statutory and fiduciary duties and responsibilities. Dalriada refers to such schemes as "Regulatory Appointments". The Scheme is a Regulatory Appointment.

Dalriada has established a specialist team drawn, from various relevant disciplines within Dalriada to manage the governance of these Regulatory Appointments, which we have called the Irregular Schemes Team.

A dedicated committee – the Irregular Schemes Committee ("the Committee") – has been established by the Board of Directors of Dalriada to oversee the activities of the Irregular Schemes Team in its governance of this Scheme and other Regulatory Appointments. Care has been taken to ensure that the membership of the Committee is such that there is sufficient knowledge and understanding to meet the requirements set out in sections 247 and 248 of the Pensions Act 2004 and TPR's Code of Practice 7 on Trustee Knowledge and Understanding.

I have set out below the membership of the Committee, along with a short summary of their skill set and experience. In addition, it is worth noting that three members of the Committee are directors of Dalriada.

Dalriada operates a team-based approach, which gives the Irregular Schemes Team access to over 120 pensions and support personnel, with a broad skill set suited to identifying and implementing the variety of tasks required to successfully manage the schemes. This includes pension administration experts, an in-house legal team, fund accountants and investment experts. Whilst the core Irregular Schemes Team deals with the majority of matters arising on the Scheme on a day-to-day basis (in conjunction with its appointed advisers), it can access the specialist expertise of the wider Dalriada team as and when required.

As far as we are aware, no other professional independent trustee firm has established and developed a specialist team in this difficult and challenging area of trusteeship. The relevant experience developed by the Irregular Schemes Team on such cases is unmatched and unrivalled.

### ***THE COMMITTEE***

#### **Sean Browes**

Sean has been working in the pensions industry since he graduated in 1988. He worked for two major benefit consultancies in both administration management and consultancy roles, before joining Dalriada in 2003. Sean has a broad range of skills and experience suited to all areas of pension scheme management.

Sean leads the Irregular Schemes Team, dealing with Dalriada's appointments by TPR to schemes suspected of being involved in pension liberation or thought to be scams. He now has a wealth of experience and knowledge with regard to the unique characteristics associated with the administration and management of these types of scheme and the challenges they present.

Sean is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Certificate in DC Governance and Award in Pension Trusteeship (DC and DB). Sean has met all required CPD requirements.

## **Neil Copeland**

Neil is a co-founder of Dalriada and acts as an Accredited Professional Trustee on some of our most complex and challenging cases, including our Regulatory Appointments. Neil specialises in schemes with technically challenging governance and covenant issues, as well as having over 32 years of experience in relation to defined benefit, hybrid, defined contribution, multi-employer and sectionalised arrangements.

Neil spends a significant proportion of his time working on Regulatory Appointments. Like Sean, Neil has developed considerable experience of the complex and non-standard issues faced by the Dalriada team in managing the Regulatory Appointments. This has included acting as a witness in high profile litigation in relation to Regulatory Appointments in support of TPR and representing Dalriada in oral hearings before the Determinations Panel, where Dalriada's appointment by TPR has been challenged by the incumbent trustees or other directly affected parties.

Neil is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship (DC and DB). Neil has met all required CPD requirements.

## **Tom Lukic**

Tom is a director of Dalriada and leads the Dalriada business across the Midlands. He has broad pensions experience with particular expertise in employer covenant and corporate transactions. He has worked with a range of trustee boards managing scheme assets from c.£5 million to more than £1 billion. Similarly, he is experienced in working with a broad spectrum of sponsoring employers from small, owner-managed businesses through to much larger and complex groups, being either privately owned or fully listed.

Tom's experience, both as an adviser and as an Accredited Professional Trustee, provides particular insight into corporate structures and insolvencies. Where the investments of Regulatory Appointments include shares and/or bonds in, or issued by, corporate entities, an understanding of the accounting and financial structures of these entities is essential and Tom provides a wealth of experience in this area.

Tom is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship (DC and DB). Tom has met all required CPD requirements.

## **Brian Spence**

Brian is a co-founder and director of Dalriada. He is now involved in the provision of a wide range of advice to pension scheme sponsors and trustees. Brian is well-known in the pensions industry for taking a strategic view in dealing with pension scheme matters and uses his experience to deliver practical solutions which satisfy the needs of trustees, employers and other stakeholders. Brian is recognised by TPR and the pensions industry as an expert in dealing with contentious and/or complex issues. He is a lead contact and "key person" for a number of high-profile trustee appointments.

In addition, Brian has practical experience of working as a Professional Trustee in all three major legal jurisdictions of the UK and as a Professional Trustee and advisor in Ireland. Brian has held a UK Scheme Actuary Practising Certificate since inception of the role in 1997.

Brian has an in-depth knowledge of legal processes, particularly around testing points of legal principle related to the operation of pension schemes, often as a result of deficiencies in scheme documentation (a common issue with Regulatory Appointments). He also has experience in litigation involving pension

schemes – where it is cost effective to do so, Dalriada will look to take legal action against the perpetrators of a scam with the aim to recover misappropriated assets.

Brian is a fully accredited member of the Association of Professional Pension Trustees, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship (DC and DB). Brian has met all required CPD requirements.

## **Amanda Banister**

Amanda is a professional trustee with a wealth of experience in the pensions industry. Before joining Dalriada, Amanda was a pensions partner in a global law firm. She also spent three years in-house at the Pension Protection Fund in its early years, shaping its legal approach and gaining wide experience in pensions policy and insolvency/restructuring. After leaving, she continued to advise the PPF on some of its highest profile and most complex matters.

Amanda's experience of working with and advising the PPF is a valuable asset to the Committee, as is her significant experience of contentious pensions issues, including Pensions Ombudsman disputes. Amanda also has a strong governance and risk management skillset, with an ability to solve testing problems, which are strongly aligned with the work of the Committee and Regulatory Appointments in general.

Amanda is a qualified solicitor, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship. Amanda has met all required CPD requirements.



### 3 Knowledge of the trust deed and rules

#### **All documents setting out the trustee's current policies**

The Scheme has a dedicated client manager who has an in-depth knowledge of the Scheme and its governing documentation.

At the point of becoming Independent Trustee to the Scheme, a prescribed take-on process was followed. This included an assimilation and review of all the relevant Scheme documentation, including the trust deed and rules. The Committee is made aware of any issues or risks in relation to the Scheme's trust deed and rules as and when they arise, with appropriate action agreed in relation to the issue or risk identified. In addition to the knowledge held by the client manager and Irregular Schemes Team, the Trustee obtains legal advice in relation to the Scheme's documentation, where necessary.

There have been no new trustees introduced in this reporting period. However, there is an appropriate induction process in place to support new trustees.

#### ***A working knowledge of the current Statement of Investment Principles***

As above, the Scheme has a dedicated client manager who has an in-depth knowledge of the Scheme and its governing documentation. The Committee is made aware of any issues or risks in relation to the Scheme's SIP as and when they arise, with appropriate action agreed in relation to the issue or risk identified. In addition to the knowledge held by the client manager and lead Professional Trustee, the trustees obtain independent expert advice in relation to the Scheme's documentation, where necessary.

There have been no new trustees introduced in this reporting period (there is an appropriate induction process in place to support the addition of new trustees).

#### ***Sufficient knowledge and understanding of the law relating to pensions and trusts and understanding of the principles relating to the funding and investment of occupational schemes***

Those Dalriada staff working on the Scheme are obliged to self-evaluate their learning and development requirements on an annual basis as part of Dalriada's internal employee review process. The process identifies how staff can develop their knowledge and understanding, as well as where they can share their expertise in order to best support the Scheme. Dalriada staff are also required to comply with their respective training requirements in order to maintain a required level of continuing professional education ("CPE") and to provide evidence of courses, seminars and other types of professional development to satisfy their respective professional bodies' CPE requirements.

Every Professional Trustee is required to undertake a minimum number of hours training each year. This is recorded centrally by Dalriada's Human Resources Team and, where appropriate, forms part of staff personal development plans. This training can include internal and external courses and attendance at industry events, as well as a degree of self-learning by way of subscriptions to professional publications and electronic information channels.

Further, every Professional Trustee is required to complete TPR's Trustee Toolkit and subscribes to the updates issued by TPR.

Professional Trustees belong to Dalriada's knowledge management network which keeps them up to date with industry thinking. The trustees have access to Pendragon Perspective and Aries - both industry-leading tools, giving access to pension legislation. They also have access to a team of in-house pensions experts who inform the team about changes to pensions legislation and practices.

Dalriada has its own in-house legal specialists to provide support and guidance to trustees around legislation and interpretation of scheme documentation. This is further aided by advice from external legal advisers, which is obtained when the Trustee feels this reinforcement is necessary to support their own understanding.

***Combined knowledge and understanding, together with available advice enables the trustees to properly exercise their function***

Dalriada has informally assessed the skill set and experience of each member of the Committee and the client team. It has taken into account the development activities already mentioned, along with the internal resources made available to staff, supplemented, where required, by professional external advice.

The Committee understands the need to more formally assess the skills of its members. This is done using a skills matrix developed for this purpose. Any areas for development flagged during this process will be addressed as part of the individual's personal development plan and reviewed throughout the year.

An evaluation of the effectiveness of the Committee as a whole is also carried out.

I consider that the combined knowledge and understanding of the Committee and the client team enables them to exercise properly their function as trustee of the Scheme. In particular:

- Members of the Committee have the relevant financial knowledge and experience to enable the Trustee to comply with its duties in relation to investment of the Scheme's assets. Tom Lukic's experience (see above) is particularly advantageous in this area.
- There is a vast range of pensions experience and knowledge within the Committee and the client team. This is appropriate to deal with the governance of the Scheme in line with the trust deed and rules, along with other scheme documentation. There is also a great deal of experience relevant to dealing with issues which might be thrown up by the Scheme which require the amendment of scheme documentation.
- Sean Browes, Neil Copeland and Brian Spence have a great deal of knowledge and experience in relation to schemes of complex nature, such as this Scheme. This includes schemes where investments made by previous trustees are deemed to be highly inappropriate, their administration has been poor and / or the previous trustees have not had the sufficient knowledge and understanding to be trustees of an occupational pension scheme.
- Sean Browes and Neil Copeland have many years of experience in the administration of pension schemes, allowing a keen oversight of the administration of the Scheme.

**Member Representation**

Dalriada seeks to keep members informed and to facilitate direct access for members to Dalriada by means of a:

- Dedicated member website;
- Dedicated contact e-mail address; and
- Dedicated phone line.

Agreed as final version by the Chair of the  
Trustee of the Binnian Cedar Retirement  
Benefits Scheme

Dated: 25 January 2023



# Dalriada. A better way

## **Belfast**

Linen Loft  
27-37 Adelaide Street  
Belfast  
BT2 8FE

## **Birmingham**

Edmund House  
12-22 Newhall Street  
Birmingham  
B3 3AS

## **Bristol**

Castlemead  
Lower Castle Street  
Bristol  
BS1 3AG

## **Glasgow**

The Culzean Building  
36 Renfield Street  
Glasgow  
G2 1LU

## **Leeds**

Princes Exchange  
Princes Square  
Leeds  
LS1 4HY

## **London**

46 New Broad Street  
London  
EC2M 1JH

## **Manchester**

St James Tower  
7 Charlotte Street  
Manchester  
M1 4DZ