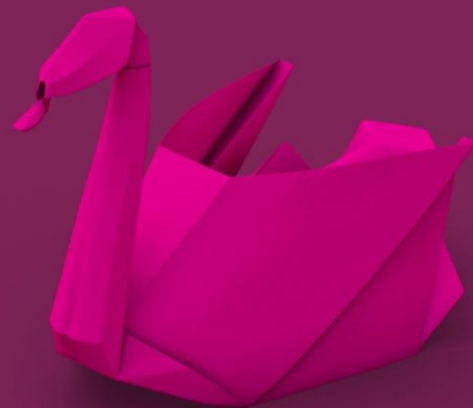

The Ploutos Pension Trust ("the Scheme")



Dalriada. A better way

Important announcement to members of the Schemes

The purpose of this Announcement is to serve as a reminder of the actions being taken by Dalriada Trustees Limited ("Dalriada") to recover members' funds, and to provide an update to members on the situation regarding the Fraud Compensation Fund ("the FCF"). If members have any specific queries in relation to this Announcement or their membership of the Scheme in general, please contact us. Our details are on the final page of this Announcement.

The Fraud Compensation Fund

Ultimately the best chance of any significant recovery for members of the Scheme is via a claim for compensation to the FCF. The FCF is a fund, managed by the Board of the Pension Protection Fund ("PPF"), that provides compensation where schemes have suffered a financial loss as a result of an offence involving dishonesty. Further detail on Dalriada's interactions with the FCF, as well as the legal case which sought clarification on certain legislative issues to do with the FCF, is set out in the Announcement issued to members in November 2020.

Dalriada has been working closely with the FCF with regards to submitting a potential claim on behalf of members of the Scheme. We provided initial evidence to the FCF that would allow them to gain an understanding of how the Scheme was set up and run.

We are very pleased to confirm that the PPF Board have decided that there are reasonable grounds for believing there was dishonesty within the Scheme, and that there are Scheme asset reductions attributable to that dishonesty. This means that compensation will be payable to the Scheme in respect of members' benefits, subject to certain conditions being met (see below).

This is clearly positive news and Dalriada is delighted to be able to communicate this positive outcome to members of the Scheme.

Member Announcement

The total value of compensation to be paid to the Scheme is still to be calculated and agreed with the FCF. We will be appointing accountants for this purpose and will continue to work closely with the FCF towards an agreed level of compensation, as well as to confirm the date of payment to the Scheme.

In order to proceed with a formal claim, the Scheme needs to satisfy a number of requirements. Crucially, in order for the FCF to pay compensation, the Scheme must be registered with HMRC. Unfortunately, the Scheme was de-registered by HMRC on 9 August 2017 (prior to Dalriada's appointment as Trustee) as HMRC concluded that the scheme administrator at the time was not "fit and proper".

Dalriada have been engaging with HMRC over the last 18 months to try and have the Scheme re-registered with HMRC, but to date no progress has been made. We are hopeful that the positive decision in relation to the Scheme from the FCF will encourage HMRC to review our requests and ultimately re-register the Scheme. We must stress that it is not guaranteed that HMRC will re-register the Scheme, but we remain hopeful and will keep members updated on progress.

As part of the claims process the FCF has noted that some members may have previously received a payment which, whilst not necessarily made from the Scheme, was related to their transfer to the Scheme. As a condition of paying compensation to the Scheme, the FCF requires that any such payments confirmed by members to have been received are offset against the amount of compensation the FCF pays (and against the benefits those members receive out of that compensation). This is because the FCF considers those payments were assets of the Scheme, which members have already received.

Dalriada will shortly be writing to members of the Scheme to request the relevant information to allow the FCF to calculate the final level of compensation payable, and to allow Dalriada to subsequently calculate the value of members' benefits within the Scheme.

The FCF considers that they have the power to make this a condition of paying compensation, so as to affect a reduction in compensation, and we will adopt this approach for all schemes seeking compensation. Consequently, and among other things, we are acting on these conditions imposed by the FCF.

Members also need to be aware that, if they did receive a payment, this may have tax consequences for them (for example, if this was an unauthorised payment or, depending on how the payment was made, on some other basis) and Dalriada may need to advise HMRC of this. Dalriada is unable to advise members on these tax consequences, and we recommend that members obtain separate independent financial advice on any tax which may be due.

Unfortunately, we cannot at this point confirm to members any timescales, but we aim to complete the outstanding steps as soon as it is practicable.

Further information on the FCF

We have added a Frequently Asked Questions document on the Scheme website which provides further information on the FCF. You can find a copy by accessing the link below or by visiting the FCF's website at www.fraudcompensationfund.co.uk. Please contact Dalriada directly with any queries and not the FCF.

FAQ Document: https://www.dalriadatrustees.co.uk/wp-content/uploads/2019/12/FCF_FAQ_Members.pdf

Scheme Costs

Members should be aware that the Scheme has inevitably incurred, and will continue to incur, significantly higher costs than would be the case for similarly sized conventional schemes. This is typical when dealing with schemes of this nature that have been mismanaged by previous trustees, and where TPR has seen fit to intervene and appoint a professional trustee (like Dalriada) to take appropriate, necessary actions.

Dalriada has and will continue to report on costs accrued in its annual Chair Statements. Copies of the relevant documents (as well as copies of all Announcements) can be accessed via the Scheme's website:

Member Announcement

[Ploutos Pension Trust - Dalriada Trustees](#)

As the majority of the costs incurred by both Dalriada and our legal advisers are attributable to dealing with the fraud and/or dishonesty offences involved, these costs will form part of the compensation claims on the FCF.

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.

You can contact us as follows:

By Telephone: 028 9592 6105

By Post: Dalriada Trustees Limited
Linen Loft
27-37 Adelaide Street
Belfast
BT2 8FE

By Email: ploutospensiontrust@dalriadatrustees.co.uk

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