

Dalriada. **A better way**

---

# **Woodcroft House Pension Scheme**

**Report and Financial Statements  
For the year ended 31 May 2021**

---

Registration number: 12004050

---

# Table of Contents

Principal Employer and Advisers to the Scheme.....	3
Trustees' Report.....	5
Statement of Trustees' Responsibilities .....	11
Independent Auditor's Report .....	12
Financial Statements .....	16
Notes to the Financial Statements .....	18
Summary of Contributions.....	25
Independent Auditor's Statement about Contributions.....	26
Compliance Statement.....	27
Annual Governance Statement.....	Appendix 1
Investment Manager's Report .....	Appendix 2

**Woodcroft House Pension Scheme  
Principal Employer and Advisers to the Scheme**

**Trustees**

Minerva Pension Services Limited "the original trustees"  
Dipford House, Queens Square  
Huddersfield Road  
Honley  
Holmfirth, HD9 6QZ

Dairiada Trustees Limited  
Linen Loft  
27 - 37 Adelaide Street  
Belfast  
BT2 8FE

**Principal Employer**

Woodcroft House Limited (in liquidation)  
The Continuum Moderna Business Park  
Moderna Way  
Hebden Bridge, West Yorkshire  
HX7 5QQ

**Administrator**

Dairiada Trustees Limited  
Linen Loft  
27 - 37 Adelaide Street  
Belfast  
BT2 8FE

**Auditor**

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

**Legal Adviser**

Pinsent Masons LLP  
30 Crown Place  
London  
EC2A 4ES

**Woodcroft House Pension Scheme  
Principal Employer and Advisers to the Scheme**

**Investment adviser**

Advisory Investment Services Limited (appointed: 30 October 2020)  
Burnetts, School Lane  
Ashurst  
Sussex  
BN44 3AY

**Investment platform provider**

Mobius Life Limited (appointed: 19 January 2021)  
3rd Floor  
20 Gresham Street  
London  
EC2V 7JE

**Third-party investment managers**

Legal & General Investment Management (appointed: 19 January 2021)

BlackRock Life Limited (appointed: 19 January 2021)

**Bankers**

Barclays Bank PLC  
Imperial House  
Donegall Square East  
Belfast  
BT1 5HL

## **Woodcroft House Pension Scheme Trustees' Report**

### **Introduction**

The Trustees of the Woodcroft House Pension Scheme ("the Scheme") present their report together with the audited financial statements for the year ended 31 May 2021. The Scheme is a defined contribution scheme.

The Scheme was established on 26 January 2011, and is currently governed by the trust deed and rules dated the same date. 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. The Scheme was contracted-out of the S2P (previously known as the State Earnings-Related Pension Scheme) under certificates issued by the Secretary of State for Work and Pensions. Funds derived from contracting out payments were known as protected rights benefits. From 6 April 2012, it has not been possible to contract out of the S2P through a Defined Contribution pension scheme. All existing contracted out payments are treated as non-protected rights benefits. Individuals who were contracted out automatically began to accrue benefits under the S2P from 6 April 2012.

The Annual Governance Statement Included as Appendix 1, the Investment Manager's Report Included as Appendix 2 and the Compliance Statement set out on pages 27 and 28 form part of this report.

---

### **Scheme management**

The Trustees are

Minerva Pension Services.  
Dalriada Trustees Limited.

The director of Minerva Pension Services is Craig McMillan Tweedley.

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 were appointed in accordance with that company's Memorandum and Articles of Association.

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 31 May 2011 under section 7 of the Pensions Act 1995, and may only be removed by the Pensions Regulator.

Dalriada Trustees Limited ("Dalriada") has appointed external specialists to advise on legal and accounting matters.

### **Principal Employer**

Over the past couple of years, Dalriada looked to restore, and then immediately wind up, the principal employer Woodcroft House Limited which was dissolved on 4 September 2012. The principal employer was restored on 6 December 2018 and the completion of the wind up on 3 October 2019, with the dissolution of the company to take place on 2 August 2024.

The reason for this was to create a relevant insolvency event such that the Scheme would be able to make a claim on the Fraud Compensation Fund (FCF), subject to other conditions being met.

Dalriada subsequently submitted a claim to the FCF in September 2021.

**Woodcroft House Pension Scheme  
Trustees' Report**

**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 Trustees and the Scheme beneficiaries. A dispute resolution procedure has been agreed by the Trustees, details of which can be obtained by writing to Dalriada Trustees Limited, Linen Loft, 27 - 37 Adelaide Street, Belfast, BT2 8FE or by download from the members' website page <http://www.dalriadatrustees.co.uk/Ark> or via Email request to [arkadmin@dalriadatrustees.co.uk](mailto:arkadmin@dalriadatrustees.co.uk)

**Financial development of the Scheme**

The financial statements of the Scheme for the year ended 31 May 2021 are set out on pages 16 to 24; the Trustees' summary of contributions and the Auditor's statement about contributions are set out on pages 25 and 26. 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 £1,856,370 at 31 May 2020 to £1,786,572 at 31 May 2021.

**Covid-19**

This report and the accompanying financial statements cover a period subsequent to the outbreak of the Covid-19 global pandemic and the resultant health and financial crisis. The Trustees monitored the impact on investments and followed advice from the Pensions Regulator and duly appointed Scheme advisers during that period and, taking into account the long-term nature of the Scheme, continue to do so.

The Trustees' assessment is that benefits will continue to be paid as and when they fall due and, therefore, the measurement of assets and liabilities in the financial statements are not being adjusted, and the Trustees consider that it is appropriate to prepare the Scheme accounts on a going concern basis.

With regard to wider operational aspects of the Scheme, the Trustees discussed and received reassurances from the Scheme's administrators and other service providers relating to their business continuity plans and all have in place arrangements to provide working from home facilities to their staff. The Trustees have received assurance that normal service should not be materially impacted and this assurance was, in practice, borne out during the accounting period. Service providers continue to be monitored against their service level agreements with the Trustees.

**Transfers at less than cash equivalent**

No transfer values were paid during the year.

**Membership**

As at 31 May 2021, 67 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.

	<b>Deferred</b>	<b>Pensioner</b>
Membership at 01/06/2020	<u>66</u>	<u>-</u>
Pension sharing order	<u>1</u>	<u>-</u>
<b>Membership at 31/05/2021</b>	<b><u>67</u></b>	<b><u>-</u></b>

**Woodcroft House Pension Scheme  
Trustees' Report**

**Pension Increases**

No pensions were paid during the year.

**Changes to the Scheme rules**

There were no changes in 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.

Under the wrapper of 'Maximising Pension Value Arrangements' (MPVA's), the original trustee effected a number of unsecured loans to members of other pension schemes. Dalriada asked the Court to provide direction regarding the status of the MPVA loans. A judgment handed down on 16 December 2011 found that MPVA loans were unauthorised member payments, as defined by s.160(2) of Finance Act 2004 and in breach of the Trustees powers of investment.

This decision by the Court was subject to an application for permission to appeal which was finally dismissed by the Court in December 2013.

Dalriada has not made any further MPVA loans from the date of their appointment with the exception of some MPVAs that were set up and subsequently paid by telegraphic transfer in the days shortly after appointment and that Dalriada were not able to prevent being paid.

Other investments were made in various property related investments with no evidence of an investment adviser being appointed and appropriate investment advice being sought or received.

Aside from the loans to members and the lack of investment advice, no agreements appeared to be in place with the Ark LLPs (Ark), the company previously employed to provide administration services.

Similarly, no proper accounting records appeared to have been kept.

Since appointment, Dalriada has put in place a more robust administration database. Further, Dalriada has created appropriate accounting records the information from which underpins the accounts appended to this Report and which have been independently audited.

Dalriada were of the opinion that the front end administration charges taken by Ark were not appropriate and commenced separate legal proceedings in an attempt to recover at least a proportion of those monies, obtaining a freezing order at the outset of proceedings. It became evident that the funds taken by Ark were transferred to, and spread amongst a large number of introducing companies prior to Dalriada's appointment as Trustee. Ultimately it was determined not to be cost effective to continue pursuing the claim against Ark. A settlement was reached in early 2017 with Ark with regards to Dalriada's claim and, also, a counterclaim by Ark for outstanding fees.

In November 2020, a judgment was handed down following Court proceedings involving Dalriada and the Pension Protection Fund (PPF) with regard to eligibility of schemes like the Ark schemes to make claims on the FCF. In short, the judge found that schemes of this nature were able to make applications and Dalriada submitted a claim in September 2021. Further information will be provided as matters progress and there is no guarantee at this time that the claim will be successful.

Dalriada will continue to develop its business plan which will set out its objectives in areas such as administration, investment, funding and communication. 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.

**Woodcroft House Pension Scheme  
Trustees' Report**

**HMRC**

Dalriada was aware, and made members aware, that HMRC were likely to look to levy tax charges as a result of the MPVA payments. HMRC subsequently issued unauthorised payment charges on members and also Scheme Sanction Charges on the Scheme itself. Dalriada has engaged subsequently, both with HMRC and, also, with the members, in settling out the actions to take with regard to appealing these tax charges. Dalriada has appealed the Scheme Sanction Charges. It has not been possible, to date, to find an alternative to seeing the appeals process through and Dalriada is now committed to working with HMRC and, as far as possible, the members to ensure the appeals are dealt with as quickly and efficiently as possible. Dalriada has received confirmation that a hearing has now been scheduled to be heard in the Tax Tribunal being an 11 day hearing, due to begin on 2 December 2022.

HMRC's action, generally, continues to generate increased member dealings and enquiries.

**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. Dalriada is aware of these requirements and as a professional trustee, 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 address [arkadmin@dalriadatrustees.co.uk](mailto:arkadmin@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 Trustees 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.

Dalriada is regarded as 'Controller' for the purposes of the Regulations, in relation to the process referred to above. The advisers appointed by Dalriada are usually 'Processors', however, some advisers, such as scheme actuary and auditor 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.



**Woodcroft House Pension Scheme  
Trustees' Report**

**Investment report**

As commented earlier in this Report, the original trustee invested in various property related investments.

Further, there was, at outset, some resistance to the provision of information surrounding these investments by both the original trustee and Ark, notably the lack of any appropriate investment advice being sought or received.

The original trustee and Ark failed to comply with the appropriate investment Regulations and did not properly carry out their fiduciary duties as required under general trust law. The loans to members were found to be in breach of the Trustees investment powers and were deemed void. Dalriada is now working to recover the loans as best it can, subject to direction of the Court.

During the year, the day to day management of the Scheme's investments was delegated by the Trustees to a third party investment platform provider, Mobius Life Limited (Mobius).

The Scheme's underlying investments were delegated to third party investment managers, Legal & General Investment Management and BlackRock Investment Management. Access to these managers is achieved through Mobius. A Report from Mobius is included as Appendix 2.

With regard to various other property investments, Dalriada has undergone its own research and its findings are summarised below:

**South Horizon Trading Limited (Cyprus)**

At the time of Dalriada's appointment, funds had been paid to a Cypriot company with a view to securing an option to buy the shares in the company that owned a plot of land near Larnaca. The company concerned was seeking further funds in order to complete the share purchase. However, Dalriada had reservations about this, given the state of the property market in Cyprus.

As has been previously reported, Dalriada reached an agreement with the Cypriot company that has resulted in the sum originally invested, together with interest, being returned to the Scheme. This was shown in the 2013 accounts.

**Custodial arrangements**

The funds invested through Mobius are invested in unlisted funds offered by other investment managers and, as such, Mobius owns units of other funds. The investment managers of the underlying funds will appoint their own custodians. Where Schemes use Mobius to provide segregated portfolios, Mobius uses Northern Trust as custodian.

Dalriada has been unable to obtain details of any custodial arrangements having been put in place with the other investments.

**Woodcroft House Pension Scheme  
Trustees' Report**

**Investment principles**

Prior to Dalriada's appointment, no serviceable Statement of Investment Principles existed for the Scheme.

Ordinarily, trustees should prepare a Statement of Investment Principles governing decisions about investments (although it is not a legal requirement for schemes with less than 100 members, such as the Scheme). In line with the implementation of the investment strategy, in conjunction with its investment adviser, Dalriada has now prepared a Statement of Investment Principles.

A copy of this Statement is accessible to members on a website:

[www.dalriadatrustees.co.uk/ark](http://www.dalriadatrustees.co.uk/ark)

Ultimately, it is Dalriada's 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.

**Employer related investments**

There were no employer related investments at any time during the year within the meaning of section 40(2) of the Pensions Act 1995.

**Woodcroft House Pension Scheme  
Trustees' Report**

**Statement of Trustees' Responsibilities**

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 Trustees. Pension scheme regulations require, and the Trustees are 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 Trustees are 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 Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees also have 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 Trustees are 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 Principal Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are 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 Principal Employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustees are 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 Trustees

For Dalriada Trustees Limited...  .....

Date..... 23/12/2021 .....

**Woodcroft House Pension Scheme**  
**Independent Auditor's report to the Trustees**

**Qualified Opinion**

We have audited the financial statements of the Woodcroft House Pension Scheme (the 'Scheme') for the year ended 31 May 2021 which comprise the fund account, the 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 May 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 Qualified Opinion**

Included within current assets, in note 9 are MPVA assets of £578,620 at 31 May 2020 and 31 May 2021. As explained in note 9 to the financial statements, the Scheme's Trustees could not establish the recoverability of the MPVA current assets as at 31 May 2020 and 31 May 2021. Due to the current status of legal proceedings, we were unable to obtain sufficient appropriate audit evidence about the recoverability and so the carrying value of the Scheme's MPVA assets as at 31 May 2020 and as at 31 May 2021 by using alternative audit procedures. We were also unable to obtain sufficient appropriate audit evidence about the accuracy of the £nil value of a potential impairment in the carrying amount of the MPVAs during the year ended 31 May 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 qualified opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' 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 Trustees with respect to going concern are described in the relevant sections of this report.

**Woodcroft House Pension Scheme**  
**Independent Auditor's report to the Trustees**

**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 Trustees are 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.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 11, the Scheme's Trustees are 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 Trustees determine 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 Trustees are 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 Trustees either intend 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).

**Woodcroft House Pension Scheme**  
**Independent Auditor's report to the Trustees**

- 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 Trustees. We corroborated these enquiries through our review of the Trustee maintained breaches register and relevant correspondence with the Pensions Regulator.

We assessed the susceptibility of the Scheme's financial statements to material misstatement, including how fraud might occur, by enquiring of the Trustees to understand where it was considered there was susceptibility to fraud. This evaluation also considered how the Trustees were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how the Trustees oversee 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:

- Reviewing member announcements published by the Trustees on the Scheme's website.
- Reviewing the latest available internal control reports of the Scheme administrator and Scheme 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 management in their calculation of accounting estimates for potential management bias.

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 Trustees.
- Conclude on the appropriateness of the Trustees' 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.

**Woodcroft House Pension Scheme  
Independent Auditor's report to the Trustees**

**Use of our report**

This report is made solely to the Scheme's Trustees, 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 Trustees 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 Trustees 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: *23 December 2021*

**Woodcroft House Pension Scheme  
Financial Statements**

**For the year ended 31 May 2021**

**Fund Account**

	Note	2021 £	2020 £
<b>Contributions and benefits</b>			
Administrative expenses	3	<u>(64,111)</u>	<u>(61,184)</u>
		<u>(64,111)</u>	<u>(61,184)</u>
<b>Net withdrawals from dealings with members</b>		<u>(64,111)</u>	<u>(61,184)</u>
<b>Returns on Investments</b>			
Investment Income	4	171	7,030
Change in market value of Investments	5	<u>(5,858)</u>	<u>-</u>
<b>Net returns on Investments</b>		<u>(5,687)</u>	<u>7,030</u>
<b>Net decrease in the fund for the year</b>		<b>(69,798)</b>	<b>(54,154)</b>
<b>Net assets at 1 June 2020</b>		<b>1,856,370</b>	<b>1,910,524</b>
<b>Net assets at 31 May 2021</b>		<b><u>1,786,572</u></b>	<b><u>1,856,370</u></b>

The notes on pages 18 to 24 form an integral part of these financial statements.



**Woodcroft House Pension Scheme  
Financial Statements**

**Statement of Net Assets  
(available for benefits) as at 31 May 2021**

	Note	2021 £	2020 £
<b>Investment assets:</b>	5		
Pooled investment vehicles	6	<u>1,404,847</u>	<u>-</u>
		<u>1,404,847</u>	<u>-</u>
<b>Current assets</b>	9	630,569	2,101,830
<b>Current liabilities</b>	10	(248,844)	(245,460)
<b>Net assets at 31 May 2021</b>		<u><b>1,786,572</b></u>	<u><b>1,856,370</b></u>

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. 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 18 to 24 form an integral part of these financial statements.

These financial statements were approved by the Trustees and authorised for issue on 23/12/2021

Signed for and on behalf of the Trustees

For Dalriada Trustees Limited.  .....

**Woodcroft House Pension 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 and is governed by, the laws of England and Wales. The Principal Employer's registered address is disclosed on page 3 and the address for enquiries to the Scheme is included in the Trustees' 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.

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 financial statements on the basis of when the member liability is accepted or discharged which is normally when the transfer amount is paid or received.

There were no transfers out during the year.

**Benefits**

Benefits payable are included in the financial statements on an accruals basis when the member notifies the Trustees 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 Dalriada is not able to identify benefits payable.

**Administrative expenses and investment management expenses**

Administrative expenses and investment management expenses are accounted for on an accruals basis.

**Investment Assets**

Utilised 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.

**MPVAs**

MPVAs are a number of unsecured and unauthorised loans made to members of other pension schemes under the wrapper of 'Maximising Pension Value Arrangements' (MPVAs).

MPVAs are initially accounted for at transaction price and are subsequently valued at transaction price less any loans which have been part or fully repaid by members.

At present Dalriada is unable to estimate any provision for impairment to the balance.

**Woodcroft House Pension Scheme  
Notes to the Financial Statements**

**3. Administrative expenses**

	<b>2021</b>	<b>2020</b>
	£	£
Consultancy fees	600	-
Audit fees	3,300	2,880
Legal fees	19,597	33,657
Trustee fees	40,559	24,607
Other professional fees	55	40
	<u>64,111</u>	<u>61,184</u>

**4. Investment income**

	<b>2021</b>	<b>2020</b>
	£	£
Interest on cash deposits	171	7,030
	<u>171</u>	<u>7,030</u>

**5. Reconciliation of Investments**

	Value at 31/05/2020	Purchases at cost	Sale proceeds	Change in market value	Value at 31/05/2021
	£	£	£	£	£
Pooled investment vehicles	-	1,410,705	-	(5,858)	1,404,847
<b>Investments Total</b>	<u>-</u>	<u>1,410,705</u>	<u>-</u>	<u>(5,858)</u>	<u>1,404,847</u>
<b>Unallocated to members</b>	<u>-</u>				<u>1,404,847</u>

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 Trustees.

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

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.

**Concentration of Investments**

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

	<b>2021</b>		<b>2020</b>	
	£	%	£	%
L&G Life AR Cash Fund	199,540	11.2	-	0.0
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond	402,741	22.5	-	0.0
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	802,566	44.9	-	0.0

**Woodcroft House Pension Scheme**  
**Notes to the Financial Statements**

**6. Pooled Investment vehicles**

	2021	2020
	£	£
Bonds	1,205,307	-
Cash	199,540	-
	1,404,847	-

**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:

	31 May 2021			Total £
	Level 1 £	Level 2 £	Level 3 £	
Pooled Investment vehicles	-	1,404,847	-	1,404,847
	-	1,404,847	-	1,404,847
	31 May 2020			
	Level 1 £	Level 2 £	Level 3 £	Total £
Pooled Investment vehicles	-	-	-	-
	-	-	-	-

**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.

**Woodcroft House Pension Scheme  
Notes to the Financial Statements**

**8. Investment risk disclosures (continued)**

The SORP recommends these risk disclosures are made for all investments.

The Trustees determine their 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. The Trustees manage 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 Trustees by regular reviews of the investment portfolio.

Further information on the Trustees' approach to risk management, credit and market risk is set out below.

**(I) Investment strategy**

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.

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

**(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 Trustees 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 Trustees have delegated the day-to-day management of the pooled investment vehicles.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Unit linked insurance contracts	1,404,847	-

**(III) Currency Risk**

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

Indirect exposure to currency risk arises as a result of the Scheme's pooled investment vehicles' underlying holdings including securities that are denominated in non-GBP currencies. The fund manager may choose to hedge foreign currency exposures within the pooled investment vehicles. The Trustees do not conduct any direct currency hedging however invest in GBP currency hedged versions of pooled funds where it deems it appropriate.

**(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.

**Woodcroft House Pension Scheme  
Notes to the Financial Statements**

**8. Investment risk disclosures (continued)**

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. The following holdings are subject to changes in interest risk:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
L&G Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	402,741	-
BLK Life AQC Corporate Bond Up To 5 Years Index Fund	802,566	-
L&G Life AR Cash Fund	199,540	-
	<u>1,404,847</u>	<u>-</u>

**(v) Other price risk**

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes cash held in pooled investments.

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
L&G Life AR Cash Fund	199,540	-
	<u>199,540</u>	<u>-</u>

The Trustees have delegated the day-to-day management of the Scheme's investments to its investment managers. A further breakdown of the Scheme's investments is included in note 6.

**9. Current assets**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Prepaid expenses	40	-
MPVA's	578,620	578,620
Cash balances	51,909	1,523,210
	<u>630,569</u>	<u>2,101,830</u>

Included in the bank balance is £51,909 (2020: £1,523,210) which is not allocated to members.

The original trustee/administrators did not make any allocation of funds when members transferred in. Consequently, Dalriada has been unable to carry out an allocation of funds to members and will, in time, require further direction from the Court as to the most appropriate method to use.

**Woodcroft House Pension Scheme  
Notes to the Financial Statements**

**MPVA's**

	Value at 01/06/2020 £	Purchases at cost £	Sale proceeds £	Change in market value £	Value at 31/05/2021 £
MPVA	578,620	-	-	-	578,620
	<u>578,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>578,620</u>

The original trustee effected a number of unsecured loans to members of other pension schemes under the wrapper of 'Maximising Pension Value Arrangements' (MPVAs).

Subsequent to their appointment Dalriada did not make any further MPVA payments (with the exception of some MPVAs that were set up and subsequently paid by telegraphic transfer in the days shortly after appointment and that Dalriada were not able to prevent being paid) and sought direction from the Court regarding the status of the amounts already paid. On 16 December 2011 the Court ruled that MPVA loans were unauthorised member payments, as defined by s.160(2) of the Finance Act 2004, and as a result the Court held that the MPVA loans were not validly made.

Dalriada sought direction from the Court as to the approach it should take with regard to the recovery of the MPVA loans and, following a hearing in the summer of 2017, it received direction that it was able to look to recover the MPVA loans. Dalriada, through its legal advisers, sought repayment or, otherwise, that members provided details as to their financial position and whether they were likely to be able to repay, either over a period of time, at some time in the future or ever. A further complication was that there were potential limitation issues and, as such, Dalriada looked to enter into standstill agreements to avoid having to commence legal action prior to direction from the Court. Whilst the majority of members did enter into standstill agreements, some didn't and Dalriada commenced legal action accordingly, obtaining default judgments in a number of cases. However, Dalriada will not look to enforce any judgment until such time as it has had further direction from the Court. Dalriada anticipates returning to Court for further directions which it is hoped will sanction Dalriada making an offer to members to be able to repay loans over a period of time. It had hoped to get back into Court in 2019. This did not happen for a number of reasons largely connected to the tax appeals and, also, a second application that is intended be made with regard to members joining the Scheme after Dalriada's appointment

Dalriada has included as a debt an amount of £578,620, being the money paid out under these arrangements and now to be recovered from the recipients. As at 31 May 2021, £12,475 (2020: £12,475) had been recovered.

However, whilst Dalriada is able to confirm the amounts paid out to individuals under these arrangements, it is unable to establish the recoverability of these amounts.

**10. Current liabilities**

	2021 £	2020 £
Scheme sanction charge	(236,438)	(236,438)
Accrued expenses	<u>(12,406)</u>	<u>(9,022)</u>
	<u>(248,844)</u>	<u>(245,460)</u>

**Woodcroft House Pension Scheme  
Notes to the Financial Statements**

**11. Related Party Transactions**

During the year the fees due to Dalriada were £40,559 (2020: £24,607). As at 31 May 2021 £1,832 (2020: £1,175) was still due to Dalriada.

**12. Contingent Liabilities**

There were no contingent liabilities at the year end.

**13. Subsequent Events**

There were no reportable subsequent events at the date of signing.

**14. 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.

**15. Self Investment**

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



**Woodcroft House Pension Scheme  
Summary of Contributions**

During the year ended 31 May 2021 no contributions were due or paid to the Scheme.

Signed for and on behalf of the Trustees

For Dalriada Trustees Limited.. [REDACTED] .....

Date..... 23/12/2021 .....

**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 Trustees of the Woodcroft House Pension Scheme**

We have examined the summary of contributions to the Woodcroft House Pension Scheme for the Scheme year ended 31 May 2021 to which this statement is attached.

**Statement about contributions payable under the Scheme rules**

In our opinion contributions for the Scheme year ended 31 May 2021 as reported in the summary of contributions and payable under the Scheme rules have in all material respects been paid at least in accordance with the 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 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 Scheme rules.

**Respective responsibilities of Trustees and the auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the Scheme's Trustees are 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 Scheme rules and to report our opinion to you.

**Use of our report**

This report is made solely to the Trustees, 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 Trustees 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 Trustees 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: *23 December 2021*

**Woodcroft House Pension Scheme  
Compliance Statement**

**Changes in and other matters relating to the Scheme advisers**

Any changes to Scheme advisers are listed in the "Principal Employer and Advisers to the Scheme" section on pages 3 and 4.

**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**

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](tel:01159659570)

Email: [pensions.enquiries@moneyhelper.org.uk](mailto:pensions.enquiries@moneyhelper.org.uk)

Website: [www.moneyhelper.org.uk](http://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](http://www.pensions-ombudsman.org.uk)  
Email: [enquiries@pensions-ombudsman.org.uk](mailto:enquiries@pensions-ombudsman.org.uk)

**Woodcroft House Pension 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](http://www.thepensionsregulator.gov.uk)  
E-mail: [customersupport@tpr.gov.uk](mailto:customersupport@tpr.gov.uk)

## Woodcroft House Pension Scheme Appendix 1

### Woodcroft House Pension Scheme Annual Governance Statement by the Chair of the Trustee for the Scheme Year Ending on 31 May 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 Woodcroft House Pension Scheme (the "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.

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

As you are aware from the Announcements issued to members since its appointment, Dalriada Trustees Limited ("Dalriada") was appointed as trustee to the Scheme by the Pensions Regulator amid concerns that the Scheme was being used as a vehicle for pension liberation. This has presented Dalriada with a number of 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 it is the case.

Whilst the previous trustees were not removed by the Pensions Regulator, Dalriada Trustees Limited (Dalriada) was appointed with exclusive powers so Dalriada is, effectively, the sole trustee of the Scheme.

The Scheme was used, principally, as a vehicle to allow members under the minimum retirement age of 55 to access cash payments. Under the wrapper of a 'Maximising Pension Value Arrangement' (MPVA), members of the Scheme received an unsecured loan (or loans) from other pension schemes, similarly established. In turn, and, again, using the MPVA wrapper, the previous trustee effected a number of unsecured loans to members of those other pension schemes.

Subsequent to its appointment, Dalriada did not make any further MPVA payments and sought direction from the Court regarding the status of the MPVA loans already in place. A judgment handed down on 16 December 2011 found that the MPVA loans were unauthorised member payments and in breach of the trustee's powers of investment.

HMRC also considers the MPVA loans to be unauthorised payments and, as a result, HMRC has issued provisional tax assessments against both the Scheme and its members. These provisional assessments are significant and have been appealed by the majority of members and by Dalriada respectively. The correct basis for taxation will only be established at the end of the appeal process, to be heard in the Tax Tribunal (equivalent to the Court for matters relating to tax).

## Woodcroft House Pension Scheme Appendix 1

In addition to the loans made to members of other schemes, the Scheme made an inappropriate investment which has now been recovered.

Over the course of the scheme year, Dalriada has continued to work with its legal advisers and HMRC to prepare for the appeal hearing in the Tax Tribunal. Also, as has been advised in the Announcements to members, following a Court judgement in 2020, the Scheme may be eligible for compensation through the Fraud Compensation Fund (FCF). Dalriada has been working with the FCF in this regard and a claim was submitted on 3 September 2021. Further developments as to the success or otherwise of the claim will be provided to members by way of further Announcements.

### 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 used to meet any auto-enrolment obligations and no contributions are being paid into the Scheme.

The Scheme did not offer a Default Lifestyle Strategy.

The Scheme did not offer members any choice as to how their funds were invested. In Dalriada's view, there has never been an appropriate default investment arrangement. There is no life-styling option available.

Alongside the MPVA loans made to members of other schemes, funds were invested in an unusual and high risk, unregulated investment, South Horizon Trading Limited (South Horizon), based in Cyprus. Ultimately, Dalriada reached an agreement with South Horizon that resulted in the full return of funds, plus interest, to the Scheme.

The previous trustees made investment decisions without seeking appropriate investment advice.

All recovered funds were held in cash. However, Dalriada, having taking investment advice, has implemented an investment strategy where the majority of liquid funds are now invested across a range of bond and cash funds with Legal & General and Blackrock, through the Mobius platform. The strategy aims to provide a greater return that might be achieved through leaving the funds entirely in cash whilst maintain a high degree of prudence and minimising any downside risks. More information is provided in the Scheme's Statement of Investment Principles.

### Statement of Investment Principles

Prior to Dalriada's appointment, no serviceable Statement of Investment Principles existed for the Scheme.

Ordinarily, trustees should prepare a Statement of Investment Principles governing decisions about investments (although it is not a legal requirement for schemes with less than 100 members, such as the Scheme). In line with the implementation of the investment strategy referred to above, in conjunction with its investment adviser, Dalriada has now prepared a Statement of Investment Principles.

## Woodcroft House Pension Scheme Appendix 1

A copy of this Statement is accessible to members on a website:

[www.dalriadatrustees.co.uk/ark](http://www.dalriadatrustees.co.uk/ark)

Ultimately, it is Dalriada's 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.

### Review of default strategy and default arrangements

Dalriada has taken appropriate advice to determine a suitable investment strategy for the ongoing investment of funds previously held in cash.

Due to the issues still facing the Scheme, principally the uncertainty surrounding taxation and the recovery of the MPVA loans to members, the Scheme has adopted a low risk investment strategy to date and will continue to do so.

~~As the investments entered into by the previous trustees as well as the use of MPVA loans were unconventional, they did not comply with any maximum charge requirements.~~

The Court previously ruled that the MPVA loans were made in breach of trust and were not validly made. As trustee of the Scheme, Dalriada has a duty to recover any of the Scheme's assets paid out in breach of trust and this would include funds paid by way of MPVA loans. Dalriada sought direction from the Court as to the approach it should take with regard to the recovery of the MPVA loans and, following a hearing in the summer of 2017, is now looking to recover the loans accordingly. At this stage, some loans have been recovered but Dalriada now needs to go back to Court for further direction on the next stages of recovery of the loans.

As commented above, ultimately, it is Dalriada's intention to wind up the Scheme as soon as it is able, giving members the opportunity to transfer any funds to a more suitable arrangement of their choice. However, it is likely that it will still be some time before the Scheme can be wound up, not least due to the uncertainties that remain as regards recovery of the MPVA loans, tax charges and the success or otherwise of the claim on the FCF.

Copies of the Scheme's Report and Accounts are published on the members' website.

### 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 is unable to pay any level of benefit, including transfers values, to members at the present time.

## Woodcroft House Pension Scheme

### Appendix 1

This is due to a number of factors, not least uncertainty, to date, as to the value of the Scheme's investments and the position with regard to the potential tax charges mentioned above. 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 in a position 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.

Where possible, we perform regular bank reconciliations for all Scheme bank accounts. The purpose of these reconciliations is to ensure that all transactions processed through the bank (money in and out) can be accounted for. Any transactions which cannot be accounted for are investigated and corrected if required.

An independent auditor is appointed who carries out an audit of the Scheme which includes an audit of any core financial transactions that have taken place.

#### Charges and Transaction Costs

The governance rules require the Trustee to make an assessment of 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.

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 as a result of 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.



## Woodcroft House Pension Scheme Appendix 1

Since its appointment, there have been no transactions as Dalriada has not accepted any payments into the Scheme, either by way of contribution or transfers in so 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 was a dormant company with no assets.

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, including its own and adviser costs (including legal fees), for the year ending 31 May 2021 are set in the Accounts and total £64,111.

### "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 membership as a whole, 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, were considered necessary for the appropriate management of the Scheme, including taking legal advice and/or legal action where required. 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 legal action.

Dalriada was appointed following a tender exercise by the Pensions Regulator (TPR) and Dalriada is subject to ongoing oversight by TPR.

Dalriada's costs are calculated using a blended charging rate that sits well below its standard market rates. Its legal advisers operate similarly.

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 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 in a position 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.

## Woodcroft House Pension Scheme

### Appendix 1

**In relation to the cumulative effect over time of the application of charges and costs on the value of a member's accrued rights to money purchase benefits, due to the nature of Dalriada's appointment, both Dalriada's and its adviser's fees are met using Scheme funds. Given that we are not in a position to determine the value of the Scheme's assets it is not possible to say what the cumulative effect of these costs is, generally, on members' accrued rights.**

**As soon as Dalriada is in a position to identify each individual's asset allocation, Dalriada will be able to determine the impact of costs on the value of members' benefits.**

#### Trustee knowledge and understanding

The Trustee has considered the latest guidance in relation to Chairman's Statements from The Pensions Regulator 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, which has been appointed by The Pensions Regulator under section 7 of the Pensions Act 1995 to a number of schemes as a result of The Pensions Regulator 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.

## Woodcroft House Pension Scheme

### Appendix 1

#### *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.

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 a fully accredited member of the Association of Professional Pension Trustees, has completed the 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 an Accredited 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 a fully 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.

## Woodcroft House Pension Scheme

### Appendix 1

Tom's experience, both as an adviser and as an Accredited Professional Trustee, provides particular insight into corporate structures and insolvencies. Where the Scheme's investments include shares and/or bonds in, or issued by, corporate entities understanding the accounting and financial structures of these entities is essential and Tom provides a wealth of experience in this area.

**Tom is a fully accredited member of the Association of Professional Pension Trustees, has completed the 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 other stakeholders. Brian is recognized 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 an Accredited Professional Trustee in all three major legal jurisdictions of the UK and as a Professional Trustee and adviser 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 a fully 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 an Accredited 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 equalization 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 NHS) to the private sector.

## Woodcroft House Pension Scheme Appendix 1

Gino is a fully 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.

### ***Amanda Banister***

Amanda is a Senior Professional Trustee with a wealth of experience in the pensions industry. Before joining Dalriada, Amanda was a pensions partner in a global law firm. She also spent three years in-house at the Pension Protection Fund in its early years, shaping its legal approach and gaining wide experience in pensions policy and insolvency/restructuring. After leaving, she continued to advise the PPF on some of its highest profile and most complex matters. Amanda's experience of working with and advising the PPF is a valuable asset to the Committee, as is her significant experience of contentious pensions issues, including Pensions Ombudsman disputes. Amanda also has a strong governance and risk management skillset, with an ability to solve testing problems, which are strongly aligned with the work of the Committee and Regulatory Appointments in general.

---

Amanda is a qualified solicitor, has completed TPR's Trustee Toolkit and holds the Pensions Management Institute's Award in Pension Trusteeship. Amanda 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 manager who has 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 and 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. However, there is an appropriate induction process in place to support new trustees.

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

As above, the Scheme has a dedicated client manager who has an in-depth knowledge of the Scheme and its governing documentation. The Committee is made aware of any issues or risks in relation to the Scheme's SIP 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 independent expert 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).

## Woodcroft House Pension Scheme

### Appendix 1

#### ***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, including the lead Professional Trustee, 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 Professional Trustee is required to complete The Pensions Regulator's Trustee Toolkit and subscribes to the updates issued by The Pensions Regulator.

**Professional Trustees 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 scheme 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.

**Woodcroft House Pension Scheme  
Appendix 1**

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.
- 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)

Chairman .....  .....

Date 15 December 2021

**Woodcroft House Pension Scheme**  
**Appendix 2**



**Woodcroft House Pension Scheme**  
**Investment Manager's Report to 31 May 2021**

**Fund Performance to: 31 May 2021**

% Fund Growth	1 Year to 31 May 21	3 Years to 31 May 21	1 Year to 31 May 20	1 Year to 31 May 19	1 Year to 31 May 18	1 Year to 31 May 17
LAG Life AR Cash Fund	0.0 %	0.4 %	0.6 %	0.7 %	0.3 %	0.3 %
LAG Life CSAJ PMC Short Dated Sterling Corporate Bond Index Fund	-0.2 %	-0.1 %	0.0 %	0.0 %	na	na
BLK Life AOC Corporate Bond Up To 5 Years Index Fund	2.3 %	na	na	na	na	na

Market Returns	1 Year to 31 May 21	3 Years to 31 May 21	1 Year to 31 May 20	1 Year to 31 May 19	1 Year to 31 May 18	1 Year to 31 May 17
FTSE ALL Share Index	16.8 %	0.2 %	-11.2 %	-3.2 %	6.3 %	24.5 %
FTSE 100	13.5 %	-0.8 %	-11.8 %	-2.5 %	6.3 %	25.5 %
FTSE 250	28.2 %	3.4 %	-7.9 %	-6.4 %	7.2 %	19.5 %
FTSE Small Cap	42.2 %	7.5 %	-9.8 %	-3.1 %	7.9 %	26.6 %
FTSE AW World Index	20.1 %	11.0 %	8.4 %	5.0 %	8.6 %	32.9 %
FTSE North America	19.9 %	14.5 %	14.8 %	9.2 %	11.0 %	32.2 %
FTSE Developed Europe ex UK	19.0 %	7.1 %	1.8 %	1.4 %	1.0 %	35.5 %
FTSE Developed Asia Pacific ex Japan	34.1 %	6.8 %	-7.4 %	-2.0 %	10.0 %	39.9 %
FTSE Japan	12.5 %	5.2 %	9.6 %	-5.4 %	11.9 %	30.9 %
FTSE Over 15 year fixed interest	-14.8 %	3.1 %	21.5 %	6.0 %	1.7 %	12.0 %
FTA All Stock Fixed Interest Gilt Index	-8.3 %	2.3 %	12.0 %	4.1 %	0.5 %	6.6 %
FTA Over 5 Year Index-Linked Gilt Index	-7.5 %	3.7 %	10.3 %	9.3 %	-0.5 %	23.4 %
3 Month LIBOR GBP	0.1 %	0.6 %	0.8 %	0.8 %	0.4 %	0.4 %
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.



**Woodcroft House Pension Scheme  
Appendix 2**

**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-gilts, 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 Market iBoxx Sterling Corporates 1-5 Year Index.*

