

Important Announcement to members of the following pension schemes (“the Schemes”)

Cranborne Star Pension Scheme
Grosvenor Parade Pension Scheme
Tallton Place Pension Scheme
The Lancaster Pension Scheme
The Portman Pension Scheme
Woodcroft House Pension Scheme

This is the eighteenth Announcement to members and is provided by way of an update to members.

This Announcement and copies of all previous Announcements can be accessed from the members’ website - <http://dalriadatrustees.co.uk/ark/>

Update on Beddoe Application

As explained in our most recent announcement, the hearing of the application by Dalriada for various directions from the Court, including the Beddoe application, commenced on Tuesday this week.

Yesterday, the Judge, Mrs Justice Asplin, heard the last of the submissions made on behalf of both Dalriada and the representative beneficiary, Mrs Kim Goldsmith in relation to (i) the question of whether Dalriada should be pursuing recovery of the MPVA loans from members of the Schemes; and (ii) the question of whether Dalriada should be proceeding to challenge the scheme sanction charges levied by HMRC against the Schemes in respect of the MPVA loans made to members.

Following those submissions, Mrs Justice Asplin gave a decision immediately and orally at the end of the Court day (Wednesday) in relation to those matters.

Dalriada is keen to notify members of the outcome as quickly as possible as we are aware that many members have been concerned about the Court application and will want to know what action Dalriada will be taking.

As regards the action to recover MPVA loans, Mrs Justice Asplin was satisfied that there is merit in Dalriada taking steps to recover the payments given they were declared void by the Court in previous proceedings and should not have been made by the original trustees of the Schemes. The Judge has recognised that there is a duty for Dalriada as trustee to collect in assets, particularly when a large number of members did not receive MPVA payments. Clearly, any monies that are recovered by way of MPVA loans will go back to the schemes and will help boost the pension benefits for all members.

At this stage, we want to emphasise to members that Dalriada will be permitted only to take limited steps in relation to seeking recovery, starting by writing to each member individually. The precise

detail of the steps Dalriada will take will be confirmed in a Court order that will be agreed during Thursday, which is the final day of the hearing. However, we anticipate writing to all members on an individual basis shortly with regard to seeking recovery of the MPVA payments received. We expect to be sending out individual letters to the majority of members by the end of next week. We will invite members to set out how they might look to repay the MPVA payments they have received.

There is no need, pending those letters being sent, for members to take further action. We will make it very clear what action is required by individual members when we write to you.

We appreciate that the above outcome will be disappointing for members who received MPVA payments. As was made clear by the Court, it appreciated the difficult position Dalriada was in and that it was an appropriate step for Dalriada to take to ask whether action should be taken to recover MPVA payments, albeit this is not action Dalriada would choose to take if it felt there were a reasonable and viable alternative.

Separately, the Judge has also permitted Dalriada to pursue an appeal against the scheme sanction charges levied by HMRC, which is welcome as Dalriada will be able to put forward whatever arguments it can to challenge those assessments and seek, in the process, to protect members' pension funds as far as possible. Again, any tax payment successfully appealed which results in no tax payment being made will boost members' benefits.

Finally, the Judge was not prepared at this stage to allow any scheme funds to be used to pay for legal representation of test case members in the tax appeals. However, this might be a matter that can be revisited in due course.

Today (Thursday) the Court will consider the other questions Dalriada has raised about the administration of the Schemes and the way costs and assets should be shared between the Schemes and then between the members.

We will provide a further update to members next week once the outcome of all matters put before the Court is known.

What should I do if I have any further questions?

As always, should you have any queries in relation to this Announcement or your membership of the Schemes, please contact us. You can contact us as follows:

By using the Get in Touch form on our website: www.dalriadatrustees.co.uk/contact

By Telephone: 028 9041 2756

By Post:

Dalriada Trustees Limited
22 Great Victoria Street
Belfast
BT2 7BA

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

This Announcement has been uploaded onto our Frequently Asked Questions page available at www.dalriadatrustees.co.uk/ark