

Dalriada. **A better way**

London Quantum Retirement Benefit Scheme

**Report and Financial Statements
For the year ended 30 April 2021**

Registration number: 12005628

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**London Quantum Retirement Benefit Scheme
Principal Employer and Advisers to the Scheme**

Principal Employer

Quantum Investment Management Solutions LLP (dissolved 17 August 2017)
c/o Duff & Phelps Ltd
32 London Bridge Street
London
SE1 9SG

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 Ltd
Burnetts Cottage School Lane
Ashurst
Steyning
West Sussex BN44 3AY

Investment managers

London Quantum One Limited
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

Best Asset Management Limited (In administration 6 December 2019)
c/o Elwell Watchorn & Saxton LLP
8 Warren Park Way
Leicestershire
LE19 4SA

**London Quantum Retirement Benefit Scheme
Principal Employer and Advisers to the Scheme**

Investment managers continued

The Reforestation Group
Landmark Square
64 Earth Close
George Town
KY1-1107 Cayman Islands

The German Property Group (formerly known as Dolphin Trust GmbH) (In liquidation 2019)
In Den Kolkwiesen 68
30851 Langenhagen
Hanover
Germany

ABC Alpha Business Centres UK Limited (In administration 20 January 2017)
Park View House
58 The Ropewalk
Nottingham
Nottinghamshire NG1 5DW

Harley Scott Residential Limited (formerly known as Park First Glasgow Limited)
Group First House
Mead Way
Padiham
BB12 7NG

Colonial Capital Group Plc (In liquidation 8 November 2017)
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire, CM23 3BT

Investment platform provider

Mobius Life Limited (appointed: 19 January 2021)
7th Floor
20 Gresham Street
London
EC2V 7JE

Third-party investment managers

Legal & General Investment Management

BlackRock Life Limited

all c/o Mobius Life Limited

**London Quantum Retirement Benefit Scheme
Principal Employer and Advisers to the Scheme**

Bankers

Lloyds Bank
4th Floor
125 Colmore Row
Birmingham
B3 3DS

Bardays
Donegall House
Donegall Square North
Belfast
BT1 5GB

**London Quantum Retirement Benefit Scheme
Trustee's Report**

Introduction

The Trustee of the London Quantum Retirement Benefit Scheme ("the Scheme") is pleased to present its report together with the audited financial statements for the year ended 30 April 2021. The Scheme is a defined contribution scheme.

The Scheme was established on 30 April 2012, and is currently governed by the trust deed and rules dated 19 April 2014. 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 were contracted-in to the State Second Pension (S2P, previously known as the State Earnings-Related Pension Scheme).

The Compliance Statement set out on pages 26 and 27, the Investment Summaries and Mobius Investment report are included as Appendix 1 and the Annual Governance Statement included as Appendix 2 form part of this report.

Scheme management

The Trustee of the Scheme throughout the year was Dalriada Trustees Limited.

The directors of Dalriada Trustees Limited are D N Copeland, R D Fogarty (appointed 30 June 2020), C M Johnstone, A B Kennett, T Lukic, C J Roberts, B D Spence and V Vassou. The directors of Dalriada Trustees Limited ("Dalriada") were appointed in accordance with that company's Memorandum and Articles of Association.

The Scheme is exempt from the requirement to appoint member-nominated trustees under the Occupational Pension Scheme (Member-nominated Trustees and Directors) Regulations 2006 as the sole Trustee is an independent corporate trustee.

In accordance with the provisions of the Pensions Act 1995 as amended, the Pensions Regulator has the power to appoint an independent trustee. Dalriada Trustees Limited was so appointed, with exclusive powers, on 18 June 2015 under section 7 of the Pensions Act 1995, and may only be removed by The Pensions Regulator.

The Trustee has appointed external specialists to advise on legal, investment and accounting matters.

Internal Dispute Resolution Procedure (IDRP)

It is a requirement of the Pensions Act 1995 that all occupational pension schemes must have a dispute resolution procedure in place for dealing with any disputes between the Trustee and the Scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustee, details of which can be obtained by writing to Dalriada Trustees Limited, Linen Loft, 27 - 37 Adelalde Street, Belfast, BT2 8FE. Email: LondonQuantum@dalriadatrustees.co.uk

Financial development of the Scheme

The financial statements of the Scheme for the year ended 30 April 2021 are set out on pages 15 to 23; the Trustee's summary of contributions and the Auditor's statement about contributions are set out on pages 24 and 25. 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 £2,322,946 at 30 April 2020 to £2,200,257 at 30 April 2021.

**London Quantum Retirement Benefit Scheme
Trustee's Report**

Financial development of the Scheme (continued)

This report and the accompanying financial statements relate to a period during the outbreak of the current Covid-19 virus and the ensuing health and financial crisis. Dalriada is monitoring the impact on the Scheme and is following guidance from The Pensions Regulator and, where appropriate, appointed Scheme advisers. At this time, however, an estimate of the substantive effect, if any, on the Scheme remains to be determined. Consequently, the measurement of assets and liabilities in the accounts is not being adjusted, and the Trustee considers that it is appropriate to prepare the Scheme financial statements on a going concern basis.

Transfers at less than cash equivalent

No transfers out have been paid from the Scheme.

Membership

As at 30 April 2021, 96 members were entitled to benefits from the Scheme.

Changes to the membership of the Scheme during the year are set out in the following table.

	Active	Deferred	Pensioner
Membership at 01/05/2020	-	96	-
Membership at 30/04/2021	-	96	-

In 2015 two members received PCLS payments from the Scheme. This has not been reflected in the membership figures as funds are still held in respect of these members.

Pension Increases

No pensions were paid in the year.

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.

Other than the funds held in cash in the Scheme's bank account, all monies transferred into the Scheme have been invested in a range of predominantly unregulated investments. Dalriada had concerns regarding a number of key investment considerations including, but not limited to lack of proper investment advice, liquidity, visibility, and commission payments.

There appears to have been limited investment advice having been taken by the previous Trustee and no evidence of an appropriate investment adviser being appointed, as required under legislation.

Dalriada has now put in place a more robust administration database and created proper accounting records, the information within which underpins the accounts appended to this Report and which have been independently audited.

London Quantum Retirement Benefit Scheme Trustee's Report

Governance and Risk Management (continued)

Dalriada has developed and will continue to develop its business plan which set out its objectives in various key areas and, 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.

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 Trustees Limited, 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. Email: LondonQuantum@dalriadatrustees.co.uk

The General Data Protection Regulations 2016/679 (Regulations) 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 Regulations contain restrictions on the processing of special categories of data as defined in the Regulations, 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.

The Trustee is regarded as 'Controller' for the purposes of the Regulations, in relation to the process referred to above. The advisers appointed by the Trustee are usually 'Processors', however, some advisers, such as the auditors are considered to be controllers by the various professional regulatory bodies. Under the Regulations 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 trustee, Dorrixo Alliance (UK) Limited, failed to comply with the appropriate investment regulations and did not properly carry out their fiduciary duties as required under general trust law.

Dalriada has undertaken its own research and taken advice from independent investment advisers into the various investments and these are summarised in Appendix 1.

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 and, following advice on investment strategy from Advisory Investment Services, the majority of the Scheme's liquid funds were invested in Legal & General and Blackrock funds, via the Mobius platform. The detailed investment platform provider's report is included as Appendix 1.

**London Quantum Retirement Benefit Scheme
Trustee's Report**

Investment report (continued)

Dalriada will now focus on the pursuit of further recovery of funds by way of a claim on the Fraud Compensation Fund (FCF). As was reported to members in 2020, following Court proceedings involving Dalriada, the Pension Protection Fund (who manage the FCF) and the DWP, it was found that schemes like the London Quantum Retirement Benefit Scheme 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 with regard to a potential claim by the Scheme. However, at this time, we do not know whether any claim will ultimately be successful.

Custodial arrangements

Mobius Life Limited

The funds held by the Scheme invest in utilised vehicles offered by other investment managers. As such, Mobius Life 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, the third-party investment managers are shown on page 4.

Investment principles

The Trustee of the Scheme is exempt from the requirement to produce a Statement of Investment Principles (SIP) as the Scheme has fewer than 100 members.

Employer related Investments

Dalriada has taken legal advice on London Quantum One Ltd which has concluded that it is likely to be an ERI. Based on the advice, reports will be made to HMRC and The Pensions Regulator if the Trustee believes that it would be required. Furthermore, HMRC confirmed on 29 May 2019, that following completion of the appeal process in relation to potential unauthorised payments made, the relevant tax charges have now been cancelled.

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

**London Quantum Retirement Benefit Scheme
Trustee's Report**

Trustee's Responsibilities Statement

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (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 judgments 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.....

Date..... 29/11/2021

**London Quantum Retirement Benefit Scheme
Independent Auditor's report to the Trustee**

Opinion

We have audited the financial statements of the London Quantum Retirement Benefits Scheme (the 'Scheme') for the year ended 30 April 2021 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 April 2021, 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.

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.

**London Quantum Retirement Benefit Scheme
Independent Auditor's report to the Trustee**

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:

- 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 audit work.

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 was 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:

**London Quantum Retirement Benefit Scheme
Independent Auditor's report to the Trustee**

- Reviewing the latest available internal control reports of the Scheme's administrator and Scheme's 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 the Trustee in their calculation of accounting estimates for potential management bias.
- Detailed review of investments held by the Scheme to ensure their valuation in the accounts at the year end date is reasonable and appropriate.

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.
- 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 (i.e. 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.

**London Quantum Retirement Benefit Scheme
Independent Auditor's report to the Trustees**

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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Johnston Carmichael LLP
Statutory Auditor
227 West George Street
Glasgow
G2 2ND

Date: *29 November 2021*

**London Quantum Retirement Benefit Scheme
Financial Statements**

For the year ended 30 April 2021

Fund Account

	Note	2021 £	2020 £
Contributions and benefits			
Administrative expenses	3	<u>(110,667)</u>	<u>(151,642)</u>
		<u>(110,667)</u>	<u>(151,642)</u>
Net withdrawals from dealings with members			
		<u>(110,667)</u>	<u>(151,642)</u>
Returns on investments			
Investment income	4	264	10,981
Change in market value of investments	5	<u>(12,286)</u>	<u>-</u>
Net returns on investments		<u>(12,022)</u>	<u>10,981</u>
Net decrease in the fund for the year		(122,689)	(140,661)
Net assets at 1 May 2020		2,322,946	2,463,607
Net assets at 30 April 2021		<u>2,200,257</u>	<u>2,322,946</u>

The notes on pages 17 to 23 form an integral part of these financial statements.

**London Quantum Retirement Benefit Scheme
Financial Statements**

**Statement of Net Assets
(available for benefits) as at 30 April 2021**

	Note	2021 £	2020 £
Investment assets:	5		
Pooled investment vehicles	6	<u>2,159,263</u>	<u>-</u>
		<u>2,159,263</u>	<u>-</u>
Current assets	9	55,711	2,335,981
Current liabilities	10	(14,717)	(13,035)
Net assets at 30 April 2021		<u><u>2,200,257</u></u>	<u><u>2,322,946</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 23 form an integral part of these financial statements.

These financial statements were approved by the Trustee and authorised for issue on.....^{29/11/2021}

Signed for and on behalf of the Trustee

For Dalriada Trustees Limited.....

London Quantum Retirement Benefit 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 under English law. The Principal Employer's registered address is disclosed on page 3 and the address for enquiries to the Scheme is included in the Trustee's Report on page 8.

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 accounts on the basis of when the member liability is accepted or discharged.

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 due to the inability to accurately calculate the members account due to the lack of clarity on investments and due to the clarification required on allocation of costs, Dalriada is not able to identify benefits payable.

**London Quantum Retirement Benefit Scheme
Notes to the Financial Statements**

Administrative expenses

Administrative expenses are accounted for on an accruals basis.

Investment Assets

In the absence of evidence to contrary, the only reasonable and prudent approach that Dalriada can take in valuing the original investments made by the original trustee 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. These investments are held with Mobius Life Limited.

3. Administrative expenses

	2021	2020
	£	£
Consultancy fees	600	-
Audit fees	3,300	2,400
Legal fees	18,292	51,105
Trustee fees	88,420	98,097
Other professional fees	55	40
	<u>110,667</u>	<u>151,642</u>

4. Investment Income

	2021	2020
	£	£
Interest on cash deposits	264	10,981
	<u>264</u>	<u>10,981</u>

5. Reconciliation of investments

	Value at 30/04/2020	Purchases at cost	Sale proceeds	Change in market value	Value at 30/04/2021
	£	£	£	£	£
Pooled investment vehicles	-	2,171,549	-	(12,286)	2,159,263
Investments Total	<u>-</u>	<u>2,171,549</u>	<u>-</u>	<u>(12,286)</u>	<u>2,159,263</u>
Unallocated to members	<u>-</u>				<u>2,159,263</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.

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

London Quantum Retirement Benefit Scheme
Notes to the Financial Statements

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.

Concentration of Investments

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

	2021	%	2020	%
	£		£	
L&G Life AR Cash Fund	320,615	14.6	-	-
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond	613,658	27.9	-	-
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	1,224,990	55.7	-	-

6. Pooled investment vehicles

	2021	2020
	£	£
Bonds	1,838,648	-
Cash	320,615	-
	<u>2,159,263</u>	<u>-</u>

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 that the entity can access at the measurement date.

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 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 as follows:

	30 April 2021			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
Pooled investment vehicles	-	2,159,263	-	2,159,263
	<u>-</u>	<u>2,159,263</u>	<u>-</u>	<u>2,159,263</u>

**London Quantum Retirement Benefit Scheme
Notes to the Financial Statements**

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.

The Trustee determines its 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 Trustee approach to risk management, credit and market risk is set out below.

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.

(1) Investment Strategy

The Trustee sets the investment strategy for the Scheme taking into account considerations such as the long term liabilities of the Scheme.

The current strategy (beyond the first £85,000 (or such sum as the Trustee estimates 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.

**London Quantum Retirement Benefit Scheme
Notes to the Financial Statements**

(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 are 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 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.

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

	30 Apr 2021
Unit linked insurance contracts	2,159,263
Total	2,159,263

(III) Currency risk

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

(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 Apr 2021
P09206 L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	£613,658
P09207 BLK Life AQC Corporate Bond Up To 5 Years Index Fund	£1,224,990
P09205 L&G Life AR Cash Fund	£320,615
Total	£2,159,263

**London Quantum Retirement Benefit Scheme
Notes to the Financial Statements**

(V) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which is held in pooled vehicles.

The Scheme manages this exposure to other price risk by constructing a diverse portfolio of Investments across various markets.

The Trustee has delegated the day-to-day management of the pooled investment vehicles to Mobius Life Limited.

A summary of the underlying portfolio exposed to other price risk is as follows:

	30 Apr 2021
P09205 L&G Life AR Cash Fund	£320,615
Total	£320,615

9. Current assets

	2021 £	2020 £
Cash balances	<u>55,711</u>	<u>2,335,981</u>
	<u>55,711</u>	<u>2,335,981</u>

Included in the bank balance for the year ended 30 April 2021 is £55,711 (2020: £2,335,981) which is not allocated to members.

10. Current liabilities

	2021 £	2020 £
Accrued expenses	<u>(14,717)</u>	<u>(13,035)</u>
	<u>(14,717)</u>	<u>(13,035)</u>

11. Related Party Transactions

For the year ended 30 April 2021 the fees due to Dalriada were £88,420 (2020 : £98,097) at 30 April 2021 £9,053 (2020 : £6,518) was still outstanding.

**London Quantum Retirement Benefit Scheme
Notes to the Financial Statements**

12. Contingent Assets

Dalriada will now focus on the pursuit of further recovery of funds by way of a claim on the Fraud Compensation Fund (FCF). As was reported to members in 2020, following Court proceedings involving Dalriada, the Pension Protection Fund (who manage the FCF) and the DWP, it was found that schemes like the London Quantum Retirement Benefit Scheme 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 with regard to a potential claim by the Scheme. However, at this time, we do not know whether any claim will ultimately be successful.

13. Contingent Liabilities

There were no contingent liabilities at the year end.

14. Subsequent Events

There were no subsequent events at the year end.

15. 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.

16. Self Investment

Dalriada has taken legal advice on London Quantum One Ltd and whether it may be deemed to be an Employer Related Investment (ERI). That advice has concluded that it is likely to be an ERI.

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

**London Quantum Retirement Benefit Scheme
Summary of Contributions**

During the year ended 30 April 2021 no contributions were paid or due to the Scheme.

Signed for and on behalf of the Trustee

For Dalriada Trustees Limited.....


Date..... **29/11/2021**

Independent Auditor's Statement about Contributions, under Regulation 4 of the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, to the Trustee of the London Quantum Retirement Benefit Scheme

We have examined the summary of contributions to the London Quantum Retirement Benefits Scheme for the Scheme year ended 30 April 2021 to which this statement is attached.

Statement about contributions payable under the Scheme rules

In our opinion contributions for the Scheme year ended 30 April 2021 as reported in the summary of contributions and payable under the payment schedule and Scheme rules have in all material respects been paid at least in accordance with the payment schedule and 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 payment schedule and 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 payment schedule and Scheme rules.

Respective responsibilities of 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 payment schedule 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

Johnston Carmichael LLP
Statutory Auditor
227 West George Street
Glasgow
G2 2ND

Date: *29 November 2021*

**London Quantum Retirement Benefit Scheme
Compliance Statement**

Changes In and other matters relating to the Scheme advisers

Any changes to the Scheme advisers are shown on pages 3, 4 and 5.

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:

Pension Tracing Service
The Pension Service 9
Mall Handling Site A
Wolverhampton WV98 1LU
Telephone: 0800 731 0193
Website: <https://www.gov.uk/find-pension-contact-details>

The Money and Pensions Service (MaPS)

The Money and Pensions Service creates one organisation from the three existing providers of government-sponsored financial guidance:

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

The Money and Pensions Service brought together for the first time the provision of debt advice, money guidance and pensions guidance. For pensions guidance the Money and Pensions Service 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
Website: www.moneyhelper.org.uk

The Pensions Ombudsman

In cases where a complaint or dispute cannot be resolved under the IDRPs, 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
E-mail: enquiries@pensions-ombudsman.org.uk

**London Quantum Retirement Benefit 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
E-mail: customersupport@tpr.gov.uk

London Quantum Retirement Benefit Scheme
Appendix 1

The German Property Group ("GPG") (formerly known as Dolphin Trust GmbH)

AMOUNT INVESTED

£424,641.88

INVESTMENT TYPE

The Scheme has purchased nine corporate loan notes. GPG specialise in the purchasing of derelict and listed German property. The property is then sold off plan to German investors who benefit from a specific German tax advantage which allows for the recovery of renovation costs through tax allowances when purchasing a listed building.

INVESTMENT TERM

The corporate loan notes are for a period of 5 years with no early exit options.

INVESTMENT SUMMARY

This is an unregulated investment and has been deemed high risk by the Scheme's investment adviser. The Scheme's investment adviser has noted that the investment is illiquid and therefore inappropriate for the Scheme. The Trustee has been advised that the Scheme should consider an early exit from the investment should the option be available.

INVESTMENT RETURNS

The loan notes have varied rates of return ranging from 12% to 13.8% per annum. All interest is rolled forward until the end of the 5 year period.

CURRENT POSITION

Payments from the nine GPG corporate loan notes were due to begin in October 2019 and be fully realised by April 2020. At the date of signing the Scheme had not received any funds due from any of the loan notes for October 2019.

GPG subsequently in late 2019 announced that they had engaged a restructuring agent (BBL). Dalriada had a call with BBL in March 2021 following which, Dalriada submitted a written report and supporting documents detailing Dalriada's creditor position within the bankruptcy proceedings. Dalriada received a letter in June 2021 from BBL asking them to formally file their claim, which we are currently dealing with.

It is, however, unclear what returns will be made to the Scheme.

London Quantum Retirement Benefit Scheme

Appendix 1

London Quantum One Limited

AMOUNT INVESTED

£600,000

INVESTMENT TYPE

The Scheme purchased 600,000 shares in London Quantum One Limited at a cost of £1 per share. The company holds rights to a social media application called VIP Greetings which provides personalised messages with the use of celebrity endorsement. The rights were valued at £600,000 at the time of purchase.

INVESTMENT TERM

The underlying investment in VIP Greetings has no fixed term and the Trustee has been advised that it is unlikely any return will be made to the Scheme in the near future. No early exit options exist and the Trustee is currently unaware of a secondary market on which the Scheme could sell the intellectual rights.

INVESTMENT SUMMARY

The Scheme's investment adviser has noted that the investment is highly illiquid and therefore inappropriate for the Scheme. The Trustee has been advised to consider an early exit from the investment should the option become available.

INVESTMENT RETURNS

There is no guaranteed minimum return or definitive maturity date. Investors hold no security over any physical asset.

CURRENT POSITION

The Trustee's view is that this investment is highly unlikely to return anything to the Scheme. To pursue recovery would cost more than any return that might be realised. The Trustee cannot see that to be good use of Scheme funds so it has written the value of this investment down to zero.

London Quantum Retirement Benefit Scheme
Appendix 1

Harley Scott Residential Limited (formerly known as Park First Glasgow Limited)

AMOUNT INVESTED
£340,000.00

INVESTMENT TYPE

The Scheme has purportedly invested in 17 car parking spaces in a carpark near Glasgow airport. The investment is offered by Harley Scott Residential Limited who lease the parking spaces to an investor and then sub-lease the parking space back.

INVESTMENT TERM

The investor enters a lease for a period of 175 years (the maximum allowed under Scottish law). The parking spaces are then sub-leased back for a period of 6 years. The sub-leases can be terminated by Harley Scott Residential Limited after 2 or 4 years, or at any time with not less than 10 days' notice if it has found a substitute sub-tenant.

There is a 'guaranteed buy back' policy which outlines under what circumstances Harley Scott Residential Limited will buy back the parking spaces. Harley Scott Residential Limited holds full discretion and is under no obligation to buy back the spaces at any point. In short, there is no guaranteed exit option.

INVESTMENT SUMMARY

This is an unregulated investment. Harley Scott Residential Limited leases individual parking spaces to investors for periods of 175 years. The investor then enters into a sub-lease with Harley Scott Residential Limited for a period of 6 years. Harley Scott Residential Limited operate the car parking space on behalf of the investor for an annual fee. The parking spaces generate income which is ultimately passed back to the investor each year.

The Scheme's investment adviser has noted that the investment is illiquid and inappropriate for the Scheme and an early exit is therefore recommended.

INVESTMENT RETURNS

The investment offers a guaranteed rate of return of 8% per annum for the first 2 years. Potential returns for years 3 to 4 are estimated at 10% and at 12% for years 5 to 6. Actual returns for years 3 to 6 will depend on the physical usage of the car parking spaces. To date payments in line with the 8% return have been received.

London Quantum Retirement Benefit Scheme

Appendix 1

CURRENT POSITION

In December 2017, the Financial Conduct Authority (FCA) announced that it had taken action in respect of Harley Scott Residential Limited in relation to investments made through Self Invested Personal Pension Schemes. The FCA took the view that the Harley Scott Residential Limited investment constituted a Collective Investment Scheme. These are often high risk investments and only an authorised firm can operate/promote them. As Harley Scott Residential Limited is not authorised by FCA, the company is unable to provide a Collective Investment Scheme to investors.

Following the FCA's finding Harley Scott Residential Limited agreed to stop operating and promoting the original schemes. It offered investors, including the Scheme, the choice of:

- Return of the initial investment back, with no interest (the "Buy Back" option)
- Moving into a new Lifetime Leaseback scheme (the "Lifetime Lease" option)

The Trustee has taken independent investment advice on the options. Having done so the Trustee has been advised to pursue the "Buy Back" option. This has been communicated to Harley Scott Residential Limited and a number of discussions have taken place with them regarding aspects of this offer.

Harley Scott Residential Limited have acknowledged the Trustee's decision and have advised that these "sales" had not legally completed therefore title had not transferred to the Scheme. Harley Scott Residential Limited are therefore classifying our request as a refund and not a buy back but in their view the result is the same. The terms are deduction of rental income for the refund and payment to be made within 12 months from date of request.

It has been noted as a risk that in the event of an insolvency event (i.e. if Harley Scott Residential Limited were to go under) during that time, it is highly likely the Scheme would receive nothing. On 4 July 2019 four of the Harley Scott Residential Limited companies entered administration and an insolvency practitioner was appointed. Having sought repayment from Harley Scott Residential Limited by 8 August 2019 the Trustee has been referred by Harley Scott Residential Limited to the insolvency practitioner. The Trustee has written to the insolvency practitioner and the Trustee's interest has been noted. No statement has been made regarding what payments may be made and when.

In July 2021, the FCA has entered into an enforceable conditional agreement with the group's two directors. On top of the £33m that was secured by the FCA on the sole of one of the company's assets, a further £25m has been personally pledged by one of the directors, to be realised from his personal assets.

London Quantum Retirement Benefit Scheme
Appendix 1

Colonial Capital Group Plc

(In liquidation 8 November 2017)

AMOUNT INVESTED

£24,000.00

INVESTMENT TYPE

The Scheme invested in a corporate bond with Colonial Capital Group Plc. Colonial operate in the distressed US social housing market and have issued a number of bonds.

INVESTMENT TERM

The corporate bond is for a period of 3 years. No early exit options exist.

INVESTMENT SUMMARY

This is an unregulated investment. The Scheme's investment adviser has noted that the investment is illiquid, inappropriate for the Scheme, and an early exit is recommended.

INVESTMENT RETURNS

The bond has a fixed return of 12% per annum. Interest will be rolled forward until the end of the 3 year investment period.

CURRENT POSITION

Colonial Capital Group Plc went into insolvency (creditors voluntary liquidation) on 22 February 2018. The Trustee's view is that this investment is highly unlikely to return anything to the Scheme. To pursue recovery would cost more than any return that might be realised. The Trustee cannot see that to be good use of Scheme funds, so it has written the value of this investment down to zero.

London Quantum Retirement Benefit Scheme

Appendix 1

The Reforestation Group Limited

AMOUNT INVESTED

£220,000

INVESTMENT TYPE

The purported nature of this investment is that the Scheme has purchased 'land rights' to 21 plots of Brazilian farm land that is to be used for growing eucalyptus trees. The investment term is 21 years as it covers three cycles of seven years, which is the projected time period to grow and harvest the trees. The investment purportedly offers returns of 28-32% compounded over each seven year cycle.

INVESTMENT TERM

The crop cycle of the eucalyptus tree is seven years. Accordingly, the first return on any of the Land Rights Agreements ("LRA") would not be realised until around 2021.

INVESTMENT SUMMARY

The Schemes' investment adviser has noted that the investment is illiquid and inappropriate for the Scheme. An early exit is recommended.

INVESTMENT RETURNS

The estimated return after 7 years is £19,000 per hectare, which is a 90% return.

CURRENT POSITION

The Trustee held a meeting with the Reforestation Group and their legal advisers to clearly set out the Scheme's position in relation to this investment and why it is inappropriate for the Scheme. As a result of negotiations arising from that meeting an agreement was signed with the Reforestation Group in which they committed to paying £230,000 by 30 June 2018. This has not been received by the Trustee. The Trustee has pointed out to the Reforestation Group that they are in clear breach of this agreement. The Reforestation Group has informed the Trustee that the reason for the delayed payment is the time it is taking to sell assets to make the payment. The Trustee has had a number of assurances from the Reforestation Group that they are committed to making the payment and the Trustee has been advised that a restructuring deal is being negotiated.

Through Dalriada's legal advisers, RG advised that they had been accepted for funding and that this would result in the repayment of the sums owed to the Scheme. Despite a suggested completion in December 2019, Dalriada have received nothing by way of payment into the Scheme. Dalriada continues to chase RG and will now consider whether any legal action should now be taken to recover the monies.

London Quantum Retirement Benefit Scheme
Appendix 1

Best Asset Management Ltd – Car Parks

AMOUNT INVESTED

£189,000

INVESTMENT TYPE

This unregulated investment consists of a “lease” on 7 car parking spaces in a new office development in Dubai.

INVESTMENT TERM AND RETURNS

Under the Operator’s Agreement, there is 5 years guaranteed rental income.

If the car parking spaces generate any income that is greater than the guaranteed income, the Scheme is liable to pay the car park operator 10% of all income greater than the guaranteed rental income. Once the guaranteed income period comes to an end the Scheme must pay the car park operator 10% of any income that is received from the car parking spaces.

The guaranteed rental income is paid monthly. It had been paid on time up to Q4 2016 when an issue with a party connected to the investment meant payment were stopped.

The rental income following the expiration of the five year guaranteed period will be agreed between the parties no later than 45 days before the fifth anniversary of the commencement of the contract.

INVESTMENT SUMMARY

All of the car parking spaces that the Scheme has leased are located at Churchill Towers, Dubai. NCP Ltd owns the freehold of these car parking spaces.

The investment operates as follows:

NCP Ltd owns the freehold and has assigned full commercial rights over the car park spaces to Horizon Properties SA;

Horizon Properties SA has granted the Scheme a 99 year lease over each of the seven car park spaces;

There does not appear to be a set term for each of the seven car park spaces.

The Schemes’ investment adviser has noted that the investment is illiquid and inappropriate for the Scheme and early exit is recommended.

London Quantum Retirement Benefit Scheme

Appendix 1

CURRENT POSITION

This investment is subject to legal action being taken in the United Arab Emirates. The action is being taken collectively on behalf of the investors and we are not a direct party to it. The Trustee continues to engage with Best International (Best) regarding this action. Best has established a Car Park Owners Association to deal with matters collectively. However, the Trustee has concerns about joining it due to guarantees the Trustee would have to make to Best in relation to its liabilities. The Trustee is discussing matters with the Scheme's legal advisers as to the best course of action.

London Quantum Retirement Benefit Scheme
Appendix 1

Best Asset Management Ltd - ABC Corporate Bonds (In administration 20 January 2017)

AMOUNT INVESTED

£409,000 in corporate bonds with Alpha Business Centres ("ABC") UK Ltd.

INVESTMENT TYPE

The investment consists of 11 Bonds over three different series.

INVESTMENT TERM

The Bonds mature after four years from Issue but can be redeemed early after three years (upon six months' notice) or otherwise with *"the express consent of the directors of ABC Alpha Business Centres Limited"*.

INVESTMENT SUMMARY

The Bonds are corporate bonds in ABC UK Limited. ABC UK Limited is the capital raising vehicle for the investments.

The Scheme's Investment adviser has noted that the investment is illiquid and inappropriate for the Scheme and early exit is recommended.

INVESTMENT RETURNS

Investment returns depend on the series of the Bond and range from 8.11% to 8.25% with bonus interest rates if the Bonds are not redeemed early.

In relation to the two series of Bonds, the Scheme has elected not to have "rolled-up" interest. This means that interest is due and payable to the Scheme on a quarterly basis. These payments were made to date until Q4 2016 when an issue with a party connected to the investment meant payment were stopped.

CURRENT POSITION

This investment is also subject to the legal action being taken in the United Arab Emirates mentioned above, as it is the same people behind this investment that are behind the Dubai car park investment.

Best has entered administration on 6 December 2019. Dalriada has submitted a 'Proof of debt' to the administrators.

London Quantum Retirement Benefit Scheme

Appendix 1

Investment Report provided by Mobius Life Limited

London Quantum Occupational Pension Scheme
Investment Manager's Report to 30 April 2021



Fund Performance to: 30 Apr 2021

% Fund Growth	1 Year to 30 Apr 21	3 Years to 30 Apr 21	1 Year to 30 Apr 20	1 Year to 30 Apr 19	1 Year to 30 Apr 18	1 Year to 30 Apr 17
L&G Life AR Cash Fund	0.1 %	0.5 %	0.7 %	0.6 %	0.3 %	0.3 %
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	-0.5 %	-0.2 %	-0.0 %	0.0 %	na	na
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	3.0 %	na	na	na	na	na

Market Returns	1 Year to 30 Apr 21	3 Years to 30 Apr 21	1 Year to 30 Apr 20	1 Year to 30 Apr 19	1 Year to 30 Apr 18	1 Year to 30 Apr 17
FTSE ALL Share Index	20.8 %	1.1 %	-16.7 %	2.6 %	8.2 %	20.1 %
FTSE 100	17.3 %	0.1 %	-17.1 %	3.1 %	8.5 %	20.0 %
FTSE 250	32.9 %	4.4 %	-14.7 %	0.5 %	6.2 %	20.0 %
FTSE Small Cap	48.1 %	8.0 %	-14.9 %	0.0 %	9.1 %	24.0 %
FTSE AW World Index	28.4 %	12.3 %	-1.1 %	11.6 %	7.4 %	30.9 %
FTSE North America	28.5 %	16.8 %	3.8 %	19.4 %	6.3 %	33.1 %
FTSE Developed Europe ex UK	28.8 %	6.8 %	-7.7 %	2.5 %	7.3 %	28.7 %
FTSE Developed Asia Pacific ex Japan	38.1 %	7.5 %	-11.2 %	1.4 %	9.5 %	34.3 %
FTSE Japan	21.7 %	6.1 %	0.3 %	-2.1 %	12.7 %	26.6 %
FTSE Over 15 year fixed Interest	-15.1 %	4.1 %	27.3 %	4.3 %	-0.2 %	14.9 %
FTA All Stock Fixed Interest Gilt Index	-8.3 %	2.8 %	15.0 %	3.2 %	-0.8 %	8.2 %
FTA Over 5 Year Index-Linked Gilt Index	-2.8 %	4.6 %	9.7 %	7.2 %	-4.7 %	28.5 %
3 Month LIBOR GBP	0.1 %	0.6 %	0.8 %	0.8 %	0.4 %	0.5 %
7 Day LIBID	0.0 %	0.4 %	0.6 %	0.7 %	0.3 %	0.2 %

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.

**London Quantum Retirement Benefit Scheme
Appendix 1**

Fund Profiles

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-glits, 1-5 year index.

L&G Life AR Cash Fund

This fund consists of monies which are invested in short term instruments, up to a normal maximum of 35 days, from high quality borrowers aiming to achieve a gross return of at least 7 day LIBID.

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.

London Quantum Retirement Benefit Scheme

Appendix 2

London Quantum Retirement Benefit Scheme (also known as the London Quantum Occupational Pension Scheme) ("the Scheme")

Annual Governance Statement by the Chair of the Trustee for the Scheme Year Ending on 30 April 2021.

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 related Pensions Regulator guidance.

It relates to the London Quantum Retirement Benefit Scheme ("the Scheme") which is a money purchase scheme.

Consideration has also been given to The Pensions Regulator'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.

This statement covers the period from 1 May 2020 to 30 April 2021.

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

Matters in relation to the Scheme are considered by a dedicated subcommittee of the Dalriada Board which meets four times per year. Issues are also considered on an ad hoc basis between committee meetings and the Scheme has a dedicated team, alongside a project manager, who ensures anything requiring attention by the subcommittee is communicated, and acted upon, in a timely manner.

As has been communicated in previous statements, Dalriada Trustees Limited ("Dalriada") was appointed as Independent Trustee of the Scheme by Order of The Pensions Regulator ("TPR") on 18 June 2015. The powers and duties exercisable by Dalriada in its capacity as trustee were to the exclusion of all other trustee of the Scheme. Since Dalriada's appointment the previous trustee, Dorrixo Alliance (UK) Limited ("Dorrixo"), was dissolved and the two individuals involved with Dorrixo have been prohibited from acting as trustees by TPR.

The Scheme was marketed, principally, as a vehicle to allow members access to a range of predominantly unregulated investments, purportedly offering greater investment returns.

Broadly, you will recall, Dalriada held concerns regarding a number of key investment considerations including, but not limited to, the lack of proper investment advice, the high risk nature and illiquidity of a number of the investments and, furthermore, commission payments. Whilst work has concluded on many of the investments, Dalriada will shortly issue an Announcement to members to serve as an update on the continuing work to have the monies held in the remaining investments paid back to the Scheme.

Where Dalriada has thus far been unable to, or determines it is unlikely to, recover further funds into the Scheme, it will look to make a claim on the Fraud Compensation Fund ("the FCF"), managed by the Pension Protection Fund ("the PPF"). Dalriada has been working, and will continue to work, with the PPF with regard to a potential claim on behalf of the Scheme. However, at this time, we do not know whether any claim will ultimately be successful. Once all avenues for recovery have been exhausted it is Dalriada's intention that the Scheme will be wound up and members will be offered the option to transfer any remaining benefits to alternative pension arrangements.

An issue still exists where Scheme assets appear to have been notionally segregated per member, with each member holding his or her own individual member account. Where funds were invested in the various investments in such a way that each member's individual allocation cannot be redeemed in isolation, and indeed many of the investments remain illiquid, this creates significant

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issues with regards to the administration of the Scheme. This also creates an issue with regards to the fair and final allocation of costs. Dalriada is taking advice on that point.

All of this has presented Dalriada with 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 and, where it cannot meet certain governance obligations, I have explained why that is the case.

Default arrangement

A number of requirements of the Administration Regulations, which are referred to in this statement, 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.

It is not, nor has it ever been, used to meet any auto-enrolment obligations and no regular contributions are being, or ever have been, paid into the Scheme. The Scheme's assets are made up solely by way of member transfer payments into the Scheme.

The Scheme does not offer a Default Lifestyle Strategy.

The Scheme did not offer members any real choice as to where their funds were to be invested. Members were instead asked to consider whether the individual investments provided for them were suitable for their personal circumstances, risk profile, and tolerance. The investments were in any case high risk in nature, and often did not match the self-designated risk profile of the relevant member.

Besides the investments detailed in the Announcements, Dalriada understands that no further investments were made. Beyond designating their own "risk profile" at no point did members actively select how their funds would be invested.

As such, in Dalriada's view, there has never been an appropriate default investment arrangement. There is no life-styling option available.

Statement of Investment Principles

Ordinarily, trustees should prepare a statement of investment principles ("SIP") governing decisions about investments.

No serviceable Statement of Investment Principles exists for the Scheme. As the Scheme has fewer than 100 members it is not a requirement.

As has been reported in previous Chair Statements Dalriada took appropriate advice to determine a suitable investment strategy for those funds held in the Scheme's bank account. The Scheme has employed a low-risk investment strategy to account for the illiquidity of the remaining investments made by the previous trustee, as well as the risk profile of the members. This will also look to achieve a return over that which would be received by holding the funds solely in the bank.

Despite this not being a requirement, Dalriada will put in place a suitable Statement of Investment Principles in due course, and this will be reviewed by Dalriada every three years from that point. A SIP will be reported alongside future Chair Statements.

Subject to any FCF application for compensation, it is Dalriada's ultimate 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 arrangement of their choice.

Copies of the Scheme's Report and Accounts are published on the members' website. The Scheme's Report and Accounts include the latest Chair's Statement.

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Review of default strategy and default arrangements

As noted above, there is no default arrangement or default strategy in place for the Scheme. 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, for the Scheme year ending 30 April 2021, is unable to pay any level of benefit, including transfers values, to members.

This is due to a number of factors, including the continuing uncertainty regarding the value of the Scheme's remaining investments and as well as the uncertain outcome of the future claim on the FCF. More information on this has been provided in Dalriada's Announcements to members.

The Financial Transactions the Scheme does make are, in the main, in relation to costs. These are reported in the Scheme's annual accounts.

Given its inability to carry out routine administrative actions, unsurprisingly, over the reporting period, there have been no material administration service issues which need to be reported here by Dalriada.

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 administration processes are independently audited and accredited under AAF 01/06 and AAF 02/07.

Once Dalriada is able 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 The Pensions Regulator). This helps us to ensure the integrity of member data that is processed.

To ensure that all transactions processed through the bank accounts (money in and out) can be accounted for, we perform monthly bank reconciliations for all Scheme bank accounts. Any transactions which cannot be accounted for are investigated and corrected if required.

Charges and Transaction Costs

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

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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 for 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.

There have been no transactions since Dalriada's appointment. Dalriada has not accepted any payments into the Scheme, either by way of contribution or transfers in, meaning there have been no transaction costs.

However, under the terms of its appointment, the fees of Dalriada and its advisers are met from Scheme funds. Whilst these costs (or "charges") fall as debt due from the employer (or sponsor), in this case the sponsor is a dissolved company. It has already been confirmed by way of the liquidator that the sponsor had very little in the way of assets and was therefore unable to meet its financial obligations to the Scheme.

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.

These costs for the year ending 30 April 2021 (including trustee fees and legal and other professional fees) are set out in the Accounts and total £110,667 (including VAT).

Dalriada will continue to confirm to members the amount of costs incurred in subsequent Chair's Statements. In addition, a full set of Report and Accounts has been prepared. These have been audited by an independent auditor and include 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, but 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 collective 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 legal action around recovery of funds. Such actions are considered on a cost benefit analysis and, where necessary, Court approval is sought for the use of Scheme funds to pay for such legal action.

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

Dalriada's costs (both for ongoing management and action taken to recover funds) are calculated using a blended charging rate that sits well below its standard market rates. Its legal advisers operate on a similar basis.

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 able 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.

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Once Dalriada is able 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 a quarterly basis.

Dalriada is required to advise members of the cumulative effect over time of the application of charges and costs on the value of a members' accrued rights to money purchase benefits. However, due to the nature of Dalriada's appointment, the uncertainty as to the value of the Scheme's assets and the uncertainty as to both Dalriada's and its adviser's fees this is not possible to do currently. When Dalriada is in a position to do so, it will advise members.

Trustee knowledge and understanding

The Trustee has considered the latest guidance in relation to Chair'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 is an independent professional trustee, established in 2003, appointed to several schemes by TPR under section 7 of the Pensions Act 1995 as a result of TPR having concerns about the nature and operation of those schemes and the extent to which the then current 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 within the Committee to meet the requirements set out in sections 247 and 248 of the Pensions Act 2004 and The Pensions Regulator's Code of Practice 7 on Trustee Knowledge and Understanding.

I have set out below the membership of the Committee, along with a short note on their skill set and experience. In addition, it is worth noting that three members of the Committee are directors of Dalriada Trustees Limited. Dalriada operates a team-based approach which gives the Regulatory Appointments 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 Scheme, including 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.

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Sean leads the Irregular Schemes Team, dealing with Dalriada's appointments by The Pensions Regulator 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 an accredited member of the Association of Professional Pension Trustees, has completed The Pensions Regulator'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 and director of Dalriada Trustees Limited. He acts as a 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 25 years of experience in relation to defined benefit, hybrid, defined contribution, multi-employer and sectionalised arrangements.

Neil is the Dalriada Board representative for the Irregular Schemes Team and 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 The Pensions Regulator and representing Dalriada in oral hearings before the Determinations Panel where Dalriada's appointment by The Pensions Regulator has been challenged by the incumbent trustees or other directly affected parties.

Neil is an accredited member of the Association of Professional Pension Trustees, has completed The Pensions Regulator'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 also a director of Dalriada Trustees Limited 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 a Professional Trustee, provides particular insight into corporate structures and insolvencies. Where scheme's investments 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 an accredited member of the Association of Professional Pension Trustees, has completed The Pensions Regulator'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 Trustees Limited. 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 the Trustees, the employers and

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other stakeholders. Brian is recognised by The Pensions Regulator 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) and, also, litigation – 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 an accredited member of the Association of Professional Pension Trustees, has completed The Pensions Regulator's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship (DC and DB). Brian has met all required CPD requirements.

Gino Rocco

Gino performs the role of Professional Trustee in relation to all aspects of pension law focusing in particular on defined benefit and defined contribution pension schemes that range in size from the small to the very large.

A solicitor admitted to practice in England and Wales and a Member of the Association of Pension Lawyers, Gino has over 15 years' experience gained at City and National Firms as well as a leading pension consultancy practice.

Gino's experience includes complex benefit interpretation issues, scheme equalisation and benefit rectifications. He has detailed experience of pensions issues arising under TUPE transfers and the Fair Deal protections where employees are transferred from the public (in particular LGPS and NHSPS) to the private sector.

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

Knowledge of the trust deed and rules and all documents setting out the trustee's current policies

The Scheme has a dedicated client team with an in-depth knowledge of the Scheme and its governing documentation. At the point of becoming an 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 lead Professional Trustee, the trustees obtain legal 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).

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A working knowledge of the current Statement of Investment Principles (SIP)

As is set out earlier, the Scheme does not currently have a SIP at this time due to the particular circumstances of the Scheme.

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 appraisal 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 in a year. This is recorded centrally by Dalriada's HR 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 trustee representative is required to complete The Pensions Regulator's Trustee Toolkit and subscribes to the updates issued by The Pensions Regulator.

Trustee representatives belong to Dalriada's knowledge management network which keeps them up to date with industry thinking. They also have access to a team of in-house pensions experts who inform the team about changes to pensions legislation and practices.

The trustees have access to Pendragon Perspective and Aries - both industry-leading tools, giving access to pension legislation.

Dalriada has its own in-house legal specialists to provide support and guidance to trustees around legislation and interpretation of schema documentation. This is further aided by advice from external legal advisers, which is obtained when the trustees feel the 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) in particular is advantageous in this area.**

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- 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, where investments made by previous trustees are deemed to be highly inappropriate, their administration has been poor and / or the 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.

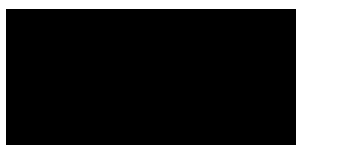
Member Representation

Dalriada is aware that members of the Scheme are potential victims of a scam. As such, we look 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
- Dedicated phone line.

Signed for and on behalf of Dalriada Trustees Limited (the trustee)

Chair



Date

17 September 2021