

Important Announcement to members and potential members of the following pension scheme (“the Scheme”)

Carrick Harbours Retirement Benefits Scheme

Background

We are writing to you as we believe that you may have joined the Scheme and transferred-in pension benefits from a previous arrangement or are in the process of considering (or have previously considered) such a transfer.

On 19th September 2013 Dalriada Trustees Limited (Dalriada) was appointed by Court Order as independent trustee with exclusive powers to the Scheme. All trustee powers and rights are now held by Dalriada. At the same time, a further Order was issued freezing the assets of the previous trustees and the assets of those associated with the administration of the Scheme, where those assets were derived from assets of the Scheme.

The Orders were made ‘without notice’ and, as such, the previous trustees and the other parties affected by the Orders were given the opportunity to respond to the Orders at a ‘return date’ hearing which took place on the 7th October.

The previous trustees and the other parties affected did not oppose the Orders.

Why have we been appointed?

There are concerns that the Scheme has been used as a vehicle for ‘pension liberation’.

Pension liberation occurs where individuals are encouraged to transfer to schemes in the expectation of getting early access to their pension fund (before the minimum retirement age of 55), either by way of a loan or some other form of cash inducement.

Such payments are in breach of the Regulations that govern occupational pension schemes and can expose members to potentially significant tax charges.

The Pensions Regulator has recently launched a campaign warning of the dangers of pension liberation fraud www.thepensionsregulator.gov.uk/pension-liberation-fraud.aspx.

Pension liberation can become fraudulent where members of schemes are not warned of the tax risks of accepting loans or cash inducements originating out of their pension funds and/or they are not advised of the charges being applied against the schemes and/or not informed appropriately how the remainder of their funds are being invested.

These are all reflective of concerns the Pensions Regulator has about the Scheme, leading as a result to Dalriada's appointment.

Information about Dalriada and its role

Dalriada is a company that operates solely to provide trusteeship services to UK occupational pension schemes. Dalriada has considerable knowledge and experience in all aspects of pension scheme management.

Our role as independent trustee is as follows:

- To administer the Scheme,
- To manage the Scheme's assets and understand the nature of all assets held,
- To act in the best interests of all members and beneficiaries,
- To assist the Pensions Regulator with any enquiries in relation to the management of the Scheme.

What action have we taken so far?

We have assumed exclusive control of the existing trustee bank accounts. In addition, we understand that there may be other assets of the Scheme which are held elsewhere and we are currently making investigations in order to gain a full understanding of all assets of the Scheme, including where and how they are held.

We have requested the previous administrators of the Scheme provide us with all documentation, membership and financial records associated with the Scheme. We believe that we now have the majority of the information held by them.

Dalriada has created a database of members or potential members and is contacting them now by way of this Announcement.

Dalriada is undertaking a detailed analysis of all the information it has obtained and will update members further once we are in a position to do so.

What does this mean for you?

Until further notice:

- No further contributions or transfers-in will be accepted into the Scheme.
- No payments will be made to, or in respect of, any members of the Scheme.

These steps are necessary to ensure that Dalriada is able to obtain all relevant information on the assets and liabilities of the Scheme, and clarify the basis on which the Scheme should be administered and managed, before any further financial transactions take place.

If you are in the process of transferring to the Scheme we recommend that you contact your existing pension administrator or provider and inform them that transfers into the Scheme should not be made, and instruct them to take no further action in relation to your proposed transfer at this stage. You should note that it is possible that some transfers in course of payment may proceed and we will be unable to reverse the transaction if the money is credited to the Scheme's bank account.

If you are expecting to receive a payment, this will **not** come from the Scheme and Dalriada will not be making any payments.

You should be aware, also, that if you do receive a payment from any other source, linked to your pension transfer, you may be subject to material tax penalties if pension liberation is established.

What happens next?

We are presently unable to provide further information in relation to any possible implications for Scheme members. Whilst Dalriada now has control of the Scheme to the extent that it is trustee with exclusive powers, it cannot comment on the security of members' benefits until it has identified the value, and secured control, of the Scheme's investments and established definitively whether pension liberation (or even pension liberation fraud) has occurred.

We will endeavour to provide you with a further update at the earliest opportunity.

Please be assured that we are devoting our full attention to this matter and will work closely and co-operatively with all relevant parties on your behalf and in the best interests of all members.

What should I do if I have any further questions?

Should you have any queries in relation to this Announcement or your membership of the Scheme, please contact us. It will help us to resolve any query if you are able to supply copies of all correspondence or other communications which you may have received in relation to your membership of the Scheme.

In addition, if you have any information you wish to provide to Dalriada regarding the matters raised above, such as pension liberation, it would be helpful if you could do so via the details below.

Please note that our offices are closed from 24th December to 1st January inclusive. Normal business hours recommence on 2nd January 2014.

You can contact us as follows:

By Telephone: 02890 850934

By Post: Dalriada Trustees Limited
22 Great Victoria Street
Belfast
BT2 7BA

Via e-mail: Beckerliverpooladmin@dalriadatrustees.co.uk

Issued by Dalriada Trustees Limited

December 2013