



ENSIGN RETIREMENT PLAN

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 31 MARCH 2016

Registered number 9598514

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TRUSTEE AND ADVISERS

TRUSTEE

Ensign Retirement Plan Trustees Limited

ADMINISTRATOR AND INVESTMENT MANAGER

BlackRock Life Limited

INDEPENDENT AUDITOR

Grant Thornton UK LLP

BANKERS

National Westminster Bank Plc

SECRETARY TO THE TRUSTEE

Ensign Pensions Limited

SOLICITORS

Sackers & Partners LLP

REGISTERED OFFICE

The Beehive, City Place, Gatwick Airport, West Sussex, RH6 0PA

ENQUIRIES

Member Enquiries: Enquiries from active or deferred members should be addressed to BlackRock Employee Retirement Services Centre, Churchgate, 1 New road, Peterborough, PE1 1TT or by email to uk.ops@blackrock.com

Employer or General Employers: Enquiries from participating employers or all other general enquiries should be directed to the Scheme Secretary at ERP@ensignpensions.co.uk

TRUSTEE'S REPORT

INTRODUCTION

The Trustee presents its first annual report on the Ensign Retirement Plan ("the Plan"), together with the audited financial statements (the "Financial Statements") for the period from 21 May 2015 to 31 March 2016.

CONSTITUTION OF THE SCHEME

The Ensign Retirement Plan is a trust-based pension scheme, governed by Ensign Retirement Plan Trustees Limited ("the Trustee") in accordance with the Trust Deed and Rules executed on 21 May 2015. The purpose of the Plan is to provide money purchase pension benefits to individuals working for employers connected to the maritime industry. The Trustee holds the Plan's funds on trust on behalf of the members and pays benefits to the members in accordance with the Trust Deed and Rules.

The Trustee welcomed its first members to the Plan on 1 August 2015 following the closure of the Merchant Navy Officers Pension Plan ("MNOFF") to future contributions on 31 July 2015. Through the signing of a Merger Deed with the Trustee of the MNOFF, the Trustee to accept all of the assets and assume all of the liabilities from the MNOFF relating to these members from September 2015.

THE TRUSTEE

The Trustee's Articles of Association provides there to be between four and eight Directors, one half of whom are to be member-nominated directors, and one half of whom are to be employer-nominated directors.

Directors are appointed, re-appointed and removed in accordance with the Trust Deed and Rules of the Plan and the Trustee's adopted appointment policy which ensures an "open and transparent" process. All directors are, therefore, "non-affiliated" for the purposes of the Occupational Pension Schemes (Charges and Governance) Regulations 2015. During the period from 21 May 2015 to the date of this report, four Directors served on the Trustee Board:

Mr. R Murphy (Chairman, appointed 21 May 2015)*
Mr. M Jess (Vice-Chairman, appointed 21 May 2015)+
Mr. J McGurk (appointed 23 July 2015)*
Mr. M Dickinson (appointed 3 August 2015)+

* Employer-Nominated Director
+ Member-Nominated Director

During the period from 21 May 2015 to 31 March 2016, the Trustee met on eight occasions.

DELEGATION FROM MNOFF TRUSTEES LIMITED

The Trustee has agreed to perform certain functions on behalf of MNOFF Trustees Limited, in relation to the governance and operation of the money purchase benefits within the Merchant Navy Officers Pension Fund ("MNOFF"). MNOFF Trustees Limited remains ultimately responsible for the governance of the MNOFF money purchase benefits and they are not reflected in these Financial Statements.

CUSTODY

The Plan's assets are held on a day-to-day basis by the investment manager's appointed custodian.

TRUSTEE'S REPORT (CONTINUED)

CONTRIBUTIONS

Contributions are received from employers on a monthly basis. Members pay a minimum of 4% of pensionable salary and employers a minimum of 6%, giving a total joint minimum rate of 10%. Some employers and members voluntarily pay a higher rate of contributions, on a 1:1 matching scale to 8% member and 10% employer.

All of the members' and employers' contributions are invested in the members' individual retirement accounts. On joining the Plan, members' retirement accounts are wholly invested in the BlackRock LifePath Flexi Fund, although members have the option to invest some or all of their retirement account into one or more alternative investment funds. Members incur an annual management charge on the value of their funds under management which, for members in the default investment fund, is 0.36%. Further information concerning the investment funds and charges are detailed below.

Members are able to make Additional Voluntary Contributions ('AVCs') to the Plan which are invested in the same way as ordinary contributions in the members' retirement account.

During the period, the Trustee received late payments of contributions totalling £30,877 (including £5,425 of members' AVCs). These late payments, which amount to 4.24% of total contributions receivable, were mainly in the initial months following the inception of the Plan. The Trustee took steps to resolve the causes of the delays in receipt of the amounts due, but took no further regulatory action. The auditor has referred to these late contributions in its statement about contributions.

TRUSTEE'S REPORT (CONTINUED)

MEMBERSHIP

Details of the membership of the Plan as at 31 March 2016 are set out below:-

ACTIVE MEMBERS

Active members at the start of the period	0
New active members in period	190
	<hr/> 190
Leavers and exits during the period:	
Adjustments	(1)
Leavers – retaining an entitlement	(36)
	<hr/> (37)
Active members at the end of the period	<hr/> 153

DEFERRED MEMBERS

Deferred members at the start of the period	0
New deferred members in period	1,172
	<hr/> 1,172
Cessation of deferred membership resulting from:	
Adjustments	(9)
Fully commuted retirements	(12)
Death	(2)
Transfers-out	(23)
	<hr/> (46)
Deferred members at the end of the period	<hr/> 1,126
Total membership at the end of the period	<hr/> 1,279

On 1 August 2015, 172 new active and 1,136 new deferred members joined the Plan as a result of the group transfer from the MNOPP.

Adjustments relate to members' accounts that were consolidated during the period.

TRUSTEE'S REPORT (CONTINUED)

INVESTMENT MANAGEMENT

The Trustee has overall responsibility for the administration and management of the Plan's assets which are invested in the name of the Trustee in accordance with the Occupational Pension Schemes (Investment) Regulations 2005.

The Trustee has adopted a Statement of Investment Principles which outlines the principles governing any investment decisions and the investment objectives of the Plan. The Trustee developed its investment strategy, including selection of an appropriate default investment fund, after taking advice from an independent investment adviser.

The investment objective of the Plan is to help improve the retirement outcomes of those working in the maritime industry. The Trustee has selected the BlackRock LifePath Flexi Fund as the fund into which members will automatically be invested (the default fund). The aim of the BlackRock LifePath Flexi Fund is to help members grow their assets whilst protecting their savings as the member approaches retirement through the use of series of target-date funds. The Plan also offers members a range of other investment options for members to choose from.

The Trustee's investment manager, BlackRock Life Limited ("BlackRock"), is responsible for receiving and investing the contributions made to the Plan. BlackRock is remunerated by set fees based on a percentage of funds under management. There are no performance related fee arrangements.

The range of investment options available to members and the annual management charge for each fund is detailed below:

Fund	AMC (%)	Additional Expenses (%)	TER* (%)
BlackRock LifePath Flexi Fund	0.36	0.00	0.36
BlackRock LifePath Capital Fund	0.36	0.00	0.36
BlackRock LifePath Retirement Fund	0.36	0.00	0.36
DC Aquila (30:70) Currency Hedged Global Equity Index	0.37	0.04	0.41
DC Aquila UK Equity Index	0.35	0.01	0.36
DC Aquila Emerging Markets Equity Index	0.50	0.07	0.57
DC Aquila Over 15 Year Gilt Index	0.35	0.01	0.36
DC Aquila All Stocks UK Index Linked Gilt Index	0.35	0.01	0.36
DC Aquila Corporate Bond All Stocks Index	0.35	0.02	0.37
DC Cash	0.30	0.03	0.33
DC Property	1.00	0.03	1.03
HSBC Amanah Pension Fund	0.70	0.00	0.70
LGIM Ethical Global Equity Index	0.60	0.00	0.60
Schroder Dynamic Multi Asset Fund (DMAF)	0.75	0.05	0.80

TRUSTEE'S REPORT (CONTINUED)

INVESTMENT REPORT

The Trustee receives reports from BlackRock on a quarterly basis showing the performance of each of the investment funds in which monies have been invested over the quarter against. The Trustee reviews the performance of the investment funds against appropriate benchmarks, as reported by BlackRock, and reviews the timeliness in which BlackRock invests the contributions made to the Plan. Monthly performance information is available to all members via TargetPlan, in DC fund fact sheets, and members are also provided an annual summary of the performance of their investment choices.

Performance of the Plan's investments over the period are analysed in the table below. As BlackRock's performance reporting is only produced on a quarterly basis, returns are shown from 1 October 2015, the first quarter starting after inception of the Plan.

Fund description	1 Oct 2015 to 31 Mar 2016	
	Fund (%)	Index (%)
BLK DC LifePath Flexi 2016-18 G	4.04	4.33
BLK DC LifePath Flexi 2019-21 G	4.17	4.46
BLK DC LifePath Flexi 2022-24 G	4.41	4.67
BLK DC LifePath Flexi 2025-27 G	4.61	4.87
BLK DC LifePath Flexi 2028-30 G	4.83	5.06
BLK DC LifePath Flexi 2031-33 G	5.04	5.26
BLK DC LifePath Flexi 2034-36 G	5.27	5.46
BLK DC LifePath Flexi 2037-39 G	5.49	5.65
BLK DC LifePath Flexi 2040-42 G	5.65	5.82
BLK DC LifePath Flexi 2043-45 G	5.82	5.97
BLK DC LifePath Flexi 2046-48 G	5.93	6.06
BLK DC LifePath Flexi 2049-51 G	5.99	6.10
BLK DC LifePath Flexi 2052-54 G	5.97	6.11
BLK DC LifePath Flexi 2055-57 G	5.99	6.11
BLK DC LifePath Flexi 2058-60 G	5.98	6.11
BLK DC LifePath Capital 2031-33 G	5.04	5.26
BLK DC LifePath Mature G	4.83	5.02
BLK DC LifePath Retirement Year G	3.65	3.86
BLK DC LifePath Retirement 2031-33 G	5.04	5.26
BLK DC LifePath Retirement 2046-48 G	5.93	6.06
BLK DC Aquila (30:70) Currency Hedged Global Equity Index	5.80	6.06
BLK DC Aquila UK Equity Index	3.43	3.52
BLK DC Aquila All Stocks UK Index Linked Gilt Index	2.10	2.63
BLK DC Cash D	0.12	0.18

Periods greater than one year are annualized. Fund returns are based on the special closing prices calculated at the close of business on the last working day of each valuation period, to allow comparisons with the appropriate indices. Performance is reported net of fees. Benchmark returns at the underlying funds level are not client-account specific and are reported only on a monthly basis. Past performance is not a reliable indicator of future results.

TRUSTEE'S REPORT (CONTINUED)

FINANCIAL DEVELOPMENT OF THE PLAN

The Financial Statements of the Plan for the period ended 31 March 2016, as set out on pages 14 and 15, have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995. A summary of the Plan's Financial Statements is set out in the table below.

	£
Net assets at start of period	-
Contributions receivable	727,477
Transfers in	28,642,280
Fee rebate allocated to members	29,764
Benefits and payments to leavers	(1,605,559)
Fees receivable for services provided by the Trustee	62,669
Administrative expenses	(38,904)
Change in market value	1,041,064
Net assets at 31 March 2016	28,858,791

FURTHER INFORMATION

Members are advised that this report and the Financial Statements are for information only and should be read in conjunction with individual benefit statements received annually and the Trust Deed and Rules. Any queries should be directed to BlackRock Life Limited using the contact details shown on page 2.

This report, including the Statement of Trustee's Responsibilities and the Chair's Annual DC Governance Statement, attached as Appendix A, was approved by the Trustee on 30 August 2016 and signed on its behalf by:

Rory Murphy
Chairman, Ensign Retirement Plan Trustees Limited

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties, audited financial statements for each Plan year which:

- show a true and fair view, of the financial transactions of the Plan during the Plan year and of the amount and disposition at the end of the Plan year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'.

The Trustee is responsible for supervising the preparation of the financial statements and for agreeing suitable accounting policies, to be applied consistently, making any estimates and judgements on a reasonable and prudent basis.

The Trustee is also responsible for making available each year, commonly in the form of an annual report, information about the Plan prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

The Trustee has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

The Trustees are also responsible for the maintenance and integrity of the Plan's website, www.ensignpensions.co.uk/erp. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES (CONTINUED)

TRUSTEE'S RESPONSIBILITIES IN RESPECT OF CONTRIBUTIONS

The Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Payment Schedule showing the rates of contributions payable towards the Plan by or on behalf of the participating employers and the active members of the Plan and the dates on or before which such contributions are to be paid. The Trustee is also responsible for keeping records of contributions received in respect of any active member of the Plan and for ensuring that contributions are made to the Plan in accordance with the Payment Schedule. Where breaches of the Payment Schedule occur, the Trustee is required by the Pensions Act 1995 to consider making reports to the Pensions Regulator and the members.

In accordance with the Rules of the Plan, the current Participating Employers have agreed to participate in the Plan by signing a Benefit Specification, and agree to adhere to pay contributions at the rate of Pensionable Earnings set out in the Benefit Specification. During the period to 31 March 2016, the Trustee reviewed the contributions received from members and employers against the relevant Benefit Specification.

A Payment Schedule was prepared in July 2015 and a process has been established whereby on the first anniversary of the commencement of the Plan and then subsequently at each year end, employers are formally incorporated into the Payment Schedule. As a result, for the first period of the Plan, the Plan auditor is only able to report on contributions against the requirements of the Rules.

INDEPENDENT AUDITOR'S REPORT TO THE ENSIGN RETIREMENT PLAN TRUSTEE

We have audited the financial statements of the Ensign Retirement Plan for the period from 21 May 2015 to 31 March 2016 which comprise the fund account, the statement of net assets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Plan's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan and the Plan's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 9, the Plan's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the period from 21 May 2015 to 31 March 2016, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
31 August 2016

SUMMARY OF CONTRIBUTIONS

Trustee's Summary of Contributions payable under the Rules in respect of the period ended 31 March 2016

This Summary of Contributions has been prepared by, and is the responsibility of, the Trustee. It sets out the employer and member contributions payable to the Plan under the Rules in respect of the period ended 31 March 2016. The Plan auditor reports on contributions payable under the Rules in the Auditors' Statement about Contributions.

Contributions payable under the Rules in respect of the period ended 31 March 2016

	£
Employer normal contributions	471,927
Member normal contributions	230,355
Contributions payable under the Rules (as reported by the Plan auditor)	702,282

Reconciliation of contributions payable under the Rules to total contributions reported in the Financial Statements

	£
Contributions payable under the Rules (as above)	702,282
Contributions payable in addition to those due under the Rules (and not reported on by the Scheme Auditor)	
Member additional voluntary contributions	25,195
Total contributions reported in the Financial Statements	727,477

During the period, four instances of late payments of contributions were received from employers in respect of active members, totalling £30,877 (including £5,425 of members' AVCs). Three of these late payments were the result of the time required for new employers to be established on the relevant systems. The other late payment was due to one-off circumstances outside of the control of the Trustee and the relevant employer. All late payments of contributions were received within 30 days of the payment due date.

Signed on behalf of the Trustee on 30 August 2016 by:

Rory Murphy
Chairman, Ensign Retirement Plan Trustees Limited

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS

We have examined the summary of contributions to the Ensign Retirement Plan in respect of the Plan period ended 31 March 2016 which is set out on page 12.

This statement is made solely to the Plan's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to the Trustee in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan and the Plan's Trustee as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of the Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 10, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a payment schedule showing the rates and due dates of certain contributions payable towards the scheme by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the payment schedule.

It is our responsibility to provide a statement about contributions paid under the Rules of the Plan and to report our opinion to you.

Scope of work on statement about contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have in all material respects been paid at least in accordance with the Rules of the Plan. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Rules of the Plan.

Basis for qualified statement about contributions

As described on page 12, there were four instances of contributions due under the Rules of the Plan totalling £25,452 being received later than the statutory deadline of 22 days after the end of the calendar month to which they related.

Qualified statement about contributions payable under the Rules of the Plan

In our opinion, except for the effects of the departure from the Rules of the Plan described in the Basis for qualified statement about contributions paragraph, contributions for the Plan period ended 31 March 2016 as reported in the summary of contributions and payable under the Rules of the Plan have in all material respects been paid at least in accordance with the Rules of the Plan dated 21 May 2015.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
31 August 2016

FUND ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2016

	Notes	Period to 31 March 2016 £
CONTRIBUTIONS AND BENEFITS		
Contributions receivable	3	
Employer		471,927
Member		255,550
Individual transfers in		75,547
Group transfer in	4	28,566,733
Other income	5	92,433
		29,462,190
BENEFITS		
Benefits payable	6	(497,663)
Payments to and on account of leavers	7	(1,107,896)
Administrative expenses	8	(38,904)
		(1,644,463)
Net additions from dealings with members		27,817,727
Net change in market value of investments	9	1,041,064
Net increase in the fund during the period		28,858,791
NET ASSETS OF THE PLAN AT 31 MARCH 2016		28,858,791

The notes on pages 16 to 21 form part of these Financial Statements.

STATEMENT OF NET ASSETS

AS AT 31 MARCH 2016

	Notes	31 March 2016 £
ASSETS DESIGNATED TO MEMBERS		
Investment assets	10	28,629,827
Current assets	11	114,988
Total		28,744,815
ASSETS NOT DESIGNATED TO MEMBERS		
Current assets	11	162,826
Current liabilities - Accruals		(48,850)
Total		113,976
NET ASSETS OF THE PLAN AT 31 MARCH 2016		28,858,791

The notes on pages 16 to 21 form part of these Financial Statements.

The Financial Statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan period.

The Financial Statements were approved by the Trustee on 30 August 2016 and signed on its behalf by:

Rory Murphy
Chairman, Ensign Retirement Plan Trustees Limited

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with the Occupational Pension Schemes (Requirement to Obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, the Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council – and with the guidance set out in the Statement of Recommended Practice (2015) “Financial Reports of Pension Schemes”.

The Financial Statements are presented in pounds sterling (GBP).

Early adoption of the amendments made to FRS102 in March 2016 in relation to the fair value hierarchy has been implemented.

2. ACCOUNTING POLICIES

The principal accounting policies of the Plan are as follows:

2.1 INVESTMENTS

- Investments are included at fair value as advised by the investment manager at the period end date.
- Pooled investment vehicles are daily dealing and trade at a single daily price.

2.2 CONTRIBUTIONS

- Member normal and additional voluntary contributions are accounted for when deducted from pay. Employer normal contributions which are expressed as a rate of salary are accounted for on the same basis as members’ contributions.

2.3 PAYMENTS TO MEMBERS AND TRANSFERS

- Benefits are accounted for in the period in which they fall due for payment. Where there is a choice, benefits are accounted for from the later of the date of retirement/leaving, or the date on which the member notifies the Trustee of their decision on the type or amount of benefit to be taken.
- Individual transfers in or out are accounted for when paid and received which is normally when member liability is accepted/discharged.
- Group transfers receivable or payable are accounted for in accordance with the terms of the transfer agreement.
- Where tax liabilities are settled on behalf of a member (such as where lifetime or annual allowances are exceeded) with a consequent reduction in that member’s benefits receivable from the Plan, any taxation payable by the Plan is accounted for on the same basis as the event giving rise to the tax liability and reported separately.

2.4 EXPENSES AND OTHER INCOME

- Expenses and other income are accounted for on an accruals basis.
- The Plan bears all the costs of administration.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. CONTRIBUTIONS RECEIVABLE

	£
Employers	
Normal contributions	471,927
Members	
Normal contributions	230,355
Additional Voluntary Contributions	25,195
Total member contributions	255,550

Employer normal contributions include contributions payable to the Plan under salary sacrifice arrangements made available to members by certain employers.

4. GROUP TRANSFER IN

The group transfer in of £28,566,733 represents the assets transferred to the Plan in respect of members of the Merchant Navy Officers Pension Plan in September 2015. The transfer comprised £28,476,522 of assets designated to members and £90,211 of assets not designated to members.

5. OTHER INCOME

	Designated to members £	Not designated to members £
Fees from MNOPF Trustees Limited		50,000
Annual Management Charge		7,644
Fee rebate attributable to members transferring in	29,764	5,025
Total income	29,764	62,669

6. BENEFITS PAYABLE

	£
Commutations	(41,467)
Cash lump sums	(178,447)
Purchase of annuities	(277,749)
Total benefits payable at 31 March 2016	(497,663)

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

The payments to and on account of leavers of £1,107,896 represents individual transfers out paid in respect of members during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. ADMINISTRATIVE EXPENSES

	£
Audit fees	(6,065)
Administration costs	(27,645)
Trustee Indemnity Insurance	(5,194)
Total administrative expenses at 31 March 2016	(38,904)

9. INVESTMENT RECONCILIATION

Reconciliation of investments held at the beginning and the end of the period:

	Value at 21 May 2015	Purchases	Sales	Change in market value	Balance at 31 Mar 2016
	£	£	£	£	£
Pooled investment vehicles	-	65,539,547	(37,950,784)	1,041,064	28,629,827

The change in market value of investments during the period comprises all increases and decreases in the market value of investments held at any time during the period, including profits and losses realised on sales of investments during the period.

10. POOLED INVESTMENT VEHICLES

	£
Fixed Income	43,718
Equity	1,662,912
Multi Asset	26,841,384
Cash	81,813
Total at 31 March 2016	28,629,827

Multi Asset funds include: BlackRock DC LifePath Flexi funds, BlackRock DC LifePath Capital funds, BlackRock DC LifePath Mature fund and BlackRock DC LifePath Retirement funds.

Equity funds include: BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index Fund and BlackRock DC Aquila UK Equity Index Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CURRENT ASSETS

	Designated to members £	Not designated to members £
Normal contributions due from employers	55,008	
Normal contributions due from members	27,482	
Additional Voluntary Contributions due from members	2,734	
Other debtors		96,303
Cash balance	29,764	66,523
Total assets at 31 March 2016	114,988	162,826

Contributions receivable were received subsequent to the period end in accordance with the Rules.

12. TAX

The Ensign Retirement Plan is a registered pension scheme for tax purposes under the Finance Act 2004. Contributions by employers and members are therefore, normally eligible for tax relief and the Plan is exempt from income tax and capital gains tax except for certain withholding taxes relating to overseas investment income. Tax charges are accrued on the same basis as the investment income to which they relate.

13. TRANSACTION COSTS

Transaction costs are borne by the Plan in relation to transactions in pooled investment vehicles. Such costs are taken into account in calculating the prices of these investments and are not separately reported.

14. INVESTMENT FAIR VALUE HIERARCHY

The fair value of financial instruments has been determined using the following fair value hierarchy:

Level 1	The unadjusted quoted price for an identical asset in an active market.
Level 2	Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Inputs are unobservable for the asset or liability.

The fair value of the Plan's investment assets and liabilities have been determined using the above hierarchy categories as follows:

	Level 1 £	Level 2 £	Level 3 £	Total 2016 £
Pooled investment vehicles	28,629,827	-	-	28,629,827

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: This comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** This is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to these risks because of the investments it makes to implement its investment strategy. The pooled investment vehicles are GBP sterling-denominated. The underlying investments may however, be made in overseas equities, resulting in an indirect currency risk. The funds are daily dealing and trade at a single daily price. The daily price depends on the bid and offer prices of the underlying assets which can fluctuate on a daily basis depending on flows into the fund, market prices and other price risks.

The Trustee's primary investment objective is to make available an investment fund that will be suitable for most members in the Plan and help them improve their retirement outcomes.

The Trustee considers risk from a number of perspectives which are outlined in the Trustee's Statement of Investment Principles. To help mitigate the most significant of these risks, the Trustee has selected the BlackRock LifePath Flexi Fund as the default investment fund for members to be invested in.

The BlackRock LifePath Flexi Fund provides a series of target date funds, each with an asset allocation which transition members' investments from higher risk investments to lower risk investments as the members approach their target retirement date. As a result, the risk rating of each target date fund will vary over time to achieve the ultimate aim of realising a positive real return over the long term and keeping members invested in appropriate assets as their approach retirement. The Fund uses diversification to manage market risk, gaining exposure to global equities, fixed income instruments, property and commodities, as well as other assets.

The Trustee recognises however, that members have different attitudes to risk and has therefore, made available a wider range of investment funds for members to self-select from that allow members to tailor their investments to meet their own needs.

The Trustee is satisfied the funds offered to members by the appointed investment managers are in line with the objectives of the Plan, particularly in relation to diversification, risk, expected return and liquidity, and monitors the performance of the funds versus their investment objectives on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. RELATED PARTY TRANSACTIONS

Contributions received in respect of Trustee Directors who are members of the Plan have been made in accordance with the Trust Deed and Rules.

The Trustee provides delegated governance and operational services to MNOFP Trustees Limited in relation to the money purchase arrangement with the Merchant Navy Officers Pensions Fund (known as “Ensign Retirement Plan (for the MNOFP)”). The amount received from MNOFP Trustees Limited during the period in respect of these services was £50,000 and is included as other income. MNOFP Trustees Limited is a related party as the Trustee Directors of Ensign Retirement Plan Trustees Limited are also Trustee Directors of MNOFP Trustees Limited.

Ensign Pensions Limited, which is wholly owned by MNOFP Trustees Limited, is also a related party. Ensign Pensions Limited provides trustee secretarial, executive and pensions management services to the Trustee. The amount paid to Ensign Pensions Limited during the period was £15,000 and the amount due at the period end was £7,644.

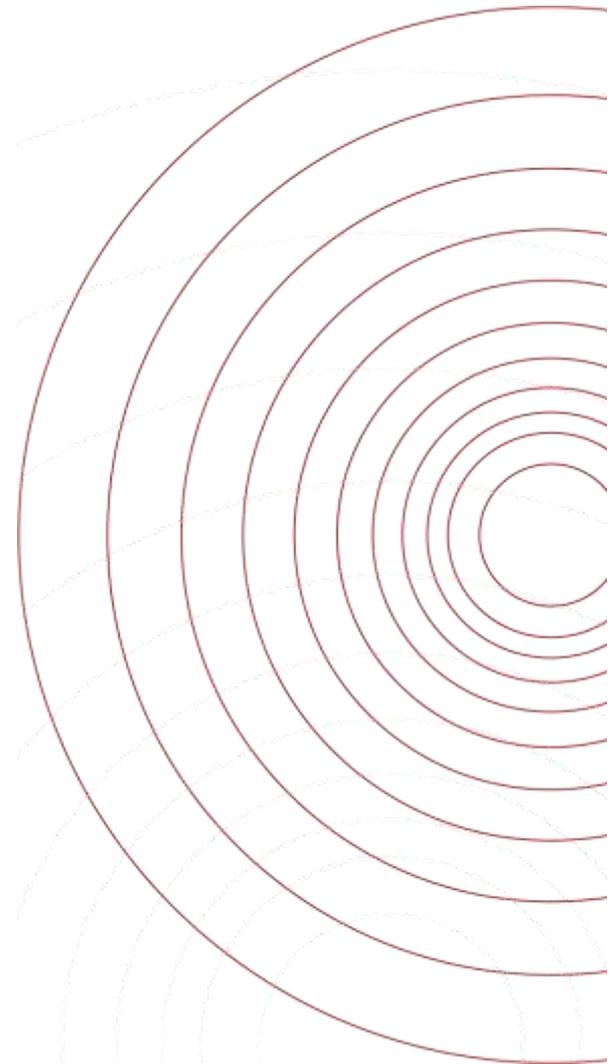
APPENDIX A: Chair's Annual Governance Statement



ENSIGN
RETIREMENT
PLAN

CHAIR'S ANNUAL DC GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2016



CHAIR'S ANNUAL GOVERNANCE STATEMENT

31 MARCH 2016

This statement demonstrates how Ensign Retirement Plan Trustees Limited (“the Trustee”), the corporate trustee of the Ensign Retirement Plan (“the Plan”), governs the Plan to help achieve its objectives of helping to deliver better outcomes for members at retirement. The statement relates to the scheme year which ended on 31 March 2016.

The Plan was set up under a Trust Deed and Rules dated 21 May 2015 which are available at www.ensignpensions.co.uk/erp. The Trustee governs the Plan in accordance with the Trust Deed and Rules and in accordance with relevant legislation. The Trustee comprises four Directors with relevant experience of running other complex, multi-employer pension arrangements within the maritime industry.

By signing this statement as Chair of the Trustee, I am fulfilling my legal duties, in accordance with the Occupational Pension Schemes (Charges and Governance) Regulations 2015, that require occupational pension schemes which provide money purchase (also called defined contribution (DC)) benefits to prepare an annual governance statement demonstrating how governance standards relating to those benefits have been assessed and met during the Plan year. This statement therefore, covers the period from 1 August 2015, when the Plan was established, to 31 March 2016, the Plan year end.

As a Trustee, our aim is to ensure the Plan is run in the best interests of our members to help them achieve their goals for retirement. We recognise that good governance is central to achieving this and this document sets out how the Plan has embraced the relevant statutory governance standards as set out in the regulations identified above. In this document, we focus on a number of specific areas of scheme governance relating to the money purchase benefits provided by the Plan, that we are required to disclose by law. Whilst this is the case, we also aim to adopt good practice governance standards across all areas of Plan management with the aim of meeting the quality standards set out in the Pensions Regulator’s DC code and DC regulatory guidance.

On behalf of the Trustee Board of the Ensign Retirement Plan, and based on a review of the Plan systems and controls in place, I believe that the Plan meets the new requirements on governance standards and helps to deliver better outcomes for members at retirement.

If you have any questions regarding this statement, or require any further information, please contact Ensign Pensions at ERP@ensignpensions.co.uk.

Rory Murphy

Chair, Ensign Retirement Plan Trustees Limited

30 August 2016

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THE DEFAULT INVESTMENT FUND

The Trustee's investment strategy is implemented by its appointed money purchase provider, BlackRock Life Limited ("BlackRock"). BlackRock makes available a number of funds in which members may invest.

THE DEFAULT INVESTMENT FUND

The Trustee has adopted the BlackRock LifePath Flexi Fund as the default investment fund for members joining the Plan. The Trustee recognises, however, that one fund is unlikely to meet the needs of all members in the Plan and members, therefore, have a choice of thirteen alternative funds to choose from. Approximately 94% of the membership are currently invested in the default fund.

AIMS AND OBJECTIVES OF THE DEFAULT FUND

The Statement of Investment Principles, which is attached as Appendix 1 of this statement, documents the Trustee's investment principles that govern decisions about investments (both in relation to the default fund and the wider range of investment funds available to members) and the investment aims and objectives of the default fund.

The LifePath Flexi Fund is a target date fund where the underlying asset allocation of the fund automatically adjusts as the member approaches their target retirement date. The LifePath Flexi Fund is designed for members who wish to stay invested post-retirement and draw an income from their retirement account (known as "drawdown").

In setting up the Plan, the Trustee considered the membership profile, risk appetite, and likely retirement option of the initial members of the Plan. The Trustee found the BlackRock LifePath Flexi Fund to be consistent with its investment aims and objectives for the default fund by allowing members to increase the value of their retirement pot from the contributions invested, whilst protecting members in the years approaching retirement.

REVIEWING THE DEFAULT FUND

The Trustee last reviewed the investment strategy of its default arrangement when it was adopted in July 2015, prior to the establishment of the Plan on 1 August 2015. The Trustee receives quarterly reports from BlackRock on the performance of the default fund and compares this against the fund's performance objective and benchmark. The Trustee is however, mindful of the long-term nature of investment funds and therefore, plans to carry out a fuller review of the default fund in 2018. This review will be brought forward if there is a significant change in investment policy or the demographic profile of the membership and will take into account developments in the investment market and membership profile, including information gathered on members' risk appetite and options taken at retirement.

ADMINISTRATION

CORE FINANCIAL TRANSACTIONS

The Trustee recognises that there are a number of core financial transactions that must be processed promptly and accurately on behalf of members of the Plan to help deliver better outcomes for them. These core financial transactions include, but are not limited to:

- the receipt of all contributions to the Plan;
- the investment of contributions to the Plan;
- the transfer of assets relating to members into and out of the Plan;
- the transfer of members' assets between different investments within the Plan; and
- payments from the Plan to, or in respect of, members.

CONTROLS AND PROCESSES

The Trustee has appointed BlackRock to provide administration and fund management services to the Plan. A number of processes and controls are in place with BlackRock to ensure that all core financial transactions are processed promptly and accurately. These include:

- Processing of core financial transactions in accordance with a strict governance framework that complies with International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organisation".
- Reviewing of supporting documentation for financial transactions before processing commences.
- Reviewing of financial transactions that have been keyed into the record keeping system for completeness and accuracy by a senior administrator.
- Logging and tracking of financial transactions into a work management system to ensure these are actioned on a timely basis and completed in accordance with agreed service standards.
- Verification and validation of the contributions being submitted by employers in comparison with the amounts expected.
- Daily reporting to check that all dealing activities are completed accurately and on a timely basis.
- Issuing reminders to employers to submit contributions where these have not been received within the agreed timescales.
- Annual verification of members' pensionable salary and contribution rate with the participating employers on a sample basis.
- Dealing activities with guest fund managers include authorisation by two approved signatories.
- Daily reconciliation between holdings on the record-keeping system and the dealing system are designed to highlight any discrepancies.

ADMINISTRATION (cont'd)

ASSURANCES

In addition, a number of activities are undertaken by or on behalf of the Trustee to provide assurance that contributions are submitted accurately and promptly by employers and core financial transactions are processed promptly and accurately by BlackRock. These include:

- Monitoring of quarterly administration reports from BlackRock to assess the timeliness of employer contribution submissions over the period. Any instances of late payments are investigated to determine the cause of the late payment, whether it is necessary to report the late payment to the Pensions Regulator and to resolve the overdue payment.
- Monitoring of quarterly administration reports from BlackRock to assess BlackRock's performance against defined service level agreements relating to the processing of core financial transactions. These are discussed with BlackRock on a quarterly basis, actively challenged where necessary, and reviewed at each Trustee Board meeting.
- Monitoring of quarterly administration reports from BlackRock to assess the promptness with which contributions are invested by BlackRock following submission by employers. These are discussed with BlackRock on a quarterly basis and reviewed at each Trustee Board meeting.
- Annual review of the AAF 01/06 Pensions Administration assurance report prepared by BlackRock.
- Annual examination to test the accuracy of contributions and promptness of submissions.

I am confident that these processes and controls are robust and enable core financial transactions to be handled promptly and accurately.

COSTS AND CHARGES

The Trustee is delighted to be able to offer members access to a high-quality pension scheme at a yearly cost that is well below the statutory maximum of 0.75%.

THE DEFAULT INVESTMENT FUND

Charges

Members in the default investment arrangement, the BlackRock LifePath Flexi Fund, are charged a single Annual Management Charge (AMC) of 0.36% of funds under management, deducted from their retirement account. This single charge includes provisions for any additional expenses, including transaction costs, incurred by the Fund such that no further expenses are borne by the members.

Value for members

The Trustee is confident that the annual management charges applying to the Plan's default investment fund are extremely competitive, as shown by the table below which compares the charges applying to the Ensign Retirement Plan and several of the largest UK master trusts for investing in the respective default arrangements:

Master trust arrangement	Charges applied to members
Ensign Retirement Plan	0.36% AMC
The Pensions Trust	0.45% AMC
National Employment Savings Trust	0.30% AMC + 1.8% contribution charge
The People's Pension	0.50% AMC
NOW: Pensions	0.30% AMC + £1.50 per month admin charge

There are no hidden charges or fees for members participating in the Plan: members are not charged for switching their fund, changing their retirement date or transferring their pot.

In return for this single annual charge, the benefits received by members in the Plan include:

- High quality administration services;
- A sophisticated default investment fund and broad range of self-select options that have performed positively over the period;
- High quality governance and oversight by the Trustee Board and Secretariat team;
- Clear communications that are tailored to the maritime industry and reinforce important messages for members to achieve a good outcome at retirement;
- Clear communications regarding options before, at and during retirement;
- Online website showing daily pricing of members' retirement accounts;
- An online retirement planner that projects the growth of members' accounts to retirement and models the annual income that could be received during retirement; and
- Flexibility in how and when members use their retirement account at retirement.

In addition, no further expenses, including transaction costs, are borne by the members. Any additional expenses that may be incurred by the default investment fund are assumed by BlackRock. The Trustee considers this transparency and constancy to be of great value to the members.

COSTS AND CHARGES (cont'd)

SELF-SELECT INVESTMENT OPTIONS

Annual Management Charges

The charges applied to members who choose to invest in other funds available through the Plan are set out in the table below:

Fund	AMC (%)	Additional Expenses (%)	TER* (%)
BlackRock LifePath Cash Fund	0.36	0.00	0.36
BlackRock LifePath Retirement Fund	0.36	0.00	0.36
DC Aquila (30:70) Currency Hedged Global Equity Index	0.37	0.04	0.41
DC Aquila UK Equity Index	0.35	0.01	0.36
DC Aquila Emerging Markets Equity Index	0.50	0.07	0.57
DC Aquila Over 15 Year Gilt Index	0.35	0.01	0.36
DC Aquila All Stocks UK Index Linked Gilt Index	0.35	0.01	0.36
DC Aquila Corporate Bond All Stocks Index	0.35	0.02	0.37
DC Cash	0.30	0.03	0.33
DC Property	1.00	0.03	1.03
HSBC Amanah Pension Fund	0.70	0.00	0.70
LGIM Ethical Global Equity Index	0.60	0.00	0.60
Schroder Dynamic Multi Asset Fund (DMAF)	0.75	0.05	0.80

*Total Expense Ratio

The additional expenses shown above include all other operating costs and expenses within the fund, including fund administration, custody and professional fees, but exclude transaction costs.

Transaction Costs

The Trustee has requested from BlackRock a breakdown of the transaction costs applicable in respect of the members' self-select funds in the Plan. BlackRock has however, advised that in the absence of regulatory clarity on the content and methodology that should be used by investment managers to disclose fund transaction costs, BlackRock will only provide its clients with costs that are explicitly disclosed by the fund accountants and which may be independently verified. The transaction costs shown overleaf therefore include only explicit transaction commission (e.g. equity broker commission) and transaction taxes (e.g. stamp duty reserve tax) that were actually charged to certain funds during the period 1 January to 31 December 2015, despite the Plan only being operational from 1 August 2015.

COSTS AND CHARGES (cont'd)

Fund	Transaction Commission	Transaction Taxes
BlackRock LifePath Cash Fund	n/a*	n/a*
BlackRock LifePath Retirement Fund	n/a*	n/a*
DC Aquila (30:70) Currency Hedged Global Equity Index	0.40	0.49
DC Aquila UK Equity Index	0.05	1.38
DC Aquila Emerging Markets Equity Index*	Not available	Not available
DC Aquila Over 15 Year Gilt Index*	0	n/a
DC Aquila All Stocks UK Index Linked Gilt Index	0.01	n/a
DC Aquila Corporate Bond All Stocks Index*	0.08	n/a
DC Cash	Not available	Not available
DC Property*	Not available	Not available
HSBC Amanah Pension Fund*	Not available	Not available
LGIM Ethical Global Equity Index*	Not available	Not available
Schroder Dynamic Multi Asset Fund (DMAF)*	Not available	Not available

* Transaction costs incurred are not charged to members above the annual management charge of 0.36%

*No assets relating to members were invested in these funds during the period

The Trustee is supportive of providing total transparency to members on the costs and charges applicable to the investment funds in the Ensign Retirement Plan that will help them make more informed decisions concerning their investments. Further advice and guidance is expected on what additional transaction costs should be disclosed by investment managers to their clients. Once this is received, the Trustee will work with BlackRock to ensure that relevant information is communicated to members in an effective and meaningful way.

Value for members

The Trustee considers the annual management charges of the self-select investment funds to be competitive and appropriate to the nature of the individual funds.

The Trustee also recognises that additional charges and transaction costs are necessarily incurred as part of buying and selling the funds' underlying investments in order to achieve their investment objective, and cannot be predicted in advance. The Trustee is mindful that transaction costs are likely to vary depending on the types of investments in which a fund invests and do not necessarily reduce returns. The performance of each fund is reviewed after the deduction of transaction costs, allowing the Trustee to assess the extent to which transaction costs represent good value to members in the context of the net impact of dealing on performance.

The Trustee expects that once further advice is received on what additional transaction costs should be disclosed by investment managers, it will be able to compare the costs incurred by members investing in the self-select investment options against those incurred by other funds.

COSTS AND CHARGES (cont'd)

OTHER CONSIDERATIONS

The Merchant Navy Officers Pension Plan (the “MNOPP”) was set up in 1996 and provided money purchase benefits for officers in the maritime industry. Following the closure of the MNOPP to new contributions from 31 July 2015, the Esnign Retirement Plan Trustee agreed to accept a bulk transfer of members and members’ benefits into the Plan. The transfer of members’ benefits took place in September 2015. As part of this exercise, the Trustee acknowledged that some costs would be incurred by members due to the buying and selling of units. Whilst this is the case, the Trustee is confident that the charges incurred, as well as members’ exposure to out of market risks, were kept to a minimum.

The Plan was awarded the Pensions Quality Mark READY accreditation in August 2015, demonstrating it meets independent industry standards of governance, communications and charges. The Trustee is required to demonstrate on an annual basis how it continues to meet these industry standards.

Key elements of the Plan’s design and communications are included on the Plan’s risk register and reviewed by the Trustee on an annual basis.

SUMMARY

The Trustee has assessed the various charges applying to the default investment fund and self-select fund options and, based on the information available, considers the charges to represent good value for members.

In reaching this decision, the Trustee focused on the annual management charges incurred by members, both in comparison with other master trust arrangements and taking into account the benefits they receive in return for such payments. The Trustee also took into account the information available on any additional charges and transaction costs incurred by members as well as considering the costs involved in the bulk-transfer exercise that was carried out when the Plan was set up.

TRUSTEE KNOWLEDGE AND UNDERSTANDING

The Trustee Directors recognise the importance of ensuring that collectively they possess or have access to the knowledge and understanding necessary to govern the Plan effectively. When assessing the Trustee Directors' collective knowledge and understanding, three key areas are considered: the appointment of new Trustee Directors, the ongoing training and development of Trustee Directors, and the support and advice received by the Trustee.

THE APPOINTMENT OF NEW TRUSTEE DIRECTORS

The Trustee has adopted a policy for the appointment of Trustee Directors. This, in part, ensures that the Trustee meets the legislative requirements concerning the composition of trustee boards and also ensures that Trustee Directors are selected and appointed based on the qualities, skills and experience that they would bring to the Trustee Board.

Each of the Trustee Directors were appointed in accordance with this policy, on the basis that they were considered fit and proper to carry out their roles and have demonstrated they hold relevant skills, technical knowledge and experience relevant to their role as Trustee Directors. This includes experience of serving as trustee directors on the trustee boards of other DC pension schemes, exposure of other multi-employer industry-wide pension schemes, understanding in how to communicate with members and employers, and evidence of developing positive relationships with employers, the Pensions Regulator, the Department for Work and Pensions and other industry bodies.

ONGOING TRAINING AND DEVELOPMENT OF TRUSTEE DIRECTORS

As part of the Trustee's adopted training policy that outlines the training requirements of all Trustee Directors throughout their tenure on the Trustee Board, all Trustee Directors are required, on appointment, to read and be conversant with the main documents and policies of the Plan, including but not limited to:

- the Trust Deed and Rules of the Plan;
- the Memorandum and Articles of Association of the Trustee;
- the Plan's Statement of Investment Principles; and
- the members' booklet.

As part of the establishment of the Plan in 2015, the Trustee received advice from a range of professional advisers, including investment advisers and legal advisers, to support the decisions made regarding the design of the Plan and governance structure. During this time, the Trustee Directors considered the benefit structure of the Plan, and received training on the retirement options available to members and how the investment strategy of the Plan's default investment fund is designed to target each of the new flexible retirement options which were introduced by the Government on 6 April 2015.

Trustee Directors are encouraged to attend seminars and conferences, specific to DC schemes, to keep up to date on best practice governance standards. The Trustee also receives updates from its Secretariat team on regulatory changes that may affect the Plan. Any training received by the Trustee Directors, either individually or collectively, is recorded on the Trustee's skills, knowledge and training log.

TRUSTEE KNOWLEDGE AND UNDERSTANDING (cont'd)

As Chair of Trustees, I regularly engage with individual Trustee Directors to ensure we provide sufficient opportunities for their skills and knowledge to be kept up to date, and each Trustee Director completes a Trustee Knowledge and Understanding questionnaire on an annual basis to identify any training needs that may be required.

SUPPORT AND ADVICE RECEIVED BY THE TRUSTEE

The Trustee has appointed various advisers and service providers to advise on and manage certain aspects of the Plan. This includes a Secretary to the Trustee, an administration and investment manager and a legal adviser.

These advisers and service providers ensure that the Trustee keeps abreast of changes in industry best practice, legislation and regulations relating to DC pension schemes. In addition, the Trustee receives advice and guidance prior to making decisions to ensure members' interest are protected.

The Trustee has established a contract for services with each provider and understands the terms and conditions relating to the contract. The Trustee has documented, and reviews on an annual basis, the functions it delegates to its service providers to ensure it retains sufficient oversight of the delegated functions.

Taking into account the wealth of experience, knowledge and understanding of each of the Trustee Directors, as well as the professional advice that is available to them, I am confident that the Trustee Board has the right mix of skills and competencies to ensure the Plan is well governed and properly managed.

TRUST DEED AND RULES

In accordance with Regulation 6A(1) of the Occupational Pension Scheme (Administration) Regulations 1996, the Trust Deed and Rules do not contain provisions that would restrict who the Trustee may appoint to provide administration, fund management, advisory or any other services in respect of the Plan.

RELEVANT MULTI-EMPLOYER SCHEMES

The Ensign Retirement Plan is a relevant multi-employer scheme and must, therefore, comply with the additional requirements relating to governance.

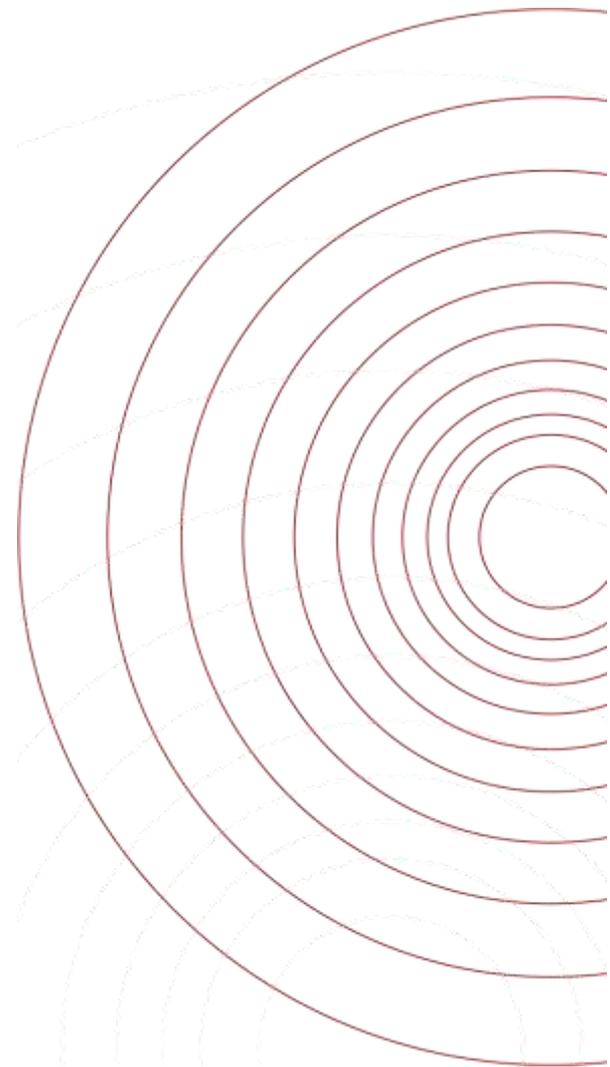
The Trustee is currently made up of four Directors. All Directors have been appointed via the Trustee's adopted policy for appointing member-nominated and employer-nominated Directors, which has been developed against the backdrop of recent pensions legislation concerning the appointment of member-nominated trustees (Sections 241 - 243 Pensions Act 2004 and the Occupational Pension Schemes (Member-nominated Trustee and Director) Regulations 2006), and the DC governance requirements (the Occupational Pension Schemes (Charges and Governance) Regulations 2015).

Accordingly, all four Directors, including myself as the Chair of Trustees, have been appointed through an open and transparent process and are considered non-affiliated for the purposes of the DC governance requirements. This means that the Directors are not associated with any company that provides administration, investment, advisory or any other services in respect of the Plan.

Two Directors have been nominated by a recognised trade union that, in the opinion of the Trustee, represents the members in the Plan, in order that members, or their representatives, can make their views on matters relating to the Plan known to the Trustee.

APPENDIX

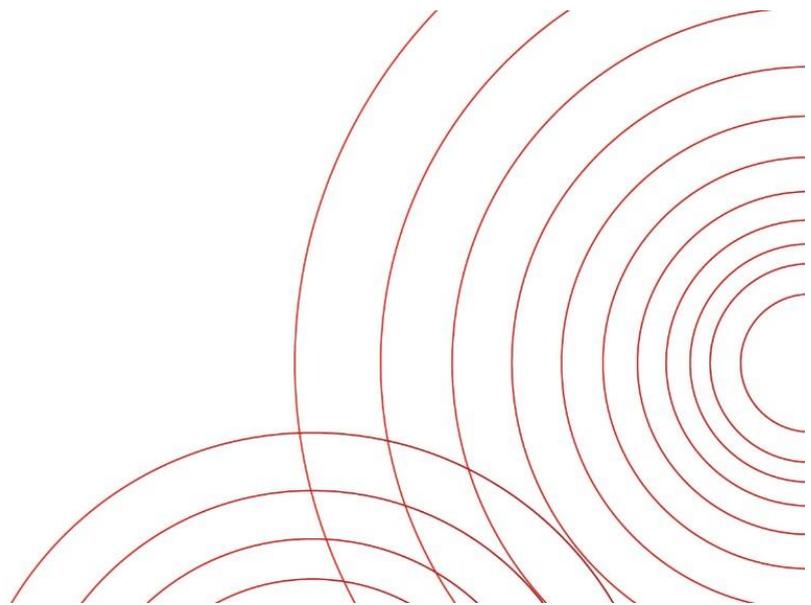
STATEMENT OF INVESTMENT PRINCIPLES





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STATEMENT OF INVESTMENT PRINCIPLES



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1. INTRODUCTION

The Ensign Retirement Plan Trustee (“the Trustee”) has produced this Statement of Investment Principles (the “Statement”). This outlines the principles governing any investment decisions made by, or on behalf of, the Trustee for the management of the assets held in the Ensign Retirement Plan (the “Plan”) and sets out how these assets are invested. The Statement also demonstrates how the Trustee will monitor and review the ongoing suitability of the investment strategy for the members in the Plan.

The Plan is a defined contribution (DC) pension plan with the sole purpose of providing retirement and death benefits to members.

The Trustee confirms that this Statement has been prepared in accordance with relevant legislation and best practice guidelines. In preparing the Statement, the Trustee sought advice from an independent investment adviser, Hymans Robertson, and took into account its investment powers under the Trust Deed and Rules. It also considered the suitability of different types of investments, the need to diversify, liquidity of assets, the custodianship of assets and any self-investment.

This Statement of Investment Principles will be reviewed regularly or whenever changes to the principles or strategy are necessary. Any changes that are required to this Statement will be carried out on the advice of an appropriately qualified investment adviser.

2. INVESTMENT OBJECTIVES

The Trustee has a straightforward overall goal for the Ensign Retirement Plan: to help improve the retirement outcomes for those working in the maritime industry.

The Trustee recognises, however, that members have differing needs at retirement and therefore, differing investment needs, and that these may change during the course of their working lives. It also recognises that members have different attitudes to risk. The Trustee believes that the Plan should offer an investment option which is likely to suit the majority of members, however, the Trustee also believes that members should be able to make their own investment decisions based on their individual circumstances. The Trustee’s objective is, therefore, to make available an investment fund that will be suitable for most members (the fund that the Trustee has selected for this purpose is the BlackRock LifePath Flexi Fund), as well as a range of other investment options that, whilst not being too complicated, should help members in achieving the following objectives:

- a. Increasing the value of their retirement pot from the contributions invested.
- b. Protecting the value of their retirement pot in the years approaching retirement against market falls.
- c. Protecting the value of their pot when converted into usable benefits.
- d. Tailoring their investments to meet their own needs.

3. INVESTMENT BELIEFS

3.1 DIVERSIFICATION

- Subject to the funds' benchmarks and guidelines, the investment managers are given full discretion over the choice of stocks and are expected to maintain a mixed range of assets.
- Given the size and nature of the Plan, the Trustee has decided to invest on a "pooled fund" basis; any such investment is carried out through an investment provider.
- The Trustee is satisfied that the range of funds in which the Plan invests, provides adequate diversification and a suitable range of options for the Plan's members.
- The Trustee has included a number of "target-date" funds in its investment offering, which aim to meet the needs of members at different stages of their working life. Further details are included below.

3.2 BALANCE BETWEEN DIFFERENT KINDS OF INVESTMENTS

- The Trustee has ensured that there is a suitable number of alternative investment options available to members. In addition to the BlackRock LifePath Flexi Fund, the Trustee has introduced two other target date fund series, one which targets cash withdrawal, and another that targets annuity purchase at retirement. Details are shown in Appendix 1.
- For members who wish to make their own asset allocation decisions, the Trustee has introduced a range of funds from various asset classes. The Trustee has been careful not to introduce a wide range of funds to avoid confusing members, Details of these funds are shown in Appendix 1.

3.3 RISK

- The Trustee has considered risk from a number of perspectives. These are:
 - a) The risk that the investment returns over members' working lives will not keep pace with inflation and does not, therefore, secure an adequate pension.
 - b) The risk that market movements in the period prior to retirement lead to a fall in the members' retirement pot.
 - c) The risk that market movements in the period just prior to retirement lead to an increase in the cost of turning members' fund values into retirement benefits.
 - d) The risk that an investment manager will not deliver investment returns in line with investment markets generally or other investment managers.
 - e) The risk that funds which invest in assets which take longer to sell (are illiquid), such as property, will not be able to buy or sell these assets when asked to do so by the Trustee and/or members.
 - f) The risk that an entity holding derivative based assets may default leading to a reduction in a fund's value.
- To help mitigate the most significant of these risks, the Trustee has made available the target date fund options, which transition members' investments from higher risk investments to lower risk investments as members approach retirement.

3.4 EXPECTED RETURN ON INVESTMENTS

- The objective of the BlackRock LifePath Flexi Fund is to achieve a positive real return over the longer term.
- The Trustee is satisfied that this return objective is consistent with the aims of the members.

3.5 KIND OF INVESTMENTS TO BE HELD

- The Plan may invest in quoted and unquoted securities of UK and overseas markets including equities, fixed interest and index-linked bonds, cash, property and pooled investment vehicles considered appropriate for tax-exempt approved occupational pension schemes.
- Some funds may invest in Exchange Traded Funds to gain access to less easily traded and illiquid asset classes.
- Some funds may include investments through derivatives to facilitate changes in the fund's portfolio of assets or help lessen investment risks or to improve investment returns.
- The Trustee considers all of the stated classes of investment to be suitable for the Plan.

3.6 REALISATION OF INVESTMENTS

- Investments may be sold to provide funds to make payment of benefits under the Plan or where members have asked to switch funds. If there is an unexpected need to sell all or part of the assets of the portfolio, the Trustee requires the investment managers to be able to sell the Plan's investments in a reasonable timescale, but taking into account the market conditions at that time. Most of the Plan's assets are not expected to take too long to sell.

3.7 SOCIAL, ENVIRONMENTAL AND ETHICAL ISSUES

- The Trustee has asked that the provider/investment managers have the financial interests of the Plan members as their first priority when choosing investments. They may take social, environmental or ethical considerations into account only when these factors do not conflict with the prime objective.
- The Trustee has reviewed the investment managers' policy in respect of Socially Responsible Investing and is satisfied that it is in line with the above approach.
- The Trustee offers a dedicated ethical investment option for those members who may have ethical considerations as an overriding investment consideration, and an option to invest in a fund which is managed in compliance with Shariah law.

3.8 VOTING RIGHTS ATTACHING TO INVESTMENTS

- The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the provider/investment managers and to encourage them to exercise those rights when they believe there could be a potential financial impact on the portfolio. The Trustee will review the provider's/investment managers' governance policies from time to time.

3.9 CHARGES

- The Plan is a qualifying scheme for auto-enrolment purposes and so the BlackRock LifePath Flexi Fund must comply with the charge cap introduced by the Pensions Act 2014 which applies from April 2015.

4. DELIVERING THE INVESTMENT OBJECTIVES

The Trustee recognises that from time to time, there will be tension in delivering the objectives detailed above, but looks for an appropriate balance between them.

BLACKROCK LIFEPATH FLEXI FUND

The Trustee has selected the BlackRock LifePath Flexi Fund as the fund into which members will automatically be invested, that aims to help members grow their assets whilst protecting their savings as the member approaches retirement through the use of a series of target-date funds. These funds reflect changing investment needs by gradually altering each fund's investment mix as members near their target retirement date, thereby managing over time the principal investment risks faced by members: inflation, fluctuations in fund values (when this is significant) and converting the fund value into benefits at retirement.

After analysing the Plan's membership profile and projected fund values, the Trustee believes that the fund into which members are automatically enrolled should target the form of benefits that is likely to meet the needs of the majority of members: withdrawing benefits from a registered pension scheme.

With the above in mind, the Trustee has chosen the BlackRock LifePath Flexi fund range as the investment option into which members will be automatically enrolled.

LifePath Flexi is designed for members who will drawdown their benefits during in their retirement to provide income. The final asset allocation is a diverse allocation which is allocated to 40% growth assets and 60% more cautious assets. This is designed so that the portfolio can continue to be invested during retirement while income is being drawn from it. Please refer to Appendix 1 for more detail on the BlackRock LifePath fund.

ADDITIONAL FUND OPTIONS

The Trustee recognises that the BlackRock LifePath fund will not meet the needs of all members, so a selection of more specialised funds is offered to members who want to make active investment choices. Having considered the advice of an investment adviser, the Trustee has selected a range of funds from equity, property, bond and money market asset classes as well as absolute return and multi-asset funds, and are considered broadly suitable for the majority of members:

- BlackRock DC LifePath
- BlackRock DC Aquila (30:70) Currency
- BlackRock DC Aquila UK Equity Index
- Schroder Dynamic Multi Asset Fund (DMAF)
- BlackRock DC Cash
- BlackRock DC Aquila Emerging Markets
- BlackRock DC Aquila Over 15 Year Gilt Index
- BlackRock DC Aquila Corporate Bond All Stocks
- LGIM Ethical Global Equity Index
- HSBC Amanah Pension Fund
- BlackRock DC Property
- BlackRock DC Aquila All Stocks UK Index

Please refer to Appendix 1 for more detail on the alternative funds offered.

The Trustee does not give advice to individual members on their fund selections. Members are encouraged to take independent financial advice when making their individual investment choices.

5. GOVERNANCE

5.1 ULTIMATE RESPONSIBILITY

All investment decisions of the Plan are under the Trustee's control and the ultimate power and responsibility for deciding investment policy lies solely with the Trustee.

The Trustee's main investment responsibilities include:

- Preparation of the Statement of Investment Principles and reviewing the content of the Statement and modifying it where necessary, in consultation with an appropriately qualified investment adviser.
- Appointing investment managers, investment advisers and other advisors as necessary for the good stewardship of the Plan.
- Assessing the performance and processes of the investment managers by means of regular reviews of the funds' investment performance and other information.
- Monitoring compliance of the investment arrangements with this Statement on a regular basis.

5.2 DAY-TO-DAY MANAGEMENT

The investment platform through which the Plan's investment options are operated is provided by BlackRock Life (UK) Limited ("BlackRock") whose main investment responsibilities include:

- The prompt investment of contributions.
- Maintaining records of the members' investments.
- Selling investments to pay benefits.

All day-to-day investment management decisions have been delegated to investment managers authorised under the Financial Services & Markets Act 2000 whose main responsibilities include:

- Ensuring that investment of the Plan's assets is in compliance with prevailing legislation and within the constraints detailed in this Statement.
- Providing the Trustee with quarterly reports including any changes to Investment Managers' processes and a review of the investment performance.
- Attending meetings with the Trustee as and when required.
- Informing the Trustee of any changes in the internal performance objective and guidelines of any pooled fund used by the Plan as and when they occur.
- Exercising voting rights on share holdings in accordance with their general policy.
- Following its general policy on socially responsible investment.

5.3 DAY-TO-DAY CUSTODY

The Plan's assets will be held on a day-to-day basis by the investment manager's appointed custodian.

5.4 MONITORING

5.4.1 INVESTMENT PERFORMANCE

- Each of the funds in which the Plan invests has a stated performance objective by which the performance is measured.
- The Trustee will review the performance of the appointed investment manager from time to time, based on the results of their performance and investment process.

5.4.2 BLACKROCK LIFEPATH FLEXI FUND

- The Trustee monitors the suitability of the BlackRock LifePath Flexi Fund's objectives from time to time.
- The Trustee monitors the performance of the BlackRock LifePath Flexi Fund against its objectives from time to time.

5.4.3 CHARGES

- The charges for the investment options (expressed in terms of each fund's "Total Expense Ratio") are monitored by the Trustee to make sure that they represent "value for money" compared to the investment objectives of each fund.
- The BlackRock LifePath Flexi Fund's compliance with the charge cap is checked on a regular basis.

5.4.4 TRANSACTION COSTS

- The Trustee recognises that transaction costs (both on the investment management of the funds' underlying portfolio of assets and the "spread" upon buying or selling the funds) may impact the investment returns experienced by members.
- The Trustee will monitor the funds' transaction costs to make sure they are reasonable and appropriate.

5.4.5 INVESTMENT PROCESS

- The Trustee monitors the processing of investments, to ensure that contributions in respect of members are invested into the appropriate investment options in a timely manner.

5.5 COMPLIANCE

The Trustee is satisfied the funds offered to members by the appointed investment managers are in line with the objectives of the Plan, particularly in relation to diversification, risk, expected return and liquidity. The choices that are made available are reviewed on a regular basis.

Signed on behalf of the Trustee of the Plan by:

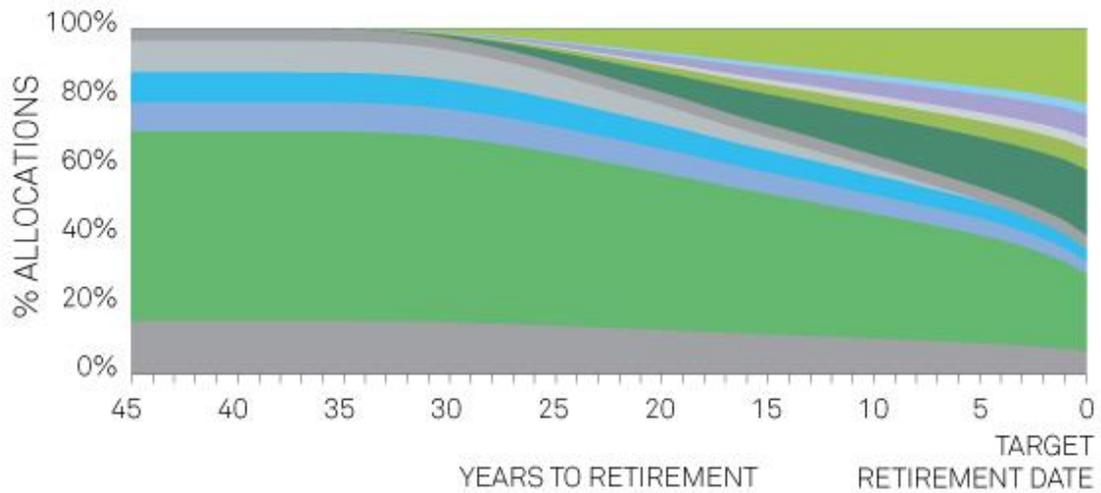
Rory Murphy
Director

John McGurk
Director

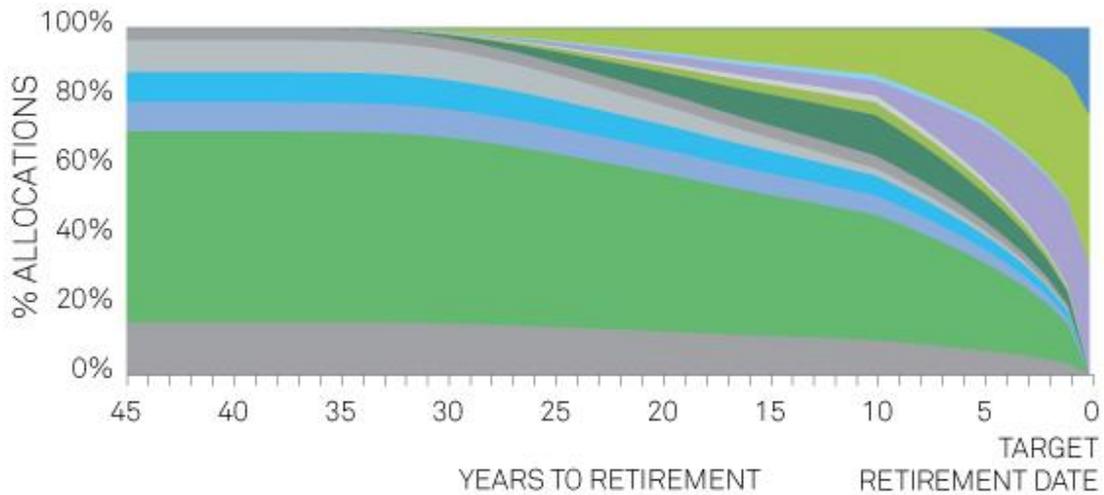
APPENDIX 1 – PLAN INVESTMENT OPTIONS

Charts to show how the percentage invested in each asset class with the target date funds changes as the member approaches their chosen target retirement date.

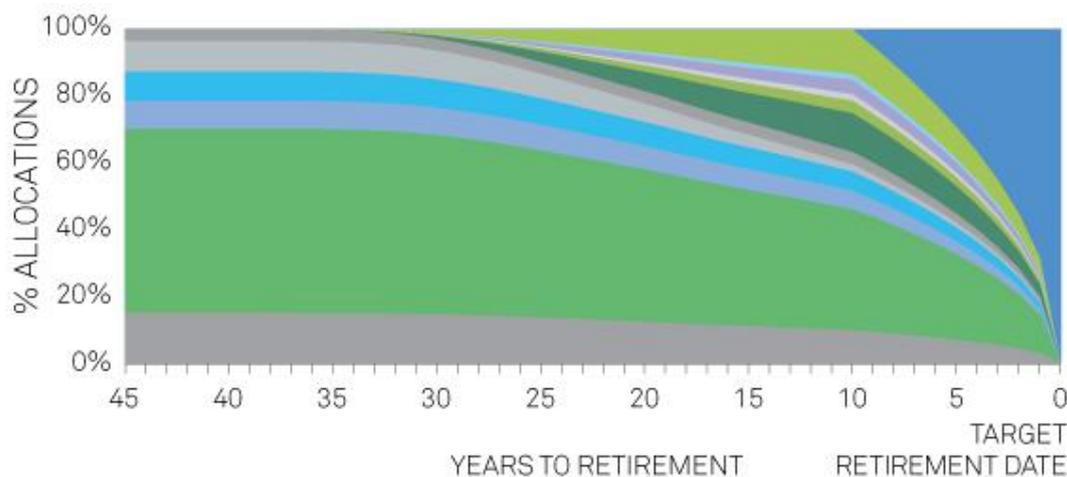
BlackRock DC LifePath Flexi (targets income drawdown)



BlackRock DC LifePath Retirement (targets annuity purchase at retirement)



BlackRock DC LifePath Capital (targets cash withdrawal at retirement)



BlackRock uses the following funds to invest assets in the charts shown above.

Asset Class	Fund
UK Equities	Aquila Life UK
Global Equities	Regional Aquila Life funds
Global Small Capitalisation Companies Equities	Regional Small cap funds
Emerging Markets	Emerging Markets Index sub-fund
Property	Global property tracker
Commodities	iShares Diversified Commodity Swap UCITS ETF
UK Corporate Bonds	Aquila Life Corporate Bond Fund All Stocks Fund
UK Gilts	Aquila Life All Stocks UK Gilt fund
Overseas Corporate Bonds	BlackRock Overseas Corporate Bond Tracker
Overseas Government Bonds	Aquila Life Overseas Bond fund
Emerging Bonds	Emerging Markets Government Bond Index fund
Annuities Proxy	DC Pre-Retirement fund
Cash	DC Cash fund

Additional Fund Range

Asset Class	Fund	Objective	Benchmark
Global Equity	BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index	This fund invests primarily in equities, both in the UK and overseas markets. The Fund has approximately 30% invested in the shares of UK companies. 60% of the assets are invested at market capitalisation weights into developed overseas equities with the currency exposure hedged back to sterling and the remaining 10% is invested into Emerging Market Equities.	30% FTSE All-share Index, 60% Developed Overseas Equities with currency exposure hedged back to sterling and 10% Emerging Market Equities
UK Equity	BlackRock DC Aquila UK Equity Index	Invests in shares of UK companies and aims to produce a return in line with its benchmark.	FTSE All Share Index
Diversified Growth Fund (DGF)	Schroder Dynamic Multi Asset Fund (DMAF)	The fund's investment objective is to deliver positive returns over a market cycle based on long-term capital growth and income through investment in collective investment schemes as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. The fund may gain exposure to alternative asset classes including but not limited to property, commodities, hedge funds and private equity directly where permitted or through investment in transferable securities and other permitted assets which themselves invest in these asset classes.	UK CPI + 4%
Cash	BlackRock DC Cash	Aims to produce a return in excess of its benchmark principally from a portfolio of Sterling denominated cash, deposits and money-market instruments.	7 Day LIBID Rate

Emerging Markets Equity	BlackRock DC Aquila Emerging Markets Equity Index	The Fund objective is to achieve a return that is consistent with the return of the MSCI Global Emerging Markets Index.	MSCI Global Emerging Markets Index
Long Dated Gilt	BlackRock DC Aquila Over 15 Year Gilt Index	Invests in UK government bonds with a maturity period of 15 years or longer and aims to produce a return in line with its benchmark.	FTSE UK Gilts Over 15 Years Index
Corporate Bond	BlackRock DC Aquila Corporate Bond All Stocks	This fund invests in investment grade corporate bonds denominated in sterling. The fund aims to achieve a return consistent with the iBoxx £ Non-Gilts Index. This index covers the broad spectrum of investment grade corporate bonds in issue.	iBoxx £ Non-Gilts Index
Ethical Equity	LGIM Ethical Global Equity Index	Invests mainly in overseas equities within the FTSE4Good Global Equity Index and aims to track the return of its benchmark.	FTSE4Good Global Equity Index
Sharia Law compliant	HSBC Amanah Pension Fund	Invests in company shares from around the world and is compliant with Islamic Shariah principles.	Dow Jones Islamic Titan Index
Commercial Property	BlackRock DC Property	The Fund has a diversified exposure to a range of commercial property assets such as offices, shopping centres, retail warehouse parks and industrial estates. The Fund gains its exposure to these assets by investing in a number of underlying pooled property funds.	IPD All Balanced Property Funds Index
Index Linked Gilts	BlackRock DC Aquila All Stocks UK Index Linked Gilt Index	This fund invests in UK government index-linked securities (gilts). The fund aims to achieve a return consistent with the FTSE UK Gilts Index-Linked All Stocks Index, which is widely regarded as an appropriate benchmark for UK pension fund investment in the index-linked UK gilt market	FTSE Inflation Linked All Stocks Gilt

Charges

Investment Manager

The following charges are applied to the monies invested in the funds offered by the Trustee:

Fund	Annual Management Charge (AMC)	Additional Expenses *	Total Annual Charge **
BlackRock DC LifePath	0.36	0.00	0.36
BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index	0.37	0.03	0.41
BlackRock DC Aquila UK Equity Index	0.35	0.01	0.36
Schroder Dynamic Multi Asset Fund (DMAF)	0.75	0.05	0.80
BlackRock DC Cash	0.30	0.03	0.33
BlackRock DC Aquila Emerging Markets Equity Index	0.50	0.07	0.57
BlackRock DC Aquila Over 15 Year Gilt Index	0.35	0.01	0.36
BlackRock DC Aquila Corporate Bond All Stocks	0.35	0.02	0.37
LGIM Ethical Global Equity Index	0.60	0.00	0.60
HSBC Amanah Pension Fund	0.70	0.00	0.70
BlackRock DC Property	1.05	0.02	1.03
BlackRock DC Aquila All Stocks UK Index Linked Gilt Index	0.35	0.01	0.36

* Additional expenses are all the other operating costs and expenses (OCEs) within the fund, including the known fixed cost of operating the funds (fund administration, custody and professional fees), but excludes transaction costs. These costs can vary from fund to fund and from time to time, but are accurate as at April 2015.

** The Total Annual Charge is also known as a fund's "Total Expense Ratio" (TER) and is the total of a fund's AMC and OCE. It excludes transaction costs on the fund's underlying assets.

The AMC and Total Annual Charge includes the platform provider's charges including the charges for the routine administration of the Plan and to meet some of the Trustee's costs in operating the Plan.

The charges for the investment options are paid for by the members.