

Dominator 2012 Pension Scheme
Commando 2012 Pension Scheme
Donington MC Pension Scheme

("the Schemes")



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").

Successful Application to the Fraud Compensation Fund

In our April 2023 Announcement we confirmed that the FCF had agreed that there were reasonable grounds for believing that the Schemes have suffered losses as a result of dishonesty. This means that the Schemes are eligible for compensation.

Thereafter there remained a number of steps to work through before being able to agree the final amount of compensation payable. These included the need for a Scheme Failure Notice and that the Schemes should be at 'last resort'. These points are addressed later on in this Announcement.


Compensation Calculation

The total value of the claim is determined in accordance with a process set out in legislation, based on numbers prepared by an independent accountant and agreed with the FCF.

We can confirm that work is now complete on the calculations and is subject to review by the FCF.

The compensation amount being claimed on behalf of the Schemes includes the payments to Norton Motorcycle Holdings Ltd. Other compensable amounts include payments to T12 Administration Ltd as well as reasonable trustee and other costs incurred by Dalriada and our third party advisors that can be attributed to dealing with the dishonesty. Day-to-day administrative expenses are not compensable by the FCF. However, we expect that the majority of the costs incurred are attributable to dealing with the dishonesty.

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Signatory of:



The Schemes' claims will be for the maximum amount of compensation possible under the legislative framework. The compensation payable will not include the 5% 'coupon' (or interest) payments promised to members by Mr Garner, nor will any benefit payments made to members already, for example tax-free cash or income drawdown payments, be compensated for.

Once the FCF has agreed the amount of compensation, we will update members.

It should be noted that a number of factors to be determined by the FCF might impact the level of compensation paid to the Schemes.

One such factor is likely to be a condition of payment that Dalriada will need to confirm where members have already received a payment related to their transfer to one of the Schemes, for example any incentive payments received on joining, via the Scheme's introducer or other sources. Where this is the case, compensation will be adjusted accordingly by the FCF.

Scheme Failure Notice

As commented above, the amount of compensation could not be finalised until such time as a Scheme Failure Notice was obtained.

It is a legislative requirement that the Schemes' employer is insolvent and that a Scheme Failure Notice is obtained. The Schemes' employer was Manorcrest Ltd ("Manorcrest").

A winding up petition was submitted to the Court in respect of Manorcrest in December of last year, and a hearing was listed for 17 January this year. No representations were made on behalf of Manorcrest at the hearing and a winding-up Order was made.

The Official Receiver was appointed liquidator and Dalriada worked with them to obtain the necessary Scheme Failure Notices, which have now been received and shared with the FCF.

Fund of Last Resort

The FCF is a fund of last resort which means the FCF will need to be satisfied that no further recoveries can be made from elsewhere, or that the costs and/or time likely to be incurred pursuing any recovery could outweigh any potential return. Both the liquidations of the Norton companies and Mr Garner's bankruptcy would need to be considered in this context.

Members are already aware that Interpath Advisory ("Interpath") were appointed as Mr Garner's trustees in bankruptcy. The Schemes have now received a first and final dividend payment of £36,423.63 from Mr Garner's bankruptcy. It is not anticipated that there will be further recoveries from the bankruptcy process. Whilst this only represents a small fraction of the amount claimed by the Schemes, any recoveries are offset against the compensation payable, and so there is no impact on the benefits members' will ultimately receive.

Members will also be aware that the Schemes submitted a number of claims into the liquidations of the Norton companies. The liquidators (BDO) accepted the Schemes as preference shareholders in Norton Motorcycles Holdings Ltd, but rejected the Schemes' other claims.

As per our last Announcement, it was anticipated that an initial dividend would be payable from June 2023 at the very earliest. However, no dividend has been paid to date. It is uncertain what (if any) return the Schemes will receive from the liquidations.

We have been exploring options with the FCF with regard to situations like this where recoveries, and potential timescales for recovery, are uncertain and could delay the payment of compensation to schemes. One possibility is that of assigning potential recoveries to the FCF.

For the Schemes, this would mean we would assign any future recoveries from BDO to the FCF, removing the need for the liquidations to be concluded, and allowing the FCF to pay compensation at an earlier date. In the event of any future payments from BDO, these would go to the FCF. The fact that no recovery has been made to date will not impact on the level of compensation paid to the Schemes.

This is a significant step forward in being able to progress the FCF claims as the Schemes can now be considered to be at 'last resort'.

What does this mean for members?

As above work is complete on the claim calculation and is subject to review by the FCF. It is anticipated that we will hear back from the FCF in March and that an initial compensation payment will be made to the Schemes as soon as possible thereafter.

Afterwards, once Dalriada is able to determine the value of members' benefits, the intention is to transfer benefits to a new arrangement with a reputable provider, in the member's own name. How quickly that can be achieved will depend on any conditions set out by the FCF, referred to above, which might impact on the level of compensation that can be paid, and how quickly those can be dealt with.

We will keep members informed and set out any actions they are required to take as soon as we can.

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 9041 2891

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

By Email: nortonadmin@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

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.

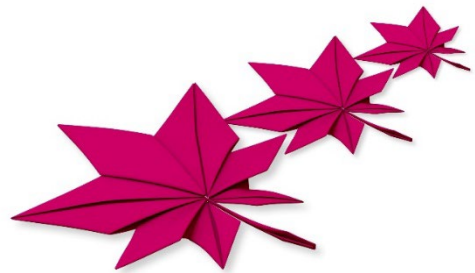
Consumers can request an appointment by following the links, emailing virtual.appointments@maps.org.uk or by calling our the pensions helpline on 0800 011 3797.

These appointments are free and impartial.

The email address to the pensions guidance team for general pensions queries is pensions.enquiries@moneyhelper.org.uk

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