

	<p>FINAL NOTICE under section 99(4) of the Pensions Act 2004 (“the Act”)</p> <p>G P Noble Trustees Limited Mentor Pension Trustees Limited BDC Trustees Limited Mr Gary Alan Cordell and Mr Graham John Pitcher</p>	<p>The Pensions Regulator case ref:</p> <p>TM 4989</p>
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1. **TAKE NOTICE** that the Pensions Regulator of Napier House, Trafalgar Place, Brighton BN1 4DW has reviewed the orders made subsequent to a determination on 9 July 2008.

2. **Directly affected parties**

The Regulator considers the following parties to be directly affected by this determination:

- (a) G P Noble Trustees Limited
- (b) BDC Trustees Limited
- (c) Mentor Pension Trustees Limited
- (d) Mr Graham John Pitcher
- (e) Mr Gary Alan Cordell
- (f) Independent Trustee Services Limited
- (g) Lyons Davidson Trustee Company Limited
- (h) the Pension Protection Fund
- (i) the Financial Assistance Scheme

3. **Determination**

A hearing of a Compulsory Review (pursuant to Section 99 of the Act) took place on 28 October 2008 of the determination made under the Special Procedure by the Determinations Panel on 9 July 2008 when the panel determined that orders be issued as detailed below.

Details of orders issued on 9 July 2008

Suspension of trustees under Section 4 of the Pensions Act 1995

1. GP Noble Trustees Limited

The Pensions Regulator hereby suspends GP Noble Trustees Limited as a trustee of:

1. Bagshaws of Melton Limited Retirement Benefits Scheme
2. B and B Insurance Services Limited Executive Pension Plan 771337
3. Berry Birch & Noble Staff Pension Fund
4. Berry Birch & Noble Directors' Pension Fund
5. Brimley and Company Limited Pension and Life Assurance Scheme
6. Cuthbert Heath Family Security Plan
7. Devon Fuels Limited Employee Benefits Scheme P1390751
8. Guildcroft Enterprises Limited Executive Pension Plan 770193/41
9. Hill and Tyler Pension and Assurance Scheme
10. J R Gibson (Planning) Limited Executive Pension Plan 771576
11. Linkage Community Trust Limited Executive Pension Plan
12. London Laminates Limited Executive Pension Plan 766430
13. ME Engineering Retirement Benefits Scheme
14. R E Brown and Company Limited Retirement Benefits Scheme
15. R Taylor and Son (Orthopaedic) Limited Pension Fund Go 3986
16. Ravenhead Company Senior Management Pension Plan
17. The Alenoy Limited Pension and Assurance Scheme
18. The Globe Pension and Life Assurance Scheme
19. The HQ Retirement Security Plan
20. The Melton Medes Group Pension and Life Assurance Scheme
21. The Precision Grinding Pension and Life Assurance Scheme
22. The Ravenhead Company Pension Plan
23. Venson Pension and Life Assurance Scheme
24. Worldco Limited Executive Pension Plan 770673/21

with effect on and from 9 July 2008 until 30 September 2008.

This order has the effect of prohibiting GP Noble Trustees Limited, during the period of the suspension, from exercising any functions as a trustee of the above twenty-four schemes.

2. BDC Trustees Limited

The Pensions Regulator hereby suspends BDC Trustees Limited as a trustee of:

1. The BDC Pension Scheme
2. Hayward Tyler Pension Plan

with effect on and from 9 July 2008 until 30 September 2008.

This order has the effect of prohibiting BDC Trustees Limited, during the period of the suspension, from exercising any functions as a trustee of the above two schemes.

3. Mentor Pension Trustees Limited

The Pensions Regulator hereby suspends Mentor Pension Trustees Limited as a trustee of:

1. The BDC Pension Scheme
2. Hayward Tyler Pension Plan

with effect on and from 9 July 2008 until 30 September 2008.

This order has the effect of prohibiting Mentor Pension Trustees Limited, during the period of the suspension, from exercising any functions as a trustee of the above two schemes.

4. Gary Alan Cordell

The Pensions Regulator hereby suspends Gary Alan Cordell as a trustee of the Webley and Scott Retirement Benefits Scheme with effect on and from 9 July 2008 until 30 September 2008.

This order has the effect of prohibiting Gary Alan Cordell, during the period of the suspension, from exercising any functions as a trustee of the above scheme.

5. Graham John Pitcher

The Pensions Regulator hereby suspends Graham John Pitcher as a trustee of:

1. The Specialist Foam Pac Pension Plan
2. The Smiths Scaffolding Pension Plan

with effect on and from 9 July 2008 until 30 September 2008.

This order has the effect of prohibiting Graham John Pitcher, during the period of the suspension, from exercising any functions as a trustee of the above two schemes.

Appointment of trustee under Section 7 of the Pensions Act 1995

The Pensions Regulator hereby orders that:

1. Independent Trustee Services Limited of One America Square, London EC3N 2JL is hereby appointed as trustee of the following schemes:
 1. Bagshaws of Melton Limited Retirement Benefits Scheme
 2. B and B Insurance Services Limited Executive Pension Plan 77137
 3. Berry Birch & Noble Staff Pension Fund
 4. Berry Birch & Noble Directors' Pension Fund
 5. Brimley and Company Limited Pension and Life Assurance Scheme
 6. Cuthbert Heath Family Security Plan
 7. Devon Fuels Limited Employee Benefits Scheme P1390751

8. Guildcroft Enterprises Limited Executive Pension Plan 770193/41
9. Hill and Tyler Pension and Assurance Scheme
10. J R Gibson (Planning) Limited Executive Pension Plan 771576
11. Linkage Community Trust Limited Executive Pension Plan
12. London Laminates Limited Executive Pension Plan 766430
13. ME Engineering Retirement Benefits Scheme
14. R E Brown and Company Limited Retirement Benefits Scheme
15. R Taylor and Son (Orthopaedic) Limited Pension Fund Go 3986
16. Ravenhead Company Senior Management Pension Plan
17. The Globe Pension and Life Assurance Scheme
18. The HQ Retirement Security Plan
19. The Melton Medes Group Pension and Life Assurance Scheme
20. The Precision Grinding Pension and Life Assurance Scheme
21. The Ravenhead Company Pension Plan
22. Venson Pension and Life Assurance Scheme
23. Worldco Limited Executive Pension Plan 770673/21
24. The BDC Pension Scheme
25. Hayward Tyler Pension Plan
26. Webley and Scott Retirement Benefits Scheme
27. Specialist Foam Pac Pension Plan
28. Smiths Scaffolding Pension Plan

with effect on and from 9 July 2008.

2. This order is made because the Regulator is satisfied that it is necessary to do so in order to secure the proper use or application of the assets of the schemes pursuant to Section 7(3) (c) of the Pensions Act 1995.
3. The powers and duties exercisable by Independent Trustee Services Limited shall be to the exclusion of all other trustees of the Schemes pursuant to section 8(4)(b) of the Pensions Act 1995.
4. Independent Trustee Services Limited's fees and expenses shall be wholly paid out of the Schemes' resources pursuant to section 8(1)(b) of the Pensions Act 1995 as amended by Section 35 of the Pensions Act 2004.
5. This order:
 1. will take immediate effect on the date of this order;
 - b) may be terminated at the expiration of 28 days notice from the Pensions Regulator to the trustees, pursuant to Section 7(5)(c) of the Pensions Act 1995.

(a) will take immediate effect on the date of this order;

4. **Decisions on Compulsory Review**

Having considered the written representations received from the directly affected parties and the Regulator the Determinations Panel has determined as follows in respect of the orders detailed in '3 *Determination*'.

Suspension of Trustees under Section 4 of the Pensions Act 1995

The Pensions Regulator hereby determines that, pursuant to section 99(3) of the Pensions Act 2004 the Orders made on 9 July 2008 be substituted as follows:

1. GP Noble Trustees Limited

The Pensions Regulator hereby suspends GP Noble Trustees Limited under section 4(1)(a) of the Pensions Act 1995, pending consideration being given to the making of a prohibition order against G P Noble Trustees Limited under section 3(1) of the Pensions Act 1995, of trust schemes in general pursuant to section 4(3) of the Pensions Act 1995 with effect on and from 9 July 2008 until 31 January 2009 or until a Determination Notice is issued by the Determinations Panel in respect of any prohibition proceedings taken against G P Noble Trustees Limited.

This order has the effect of prohibiting GP Noble Trustees Limited, during the period of suspension, from exercising any functions as a trustee of trust schemes in general.

2. BDC Trustees Limited

The Pensions Regulator hereby suspends BDC Trustees Limited under section 4(1)(a) of the Pensions Act 1995, pending consideration being given to the making of a prohibition order against BDC Trustees Limited under section 3(1) of the Pensions Act 1995, of trust schemes in general pursuant to section 4(3) of the Pensions Act 1995 with effect on and from 9 July 2008 until 31 January 2009 or until a Determination Notice is issued by the Determinations Panel in respect of any prohibition proceedings taken against BDC Trustees Limited.

This order has the effect of prohibiting BDC Trustees Limited, during the period of suspension, from exercising any functions as a trustee of trust schemes in general.

3. Mentor Pension Trustees Limited

The Pensions Regulator hereby suspends Mentor Pension Trustees Limited under section 4(1)(a) of the Pensions Act 1995, pending consideration being given to the making of a prohibition order against Mentor Pension Trustees Limited under section 3(1) of the Pensions Act 1995, of trust schemes in general pursuant to section 4(3) of the Pensions Act 1995 with effect on and from 9 July 2008 until 31 January 2009 or until a Determination Notice is issued by the Determinations Panel in respect of any prohibition proceedings taken against Mentor Pension Trustees Limited.

This order has the effect of prohibiting Mentor Pension Trustees Limited, during the period of suspension, from exercising any functions as a trustee of trust schemes in general.

4. Gary Alan Cordell

The Pensions Regulator hereby suspends Gary Alan Cordell under section 4(1)(a) of the Pensions Act 1995, pending consideration being given to the making of a prohibition order against Gary Alan Cordell under section 3(1) of the Pensions Act 1995, of trust schemes in general pursuant to section 4(3) of the Pensions Act 1995 with effect on and from 9 July 2008 until 31 January 2009 or until a Determination Notice is issued by the Determinations Panel in respect of any prohibition proceedings taken against Gary Alan Cordell.

This order has the effect of prohibiting Gary Alan Cordell, during the period of suspension, from exercising any functions as a trustee of trust schemes in general.

5. Graham John Pitcher

The Pensions Regulator hereby suspends Graham John Pitcher under section 4(1)(a) of the Pensions Act 1995, pending consideration being given to the making of a prohibition order against Graham John Pitcher under section 3(1) of the Pensions Act 1995, of trust schemes in general pursuant to section 4(3) of the Pensions Act 1995 with effect on and from 9 July 2008 until 31 January 2009 or until a Determination Notice is issued by the Determinations Panel in respect of any prohibition proceedings taken against Graham John Pitcher.

This order has the effect of prohibiting Graham John Pitcher, during the period of suspension, from exercising any functions as a trustee of trust schemes in general.

Appointment of trustee under Section 7 of the Pensions Act 1995

1. Independent Trustee Services Limited

The Pensions Regulator hereby orders that:

1. Independent Trustee Services Limited of One America Square, London EC3N 2JL is hereby appointed as trustee of the following Schemes:
 1. Bagshaws of Melton Limited Retirement Benefits Scheme
 2. Berry Birch & Noble Staff Pension Fund
 3. Brimley and Company Limited Pension and Life Assurance Scheme
 4. Cuthbert Heath Family Security Plan
 5. Devon Fuels Limited Employee Benefits Scheme P1390751
 6. Hill and Tyler Pension and Assurance Scheme
 7. Linkage Community Trust Limited Executive Pension Plan

8. ME Engineering Retirement Benefits Scheme
9. R E Brown and Company Limited Retirement Benefits Scheme
10. R Taylor and Son (Orthopaedic) Limited Pension Fund Go 3986
11. Ravenhead Company Senior Management Pension Plan
12. The Globe Pension and Life Assurance Scheme
13. The HQ Retirement Security Plan
14. The Melton Medes Group Pension and Life Assurance Scheme
15. The Precision Grinding Pension and Life Assurance Scheme
16. The Ravenhead Company Pension Plan
17. Venson Pension and Life Assurance Scheme
18. The BDC Pension Scheme
19. Hayward Tyler Pension Plan
20. Webley and Scott Retirement Benefits Scheme

with effect on and from 9 July 2008.

2. This order is made because the Regulator is satisfied that it is necessary to do so in order to secure the proper use or application of the assets of the Schemes pursuant to Section 7(3) (c) of the Pensions Act 1995.
3. The powers and duties exercisable by Independent Trustee Services Limited shall be to the exclusion of all other trustees of the Schemes pursuant to section 8(4)(b) of the Pensions Act 1995.
4. Independent Trustee Services Limited's fees and expenses shall be wholly paid out of the Schemes' resources pursuant to section 8(1)(b) of the Pensions Act 1995 as amended by Section 35 of the Pensions Act 2004.
5. This order:
 - (a) will take immediate effect on the date of this order;
 - (b) may be terminated at the expiration of 28 days notice from the Pensions Regulator to the trustees, pursuant to Section 7(5)(c) of the Pensions Act 1995.

2. Lyons Davidson Trustee Company Limited

The Pensions Regulator hereby orders that:

1. Lyons Davidson Trustee Company Limited of Victoria House, 51 Victoria Street, Bristol BS1 6AD is hereby appointed as trustee of the following Schemes:
 1. B&B Insurance Services Limited Executive Pension Plan 77137
 2. J R Gibson (Planning) Limited Executive Pension Plan
 3. Guildcroft Enterprises Limited Executive Pension Plan 770193/41
 4. London Laminates Limited Executive Pension Plan 766430
 5. Worldco Limited Executive Pension Plan 770673/21
 6. Specialist Foam Pac Pension Plan
 7. Smiths Scaffolding Pension Plan
 8. Berry Birch & Noble Directors' Pension Fund

with effect on and from the date of this order

2. This order is made because the Regulator is satisfied that it is necessary to do so in order to secure the proper use or application of the assets of the Schemes pursuant to Section 7(3) (c) of the Pensions Act 1995.
3. The powers and duties exercisable by Lyons Davidson Trustee Company Limited shall be to the exclusion of all other trustees of the Schemes pursuant to section 8(4)(b) of the Pensions Act 1995.
4. Lyons Davidson Trustee Company Limited's fees and expenses shall be wholly paid out of the Schemes' resources pursuant to section 8(1)(b) of the Pensions Act 1995 as amended by Section 35 of the Pensions Act 2004.
5. This order:
 - (a) will take immediate effect on the date of this order;
 - (b) may be terminated at the expiration of 28 days notice from the Pensions Regulator to the trustees, pursuant to Section 7(5)(c) of the Pensions Act 1995.

5. **Reasons**

In carrying out its review of the Determination of 9 July 2008 the Panel considered its powers under Section 99(3)(d) of the Pensions Act 2004 to deal with the matters arising on the review as if they had arisen on the original determination.

Suspension of trustees

The Panel took account of the following matters:

- i. Funds of the schemes that were substantially invested in gilts under a passive investment strategy were transferred into offshore investments without proper regard to the duties of the trustees. Analysis showed that approximately £30m had been transferred into Fareston Ltd, a company incorporated in Nevis, and approximately £22m into an offshore bond MFF. In some cases almost the entire assets of a scheme had been disinvested and transferred into these alternative investments.
- ii. Mr Graham Pitcher, the former Managing Director of GP Noble Trustees, in seeking higher yielding investments was of the view that the members of the schemes were no worse off as a result of the re-investment strategy he chose to adopt, reasoning that there was always the protection of the PPF and FAS.

- iii. The reinvestments involved a complex structure of advisers, investment managers and custodians spread across a number of countries, including Australia, Gibraltar, Hong Kong, Nevis, Switzerland and Thailand. This had a serious effect on the liquidity of the schemes and the potential for 100% recovery of the schemes' funds. Substantial fees had been paid or were payable to these intermediaries, which were outside customary arrangements for pension scheme investments. Fees charged by Fareston Ltd included an upfront charge of 2% of the £30m assets under management.
- iv. The investment report presented to Fareston Ltd of 31 December 2007 showed that £800,000 had been invested in land in Koh Samui Thailand, £3m in a private company offering term loans @31% p.a. and £1m in a private security company. Subsequently it appears that a further £5.2m was invested in land in Thailand and a further £4.3m in the private security company. The liquidity of these investments and risk involved can be contrasted with previous holdings in gilts.
- v. In his witness statement, dated 7th August, Mr Chris Martin of the Independent Trustee, ITS, reported that the substantial investments in the MUFF bonds cannot be surrendered early by the trustee, do not have any capital guarantees, do not provide any guaranteed returns and have little or no correlation to the factors which affect the liabilities of the nine schemes which were the sources of the investments.
- vi. In making these reinvestments, the trustees had failed to take proper legal advice on the structure and terms of the investments and to take appropriate investment advice or to consult the scheme actuary.
- vii. For the relevant schemes being considered under FAS, the published advice in the FAS Trustee Update No.9 of 6th March 2008 was that trustees were expected to protect the remaining assets in qualifying schemes from unnecessary use or expenditure. Assets were expected to be closely aligned with scheme liabilities and investments managed in a prudent manner.
- viii. In its representations of 11th August 2008, FAS has reported that at no time did GP Noble seek advice from the FAS Operational Unit regarding the change of investments, despite requests in regular trustee updates to do so. Any high-risk investments not only threatened the cost to the Government of providing FAS assistance but could also affect the payments certain members actually received.
- ix. For the relevant schemes undergoing a PPF assessment period, the trustees were under a duty to provide the PPF with information on any significant changes in the investment of the schemes' assets or in the level of expenditure incurred by the schemes. The PPF has reported that it was unaware of any attempt by the trustees to comply with this obligation.

- x. In its document titled “Prohibition of trustees”, the Pensions Regulator has published advice that professional trustees who charge for their services as trustees or who hold themselves out to be expert in trustee matters are expected to show a higher standard of expertise than lay trustees. Should such a trustee, or firm of trustees, consistently fall short of the standards that the Regulator could reasonably expect from pension professionals, they could be considered for prohibition.

Appointment of independent trustee

In light of the matters set out above, the Panel is satisfied that it is necessary to appoint an independent trustee with exclusive powers to enable the assets of the schemes to be properly secured and applied.

6. Referral to the Pensions Regulator Tribunal

You have the right to refer the matter to which this Final Notice relates to the Pensions Regulator Tribunal (“the Tribunal”). Under section 103(1)(b) of the Act you have 28 days from the date this Final Notice is sent to you to refer the matter to the Tribunal or such other period as specified in the Tribunal rules or as the Tribunal may allow. A reference to the Tribunal is made by way of a written notice signed by you and filed with a copy of this Final Notice. The Tribunal’s address is: 15-19 Bedford Avenue, London WC1B 3AS (tel 020 7612 9649). The detailed procedures for making a reference to the Tribunal are contained in section 103 of the Act and the Tribunal Rules.

You should note that the Tribunal rules provide that at the same time as filing a reference notice with the Tribunal, you must send a copy of the reference notice to the Pensions Regulator. Any copy reference notice should be sent to Determinations Support at The Pensions Regulator, Napier House, Trafalgar Place, Brighton BN1 4DW.

Signed: 

Chairman: **Duncan Campbell**

Dated: 3 November 2008