



ENSIGN RETIREMENT PLAN

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Registered number 9598514

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TRUSTEE AND ADVISERS

TRUSTEE

Ensign Retirement Plan Trustees Limited

ADMINISTRATOR AND INVESTMENT MANAGER

BlackRock Life Limited (to 21 June 2018)

Scottish Equitable plc (from 22 June 2018)

In 2016, BlackRock's Defined Contribution business was sold to Scottish Equitable plc (operating under the brand name of Aegon). The formal Part VII transfer was approved by the High Court on 21 June 2018. The Trustee's appointed administrator and investment manager is referred to as Aegon within this report.

INDEPENDENT AUDITOR

BDO LLP

BANKERS

National Westminster Bank Plc

SECRETARY TO THE TRUSTEE

Ensign Pensions Limited

SOLICITORS

Sacker & 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 Aegon Workplace Investing, PO Box 17486, Edinburgh, EH12 1NU or by email to my.pension@aegon.co.uk

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

TRUSTEE'S REPORT

INTRODUCTION

The Trustee presents its annual report on the Ensign Retirement Plan ("the Plan"), together with the audited financial statements (the "Financial Statements") for the year ended 31 March 2018.

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

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 year from 1 April 2017 to the date of this report, four Directors served on the Trustee Board:

Mr. R Murphy (Chair)*
Mr. M Jess (Vice-Chair)+
Mr. J McGurk*
Mr. M Dickinson+

* Employer-Nominated Director
+ Member-Nominated Director

During the year, the Trustee met on five occasions.

DELEGATION FROM MNOPF TRUSTEES LIMITED

In 2016, the Trustee agreed to perform certain functions on behalf of MNOPF Trustees Limited, in relation to the governance and operation of the money purchase benefits within the Merchant Navy Officers Pension Fund ("MNOPF"). MNOPF Trustees Limited remained ultimately responsible for the governance of the MNOPF money purchase benefits and they are not reflected in these Financial Statements. This arrangement was terminated on 31 March 2018.

CUSTODY

The Plan's assets are held on a day-to-day basis under custody arrangements managed by Aegon.

MASTER TRUST ASSURANCE FRAMEWORK

The Plan obtained master trust assurance as at 31 March 2017, thereby demonstrating that the control procedures, governance and administration arrangements are suitable, effective, and meet the independent standards set out by the ICAEW in the master trust assurance framework. The Type 2 Assurance Report, covering the period from 1 April 2017 to 31 May 2018, was signed by the Trustee on 19 June 2018 and is available for employers and members to view on the Plan website.

TRUSTEE'S REPORT (CONTINUED)

CONTRIBUTIONS

Contributions are received from employers on a monthly basis. Unless otherwise agreed with the Trustee, 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 Aegon 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, was 0.36% during the Plan year (reducing to 0.31% from 1 April 2018). 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 year, the Trustee received twelve late payments of contributions totalling £166,335 (including £25,757 of additional employer and member contributions), which were between 1 and 47 days late. These late payments were mainly due to issues with the employers' internal processes for submitting contributions. All late payments were queried with the employers and steps taken to avoid recurrence. 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.

ANNUAL FEES

Participating Employers are also required to make annual payments to the Trustee in accordance with the payment schedule. The Trustee received late payments of annual fees relating to the year totalling £13,000, which were paid between 2 and 48 days late. 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 payments in its statement about contributions.

TRUSTEE'S REPORT (CONTINUED)

MEMBERSHIP

Details of the membership of the Plan as at 31 March 2018 are set out below:

	2018	2017
ACTIVE MEMBERS		
Active members at the start of the year	139	153
New active members in year*	62	42
Adjustments*	1	-
Leavers – retaining an entitlement	(21)	(50)
Deaths	(2)	(1)
Transfers-out	(2)	(1)
Other leavers	-	(4)
Active members at the end of the year	177	139
DEFERRED MEMBERS		
Deferred members at the start of the year	1,078	1,126
New deferred members in year	21	50
Adjustments*	13	(8)
Fully commuted retirements	(7)	(20)
Deaths	-	(4)
Transfers-out	(43)	(59)
Other leavers	-	(7)
Deferred members at the end of the year	1,062	1,078
Total membership at the end of the year	1,239	1,217

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

*New joiners are reported gross of any opt-outs.

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 ("SIP") as required by section 35 of the Pensions Act 1995, 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. There were no departures from the SIP during the year.

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 Aegon BlackRock LifePath Flexi Fund as the fund into which members will automatically be invested (the default fund). The aim of the Aegon BlackRock LifePath Flexi Fund is 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. The Plan also offers members a range of other investment options for members to choose from.

The Trustee's administrator and investment manager, Aegon, is responsible for receiving and investing the contributions made to the Plan. Aegon 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 ("AMC") for each fund, is detailed in the table below. This includes the approximate additional expenses (typically transaction costs) and resulting total expense ratios ("TER"), that may be incurred by members.

Fund	AMC (% pa)	Additional Expenses (% pa)	TER (% pa)
Aegon BlackRock LifePath Flexi Fund	0.36	0.00	0.36
Aegon BlackRock LifePath Capital Fund	0.36	0.00	0.36
Aegon BlackRock LifePath Retirement Fund	0.36	0.00	0.36
Aegon BlackRock 30/70 Currency Hedged Global Equity Index	0.37	0.03	0.40
Aegon BlackRock UK Equity Index	0.35	0.01	0.36
Aegon BlackRock Emerging Markets Equity Index	0.50	0.07	0.57
Aegon BlackRock Over 15 Years Gilt Index	0.35	0.01	0.36
Aegon BlackRock All Stocks UK Index-Linked Gilt Index	0.35	0.01	0.36
Aegon BlackRock Corporate Bond All-Stocks Index	0.35	0.02	0.37
Aegon BlackRock Cash	0.30	0.03	0.33
Aegon BlackRock Property	1.00	0.03	1.03
HSBC Islamic Global Equity Index Fund*	0.70	0.00	0.70
Aegon LGIM Ethical Global Equity Index	0.60	0.00	0.60
Aegon Schrodgers Dynamic Multi Asset	0.65	0.05	0.70

* During the Plan year, HSBC renamed the HSBC Amanah Global Equity Index Fund to the HSBC Islamic Global Equity Index Fund. The fund objective, benchmark and risk profile remain unchanged.

TRUSTEE'S REPORT (CONTINUED)

From 1 April 2018, the Trustee agreed to reduce the AMC of each investment fund by 0.05%. Following the Part VII transfer referred to on page 2, the name of the invested funds available to members were amended, and the table above reflects the current names of the funds.

The Trustee's policy in relation to voting rights is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the 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 investment managers' governance policies from time to time.

In relation to social, environmental and ethical issues, the Trustee:

- has asked that the investment managers have the financial interests of the Plan members as their 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;
- has reviewed the investment managers' policy in respect of Socially Responsible Investing and is satisfied that it is in line with the above approach; and
- 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.

INVESTMENT REPORT

The Trustee receives reports from Aegon on a quarterly basis showing the performance of each of the investment funds in which monies have been invested over the quarter. The Trustee reviews the performance of the investment funds against appropriate benchmarks, as reported by Aegon, and reviews the timeliness in which Aegon 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 provided an annual summary of the performance of their investment choices.

Performance of the Plan's investments over the year are analysed in the table overleaf. The Plan began investing in the investment funds in August 2015 and three and five-year performance figures are not, therefore, currently available.

TRUSTEE'S REPORT (CONTINUED)

Fund description	1 Apr 2017 to 31 Mar 2018	
	Fund (%)	Index (%)
BLK DC LifePath Flexi G	2.99	3.35
BLK DC LifePath Flexi 2016-18 G	3.00	3.46
BLK DC LifePath Flexi 2019-21 G	3.79	4.23
BLK DC LifePath Flexi 2022-24 G	4.10	4.57
BLK DC LifePath Flexi 2025-27 G	4.26	4.72
BLK DC LifePath Flexi 2028-30 G	4.40	4.87
BLK DC LifePath Flexi 2031-33 G	4.54	5.02
BLK DC LifePath Flexi 2034-36 G	4.68	5.18
BLK DC LifePath Flexi 2037-39 G	4.81	5.32
BLK DC LifePath Flexi 2040-42 G	4.96	5.47
BLK DC LifePath Flexi 2043-45 G	5.07	5.59
BLK DC LifePath Flexi 2046-48 G	5.15	5.68
BLK DC LifePath Flexi 2049-51 G	5.19	5.72
BLK DC LifePath Flexi 2052-54 G	5.19	5.72
BLK DC LifePath Flexi 2055-57 G	5.18	5.72
BLK DC LifePath Flexi 2058-60 G	5.18	5.72
BLK DC LifePath Flexi 2061-63 G	5.19	5.72
BLK DC LifePath Mature G	1.43	1.79
BLK DC LifePath Capital 2031-33 G	4.53	5.02
BLK DC LifePath Retirement Year G	1.13	1.47
BLK DC LifePath Retirement 2031-33 G	4.53	5.02
BLK DC LifePath Retirement 2046-48 G	5.13	5.68
BLK DC Aquila All Stocks UK Index Linked Gilt Index Y	0.24	0.53
BLK DC Aquila Corporate Bond All Stocks Index Y	1.14	1.26
BLK DC Aquila Over 15 Year Gilt Index Y	1.73	2.21
BLK DC Aquila (30:70) Currency Hedged Global Equity Index Y	7.18	7.66
BLK DC Aquila Emerging Markets Equity Index Y	8.15	9.83
BLK DC Aquila UK Equity Index Y	1.05	1.25
BLK LGIM Ethical Global Equity Index Y	1.14	1.88
BLK DC Property T	7.33	10.02
BLK DC Cash D	0.04	0.20

Fund returns are based on the special closing prices calculated at the close of business on the last working day of each valuation year, 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 ENSIGN

The Financial Statements of the Plan for the year ended 31 March 2018, as set out on pages 15 to 25, 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 1 April 2017	31,616,057
Contributions receivable	942,727
Transfers in	46,043
Other Income	115,145
Benefits and payments to leavers	(2,971,808)
Administrative expenses	(115,879)
Change in market value	1,382,510
Net assets at 31 March 2018	31,014,795

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 Aegon 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 4 September 2018 and signed on its behalf by:

Rory Murphy

Chair

Ensign Retirement Plan Trustees Limited

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The financial statements, which are prepared in accordance with UK Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK (FRS 102) 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 Regulation 3A of 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".

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Plan will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Plan in the form of an Annual Report.

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 employer 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 in respect of contributions received in respect of any active member of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the payment schedule. Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and to the members.

The Trustee also 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 an appropriate system of internal control.

INDEPENDENT AUDITOR'S REPORT

To the Trustee of Ensign Retirement Plan

Opinion

We have audited the financial statements of Ensign Retirement Plan ('the Plan') for the year ended 31 March 2018 which comprise the Fund Account, Statement of Net Assets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the Statement of Recommended Practice – *Financial Reports of Pension Schemes* (revised November 2014) (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Plan during the year 31 March 2018 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 year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Plan's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, including the Trustee's Report, and Chair's Governance Statement and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 10, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they show a true and fair view, and for such internal control as the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees intend to wind up the Plan or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Trustee in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. 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 Trustee for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

BDO LLP

BDO LLP
Statutory auditor
Guildford
United Kingdom

Date *5 September 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

SUMMARY OF CONTRIBUTIONS

Trustee's Summary of Contributions payable under the Rules or the payment schedule in respect of the year ended 31 March 2018

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 payment schedule effective from 30 August 2016 (for the period 1 April 2017 to 19 September 2017) or under the payment schedule effective from 20 September 2017 (for the period 20 September 2017 to 31 March 2018). The Plan auditor reports on contributions payable under the payment schedule in the Auditor's Statement about Contributions.

Contributions payable under the payment schedule in respect of the year ended 31 March 2018

	£
Employer normal contributions	513,970
Member normal contributions	317,987
Employer annual fees	19,000
Contributions payable under the payment schedule (as reported by the Plan auditor)	850,957

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

	£
Contributions payable under the payment schedule (as above)	850,957
Contributions payable in addition to those due under the payment schedule (and not reported on by the Scheme Auditor)	
Employer additional contributions	20,875
Member additional voluntary contributions	65,895
Employer annual fees	5,000
Total contributions reported in the Financial Statements	942,727

During the year, there were twelve instances of late payment of normal contributions due under the payment schedule being received from employers in respect of active members. These late payments, totalling £166,335 (including £25,757 of additional employer and member contributions), were between 1 and 47 days late and the result of operational issues at the respective employers' payroll departments. The Trustee ensured steps were taken to avoid recurrence but took no further regulatory action.

Participating Employers are also required to make annual payments to the Trustee in accordance with the payment schedule. The Trustee received late payments of annual fees relating to the year totalling £13,000, which were paid between 2 and 48 days late. The Trustee took steps to resolve the causes of the delays in receipt of the amounts due but took no further regulatory action.

Signed on behalf of the Trustee on 4 September 2018:

Rory Murphy
Chair
Ensign Retirement Plan Trustees Limited

Mike Jess
Vice-Chair
Ensign Retirement Plan Trustees Limited

INDEPENDENT AUDITOR'S STATEMENT ABOUT CONTRIBUTIONS

To the Trustee of Ensign Retirement Plan (the "Trustee")

Qualified statement about contributions

We have examined the Summary of Contributions to Ensign Retirement Plan ('the Plan') for the year ended 31 March 2018 to which this statement is attached.

In our opinion, except for the late payments of contributions referred to below, contributions for the Plan year ended 31 March 2018 as reported in the Summary of Contributions and payable under the payment schedule, have in all material respects been paid at least in accordance with the payment schedules effective from 30 August 2016 and 20 September 2017.

Basis for qualified statement

As explained on page 13, there were twelve occasions where monthly normal contributions totalling £140,578 were paid later than the due dates set out in the payment schedules by between 1 and 47 days. In addition, contributions for annual fees totalling £13,000 were paid later than the due dates set out in the payment schedule by between 2 and 48 days.

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 payment schedule. 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 payment schedule.

Responsibilities of trustees

As explained more fully in the Statement of Trustee's Responsibilities (page 10), the 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 to the Plan 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 any active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the payment schedule.

Auditor's responsibilities for the preparation of a statement about contributions

This statement is made solely to the Trustee in accordance with Regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to them in an auditor's statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee for our audit work, for this statement, or for the opinions we have formed.

It is our responsibility to provide a statement about contributions paid under the payment schedule and to report our opinion to you.

BDO LLP

BDO LLP

Statutory auditor

Guildford

United Kingdom

Date *5 September 2018*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

FUND ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
CONTRIBUTIONS AND BENEFITS			
Employer contributions		558,845	619,229
Member contributions		383,882	340,302
Total contributions	3	942,727	959,531
Transfers in	4	46,043	69,214
Other income	5	115,145	100,860
		1,103,915	1,129,605
Benefits paid or payable	6	(117,554)	(369,197)
Payments to and on account of leavers	7	(2,854,254)	(2,352,031)
Administrative expenses	8	(115,879)	(96,992)
		(3,087,687)	(2,818,220)
NET WITHDRAWALS FROM DEALINGS WITH MEMBERS		(1,983,772)	(1,688,615)
NET CHANGE IN MARKET VALUE OF INVESTMENTS	9	1,382,510	4,445,882
NET (DECREASE)/ INCREASE IN THE PLAN DURING THE YEAR		(601,262)	2,757,267
NET ASSETS OF THE PLAN AT 1 APRIL		31,616,057	28,858,790
NET ASSETS OF THE PLAN AT 31 MARCH		31,014,795	31,616,057

The notes on pages 17 to 25 form part of these Financial Statements.

STATEMENT OF NET ASSETS

AS AT 31 MARCH 2018

	Note	2018 £	2017 £
ASSETS ALLOCATED TO MEMBERS			
Investment assets	10	30,791,910	31,457,710
Current assets	11	94,980	31,424
Benefits payable	12	(20,012)	-
		30,866,878	31,489,134
ASSETS UNALLOCATED TO MEMBERS			
Current assets	11	211,589	187,603
Current liabilities	13	(63,672)	(60,680)
		147,917	126,923
NET ASSETS OF THE PLAN AT 31 MARCH		31,014,795	31,616,057

The notes on pages 17 to 25 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 year.

The Financial Statements were approved by the Trustee on 4 September 2018 and signed on its behalf by:

Rory Murphy

Chair

Ensign Retirement Plan Trustees Limited

Mike Jess

Vice-Chair

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).

2. ACCOUNTING POLICIES

The principal accounting policies of the Plan are as follows:

2.1 INVESTMENTS

- Pooled investment vehicles are daily dealing and valued at a single price.

2.2 CONTRIBUTIONS

- Member normal and additional voluntary contributions, including where the member has been auto-enrolled, are accounted for when deducted from pay by the employer. Employer normal contributions are accounted for on the same basis as member contributions.
- Annual fees due from employers are accounted for in the year in which they fall due for payment.

2.3 PAYMENTS TO MEMBERS AND TRANSFERS

- Benefits are accounted for in the year 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

	2018 £	2017 £
Employers		
Normal contributions	513,970	600,229
Additional contributions	20,875	-
Annual fees	24,000	19,000
	558,845	619,229
Members		
Normal contributions	317,987	292,550
Additional Voluntary Contributions	65,895	47,752
	383,882	340,302
	942,727	959,531

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

4. TRANSFERS FROM OTHER PLANS

	2018 £	2017 £
Group transfers in	-	(9,921)
Individual transfers in	46,043	79,135
	46,043	69,214

In September 2015, the Trustee accepted a group transfer of £28,566,733 in respect of members of the Merchant Navy Officers Pension Plan ("MNOPP"). A cash figure of £90,211 in the 2016 Financial Statements was over accrued for by £9,921 and explains the negative cash figure shown in the 2017 Financial Statements.

5. OTHER INCOME

	2018 £	2017 £
Allocated to members		
Misc. Correction	2,272	-
Unallocated to members		
Fees from MNOPF Trustees Limited	82,000	82,000
Annual Management Charge	12,588	18,860
VAT reclaim	18,285	-
	115,145	100,860

The VAT reclaim is in respect of VAT paid for core administration services in the MNOPP for the period 2010 to 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. BENEFITS PAID OR PAYABLE

	2018 £	2017 £
Commutations	19,876	48,036
Cash lump sums	63,175	189,101
Purchase of annuities	-	47,767
Death benefits	34,502	84,293
	117,554	369,197

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2018 £	2017 £
Individual transfers out	2,854,218	2,351,105
Refunds	36	926
	2,854,254	2,352,031

8. ADMINISTRATIVE EXPENSES

	2018 £	2017 £
Audit fees	11,664	13,909
Administration costs	34,687	49,151
Trustee Indemnity Insurance	5,782	5,390
Professional expenses	17,054	15,042
Legal adviser	46,692	13,500
	115,879	96,992

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INVESTMENT RECONCILIATION

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

	Value at 1 Apr 2017	Purchases	Sales	Change in market value	Value at 31 Mar 2018
	£	£	£	£	£
Pooled investment vehicles	31,457,710	8,514,968	(10,610,274)	1,382,510	30,744,914
Cash	-				46,996
Total	31,457,710				30,791,910

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

Included within purchases and sales were switches between funds totalling £7,557,212.

The following investments each account for more than 5% of the Plan's net asset at the year-end:

	2018		2017	
	£	% (1dp)	£	% (1dp)
BLK DC LifePath Flexi 2049-51 G	1,840,384	6.0	1,771,479	5.6
BLK DC LifePath Flexi 2046-48 G	2,717,115	8.8	2,569,416	8.2
BLK DC LifePath Flexi 2043-45 G	2,747,139	8.9	2,651,213	8.4
BLK DC LifePath Flexi 2040-42 G	3,434,667	11.2	3,313,456	10.5
BLK DC LifePath Flexi 2037-39 G	2,534,280	8.2	2,365,673	7.5
BLK DC LifePath Flexi 2034-36 G	2,345,703	7.6	2,487,921	7.9
BLK DC LifePath Flexi 2031-33 G	3,323,755	10.8	3,127,425	9.9
BLK DC LifePath Flexi 2028-30 G	3,061,384	10.0	2,898,947	9.2
BLK DC LifePath Flexi 2025-27 G	2,207,811	7.2	2,122,862	6.8
BLK DC LifePath Flexi 2019-21 G	2,230,247	7.3	2,277,046	7.2

Investments purchased by the Plan are allocated to provide benefits to the individuals on whose behalf the contributions were paid. AVCs paid by members to Aegon are allocated to the members' account and are not separately identifiable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. POOLED INVESTMENT VEHICLES

	2018 £	2017 £
Bonds	50,817	81,784
Equity	961,748	878,386
Multi Asset	29,639,421	30,051,945
Property	57,746	69,491
Cash	35,182	376,104
	30,744,914	31,457,710

Fixed Income includes: BlackRock DC Aquila All Stocks UK Index Linked Gilt fund, BlackRock DC Aquila Corporate Bond All Stocks Index fund and BlackRock DC Aquila Over 15 Year Gilt Index fund.

Equity includes: BlackRock DC Aquila (30:70) Currency Hedged Global Equity Index Fund, BlackRock DC Aquila Emerging Markets Equity Index Fund, BlackRock DC Aquila UK Equity Index Fund, BlackRock HSBC Amanah Fund (now known as BlackRock HSBC Islamic Global Equity Index from 28/02/2018) and BlackRock LGIM Ethical Global Equity Index Fund.

Multi Asset includes: BlackRock DC LifePath Flexi funds, BlackRock DC LifePath Capital funds, BlackRock DC LifePath Mature fund, BlackRock DC LifePath Retirement funds and BlackRock Schroders Diversified Growth Fund.

Property includes: BlackRock DC Property T Fund.

Cash includes: BlackRock DC Cash D Fund.

11. CURRENT ASSETS

	2018 £	2017 £
Allocated to members		
Normal contributions due from employers	45,321	21,522
Normal contributions due from members	32,706	8,437
Additional Voluntary Contributions due from members	523	1,465
Cash in transit	16,430	-
	94,980	31,424
Unallocated to members		
Other debtors	4,000	8,982
Cash balance	207,589	178,621
	211,589	187,603
	306,568	219,027

Except for one late payment totalling £50,670, contributions receivable were received subsequent to the year-end in line with the payment schedule.

Cash in transit represents a disinvestment not received by the Plan before the year-end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. BENEFITS PAYABLE

Benefits payable, totalling £20,012, includes death benefits relating to the year to 31 March 2018.

13. CURRENT LIABILITIES

Current liabilities, totalling £63,672 (2017: £60,680), includes accrued administrative expenses relating to the year to 31 March 2018.

14. 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.

15. 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.

16. 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 shown below:

	Level 1	Level 2	Level 3	Total 2018
	£	£	£	£
Pooled investment vehicles	-	30,744,914	-	30,744,914
Cash	46,995	-	-	46,995

	Level 1	Level 2	Level 3	Total 2017
	£	£	£	£
Pooled investment vehicles	-	31,457,710	-	31,457,710

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT RISK DISCLOSURES

FRS 102 requires the disclosure of information in relation to certain investment risks.

Investment Strategy

The Trustee's objective is to make available a suitable default option that will meet the needs of most members, as well as a range of 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.

There have been no changes to the investment strategy or available funds during the year.

The range of investment options available to members, their investment objectives and risk tolerances, are outlined in the SIP. The Trustee has however, selected the Aegon BlackRock LifePath Flexi Fund as the default investment fund for members to be invested in and is the focus of the Trustee's considerations of risk.

The Aegon 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 day to day management of the underlying investments of the funds is the responsibility of Aegon, including the direct management of credit and market risks. The Trustee monitors the underlying risks by quarterly investment reports from Aegon.

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.

The Plan is indirectly exposed to credit risk in relation to the instruments it holds in bonds, multi-asset and cash pooled investment vehicles which are part of a long-term insurance policy between the Trustee and Aegon. Direct credit risk is mitigated by the underlying assets of the long-term insurance policy being ring-fenced from Aegon's corporate assets. In the event of Aegon defaulting, the long-term insurance policy is protected by the Financial Services Compensation Scheme.

Aegon has discretion to invest member assets in a range of asset classes, including UK and Overseas Corporate and Government Bonds, thereby indirectly exposing the Plan to credit risk. Some of these instruments are held in funds managed by a third-party insurer ("reinsurer"), exposing the Plan to credit risk if the reinsurer fails to pay the full value of the investment, for example if the reinsurer became insolvent. All reinsurers are carefully selected by Aegon, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. In order to mitigate this credit risk, Aegon normally takes security over the assets of the reinsurers such that the claim made by Aegon would rank equally to any of the reinsurer's direct policyholders.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 Plan is subject to indirect foreign exchange, interest rate and other price risk arising from the underlying financial instruments held in the funds managed by Aegon:

Assets invested in bonds are exposed to foreign exchange and interest rate risk.

Assets invested in equities are exposed to foreign exchange and other price risk.

Assets invested in multi-assets are exposed to foreign exchange, interest rate and other price risks.

Assets invested in property are exposed to other price risk.

Assets invested in cash are exposed to interest rate risk.

Aegon uses specific instruments with the aim of hedging out the majority of the foreign currency exposures, and diversification to manage market risk, gaining exposure to global equities, fixed income instruments, property and commodities, as well as other assets.

The Trustee acknowledges that the Plan is subject to interest rate risk in relation to the financial instruments held in the pooled investment vehicles and the Trustee is satisfied that the return objective of the Aegon BlackRock LifePath Flexi Fund mitigates this risk sufficiently.

The Trustee has considered the direct and indirect risks to the Plan's assets in the context of the investment strategy described above and is satisfied the funds offered to members are in line with the objectives of the Plan, particularly in relation to diversification, risk, expected return and liquidity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. 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.

During the year, the Trustee provided delegated governance and operational services to MNOPF Trustees Limited in relation to the money purchase arrangement with the Merchant Navy Officers Pensions Fund (known as “Ensign Retirement Plan (for the MNOPF)”). The amount received from MNOPF Trustees Limited during the year in respect of these services was £82,000 (2017: £82,000) and is included as other income. MNOPF Trustees Limited is a related party as three of the Trustee Directors of Ensign Retirement Plan Trustees Limited are also Trustee Directors of MNOPF Trustees Limited.

Ensign Pensions Limited, which is wholly owned by MNOPF Trustees Limited, is also a related party. Ensign Pensions Limited provides trustee secretarial, executive and pensions management services to the Trustee. The amount payable to Ensign Pensions Limited during the year was £31,771 (2017: £36,780) and the amount due at the year-end was £20,261 (2017: £35,006).

19. SUBSEQUENT EVENTS

On 29 March 2018, the Trustee agreed to accept a bulk transfer of members’ money purchase benefits from the Merchant Navy Officers Pensions Fund into the Ensign Retirement Plan from May 2018. The bulk transfer of assets was made on 11 May 2018. This included the assets and liabilities in the Ensign Retirement Plan (for the MNOPF) which valued £31,253,183.20 and AVC investments held with Equitable Life Assurance Society and Standard Life Assurance Company. Valuations for these investments are carried out annually on 31 March and therefore no valuation was available at the date of the transfer.

APPENDIX A: CHAIR'S GOVERNANCE STATEMENT



ENSIGN RETIREMENT PLAN

CHAIR'S GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Registered number 9598514

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OPENING STATEMENT

31 MARCH 2018

This statement demonstrates how Ensign Retirement Plan Trustees Limited ("the Trustee"), the corporate trustee of the Ensign Retirement Plan ("Ensign"), governs Ensign 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 2018.

Ensign was set up under a Trust Deed and Rules dated 21 May 2015 which are available at www.ensignpensions.co.uk. The Trustee governs Ensign 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 scheme year. This statement therefore, covers the period from 1 April 2017 to 31 March 2018.

As a Trustee, our aim is to ensure Ensign 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 we have 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 Ensign, 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 scheme management with the aim of meeting the quality standards set out in The Pensions Regulator's DC code and DC regulatory guidance. This has been evidenced by Ensign once again obtaining Master Trust Assurance, providing independent assurance of the design, description and operational effectiveness of control procedures that reflect high-quality governance and administration.

On behalf of the Trustee Board of the Ensign Retirement Plan, and based on a review of the systems and controls in place, I believe that Ensign meets the 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 Executive Team at enquiries@ensignretirementplan.co.uk.

Rory Murphy

Chair, Ensign Retirement Plan Trustees Limited

4 September 2018

THE DEFAULT INVESTMENT FUND

The Trustee has appointed Aegon UK plc ("Aegon") to provide administration and fund management services to Ensign. Aegon acquired BlackRock's DC platform and administration business in 2016, and the transfer was approved by the High Court on 21 June 2018. Aegon has selected a range of funds on Aegon's platform in which members may invest.

THE DEFAULT INVESTMENT FUND

The Trustee has adopted the Aegon BlackRock DC LifePath Flexi Fund ("LifePath Flexi") as the default investment fund for members joining Ensign. The Trustee recognises, however, that one fund is unlikely to meet the needs of all members in the scheme and members, therefore, have a choice of thirteen alternative funds to choose from. Approximately 96% of members' benefits are currently invested in the default fund.

AIMS AND OBJECTIVES OF THE DEFAULT FUND

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

LifePath Flexi is a target date fund where the underlying asset allocation of the fund automatically adjusts as the member approaches their target retirement date. LifePath Flexi 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 Ensign, the Trustee considered the membership profile, risk appetite, and likely retirement option of the initial members of Ensign. The Trustee found LifePath Flexi 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 receives quarterly reports on the performance of the default fund and compares this against the fund's composite benchmark, however, the Trustee is also mindful of the long-term nature of investments and investment returns. The Trustee adopted the current investment strategy in July 2015, prior to Ensign's establishment on 1 August 2015, and is currently carrying out a review of the investment strategy, including the appropriateness of the default investment fund. In doing so, the Trustee is taking into account developments in the investment market, changes to the membership profile and experience of the options taken by members 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 Ensign to help deliver better outcomes for them. These core financial transactions include, but are not limited to:

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

CONTROLS AND PROCESSES

Core financial transactions are processed by Aegon in accordance with a strict governance framework that complies with International Standard on Assurance Engagements 3402, "Assurance Reports on Controls at a Service Organisation".

A number of processes and controls are in place with Aegon to ensure that contributions to Ensign are accurate and all core financial transactions are processed promptly. These include:

- Verification and validation of the contributions being submitted by employers in comparison with the amounts expected.
- Reminders to employers to submit contributions where these have not been received prior to the deadline for submitting contributions under the schedule of contributions.
- Annual verification of members' pensionable salary and contribution rate with the participating employers.

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 the administrators. These include:

- Agreeing defined service level agreements with Aegon for the prompt processing of all financial transactions.
- Monitoring quarterly administration reports from Aegon to assess performance against the service level agreements.
- Monitoring quarterly administration reports from Aegon to assess the promptness with which contributions submitted by employers are invested.
- Monitoring quarterly administration reports from Aegon to review the summary of processes and controls operated by Aegon regarding core financial transactions and the Compliance Statement which contains a statement that "all core financial transactions (as defined in regulation 24 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996) have been processed promptly and accurately".

ADMINISTRATION (CONTINUED)

- Annual review of Aegon's AAF 01/06 internal control reports.
- Annual examination of contributions to test the accuracy of contributions and promptness of submissions.

The processes and controls operated by Aegon, to ensure that core financial transactions are processed promptly and accurately, are outlined and tested in its independently verified AAF 01/06 pensions administration assurance report, and include:

- The documentation received in support of all financial transactions requested on a member's account is fully reviewed for completeness before processing commences.
- Checklists are in place to help ensure that all necessary information for financial transactions has been received and that all regulatory and service level requirements are met.
- These checklists are reviewed by a senior administrator.
- A senior member of the Administration team reviews the transaction that have been keyed for completeness and accuracy before the claims are released for processing.
- All requests for financial transactions are scanned and tracked to help ensure compliance with agreed service standards.
- The Administration team run daily reports to verify that dealing deadlines have been met and identifies members with a partially processed transaction.
- A report is run regularly by Aegon to ensure that the correct annual management charge is applied.
- Before single contributions are invested, an Authority to Bank form is completed to confirm that the relevant reviews have been completed. The form is reviewed and approved by a senior administrator in Aegon's Administration team.
- For regular contributions, the Administration team runs and reviews a report detailing any active accounts that have not received a scheduled payment. Any discrepancies are researched and resolved.
- The Administration team confirms on a daily basis that all claims and switches in progress for the day have been fully processed.
- A policy is in place detailing the process by which Aegon and the Trustee pursue and resolved any late or inaccurate contributions to Ensign.
- The Trustee also appoints an independent auditor to audit Ensign's financial statements, which includes an audit of the contributions which have been received over the year and the payments to and from Ensign.

As referred to in my opening statement, Ensign obtained Master Trust Assurance as at 31 May 2018, covering the period 1 April 2017 to 31 May 2018. This involved the Trustee, and an independent auditor, evaluating the design, description and operational effectiveness of the governance control procedures operated by the Trustee having regard to the ICAEW's Technical Release AAF 02/07.

Having considered all of the above, 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%.

CHARGES

The default investment fund

Members in the default investment fund, LifePath Flexi, were charged a single Annual Management Charge ("AMC") of 0.36% of funds under management during the scheme year to 31 March 2018. This single charge, deducted from their retirement account, included provisions for any additional expenses, including transaction costs, incurred by the Fund such that no further expenses were borne by the members.

Self-select investment options

The charges that applied to members who chose to invest in other funds available through Ensign are set out in the table below. This includes the AMC, Transaction Costs, and resulting Total Expense Ratio ("TER") applied to members:

Fund	AMC (%)	Transaction Costs* (%)	TER (%)
Aegon BlackRock DC LifePath Cash Fund	0.36	0.00	0.36
Aegon BlackRock DC LifePath Retirement Fund	0.36	0.00	0.36
DC Aquila (30:70) Currency Hedged Global Equity Index	0.37	0.08	0.45
DC Aquila UK Equity Index	0.35	0.10	0.45
DC Aquila Emerging Markets Equity Index	0.50	-0.09	0.41
DC Aquila Over 15 Year Gilt Index	0.35	-0.02	0.33
DC Aquila All Stocks UK Index Linked Gilt Index	0.35	-0.02	0.33
DC Aquila Corporate Bond All Stocks Index	0.35	-0.02	0.33
DC Cash	0.30	0.02	0.32
DC Property	1.00	0.01	1.01
HSBC Islamic Global Equity Index Fund	0.70	0.12	0.82
LGIM Ethical Global Equity Index	0.60	0.01	0.61
Schroder Dynamic Multi Asset Fund (DMAF)	0.65	0.25	0.90

*Transaction Costs include both implicit and explicit cost elements. Implicit costs are intended to capture the cost of the trading process in terms of the prices achieved. Explicit costs include broker commission, transaction taxes, exchange and swap fees.

COSTS AND CHARGES (CONTINUED)

The Transaction Costs are represented as a single annualised figure, based on the 12-month period up to 31 December 2017, using the PRIIPs Slippage Methodology. Aegon is currently unable to provide accurate data as at 31 March 2018, however, it is anticipated that the Transaction Cost data will be made available on a quarterly basis from September 2018 onwards.

The member-borne deductions within Ensign fall within the 0.75% charge cap for schemes used for auto-enrolment default funds, with the exception of the DC Property fund which is a self-select fund.

All Annual Management Charges have been reduced by 0.05% from 1 April 2018.

VALUE FOR MEMBERS

The Trustee carries out an annual assessment to assess and evaluate the extent to which the costs and charges deducted from members' accounts provides good value in relation to the benefits and services provided to the membership, and when compared to other options available in the market.

Services provided to members

- The benefits received by members in Ensign 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.

Quality of services provided to members

The Trustee is confident that the governance structure of Ensign is robust and it has the necessary processes in place to help achieve its objectives. Ensign was awarded the Pensions Quality Mark READY accreditation when it was established in August 2015, demonstrating it met 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.

Ensign has also obtained master trust assurance, meaning that it has been subject to an independent review of its practices against prescribed control objectives and demonstrates the high quality of governance and administration offered by Ensign. This framework was developed by the ICAEW (Institute of Chartered Accounts in England and Wales) in partnership with The Pensions Regulator to help trustees assess whether their scheme meets equivalent standards of governance and administration to those set out in the DC Code. The Trustee's report, including the report from the independent reporting accountant, is available on Ensign's website, www.ensignpensions.co.uk.

COSTS AND CHARGES (CONTINUED)

Costs and charges

The Trustee has compared the charges applying to members in Ensign and several of the largest UK master trusts for investing in the respective default funds:

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 + £0.30 to £1.50 per month admin charge

No further expenses, including transaction costs, are borne by the members that invest in Ensign's default investment fund. Any additional expenses that may be incurred by the default fund are assumed by Aegon. The Trustee considers this transparency and constancy to be of great value to the members.

Although additional charges and transaction costs are borne by members within the self-select investment funds, the Trustee recognises that these 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 that comparing portfolio transaction costs for a range of funds may give a false impression of the relative costs of investing in them, primarily because they do not necessarily reduce returns. In light of this, the Trustee reviews the performance of each fund 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.

In addition to the above, there are no hidden charges or fees for members participating in Ensign: members are not charged for switching their fund, changing their retirement date or transferring their pot out of Ensign.

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.

This Governance Statement is made available to members via the website and information on costs and charges, and the value of being in Ensign, is regularly communicated to members, for example in the latest Member Newsletter, a copy of which can be found at www.ensignpensions.co.uk.

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 Ensign 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 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 Ensign, including but not limited to:

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

Each year, a training plan is agreed, setting out the areas of training to be provided to the Trustee Board and/or individual Directors throughout the scheme year. This includes specific legal, investment and governance training, as well as opportunities for Directors to attend seminars and conferences, specific to DC schemes, to keep up to date on best practice governance standards. Any training received by the Trustee Directors, either individually or collectively, is recorded on the Trustee's skills, knowledge and training log. All Trustee Directors have completed the relevant modules of The Pensions Regulator's Trustee Toolkit.

SUPPORT AND ADVICE RECEIVED BY THE TRUSTEE

The Trustee has appointed various advisers and service providers to advise on and manage certain aspects of Ensign. This includes an Executive team who ensure that the Trustee keeps abreast of changes in industry best practice, legislation and regulations relating to DC pension schemes. The Trustee also receives advice and guidance on specific matters from its appointed legal adviser, in particular prior to making decisions.

TRUSTEE KNOWLEDGE AND UNDERSTANDING (CONTINUED)

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 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 Ensign is well governed and properly managed.

GOVERNANCE

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 Ensign.

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 Ensign.

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

There have not been any non-affiliated trustee appointments made during the scheme year.

MEMBER FEEDBACK

The Trustee encourages its members to share their views and ideas about Ensign, both via Ensign's [home page](#) and the latest [Member Newsletter](#). Members can telephone, e-mail or write to us.

APPENDIX: STATEMENT OF INVESTMENT PRINCIPLES



ENSIGN
RETIREMENT
PLAN

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.