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**Ochil Birch Retirement Benefit Scheme**

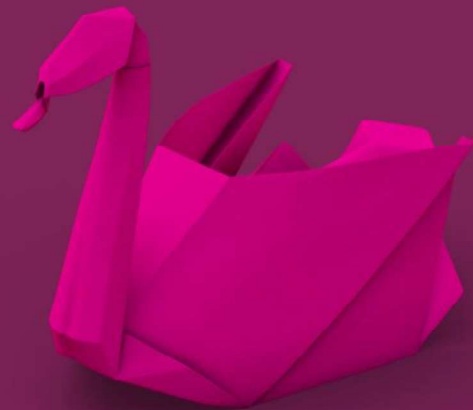
**Binnian Cedar Retirement Benefit Scheme**

**Bodmin Stincher Retirement Benefit Scheme**

**Sidlaw Larch Retirement Benefit Scheme**

**("the Schemes")**

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**Dalriada.** A better way

## **Important announcement to members of the Schemes**

The purpose of this Announcement is to provide an update to members on the applications submitted by Dalriada Trustees Limited ("Dalriada") on behalf of the Schemes and their members to the Fraud Compensation Fund ("FCF"), as well as a brief general update on the Schemes.

## **Successful Application to the Fraud Compensation Fund ("FCF")**

As per the Announcements issued to members in November 2020 and April 2022, the FCF (managed by the Board of the Pension Protection Fund ("PPF")) is open to claims by occupational pension schemes that have suffered a loss as a result of an act of dishonesty. Dalriada has been working closely with the FCF in relation to submitting a claim on behalf of the Schemes.

We are pleased to confirm that we have received confirmation that the FCF considers there are reasonable grounds for believing there was dishonesty within the Schemes and there are scheme asset reductions attributable to that dishonesty. This is clearly very positive news and Dalriada is delighted to have achieved this positive outcome on behalf of members of the Schemes.

We can confirm that the compensation agreed by the FCF includes:

- payments to Advalorem Value Asset Fund
- payments to Swan Holding PCC
- payments to Marley Administration
- payments to Turnberry Wealth
- payments to the former Trustees
- bank charges

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- trustee and legal costs incurred by Dalriada and our legal advisors since the date of our appointment and reasonable future costs (but excluding day-to-day administrative expenses, which are not compensable by the FCF)

We are pleased to report that each scheme has received initial compensation payments from the FCF, in the following amounts:

- Ochil Birch Retirement Benefit Scheme	£2,071,924
- Binnian Cedar Retirement Benefit Scheme	£2,603,212
- Bodmin Stincher Retirement Benefit Scheme	£1,848,597
- Sidlaw Larch Retirement Benefit Scheme	£2,411,396

The final total amount of compensation to be paid has not yet been settled upon and will depend on a number of matters that we are discussing with the FCF. We will provide a further update to members as soon as we can.

## What does this mean for members?

Dalriada understands that the dishonest acts undertaken prior to our appointment have had a major impact on the lives of members of the Schemes and that, until confirmation that an FCF claim was possible, there was a real prospect that this would result in a very poor outcome for members. We are pleased that we have been able to work with the FCF to secure a meaningful level of compensation against the benefits members faced losing.

Our aim is to provide you with the value of your benefits within the Schemes as quickly as possible. As mentioned, there are a number of matters that Dalriada must work through with the FCF before the Schemes can be put into wind-up and members' benefits settled.

This means that at this point we cannot confirm to members any timescales, but we will keep you informed on progress and write to you in due course with information on the next steps.

## Further information on the FCF

We have also added a Frequently Asked Questions document on the Dalriada website, which provides further information on the FCF. You can find a copy by accessing the link below or by visiting the FCF's website at [www.fraudcompensationfund.co.uk](http://www.fraudcompensationfund.co.uk)

<https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/FCF-FAQ.pdf>

## Investments

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

The FCF has agreed to pay compensation in respect of both the Advalorem and Swan investments, but Dalriada must still attempt to make recoveries in respect of these investments, if possible.

In relation to Advalorem, in our previous Announcement we reported that we expected to receive a dividend payment. This payment has yet to be received and Dalriada continues to liaise with the liquidator, BTG

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Global Advisory. However the dividend payment is expected to be a small fraction of the total funds invested, and Dalriada does not anticipate substantial further sums being recovered to the Schemes from Advalorem.

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

## **Scheme Accounts and Chair Statements**

Members should be aware that the Schemes have inevitably incurred, and will continue to incur, higher costs than would be the case for similarly sized conventional schemes. This is typical when dealing with schemes that have been mismanaged by previous trustees and where The Pensions Regulator has seen fit to intervene and appoint a professional trustee to take appropriate, necessary actions.

Dalriada has and will continue to report on costs accrued in its annual Report and Financial Statements, and Chair Statements, for the Schemes. Copies of the relevant documents can be accessed via the Schemes' website:

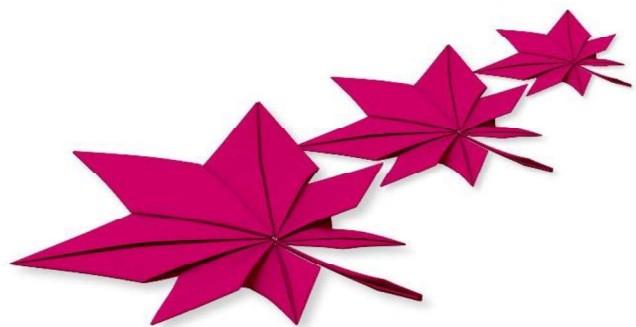
<https://www.dalriadatrustees.co.uk/scheme/milton/?type=documents>

Equally, as indicated above, the agreed compensation will include trustee and legal costs from the date of Dalriada's appointment, as well as reasonable future costs. However day-to-day administrative expenses will not be compensated for.

## **Member website**

Dalriada has a dedicated member website for the Schemes, which includes copies of all Announcements, alongside any relevant governance documents. A link to the Schemes' website can be found below:

<https://www.dalriadatrustees.co.uk/scheme/milton/>



# Member Announcement

## What should I do if I have any further questions?

Should you have any queries in relation to this Announcement or your membership of the Scheme, please contact us.

You can contact us as follows:

By Telephone: 028 9085 0934

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

By Email: [msadmin@dalriadatrustees.co.uk](mailto:msadmin@dalriadatrustees.co.uk)

## Other Useful contact details

If you have a complaint or dispute concerning your workplace or personal pension arrangements you should contact:

The Pensions Ombudsman Telephone: 0800 917 4487

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

If you have general requests for information or guidance concerning your pension arrangements contact the Money and Pension Service (MaPS).

Previously pensions guidance has been provided across the three consumer facing brands of MaPS: Pension Wise (PW), The Pensions Advisory Service (TPAS) and the Money Advice Service (MAS).

MaPS has now launched **MoneyHelper** where all retirement and pensions guidance has been brought together under one brand and one website: [moneyhelper.org.uk](http://moneyhelper.org.uk).

Consumers can request an appointment by following the links, emailing [virtual.appointments@maps.org.uk](mailto:virtual.appointments@maps.org.uk) or by calling our the pensions helpline on 0800 011 3797.

These appointments are free and impartial.

The email address to the pensions guidance team for general pensions queries is [pensions.enquiries@moneyhelper.org.uk](mailto:pensions.enquiries@moneyhelper.org.uk)

**Issued by Dalriada Trustees Limited**

**July 2023**