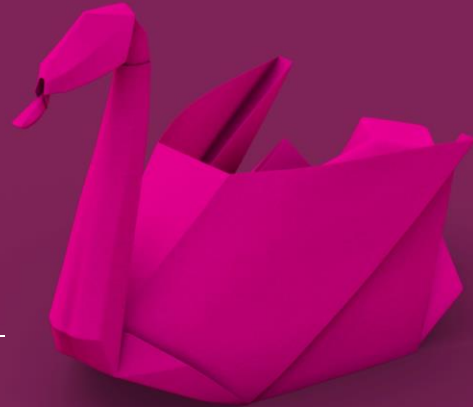

Genwick Retirement Benefits Pension Scheme

Uniway Systems Retirement Benefits Pension 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 25 August 2020. Dalriada was appointed due to concerns as to how the previous trustee (Ecroignard Trustees Limited) was 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").

The Fraud Compensation Fund

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 dishonesty, were able to make claims on the FCF. The FCF is a fund, managed by the Board of the Pension Protection Fund ("PPF"), that provides compensation where schemes have suffered a financial loss as a result of 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.

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.

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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

Member Questionnaire

Members will be aware that Dalriada requested completion of an online questionnaire in December 2022.

If you did not receive this communication, or have yet to complete the questionnaire, we would be grateful if you could now access the questionnaire via the following link and complete this at your earliest convenience:

<https://forms.office.com/e/xvw9xcHjyn>

Members’ responses may provide important evidence to assist with the Schemes’ application to the FCF for compensation, as discussed above.

The Pensions Ombudsman

Dalriada submitted a referral to The Pensions Ombudsman (“the Ombudsman”) against the former trustee of the Schemes, Ecroignard Trustees Limited, joining the complaints already made by six members of the Schemes. Members of our team attended a hearing on 10 August 2021 at the offices of the Ombudsman and gave evidence in support of the complaints.

The Ombudsman’s decision in relation to the matter is pending but we will update members as soon as the final decision is published. In the event that the Ombudsman upholds the complaints made by Dalriada and the six members of the Schemes, we hope this would be useful evidence in support of a claim to the FCF.

Investments

Our investigations to date have identified that the previous trustee made numerous purported investments using members’ funds, including loans to private companies. All of these entities were not typical investments for an occupational pension scheme and there is no evidence that the previous trustee obtained any independent investment advice.

Dalriada has attempted to make contact with all of the entities with the aim of recovering funds to the Schemes. To date, the only recoveries made on behalf of the Schemes were:

- A return of £4,110 and £4,135 in respect of the Genwick Scheme and Uniway Scheme, respectively, from Beaufort Asset Clearing Services Limited (“Beaufort”). We understand these funds were to be

Member Announcement

onward invested in other investments by Beaufort before it entered administration. There will be no further recoveries from this purported investment.

- The former trustee invested approximately £1.4 million of Genwick Scheme funds in loan notes for a company called Dolphin International Group (“Dolphin”). This is an investment known to Dalriada from other appointments by TPR. The Dolphin loan notes were later converted to shares in a company called Vordere Limited (“Vordere”). The reason and transactions in relation to this conversion are unclear, but Dalriada was able to establish that Redmayne Bentley LLP held £93,079.13 in cash, which were the proceeds from the sale of some Vordere shares by the former trustee. Dalriada has since had this sum returned to the Genwick Scheme.

While we are still in correspondence with the remaining entities, we are not hopeful of making any further significant recoveries for the Schemes. The Appendix to this Announcement includes an update in relation to the purported investments.

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 Schemes’ websites (see below).

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. Links to the Schemes’ website are as follows:

<https://www.dalriadatrustees.co.uk/scheme/the-genwick-retirement-benefits-pension-scheme/>

<https://www.dalriadatrustees.co.uk/scheme/uniway-systems-retirement-benefits-pension-scheme/>

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 Schemes, please contact us.

You can contact us as follows:

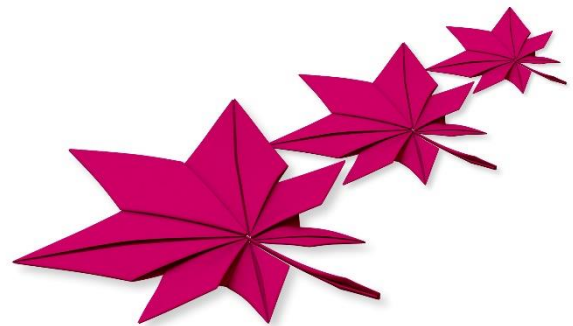
By Telephone: 028 9521 0130

By Post: The Trustees of the Ecroignard Pension Schemes
Dalriada Trustees Limited
Linen Loft
27-37 Adelaide Street
Belfast
BT2 8FE

By Email to either uniwayadmin@dalriadatrustees.co.uk
or genwickadmin@dalriadatrustees.co.uk

Issued by Dalriada Trustees Limited

October 2023



Appendix

Summary of Investments

Due to the limited resources available to the Schemes, Dalriada has not been able to complete a full financial reconciliation to verify the information we have received in relation to the use of funds by the previous trustee. While the figures below seem to broadly match the information made available to Dalriada at the time of writing, a financial reconciliation will be completed in due course.

Based on the information currently available, Dalriada understands that the previous trustee used the funds of the Schemes to invest in the following entities, as follows:

Investment	Genwick	Uniway
AIGO Holdings PCC	£1,550,000	£9,350,000
Beaufort Asset Clearing Services Limited / HJ Liquid Assets PLC	£126,000	£126,000
Dolphin International Group / Vordere Limited / Redmayne Bentley LLP	£1,440,000	-
First Global Wealth Limited / White & Co Property Partners Limited	£1,500,000	-
WH Ireland Limited	£35,500	£5,000
Truspine Technologies Limited / Copain Capital Partners Limited	£52,000	£50,000
Early Equity PLC / Primorus PLC	£209,000	-

The table below provides an update in relation to the investments detailed above and Dalriada's efforts to secure recoveries from the respective entities to the Schemes.

Investment/Entity	Summary
AIGO Holdings PCC ("the AIGO Funds")	<p>This purported investment consisted of loans made from the Schemes to three different funds, or "cells", under the control of AIGO Holdings PCC, namely the AIGO UK Residential Property Fund, the AIGO Natural Resources Fund Cell and the AIGO Commercial Property Fund Cell. Funds from Uniway members were almost exclusively invested to the AIGO Funds.</p> <p>This was an unregulated investment, with each transaction being described as a loan agreement between the relevant cell and Ecoignard Trustees Limited ("ETL") as trustee of the Schemes. AIGO Holdings is incorporated in Mauritius and is a "protected cell company", meaning it is a separate legal entity comprised of a core and several separate cells, that have separate assets and liabilities.</p> <p>Thacoor Advisory Limited ("TAL") were appointed as liquidators in Mauritius for AIGO Holdings PCC in or around March 2018. Dalriada issued a series of queries to TAL and the initial response was TAL</p>

Appendix

Investment/Entity	Summary
	<p>questioning the validity of Dalriada’s appointment and indicating they could not share any information for reasons of confidentiality. After clarifying the nature of our appointment and further discussions, TAL agreed to provide any documentation in their possession relating to the Schemes’ investments in the AIGO Funds.</p> <p>Despite advising in January 2021 that they would provide information to assist Dalriada, TAL are still to comply with this commitment. In fact, TAL later stipulated that Dalriada had to issue an affidavit in support of its request and to be added as a creditor, despite this not initially being made a prerequisite of receiving the information requested. Dalriada has provided an affidavit but TAL have not engaged with our latest correspondence.</p> <p>Recently, Dalriada has been made aware that a payment was made to the AIGO Funds on the liquidation of White & Co (see below) and Dalriada is investigating why the AIGO Funds held a floating charge against White & Co. Dalriada has asked TAL for details of this latest development but have again received no response to our queries.</p> <p>Dalriada has serious concerns about this investment, given the large amounts invested in the AIGO Funds and the fact that it is an offshore entity. We are concerned by the nature of the loan agreements and the lack of transparency in terms of the payments. It is also of concern that the appointed liquidator, TAL, was initially opposed to sharing any information, questioned the validity of Dalriada’s appointment and has not been forthcoming with information to assist Dalriada’s investigations to date.</p> <p>Dalriada will continue to press for the details needed from TAL and investigate the circumstances surrounding the investment, but it is becoming increasingly unlikely that any recoveries will be made to the Schemes in respect of this purported investment.</p>
<p>Beaufort Asset Clearing Services Limited (“Beaufort”) / HJ Liquid Assets PLC</p>	<p>It appears Scheme funds were sent to Beaufort for onward investment in a fund called HJ Liquid Assets Plc (run by Hennessy Jones Limited). The details of this investment remain unclear, but it does not appear to have been an appropriate investment for an occupational pension scheme.</p> <p>Beaufort was in liquidation with the Official Receiver at the time of Dalriada’s appointment. We were able to confirm that the previous administrator of Beaufort was Price Waterhouse Cooper (“PWC”) who still had control of limited funds remaining in respect of the Schemes. Dalriada recovered these sums, totalling only £4,110 and £4,135, in respect of the Genwick Scheme and Uniway Scheme, respectively.</p> <p>No further recoveries are possible in respect of this investment.</p>

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Investment/Entity	Summary
<p>Dolphin International Group (“Dolphin”) / Vordere Limited (“Vordere”) / Redmayne Bentley LLP (“Redmayne”)</p>	<p>Dalriada is aware of Dolphin from other TPR appointments. The original investment was in the form of corporate loan notes with a maturity period of 3 or 5 years. However, in March 2017 the loan notes were converted by the former trustee to shares in Vordere. It was claimed by the former trustee that this conversion was intended to introduce liquidity to the Schemes’ investment. The shares with Vordere were ultimately held via a trading account with Redmayne.</p> <p>Vordere purported to invest in German property and was listed on the London Stock Exchange (“LSE”). However, as of 12 March 2020 Vordere was delisted from the LSE, after it requested the suspension of trading of its shares in July 2019 to assess its financial position (it appears that three former directors were removed by court order).</p> <p>It appears that the former trustee of the Schemes failed to obtain any investment or legal advice in relation to the conversion of the loan notes to shares in Vordere.</p> <p>Dalriada contacted Redmayne, who advised that no cash deposits were made at any point, with the initial transfer of 10,847,497 Vordere shares into the account taking place on 13 December 2018. Redmayne confirmed that some relatively small tranches of shares were subsequently sold by ETL (totalling 1,167,500 shares) for total proceeds of £93,079.13. This sum was still held in cash by Redmayne at the time of Dalriada’s appointment, along with the remaining 9,679,997 shares. Dalriada has since recovered the cash from Redmayne, but the shares currently have no tradeable value.</p> <p>Dalriada do not expect to be able to recover any more value to the Schemes from this investment.</p>
<p>First Global Wealth Limited (“FGW”) / White & Co Property Partners Limited (“White & Co”)</p>	<p>The records provided by the previous administrators, Park View, indicate approximately £1,500,000 was loaned from Genwick to FGW between 2014 and 2016. These loans were later converted to an investment with White & Co.</p> <p>FGW was incorporated in The British Virgin Islands, with the administrator of the fund being Fidelis. The contact at Fidelis was named as Ms Lotun, who was also named as the administrator’s contact for the AIGO Funds and was a director of AIGO Holdings PCC (discussed above).</p> <p>A loan agreement between FGW and White & Co was agreed on 22 July 2014, for a maximum facility of £3 million and FGW held a debenture over the assets of White & Co. The stated purpose of this loan agreement was to assist White & Co in acquiring UK residential real estate.</p>

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Investment/Entity	Summary
	<p>The former trustee called in the loan to FGW in January 2016, after not receiving interest due. This resulted in a Deed of Novation dated 27 January 2016 between FGW, the then trustee company (ETL) and White & Co, which transferred all FGW's interests in White & Co. (including the debenture) to ETL, so that the Schemes held the beneficial interest in the debenture and the monies owed by White & Co. to FGW. On the same date the loan agreement between the ETL and FGW was terminated.</p> <p>White & Co entered administration on 11 January 2018 and commenced wind up on 6 January 2023. Dalriada has been in contact with Quantuma Advisory Limited who have been appointed as Joint Administrators and have confirmed that we have an interest in the debenture. However, they have advised that there will be a shortfall to the first ranking floating charge holder (which was AIGO Holdings PCC) and therefore it is expected that there will not be a distribution available to any other creditors. As noted above, Dalriada has queried why AIGO held a floating charge against White & Co.</p> <p>Dalriada do not expect to receive any distribution from the administration of White & Co.</p>
<p>WH Ireland Limited ("WHI")</p>	<p>The information relating to WHI is sparse, but it was suggested by Mr Waterfield (former director of ETL) to the Official Receiver that this was a default fund used to hold member's funds "whilst they made an investment decision."</p> <p>Two trustee accounts were opened for the Schemes with the balances in the Genwick and Uniway accounts at closure being £35,563 and £5,108, respectively. The Genwick funds held were in respect of part of a member's transfer value. This member had chosen to invest this portion of his fund into the "Default Fund" however there was no "Default Fund" and this investment was subsequently transferred without the member's knowledge to AIGO.</p> <p>The £35,563 balance was transferred to Ecoignard Trustees Limited prior to Dalriada's appointment.</p> <p>The sum of £5,108 has now been recovered from WHI's unclaimed client monies account to Uniway. The other sum due to Genwick was transferred to Ecoignard Trustees Limited, so it is unlikely any value will be recovered in respect of those funds.</p>
<p>Truspine Technologies Limited ("Truspine") / Copian Capital Partners Limited ("Copian")</p>	<p>We are aware of Truspine from other TPR appointments, and it appears Copian acted as an intermediary. ETL purchased shares in 'Sport:80 Plc' on behalf of Uniway, but these were later converted to shares in Truspine. 1,250,000 shares in Sport:80 Plc were originally purchased for £50,000, which were later exchanged for 166,667 shares in Truspine with a value of £50,000, which is confirmed in a share certificate in the</p>

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Investment/Entity	Summary
	<p>name of ETL and which we are in the process of changing to Dalriada Trustees Limited as trustee of the Uniway Scheme.</p> <p>In October 2017 an agreement was made between Copian and the Genwick Scheme for the purchase of 150,000 shares in Truspine for £52,000. Due to a change in the share price before the agreement was signed, 175,000 shares were ultimately purchased, which is confirmed in a share certificate in the name of ETL which we are also in the process of changing to Dalriada Trustees Limited as trustee of the Genwick Scheme.</p> <p>Truspine was listed on the Aquis Stock Exchange in August 2020. However, there was insufficient liquidity in the market, so finding a buyer for the size of the Schemes' shareholding was not possible. If Dalriada were to offer the Schemes' shares to the market, it was highly likely that the share price would significantly fall and remove any value.</p> <p>Dalriada has remained in contact with Truspine, but no exit has been possible. On 31 May 2023 an extraordinary general meeting ("EGM") was called by a group of shareholders to remove the current Board of Directors of Truspine, due to serious concerns regarding the management of the company, including loans allegedly made to companies connected with some directors and alleged deficient announcements to the market. Dalriada engaged in the EGM and submitted votes on behalf of members. Ultimately the resolution to remove the Board of Directors was defeated.</p> <p>Most recently Truspine was fined £215,000 by the Aquis Stock Exchange and received a public censure for multiple breaches of the market rules, which resulted in the market having "an inaccurate impression of the Company's financial position".</p> <p>It remains entirely unclear whether any value will be returned to the Schemes from this purported investment.</p>
<p>Early Equity PLC ("Early") / Primorus PLC ("Primorus")</p>	<p>Approximately £209,000 was paid out from the Genwick Scheme in relation to investments with Early and Primorus.</p> <p>Dalriada have located a share certificate for 10,934,825 shares in Primorus in the name of ETL. Dalriada have been in contact with the company who confirmed that these shares would have been purchased for £0.002375 per share, which would imply the total purchase price at the time was approximately £26,000. However, by virtue of a 1:20 share consolidation that took place in 2019 prior to Dalriada's appointment as trustee, 546,741 shares are now held by ETL. Primorus is listed on the London Stock Exchange and has a value of approximately £19,500.</p> <p>We have had communications with Primorus who have advised that the shares are held in certificated format, meaning they would need to</p>

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Investment/Entity	Summary
	<p>dematerialise such a holding to be able to trade the shares. Primorus have advised that, if the pension scheme is interested in divesting its stake, it anticipates there are investors who would be interested in acquiring shares. However, it is likely this would require us offering the shares at a reduced sale price.</p> <p>In regard to Early, we have obtained a share certificate for 6,885,052 shares in the name of ETL. We have been in contact with Early who have confirmed this holding but are unable to confirm the purchase price or the parties involved in the share purchase as they seem to have been purchased on the secondary market rather than directly with Early. Early have advised that they can provide no further details surrounding the purchase of the shares.</p> <p>Early is listed on the Equis Exchange with a share price of around 0.5p per share. There is limited liquidity on the Equis Exchange and if the shareholding was to be put out for buyers, it is highly likely that the share price would plummet. Early has advised that, if the pension scheme is interested in divesting its stake, it anticipates there may be investors who would be interested in acquiring shares. However, it is likely this would require us offering the shares at a reduced sale price.</p> <p>Dalriada is in the process, as for Truspine, of changing the shareholding to Dalriada Trustees Limited to enable any future sale of the shares for the benefit of the Schemes. It remains unclear whether any value will be returned to the Schemes from these purported investments.</p>