

**Further Announcement to members or potential 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**

Further to our last announcement dated 14th June 2011, Dalriada Trustees Limited ("Dalriada") has recently issued proceedings in the High Court to clarify the status of the MPVAs that many members of the Schemes have entered into.

Mr David Faulds who is a scheme member of one of the six schemes that have entered into pensions reciprocation arrangements has kindly agreed to represent the interests of members in the Court proceedings. He is referred to as a Representative Beneficiary. Mr Faulds has obtained legal representation through solicitors, Gateley, who in turn have instructed a barrister. All Mr Faulds' reasonable costs (which will include the cost of the solicitors and barrister) will have to be met from the assets of the Schemes. If you wish to make contact with Gateley you can do so by any of the following methods:

Post: Gateley (Manchester) LLP, Ship Canal House, 98 King Street, Manchester,
M2 4WU

Email: pensionschememembers@gateleyuk.com

Alternatively, if you wish to speak to someone at Gateley, they will be available to take telephone calls between the hours of 10am and midday and 2pm and 4pm Monday to Friday on 0161 836 7963.

Whilst they will be happy to receive telephone calls, Gateley will not have any further information than Dalriada has at this stage regarding circumstances of individual members including, for example, valuation of scheme funds. In addition, the costs incurred by Gateley of handling telephone calls and dealing with emails will also be met from the assets of the Schemes. Whilst members are therefore not discouraged from contacting Gateley, it would be sensible to limit telephone calls to relaying information that it may be useful to bring to Mr Faulds' attention for the purposes of the Court proceedings.

Once the Court has determined the initial question of the legal status of the MPVAs it is very likely that Dalriada will need to put some further questions to the Court to provide them with direction as to how to operate the Schemes.

Dalriada would like to stress that it takes a neutral stance as regards the outcome of the Court Proceedings. Dalriada has been advised that it cannot administer the MPVA arrangements without legal clarification from the Court. However, in order to avoid the need to incur the costs of



multiple beneficiaries at this stage who will have differing interests Dalriada will, for the purposes of the Court proceedings, put forward the argument that the MPVAs were invalidly made and that the loan payments received pursuant to the MPVAs were void or voidable. Mr Faulds will, again purely in a representative capacity, argue to the contrary that the MPVAs were valid and should be operated in the manner originally intended.

The Court proceedings will take some months to progress.

In the meantime, pending the Court decision, Dalriada cannot ascertain the value of any member's benefit in a Scheme and we cannot therefore process any transfer values, death claims or retirements. We are also unable to advise whether members who have received MPVA payments from schemes other than the scheme of which they are a member will have to pay the money back.

While the Court proceedings are progressing Dalriada is actively seeking to recover funds on behalf of scheme members that have been paid to a number of parties including the Ark companies and as "investments". A freezing injunction has been obtained in relation to Ark's bank account as part of this process.

Dalriada is also performing a reconciliation to ensure that it has exact details of the individuals who have transferred money into the Schemes and details of the recipients of MPVA payments since this is not completely clear from the documents and computer files provided by Ark.

Dalriada is preparing accounts for each of the Schemes up to 31 May 2011, the date Dalriada was appointed by the Pensions Regulator and has appointed auditors to each Scheme. In due course these accounts will be available on request.

The Frequently Asked Questions document available at www.dalriadatrustees.co.uk/ark has been updated to reflect the new information included in this communication.

If you wish to address any questions to Dalriada you should make contact in one of the following ways:

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

By telephoning our helpline for members – 028 9041 2756.

By post to:

Dalriada Trustees Limited
22 Great Victoria Street
Belfast
BT2 7BA

By e-mailing suzanne_wilson@dalriadatrustees.co.uk.

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