
The Focusplay Retirement Benefits Scheme

The P.S.P Retirement Benefits Scheme

("the Schemes")



Dalriada. A better way

Important announcement to members of the Schemes

Dalriada Trustees Limited ("Dalriada") was appointed by The Pensions Regulator ("TPR") as independent trustee to the Schemes on 11 May 2017. Dalriada was appointed due to concerns as to how the previous trustee companies were administering the Schemes and to protect the interests of members.

The purpose of this Announcement is to provide an update to members on the actions taken by Dalriada since our appointment and on the situation regarding an application on behalf of members of the Schemes to the Fraud Compensation Fund ("FCF").

Conviction of Mr Roger Bessent

The previous Announcement detailed the outcome of TPR's own prosecution of Mr Roger Bessent, a director of the previous trustee companies. Following the successful prosecution, conviction and imprisonment of Mr Bessent, a confiscation hearing ordered Mr Bessent to pay £233,000 to the Focusplay Scheme.

The Court and TPR pursued Mr Bessent for the full amount but only £124,000 has to date been repaid back to the Scheme. At this time the Court is satisfied by the efforts made to satisfy the Court Order. However, we understand that Mr Bessent will remain liable to repay the outstanding amount to the Schemes and it will be open to TPR and the Courts to pursue him in the future.

The Fraud Compensation Fund ("FCF")

In our Announcement issued in November 2020 Dalriada advised members of a significant High Court ruling which found that pension schemes that suffered losses as a result of offences of dishonesty, were able to make claims on the FCF. The FCF is a fund, managed by the Pension Protection Fund ("PPF"), that provides compensation where schemes have suffered a loss as a result of fraud or dishonesty.

The judgment clarified a number of important legal issues concerning the operation of the FCF including that – as well as investment losses as a result of an act of dishonesty – schemes (and by extension their members) can be compensated for costs incurred by the trustees which are attributable to dealing with any act of dishonesty.

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Given the low chance of making any further recoveries in respect of the investments made by the former trustees (see below), we are of the view that the best chance of recovering any value for members of the Schemes is a claim for compensation from the FCF.

Dalriada is currently working with the FCF with regard to the information and evidence they require to determine if the Schemes are eligible for compensation. A formal application has not yet been submitted on behalf of the Schemes, as the FCF's pre-conditions for eligibility have not yet been met. However, Dalriada has submitted initial documentation in support of a future claim for the FCF's consideration and review. Should the conditions for eligibility be satisfied, Dalriada will look to make a formal application on behalf of all members of the Schemes collectively.

It is important to note that the FCF is a compensation fund of "last resort", which means that the FCF will need to be satisfied that no further recoveries can be made from elsewhere, or else, that the costs and/or time likely to be incurred pursuing any recovery outweigh any potential return before the FCF will pay compensation to the Scheme. There are also certain technical steps that will need to be taken in order for the Schemes to qualify for compensation.

We will keep members updated as to the progress of this claim in further Announcements.

Further information on the FCF

We have added a Frequently Asked Questions document on the Schemes' 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. Please contact Dalriada directly with any queries and not the FCF.

FAQ Document: https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/FCF_FAQ_Members.pdf

Investments

In a previous Announcement we explained that a reconciliation of payments out of the Schemes' bank accounts established that the previous trustee had made in the region of 30 purported investments using members' funds, including loans to private companies. All but one of the purported investments were unregulated entities, with a number of these based overseas. These entities were not typical investments for an occupational pension scheme.

Since our appointment, Dalriada has attempted to make contact with all of the entities with the aim of recovering funds to the Schemes. To date, the following notable recoveries have been made on behalf of the Focusplay scheme:

- The previous trustee invested £750,000 in a regulated investment fund managed by Organic Investment Management Limited. Dalriada sought advice from a professional and regulated investment advisor, and acting on this advice, exited the investment returning £713,827.82 to the Focusplay scheme.
- The previous trustee also purchased a number of corporate bonds issued by Dolphin Trust, a company based in Germany that claimed to operate in the property sector (now known as the German Property Group ("GPG")). To date four out of six bonds have matured, returning £232,785.96 to the Focusplay Scheme. The remaining bonds that were due to mature in January 2022 failed to materialise due to the bankruptcy and liquidation of GPG. Dalriada remains in contact with the liquidator for GPG, but it is far from clear how long it will take to conclude. Given the size of the GPG liquidation and number of creditors, it is likely no further returns will be made to the Scheme.

While we are still in correspondence with a few remaining entities, we do not anticipate making any further significant recoveries. The Appendix to this Announcement includes an update in relation to the majority of

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the purported investments, while we have laid out an update below in relation to the investments made via The Enduro Partnership Limited ("Enduro").

Dalriada understands that approximately £10 million of the Schemes' funds were transferred to Enduro, which is a UK based company that, amongst other activities, reportedly assists early-stage companies to acquire funding. It is our understanding that these funds were transferred to Enduro to be onward invested in the shares of four companies. However, Dalriada understands that only a proportion of the funds transferred to Enduro from the Schemes were ultimately received by the intended investment companies.

A summary of the four companies that Enduro purported to provide funding with Scheme funds is as follows:

Remote Monitored Systems Plc ("RMS", formerly Strat Aero Plc and now Nanosynth Group Plc)

RMS was an AIM listed, UK based, surveying and data analytics business. RMS had a majority stake in GyroMetric Systems, which developed an innovative digital monitoring and protection system for rotating shafts, and owned Pharm2Farm which used nanotechnology to increase the bioavailability of trace minerals in plant fertilizer and to develop anti-viral clinical grade face masks which kill viruses and bacteria.

RMS appeared to be a viable business and it listed on AIM in early 2015. However, over time the share price plummeted (most notably due to a legal dispute with a competitor) and the shares are effectively worth nothing. A large number of the shares were purchased by the former trustees when the company was already listed. It is not clear where the shares came from and whether they were bought through a broker.

While the position is far from clear, Dalriada understands that the shares in RMS may have been lost over time, with the changes in company structure. Although Dalriada has written to Nanosynth Group Plc several times requesting an update as to the current position, we have yet to receive a response. We are of the view that no recovery of value will be possible in relation to this purported investment.

Farina Investments (UK) Limited (Farina")

This company described itself as a boutique corporate finance and asset management company, which specialised in leveraging profit opportunities in the post financial crisis landscape – essentially, a lending company for distressed businesses. We understand that approximately £4.8 million was transferred to Enduro for the purchase of shares in Farina, with the Focusplay Scheme and PSP Scheme holding 27,584,725 and 82,500 shares, respectively.

Dalriada and our legal advisors have made numerous attempts to contact Farina but have received no response to any correspondence. We noted earlier this year that the registered office for Farina changed on 24 July 2022 to an address in London which is registered to a law firm. Enquiries were made with this firm as to the current status of this company however it transpired that Farina had no connection there and had been using this law firm's address without permission.

The company was very recently dissolved by compulsory strike off on 8 August 2023. We are of the view that no recovery of value will be possible in relation to this purported investment.

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Sport:80 Limited ("Sport:80")

This company specialises in technology and management of a cloud-based platform that is focused on transforming the business operations and management of sports organisations. Sport:80 appears to be a viable business and the director of the company has been in regular contact with Dalriada for a number of years.

While we understand approximately £2 million was transferred to Enduro for onward investment in Sport:80, it appears only approximately £450,000 was received by Sport:80. The Focusplay Scheme and PSP Scheme currently hold 14,783,666 and 91,333 shares in Sport:80, respectively.

Dalriada received an opinion from an independent investment expert in regard to the value of the shares, with a view to possibly entering negotiations for a potential sale. This advice ultimately advised to hold on to the shares in the short-term, with a view to a future sale. In any event, Sport:80 is not in a position to offer an exit for shareholders at this time.

So, in the short-term there will be no recoveries to the Schemes, but there is potential for a sale of the shares in the future. Dalriada will remain in contact with Sport:80 and continue to monitor the financial performance of the company.

Truspine Technologies Plc ("Truspine")

We understand that the Schemes invested approximately £2.3 million for shares in Truspine.

The investment was for pre-IPO investment in a medical device company that appears to have marketed products for the spinal and vascular industry.

Truspine listed on the Aquis Stock Exchange in August 2020 and its share price has fallen consistently. However, due to the size and nature of the Aquis Exchange, there was insufficient liquidity in the market, so finding a buyer for the quantity of the Schemes' shareholding proved difficult. If Dalriada offered the Schemes' shares to the market, it was highly likely that the share price would have fallen significantly and removed any value.

Despite the company's public listing, Dalriada has concerns about the suitability of this investment, including the difficulties experienced in obtaining information to date from the company. We also have concerns about the management of Truspine, which was recently subject to a shareholder motion to remove a number of the current Board of Directors. We will continue to persevere with engagement with Truspine and explore any possible avenues to divest and recover some value for the Scheme, but at this time it appears unlikely that recoveries of value will be possible.

A summary of the other purported investments made by the former trustees is included in the Appendix to this Announcement.

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What is the current position regarding transfer values and member benefit calculations?

Until we know to what extent the Schemes may be compensated by the FCF, it is not currently possible to provide transfer values, make any benefit payments from the Schemes, or indicate what level of benefits might be payable to members in the future.

Scheme Costs

Members should be aware that the Schemes have inevitably incurred, and will continue to incur, significantly higher costs than would be the case for similarly sized conventional schemes. This is typical when dealing with schemes of this nature that have been mismanaged by previous trustees, and where TPR 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 Chair Statements. Copies of the relevant documents can be accessed via the Scheme's website:

<https://www.dalriadatrustees.co.uk/scheme/gleeson-bessent-pension-schemes/>

As the majority of the costs incurred by both Dalriada and our legal advisers are attributable to dealing with the fraud and/or dishonesty offences involved, these costs will form part of the compensation claims on the FCF, if those claims are ultimately successful.

Privacy Policy

Dalriada, as trustee of the Schemes, has a policy for meeting our obligations under the Data Protection Act 2018 and GDPR. Please see link to our full Privacy Policy below:

https://www.dalriadatrustees.co.uk/wp-content/uploads/2018/10/Data-Privacy-Notice_-1.pdf

Member website

Dalriada has set up a dedicated member website for the Schemes. Dalriada has made available through the website 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/gleeson-bessent-pension-schemes/>

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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:

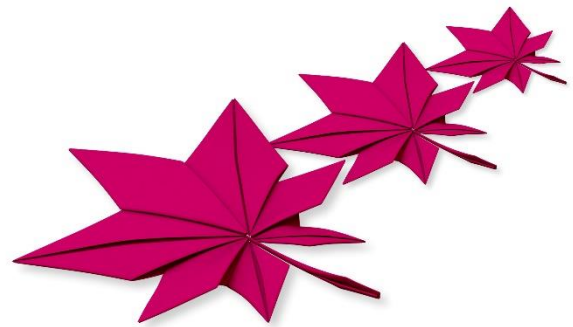
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Appendix

Summary of Investments

The table below provides an update in relation to the purported investments made by the former trustees using the funds of the Schemes. Please note that the figures included are estimated figures, given the poor record-keeping of the former trustees.

| Investment/Entity | Summary |
|---|--|
| Residential Regeneration II Limited ("RRII") | <p>The Schemes paid approximately £218,000 to RRII from about August 2013 onwards.</p> <p>This company purported to purchase properties that were to be used as security to ensure the payment of interest and capital to investors. No response was ever received from this company to our enquiries and requests and they entered into liquidation in 2019. The company concluded its winding up on 23 May 2022 and was dissolved on 26 October 2022. There were insufficient funds available to pay the creditors, so this represented a total loss to the Schemes.</p> |
| Manchester Terminal 2 Hotel Limited ("MT2") | <p>The Schemes paid approximately £78,000 to MT2, a company that went into administration on 25 April 2018. This was an unregulated, high-risk investment, 'managed' by GDCV Investments Ltd (also in liquidation). Dalriada engaged with the liquidators and received £8,618.85 from the limited returns to creditors in the liquidation. The company was dissolved on 14 July 2021.</p> |
| Strategic Agro Consultancy Pte Limited ("Agro"), formerly called Agro Energy Invest PTE. Ltd & Pierrepont Consultancy PTE. Ltd | <p>The Focusplay Scheme entered into agreements (totalling approximately £100,750) for fixed term bonds in a Singaporean AgroEnergy company, that were due to mature in May 2027. However, in late 2016 it was decided the company should enter into a creditors' voluntary liquidation.</p> <p>The AgroEnergy project was novated across and the administration work was undertaken by FairOak Trustees Limited - part of the same group. However, FairOak Trustees was not FCA authorised and therefore it was unable to safeguard and administer the assets. In anticipation of this situation, FairOak sent the bond certificates to the bondholders for their safekeeping during October 2016.</p> <p>Since this time, Dalriada were able to make contact with Strategic Agro Consultancy Pte Limited in Singapore but communications soon ceased, with our most recent correspondence receiving no response.</p> <p>We do not anticipate any returns being made to the Scheme from this company.</p> |
| Cadogan Property Investments | <p>This was an unregulated investment which purported to purchase property in the UK in order to generate rental income for the purposes of capital gains. We understand that approximately £900,000 was transferred to this company, which was incorporated in the British</p> |

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| Investment/Entity | Summary |
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| | <p>Virgin Islands, for the purchase of eight-year bonds. The company has since been struck off in the BVI.</p> <p>The company's registered office was c/o Grand Baie Trust Company. Grand Baie had its management licence suspended by the Financial Services Commission (FSC) in Mauritius. Dalriada made contact with the FSC in Mauritius, which advised that Grand Baie was in Administration. On contacting the Administrator, Dalriada was advised that Grand Baie managed Cadogan Property Investments Ltd, but they were "yet to ascertain the relationship with Cadogan Property Investments Ltd, if any."</p> <p>Dalriada strongly questions the validity of this investment and have not received any response to our enquiries. We do not anticipate any returns being made to the Schemes from this company.</p> |
| Robina Investments GMBH | <p>This was a European Forestry organisation which purported to establish Paulownia tree plantations in Germany. The Schemes made an investment of approximately £55,000. This was a high risk, unregulated, illiquid investment which is now in insolvency proceedings in Germany.</p> <p>Dalriada was contacted by an individual, who was connected to the original land transfer, who suggested they could arrange for the sale of the land for 10,000 Euro.</p> <p>Dalriada took advice to establish if the sale was worth pursuing in Germany. However, the proposed purchaser subsequently withdrew and any returns to the Schemes would have been minimal in any event. Unless another buyer materialises, we do not anticipate any returns being made to the Schemes from this investment.</p> |
| Lose My Number Limited t/a "Logistic Marketing Nationwide" ("LMN") | <p>The Schemes paid approximately £228,000 to LMN. The company was dissolved in November 2018. Unfortunately, our enquiries with the former director proved unsuccessful and Dalriada have been unable to gain any understanding of, or paperwork in relation to, this company. We do not anticipate any returns being made to the Schemes from this company.</p> |
| DOS Palm Oil Productions Ltd | <p>We understand that the company received approximately £190,000 from the Scheme, but the company is currently in liquidation. Dalriada has lodged the Schemes' interest in the insolvency process. The latest liquidators report dated February 2022 advises that there are currently insufficient funds to pay a dividend to any creditors. We do not anticipate any returns being made to the Schemes from this company.</p> |
| Swan Holding PCC Limited ("Swan") | <p>The Scheme paid approximately £260,000 to Swan, which was a company based in Glasgow that purported to specialise in the development and active management of affordable and private real</p> |

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| Investment/Entity | Summary |
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| | estate within the UK. Dalriada has made attempts to recover the sums owed and sought legal advice in relation to possible legal claims against Swan, but these have concluded that the risks of any legal proceedings would outweigh the potential benefits to the Schemes. We do not anticipate any returns being made to the Schemes from this company. |
| Ethical Forestry Ltd | We believe the Scheme invested approximately £19,000 into this company. However, the company has been in liquidation since 2015 and we understand is subject to investigation by the Serious Fraud Office. We continue to liaise with the Liquidators but are of the view any return to the Schemes is highly unlikely. |
| Medical Investments (Barbados) Inc ("MIBI") | <p>This was an overseas, unregulated investment that appeared to relate to a medical device called Thoraquik. MIBI purported to have acquired rights to the share of any income generated by the sale of this medical device. However, it is unclear what the Schemes actually own or may be entitled to in relation to this investment, due to the sparse nature of documentation Dalriada have received.</p> <p>This investment is also familiar to Dalriada through another regulatory appointment, where we understand that shares were subscribed for by Ufesa Consulting Ltd (Dubai) and then assigned to those schemes under a contract between the previous trustees and Ufesa. Monies were purported to have been paid to Ufesa via Best Asset Management Ltd (in liquidation) and then the monies were paid to an entity called Psammead Ventures Limited (dissolved in January 2021).</p> <p>Prior to Psammead being dissolved, they advised that the amount of royalties paid to date has been insufficient even to cover the basic running costs of Psammead and no income had therefore accrued for the benefit of MIBI.</p> <p>To date, MIBI has made no returns to the Schemes and Dalriada have had no response to correspondence. We do not anticipate any returns being made to the Schemes from this company.</p> |
| EONTU Ltd | <p>This company purported to be a specialist provider of intensely flavoured, high protein, nutritionally complete pharmaceutical total food replacement and very low-calorie diet clinical weight loss products. This was a very high-risk investment with an illiquidity period of 2-3 years.</p> <p>A letter to the previous trustees confirmed that the Focusplay Scheme had 2 share certificates with the company totalling approximately £30,000. However, the company was dissolved via compulsory strike off on 10 October 2017. We do not anticipate any returns being made to the Schemes from this company.</p> |

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| Investment/Entity | Summary |
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| Robert Benson Limited ("RBL") | <p>This private limited company purported to specialise in 'credit repair' – funding body shops involved in the repair work of motor vehicles. Investments made by the Schemes into RBL were on a share purchase basis and upon profitability dividends would be paid. This was a high to very high-risk, illiquid investment.</p> <p>Dalriada understands that the Focusplay Scheme invested approximately £20,000 for shares in RBL. We have engaged with RBL and sought possible exit options, but communications were sporadic and somewhat unresponsive. Dalriada will update further once further progress is made, but we believe it is highly unlikely there will be returns to the Focusplay Scheme from this company.</p> |
| Disruptive Investments Ltd | <p>Records show that the Focusplay Scheme invested approximately £50,000 in this UK company, which purported to invest in a range of technology projects. Unfortunately, we have not received any response to our communications and this company is now dissolved. We do not anticipate any returns being made to the Schemes from this company.</p> |
| Crocus Research Ltd & Tulip Research Ltd | <p>Approximately £50,000 was invested into these two dormant companies. Dalriada has reached out to the director of these companies but have received no reply recently.</p> |
| LOANS | |
| <p>The former trustee, Mr Bessent, made a number of loans to entities which were classified as prohibited employer-related investments, which were later converted to preference shares. These loans were the subject of The Pension Regulator's charges against Mr Bessent, with the sums forming part of the confiscation order against him.</p> | |
| Loan to Mr & Mrs Bessent | <p>In 2015, the Scheme paid £121,000 as a loan to Mr & Mrs Bessent to assist in the purchase of a buy-to-let property. This was an unregulated investment and provided no capital protection to the Scheme. The property was subject to Mr Bessent's current confiscation order and funds have now been returned to the Scheme upon completion of the sale (as mentioned in the Announcement). While the sum achieved from the house sale was not as initially targeted in the confiscation order, the Court accepted that the house was sold at a achievable market rate.</p> |
| Salvador Health & Recovery Limited | <p>The Scheme lent this company £33,500 between November 2015 and August 2016, when Mr Bessent was a director. In February 2017 Mr Bessent and his son, Matthew Bessent, agreed to convert the loan into equity shares, however the company was struck off in July 2021. There is no prospect of recovery from this investment.</p> |

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| Investment/Entity | Summary |
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| Little Rascals (Preston) Ltd | This company was set up in 2012 and Mr Bessent was a director between October 2012 and October 2017. Mr Bessent's son, Matthew Bessent is currently a director of the company. It appears that Little Rascals received £29,814 in two loan payments in November and December 2015. Little Rascals has repaid £5,795.29 into the Scheme account but there is still a significant amount owing on this that is now subject to TPR's enforcement proceedings. The company is now in liquidation and there is little to no prospect of further recoveries in respect of this company. |
| Lambert Walker Limited | Dalriada understand that £50,000 was loaned from the Scheme to this company in June 2015, to be repaid in June 2017. The company is currently active and carries on business undertaking specialised construction activities, however, Dalriada has received no response to any communications since June 2020, when they agreed to pay the loan back in instalments. Dalriada will continue to seek recoveries, but it is unlikely that significant returns will be made to the Schemes. |