

Registered numbers:	Amey Section	19018801
	Accord Section	19018802
	APS Section	19018803

AMEY OS PENSION SCHEME

Report and financial statements

Period ended 30 September 2017

Amey OS Pension Scheme annual report and financial statements
Period ended 30 September 2017

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Trustee and Advisers

Trustee:	PTL Governance Limited
Scheme Actuary:	A Allsopp F.I.A. Quattro Pension Consulting Actuaries
Independent Auditor:	Grant Thornton UK LLP
Investment Managers:	SEI (Europe) Investments Ltd Just Retirement Limited M&G Investment (appointed 1 May 2017) Hayfin Capital Management (appointed 1 May 2017)
Investment Consultant:	SEI (Europe) Investments Ltd
AVC Provider:	Prudential Assurance Company Limited Equitable Life Legal and General (appointed 1 May 2017)
Legal Advisers:	Squire Patton Boggs
Scheme Administrator:	RPMI Limited
Banks:	Royal Bank of Scotland
Life Assurance Company:	Legal & General Assurance Society Limited
Principal Employer:	Amey plc
Participating Employers:	Amey Services Limited

Contact for further information and complaints about the Scheme:

Matt Riley
PTL
47 Castle Street
Reading
Berkshire
RG1 7SR
E-mail: mriley@ptluk.com
Tel: 0118 9570605

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Trustee's Annual Report

Introduction

The Trustee of the Amey OS Pension Scheme (the "Scheme") is pleased to present its report together with the financial statements for the 6 month period ended 30 September 2017. The Scheme is a Defined Benefit scheme.

Management of the Scheme

Under the Rules of the Scheme, which comply with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, there are normally five Trustees, two of whom are member nominated unless a Corporate Body is appointed as Trustee to the Scheme.

During the period under review, the Trustee of the Scheme was a corporate body – PTL Governance Limited ("PTL")

PTL acts through its Directors. The Directors who served during the period were:

David Archer

Christopher Avery (resigned 27 April 2017)

Alison Bostock (appointed 4 May 2017)

Suzanne Brooker (resigned 27 April 2017)

Richard Butcher

Steve Carrodus

Andrew Davies (resigned 27 April 2017)

David Hosford

Kim Nash (appointed 4 May 2017)

Sue O'Brien (resigned 27 April 2017)

Colin Richardson (appointed 4 May 2017)

Ruston Smith (appointed 5 June 2017)

In accordance with the Trust Deed, the Principal Employer, Amey plc has the power to appoint and remove the Trustee of the Scheme.

During the period the Trustee held two meetings.

Change in Accounting Period

During the current Scheme period the Trustee chose to change the Scheme year end from 31 March to 30 September.

Communication with Members

The Trustee issues a newsletter to the membership on an annual basis, which provides an overview of events that have taken place during the period and upcoming events in relation to the Scheme. Members are encouraged in the newsletter to raise any comments directly with the Administrator. There was no newsletter issued to members during the accounting period, however, one was issued in December 2017.

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Trustee's Annual Report (continued)

Trustee Knowledge and Understanding

The Pensions Act 2004 requires trustees to have sufficient knowledge and understanding of pensions and trust law and be conversant with the Scheme documentation. The Pensions Regulator has published a Code of Practice on Trustee Knowledge and Understanding to assist trustees on this matter which became effective in November 2009. The Trustee is a professional trustee who maintains a training log and has agreed a training plan to enable them to meet the identified requirements.

Governance and Risk Management

The Trustee has in place a business plan which sets out its objectives in areas such as administration, investment, funding and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustee run the Scheme efficiently and serves as a useful reference document.

The Trustee regularly reviews its risk register to ensure that controls are in place to monitor the key risks to which the Scheme is subject and that actions are identified to mitigate these risks.

Internal Dispute Resolution

The Trustee has a dispute resolution procedure which is available to any member or dependant. No complaints were raised during the period under this procedure.

Report to the Pensions Regulator

No report was made to the Pensions Regulator during the period.

Principal Employer

The registered address of the Principal Employer is Amey plc, The Sherard Building, Edmund Halley Road, Oxford, OX4 4DQ.

Scheme merger

As at 30 April 2017 the Amey Pension Scheme (APS) merged into the Amey OS Pension Scheme on a sectionalised basis. The benefits provided under the Amey OS Scheme for APS members will be identical to those provided under the previous scheme. The final value of the transfer of assets was £412,757,000.

Financial Development

The financial statements on pages 14 to 31 have been prepared and audited in accordance with the Regulations made under Sections 41(1) and (6) of the Pensions Act 1995. They show that the value of the Fund increased from £146,855,000 at 31 March 2017 to £543,544,000 at 30 September 2017.

Transfer Values

Cash equivalents paid during the year with respect to transfers have been calculated and verified in manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits.

REPORT ON ACTUARIAL LIABILITIES

AMEY SECTION

The last full valuation of the Amey OS Pension Scheme (Amey Section) had an effective date of 31 March 2017.

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Trustee's Annual Report (continued)

Assumptions and method

The valuation method used by the Scheme Actuary is the Projected Unit Method.

The assumptions are based on the method specified in the Trustee's Statement of Funding Principles, with financial assumptions updated to reflect market conditions at the relevant date. The changes made to key financial assumptions are explained below.

A summary of the assumptions is set out in the following table, with 2014 valuation assumptions shown for comparison:

Assumption	31 March 2017	5 April 2014
Discount Rate		
- Before retirement	3.1%	4.4%
- After retirement	3.1%	4.4%
Salary Growth	3.5%	4.0%
RPI Inflation on deferred benefits	3.0%	3.1%
CPI Inflation on deferred benefits	2.1%	2.2%
Pension increases		
- 5% Fixed	5.0%	5.0%
- RPI linked	3.4%	3.4%
- CPI linked	2.5%	2.5%

No changes have been made to the demographic assumptions, summarised as:

Demographic Assumptions	
Retirements	All at Normal Retirement Age
Proportion taking tax free cash	0%
Proportion married	75%
Post-retirement mortality	105% S2PXA year of birth tables with CMI 2016 projections and 1.5% pa long-term improvement rate

Results

Technical Provisions

The following table shows the funding update as at 31 March 2017 together with last year's update and the results of the previous valuation at 5 April 2014:

	31 March 2017	5 April 2014
Technical Provisions*	24,791,000	38,993,000
Assets	31,533,000	42,257,000
Surplus / (Deficit)	6,742,000	3,264,000
Funding Level	127%	108%

* The "Technical Provision" is the estimate of the amount of money needed in the Scheme to provide Scheme benefits, assessed on a prudent basis according to the Statement of Funding Principles.

The next full valuation will be as at 30 September 2017 and is currently ongoing.

ACCORD SECTION

The latest actuarial valuation of the Amey OS Pension Scheme (Accord Section) had an effective date of 31 March 2015.

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Trustee's Annual Report (continued)

The annual update report, as at 31 March 2016, was commissioned by the Trustee in accordance with the current legislation relating to scheme funding which requires that funding updates are obtained at each anniversary of the valuation date (or more frequently) unless a full valuation of the Scheme is being performed at that date. The update below was prepared by the Scheme actuary.

Assumptions and method

The valuation method used by the Scheme Actuary is the Projected Unit Method.

The assumptions are based on the method specified in the Trustee's Statement of Funding Principles, with financial assumptions updated to reflect market conditions as at 31 March 2016. The changes made to the key financial assumptions are explained below.

A summary of the assumptions is set out in the following table, with previous assumptions shown for comparison:

Assumptions	31 March 2016	31 March 2015
Discount Rate	3.60%	3.60%
RPI Inflation	2.95%	2.95%
CPI Inflation	2.20%	2.20%
Deferred Revaluations:		
- LPI	2.95%	2.95%
- CPI	2.20%	2.20%
Pension increases:		
- Fixed	5.00%	5.00%
- LPI	2.95%	2.95%
- CPI	2.20%	2.20%

Demographic Assumptions	
Retirements	All at Normal Retirement Age
Proportion taking tax free cash	75% per 31 March 2016 valuation, 100% per 31 March 2015 valuation
Proportion married	75%
Post-retirement mortality	105% S2PXA year of birth tables with CMI 2013 projections and 1.5% pa long-term improvement rate

Results

The following table shows the results of the approximate funding update as at 31 March 2016 together with the results of the triennial valuation at 31 March 2015:

Funding Position	31 March 2016	31 March 2015
Technical Provisions	94,797,000	95,443,000
Assets	91,416,000	92,566,000
Deficit	(3,381,000)	(2,877,000)
Funding level	96%	97%

The next full triennial valuation of the Section will be as at 30 September 2017 and is ongoing.

APS SECTION

The first full triennial valuation of the APS Section will be as at 30 September 2017 and is ongoing. As this Section was created during the period, there is no prior valuation information available.

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Trustee's Annual Report (continued)

MEMBERSHIP

Details of the membership of the Scheme are given below:

	Amey Section Sep 2017	Accord Section Sep 2017	APS Section Sep 2017	Sep 2017	Mar 2017
Active members					
Active members at the start of the period	40	71	-	111	162
New entrants	-	-	-	-	3
Members leaving with preserved benefits	(1)	(8)	-	(9)	(42)
Members retiring	(3)	-	-	(3)	(12)
Refunds	-	(1)	-	(1)	-
Active members at the end of the period	36	62	-	98	111
Pensioners					
Pensioners at the start of the period	307	749	-	1,056	996
Transfer from Amey Pension Scheme	-	-	1,414	1,414	-
Members retiring	7	28	30	65	90
Spouses and dependants	6	-	3	9	8
Pensioners who died	(7)	(1)	(7)	(15)	(16)
Commutation of benefits	(1)	(7)	-	(8)	(15)
Cessation of pension	-	(1)	-	(1)	(7)
Pensioners at the end of the period	312	768	1,440	2,520	1,056
Members with preserved benefits					
Members with preserved benefits at the start of the period	151	728	-	879	925
Transfer from Amey Pension Scheme	-	-	1,688	1,688	-
Leavers with preserved benefits	1	8	-	9	42
Death of preserved member	-	-	-	-	(3)
Deferred members becoming pensioners	(4)	(28)	(30)	(62)	(78)
Transfers out	-	(1)	(15)	(16)	(7)
Members with preserved benefits at the end of the period	148	707	1,643	2,498	879
Total membership at the end of the period	496	1,537	3,083	5,116	2,046

In addition to the pensioner members note above, the Accord Section also includes a further 26 (March 2017: 26) annuitant pensioners.

The Just Retirement Insurance policy covers the pensions of 306 (Mar 2017: 306) Amey Section pensioners, 660 (Mar 2017: 660) Accord Section pensioners and 524 APS pensioners.

Pensioners include individuals receiving a pension upon the death of their spouse/parent.

Pension increases

The pension increase rates may differ depending on the elements a pensioner has on their record. There were no discretionary increases in the period. Details are as follows:

Non-GMP elements

Benefits are increased by RPI subject to a maximum of 5%. If RPI falls below zero, benefits will not be reduced. Some elements are non-escalating.

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Trustee's Annual Report (continued)

GMP elements

For retired members until GMP Age any GMP elements are increased by RPI subject to a maximum of 5%. If RPI falls below zero, benefits will not be reduced.

Once a member has attained GMP Age any Pre 88 GMP element does not increase. Any Post 88 GMP is increased in line with the relevant order made under section 109(3) of the Pension Schemes Act 1993. Currently this is based on the previous September CPI value subject to a maximum of 3%. Dependants of deceased member's will also have any Post 88 GMP element increased by the same percentage.

The table below contains details of the increase rates applicable per element.

Amey OS = all N's, L's, P's

Amey Bali = A8

Amey Accord = A1-A7, A9-A11, H=Pre-RPMI, R=RPMI

Details of the increase rates applicable per element

Payment elements		Benefit type	Increase	
			Before GMP Age	On or after GMP Age
0112	Pre88 GMP	L1, L2, P1, A1, A2, A9, A10	5%	nil
0113	Post88 GMP	L1, L2, P1, A1,A2, A9, A10	5%	3%
0114	Pre88 GMP	N1, N2, L3, L4, P2, P4, P7, A3, A5, A6, A8	RPI max 5%	nil
0115	Post88 GMP	N1, N2, L3, L4, P2, P4, P7	RPI max 5%	3%
0120	Post88 GMP	A3, A5, A6, A8	RPI max 5%	RPI max 3%
0116	Pre88 GMP	L5, L6, P3, P5, A4	RPI	nil
0117	Post88 GMP	L5, L6, P3, P5	RPI	3%
0121	Post88 GMP	A4	RPI	CPI max 3% **
0118	Pre88 GMP	N3	CPI max 5%	nil
0119	Post88 GMP	N3	CPI max 5%	3%
0122	Pre88 GMP	A7	CPI	nil
0123	Post88 GMP	A7	CPI	CPI max 3% **
			Increase (regardless of GMP Age)	
0150	Pre97 XS	L1, L2, P1, A1, A2, A9, A10	5%	
0151	97-09 XS	L1, L2, P1, A9, A10	5%	
0152	Post09 XS	L1, L2, P1, A9, A10	5%	
0172	97-02 XS	A1, A2	5%	
0173	Post02 XS	A1, A2	LPI (RPI max 5%)	
0153	Pre97 XS	N1, N2, L3, L4, P2, P4, P7, A3, A5, A6, A8	LPI (RPI max 5%)	
0154	97-09 XS	N1, N2, L3, L4, P2, P4, P7,	LPI (RPI max 5%)	
0155	Post09 XS	N1, N2, L3, L4, P2, P4, P7, A1, A2	LPI (RPI max 5%)	
0174	Post 97 XS	A3, A5, A6, A8	LPI (RPI max 5%)	
0156	Pre97 XS	L5, L6, P3, P5, A4	RPI	
0157	97-09 XS	L5, L6, P3, P5,	RPI	
0158	Post09 XS	L5, L6, P3, P5,	RPI	
0175	Post97 XS	A4	RPI	

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0164	Pre97 XS	N3	CPI max 5%
0165	97-09 XS	N3	CPI max 5%
0166	Post09 XS	N3	CPI max 5%
0167	Pre97 XS	A7	CPI
0168	Post97 XS	A7	CPI
0159	AVC /Added Years		nil
0170	Augmentation benefits		nil
0171	Transfer In		nil
0596	Attachment of Earnings		nil
0200	Non Esc	A11	0%
0201	5% Xcess	A9, A10, A11	5%
0202	LPI Xcess	A11	LPI (RPI max 5%)
0203	GMP	A11	

Increases to the APS Section are effective from 1 April, with the merger occurring on 30 April 2017, no increases occurred during the period.

Further Information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries. In particular the documents constituting the Scheme, the Rules and a copy of the latest actuarial report and the Trustee's Statement of Investment Principles can be inspected.

Please contact Matt Riley of PTL whose contact details can be found on page 2 if you require such information

INVESTMENT REPORT

General

The Trustee appointed SEI Investments (Europe) Limited as fiduciary manager for the assets of the Accord and Amey sections of the Amey OS Pension Scheme (the "Scheme") in November 2015 and in June 2017 in respect of the APS Section of the Scheme. In this capacity SEI provides advice to the Trustee on the long term investment strategy of the Scheme and in addition is responsible for managing the Scheme's assets according to the agreed investment policy by:

- Selecting appropriate pooled funds for each Section of the Scheme.
- Defining the allocations to each pooled fund
- Managing a Liability Driven Investment (LDI) portfolio using pooled funds.
- Making changes and adjustments where appropriate.

In addition to SEI's appointment the Trustee purchased a Bulk Annuity in 2016. This is a contract with an insurer whereby, in exchange for an upfront premium, an insurer commits to make payments to the Scheme in respect of the benefits due to specified members. Please note SEI's appointment excludes responsibility for the AVC assets).

Investment Principles

The Trustee has produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995 and subsequent legislation. The latest Statement was signed on the 24th March 2017 and a copy is available on request. The overall objective of the Trustee is to meet the benefit payments promised in each Section as they fall due, through:

- Acquiring suitable assets, having due regard to risk, which will generate income and capital growth to pay, together with deficit repayment contributions from the Principal Employer, the benefits as they fall due.
- Limiting the risk of the assets being assessed as failing to meet the liabilities over the long term having regard to the Statutory Funding Objective

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Trustee's Annual Report (continued)

- Achieving a return on investments for each Section which, over the long term, is expected to be consistent with meeting the Statutory Funding Objective.

Each Section of the Scheme has an investment strategy specifically designed for that Section taking account of the nature of the liabilities, the funding level and future funding commitments from the sponsoring employer to that Section.

Following the merger, the investment strategy for the APS Section is currently under review, and a Statement of Investment Principles will be updated in due course.

Investment Strategy

The strategic asset allocation for the Scheme is set such as to ensure that the Scheme can meet the return objective required by the Statutory Funding Objective. The allocation takes account of the liability profile of the Scheme and seeks to limit the risk of the assets failing to meet the liabilities over the long term to the extent possible given the return target.

The high level strategic asset allocation as at 30 September 2017 is as follows:

<u>Asset Class</u>	<u>Target asset allocation</u>					
	<u>Amey Section</u>		<u>Accord Section</u>		<u>AP Section</u>	
	31/3/2017	30/9/2017	31/3/2017	30/9/2017	31/3/2017	30/9/2017
Equities	28%	45%	44%	27%	N/A	35%
Alternatives						
- Property, Overseas Bonds Emerging Market Debt, High Yield Bonds	22%	25%	26%	23%	N/A	25%
Risk Management assets						
- Gilts, Liability Driven Investment Funds, investment grade UK corporate bonds to match interest rate and inflation risk.	50%	30%	30%	50%	N/A	40%

Figures exclude the bulk annuities

The Risk Management assets aim to provide a better match of the Scheme's assets to the interest rate and inflation risk inherent in the liabilities and hence reduce the exposure of the Scheme's funding level to movements in rates.

As at the year end the actual allocation to return enhancing assets in the Accord Section was 73% of the portfolio as against a 70% target set out in the SIP. This is well within the 60% to 80% discretion that SEI has been given by the Trustee in the Fiduciary Management Agreement

Investment Performance

Over the 6 month period the Amey and Accord Sections fell by 2% and 1.1% respectively mainly as a result of falling value of bonds and other assets providing the liability hedge. This was against benchmark performance of -2.2% and -1.7% respectively. The APS section fell by 4.4% for September (the only month in period for which performance data was available due to the transition. In the month long term yields were particularly volatile and risky assets did not perform well.

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Trustee's Annual Report (continued)

Custodial arrangements

The Trustee has appointed SEI as the custodian of the assets managed by SEI. SEI uses the back-office services of its associate, SEI Private Trust Company (SPTC). SPTC acts as agent for SEI's associate, SEI Global Nominee Limited who holds the client assets of SEI. The Custodian ring fences the Scheme assets from its own assets and those of its other clients.

Statement of Trustee's Responsibilities for the Financial Statements

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

- Show a true and fair view of the financial transactions of the Scheme during the scheme period and of the amount and disposition, at the end of that period, of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme period; and
- Contain the information specified in the Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited financial statements and a Statement from the Auditor) Regulations 1996, including a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes".

The Trustee has supervised the preparation of the financial statements and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustee is also responsible for making available certain other information about the Scheme 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 Schedule of Contributions showing rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme 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 Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. 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 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 Scheme and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

The Trustee's Report, including the Investment Report and Statement of Trustee's Responsibilities for the Financial Statements, has been approved and is signed on behalf of the Trustee by:



----- Trustee Director

Date:

26/3/18

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Independent Auditor's Report to the Trustee of the Amey OS Pension Scheme

We have audited the financial statements of Amey OS Pension Scheme (the 'Scheme') for the period from 1 April 2017 to 30 September 2017 which comprise the fund account, the statement of net assets (available for benefits) 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the period from 1 April 2017 to 30 September 2017, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the period;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulations 3 and 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 Scheme 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.

Who we are reporting to

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Scheme'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 Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

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 Scheme'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 Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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 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.

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Independent Auditor's Report to the Trustee of the Amey OS Pension Scheme (continued)

We have nothing to report in this regard.

Responsibilities of Trustee for the financial statements

As explained more fully in the Statement of Trustee's Responsibilities set out on page 11, the Scheme's Trustee is responsible for the preparation of financial statements which show a true and fair view, and for such internal control as the Trustee determines 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 pension Scheme'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 Trustee either intends to wind up the Scheme, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

Date: *26 March 2018*

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Fund Account

	Notes	Amey OS Section 30 Sep 2017 £000	Accord Section 30 Sep 2017 £000	APS Section 30 Sep 2017 £000	Total 30 Sep 2017 £000	Total 31 March 2017 £000
Contributions and Benefits						
Additions						
Employer contributions		149	541	9,564	10,254	1,881
Employee contributions		15	45	11	71	148
Total contributions	3	164	586	9,575	10,325	2,029
Transfers in	4	-	-	413,627	413,627	-
Other income	5	-	132	-	132	3
		164	718	423,202	424,084	2,032
Withdrawals						
Benefits	6	(538)	(1,275)	(3,919)	(5,732)	(3,809)
Payments to and on account of leavers	7	-	(455)	(4,400)	(4,855)	(971)
Administration expenses	8	(183)	(184)	(465)	(832)	(942)
		(721)	(1,914)	(8,784)	(11,419)	(5,722)
Net (withdrawals)/additions from dealings with members		(557)	(1,196)	414,418	412,665	(3,690)
Returns on investments						
Investment income	9	-	2	680	682	9
Change in market value of investments	10	(574)	(407)	(14,806)	(15,787)	13,456
Investment management expenses	17	(82)	(153)	(447)	(682)	(567)
Net returns on investments		(656)	(558)	(14,573)	(15,787)	12,898
Net (decrease)/increase in fund during the period		(1,213)	(1,754)	399,845	396,878	9,208
Opening net assets		48,485	98,370	-	146,855	137,647
Closing net assets		47,272	96,616	399,845	543,733	146,855

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Period ended 30 September 2017

Statement of Net Assets (available for benefits)

	Notes	30 Sept 2017 £000	31 March 2017 £000
AMEY SECTION			
Investment Assets	10		
Pooled investment vehicles	11	30,329	31,323
Insurance policies	13	16,600	16,900
AVC investments	12	41	52
Total investments		<u>46,970</u>	<u>48,275</u>
Current Assets	18	401	310
Current Liabilities	19	<u>(99)</u>	<u>(100)</u>
Net assets of the Amey section at the end of the period		<u>47,272</u>	<u>48,485</u>
ACCORD SECTION			
Investment Assets	10		
Pooled investment vehicles	11	61,052	62,229
Insurance policies	13	34,900	35,300
AVC investments	12	123	132
Total investments		<u>96,075</u>	<u>97,661</u>
Current Assets	18	740	870
Current Liabilities	19	<u>(199)</u>	<u>(161)</u>
Net assets of the Accord section at the end of the period		<u>96,616</u>	<u>98,370</u>
APS SECTION			
Investment Assets	10		
Pooled investment vehicles	11	303,624	-
Insurance policies	13	84,400	-
AVC investments	12	2,806	-
Other investment balances		8,339	-
Total investments		<u>399,169</u>	<u>-</u>
Current Assets	18	1,740	-
Current Liabilities	19	<u>(1,064)</u>	<u>-</u>
Net assets of the APS section at the end of the period		<u>399,845</u>	<u>-</u>
Net assets of the Scheme at the end of the period		<u>543,733</u>	<u>146,855</u>

Amey OS Pension Scheme annual report and financial statements
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Statement of Net Assets (available for benefits) continued

The financial statements summarise the transactions of the Scheme 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 Scheme period. The actuarial position of the Scheme, which does take account of such liabilities, is dealt with in the Report on Actuarial Liabilities on pages 4 to 6 and the Actuarial Certificates and Statements on pages 34 to 36, these financial statements should be read in conjunction with these reports in order to obtain a full understanding of the financial position of the Scheme.

The notes on pages 17 to 31 form part of these financial statements

The financial statements on pages 14 to 31 were approved by the Trustee on

26/3/18

Signed on behalf of the Trustee



----- Trustee Director

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements

1. BASIS OF PREPARATION

These financial statements have been prepared as at 30 September 2017 in accordance with the Occupational Pension Schemes (Requirement to obtain Audited financial statements and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (2015). statements.

In adopting FRS 102, the Trustee has adopted the provisions 'Amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures (March 2016)' early.

2. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently, are set out below.

2.1 Currency

The functional and presentational currency used in these financial statements is Sterling (GBP).

2.2 Accruals concept

The financial statements have been prepared on an accruals basis.

2.3 Valuation of investments

The fair value of pooled investment vehicles is taken as the bid price or single price at the accounting date, as advised by the investment manager.

The AVC investments include policies of assurance underwritten by Prudential, Equitable Life and Legal & General. For Prudential and Equitable Life the fair value of these policies of assurance has been taken as the surrender values of the policies at the period end, as advised by the AVC provider. For Legal & General the fair value is taken as the pooled fund unit price at the period end date. If a period end valuation is unavailable the policy values are taken as at the latest available valuation and adjusted for cash movements, as per the SORP.

The bulk annuity policy held in the name of the Trustee is held with, and valued at the period end by Just Retirement. The policy is included in the financial statements on a net premium method, based on the liability reserves in the financial records of Just Retirement as at the Scheme's period end date.

There are some historic annuity policies held in the name of the Trustee for the Accord Section that are considered to be immaterial in value. The Trustee has decided to only value and include material annuity policies and therefore those immaterial historic policies are included in the financial statements at £Nil value.

2.4 Contributions and benefits

Contributions and benefits are accounted for in the period in which they fall due.

Employer deficit funding contributions are accounted for on the due dates in accordance with the Schedule of Contributions.

Employer additional contributions are accounted for in the period they are received.

PPF Levy reimbursements due from the Scheme are accounted for in the period that the Scheme requests the reimbursements from the Employer.

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

Pensions paid, retirement benefits and death benefits are accounted for in the period in which they become due for payment.

2.5 Other income

Death in service income received from insurance companies is accounted for in the same period as the associated benefit.

Interest on bank deposits is accounted for as it accrues.

2.6 Transfer values

Individual transfers are accounted for when the transfer has been agreed by both parties and the receiving scheme has accepted liability for the transfer, which is normally on the date of payment of the transfer.

Bulk transfers are accounted for in accordance with the terms of the transfer agreement.

2.7 Investment income

Annuity income from the Just Retirement bulk annuity policy used to pay pension benefits is recognised within investment sales.

Receipts from annuity policies with Prudential and Legal & General held by the Trustee to fund benefits payable to Scheme members are included within investment income on an accruals basis to match the related benefits payable.

2.8 Administrative, investment management expenses and other payments

Administrative, investment management expenses and other payments are accounted for on an accruals basis. Invoices incurred by a specific section are paid for by that section, invoices which are incurred by the Scheme as a whole are split equally between the three sections.

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

3 CONTRIBUTIONS

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from employer:				
Normal	149	356	-	505
Deficit funding	-	49	4,034	4,083
Additional employer contributions	-	-	5,000	5,000
Expenses contributions	-	105	-	105
Reimbursement of PPF Levy	-	31	530	561
	149	541	9,564	10,254
Contributions from member:				
Normal	15	43	-	58
Added years	-	2	-	2
Additional voluntary contributions	-	-	11	11
	15	45	11	71
	164	586	9,575	10,325

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from employer:				
Normal	367	855	-	1,222
Deficit funding	-	98	-	98
Expenses contributions	-	210	-	210
Reimbursement of merger costs	50	50	-	100
Reimbursement of PPF Levy	-	251	-	251
	417	1,464	-	1,881
Contributions from member:				
Normal	34	108	-	142
Added years	-	4	-	4
Additional voluntary contributions	1	1	-	2
	35	113	-	148
	452	1,577	-	2,029

The employer will make payments into the Accord section of the Scheme in regard deficit contributions of £8,200 per month from January 2016 to November 2029 and £32,800 in December 2029. In addition, the Employer will contribute £17,500 per month towards Scheme's expenses from 1 January 2016 to 30 November 2029.

The employer has established Escrow accounts to which the Trustee is a party. From April 2015 to March 2019, the employer will make 48 monthly payments of £83,334 into an Amey Section Escrow account. Similar payments of £75,000 per month will be made from January 2016 to November 2029 and £300,000 in December 2029 into an Accord Section Escrow account. These contributions payable into the Escrow accounts will only be released to the Scheme in certain circumstances.

The employer will make payments into the APS Section of the Scheme in regard deficit contributions of £806.850 per month from January 2016 to July 2021 inclusive.

The employer made a one-off contribution of £5m into the APS Section upon completion of the merger of the Scheme.

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

4 TRANSFERS IN

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Transfer in of Amey Pension Scheme	-	-	412,757	412,757
Transfer of Amey Saver Plan unallocated fund	-	-	870	870
	-	-	413,627	413,627

5 OTHER INCOME

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Claims on Insurance term benefits	-	132	-	132
	-	132	-	132

Death in service is insured with Legal & General.

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Compensation	-	1	-	1
Interest on cash deposits	2	-	-	2
	2	1	-	3

6 BENEFITS

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	(390)	(819)	(2,961)	(4,170)
Commutations and lump sums on retirement	(142)	(309)	(949)	(1,400)
Lump sums on death in service	-	(132)	-	(132)
Death benefits in retirement	(6)	(15)	(9)	(30)
	(538)	(1,275)	(3,919)	(5,732)

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	(715)	(1,517)	-	(2,232)
Commutations and lump sums on retirement	(586)	(978)	-	(1,564)
Death benefits in retirement	-	(13)	-	(13)
	(1,301)	(2,508)	-	(3,809)

Amey OS Pension Scheme annual report and financial statements
 Period ended 30 September 2017

Notes to the financial statements (continued)

7 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	30 September 2017				Total £000
	Amey Section £000	Accord Section £000	APS Section £000	£000	
Individual transfers to other schemes	-	(455)	(4,400)	(4,855)	(4,855)
	-	(455)	(4,400)	(4,855)	(4,855)

	31 March 2017				Total £000
	Amey Section £000	Accord Section £000	APS Section £000	£000	
Individual transfers to other schemes	(277)	(694)	-	(971)	(971)
	(277)	(694)	-	(971)	(971)

8 ADMINISTRATION EXPENSES

	30 September 2017				Total £000
	Amey Section £000	Accord Section £000	APS Section £000	£000	
Actuarial	(16)	(9)	(67)	(92)	(92)
Administration	(60)	(60)	(88)	(208)	(208)
PPF and other levies	-	(31)	(181)	(212)	(212)
Legal and professional	(46)	(52)	(15)	(113)	(113)
Audit	(5)	(3)	(8)	(16)	(16)
Member communication	(11)	-	(30)	(41)	(41)
Trustee secretarial	(36)	(19)	(66)	(121)	(121)
Sundry expenses	(9)	(10)	(10)	(29)	(29)
	(183)	(184)	(465)	(832)	(832)

	31 March 2017				Total £000
	Amey Section £000	Accord Section £000	APS Section £000	£000	
Actuarial	(37)	(16)	-	(53)	(53)
Administration	(99)	(136)	-	(235)	(235)
PPF and other levies	(6)	(251)	-	(257)	(257)
Legal and professional	(131)	(116)	-	(247)	(247)
Audit	(4)	(5)	-	(9)	(9)
Member communication	(12)	(36)	-	(48)	(48)
Trustee secretarial	(47)	(46)	-	(93)	(93)
	(336)	(606)	-	(942)	(942)

The Company reimburses the Scheme for the Accord Section and APS Section Pension Protection Fund Levy. The reimbursement is shown in Note 3. No such reimbursement of PPF levy arrangements exist for the Amey Section of the Scheme.

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

9 INVESTMENT INCOME

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Interest from pooled fund investments	-	-	680	680
Annuity income	-	2	-	2
	-	2	680	682

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Interest from pooled fund investments	1	1	-	2
Annuity income	-	7	-	7
	1	8	-	9

10 RECONCILIATION OF INVESTMENTS

The movements in total investments during the period were as follows:

AMEY SECTION

	Value at 1 April 2017 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2017 £000
Pooled investment vehicles	31,323	-	(383)	(611)	30,329
Insurance policies	16,900	-	(337)	37	16,600
AVC investments	52	-	(11)	-	41
	48,275	-	(731)	(574)	46,970

ACCORD SECTION

	Value at 1 April 2017 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2017 £000
Pooled investment vehicles	62,229	1,553	(2,005)	(725)	61,052
Insurance policies	35,300	-	(718)	318	34,900
AVC investments	132	-	(9)	-	123
	97,661	1,553	(2,732)	(407)	96,075

APS SECTION

	Value at 1 April 2017 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2017 £000
Pooled investment vehicles	-	535,214	(240,084)	8,494	303,624
Insurance policies	-	109,300	(1,397)	(23,503)	84,400
AVC investments	-	2,882	(279)	203	2,806
	-	647,396	(241,760)	(14,806)	390,830
Cash deposits	-	-	-	-	8,339
Total	-	-	-	-	399,169

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Notes to the financial statements (continued)

10 RECONCILIATION OF INVESTMENTS (continued)

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

The change in market value for the APS section insurance policy includes an accounting adjustment to align the accounting policies of the Amey Pension Scheme to those of the Amey OS Pension Scheme in respect of valuation of annuity policies.

Included within the purchases and sales figures are transaction costs which are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the fund such as fees, commissions, stamp duty and other fees. Direct transaction costs were £Nil (Mar 2017: £Nil). Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and are not separately disclosed to the Scheme.

The Accord Section holds some historic annuity policies which are not considered to be material and have therefore not been valued and are included in these financial statements at £Nil value.

11 POOLED INVESTMENT VEHICLES

As at 30 September 2017 the Scheme's investment in pooled investment vehicles comprised:

AMEY SECTION	30 Sept 2017	31 March 2017
	£000	£000
Equity funds	8,497	8,412
Bond funds	17,612	18,857
Credit funds	2,165	2,079
Property funds	2,055	1,975
	30,329	31,323

ACCORD SECTION	30 Sept 2017	31 March 2017
	£000	£000
Equity funds	28,779	27,691
Bond funds	24,782	27,343
Credit funds	3,383	3,247
Property funds	4,108	3,948
	61,052	62,229

APS SECTION	30 Sept 2017	31 March 2017
	£000	£000
Equity funds	103,319	-
Bond funds	185,140	-
Alternative funds	15,165	-
	303,624	-

12 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

The Trustee holds assets invested separately from the main fund in the form of individual insurance policies. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions.

Members participating in this arrangement each receive an annual statement made up to 5 April each year, confirming the amounts held to their account and the movements during the year. The total amount of AVC investments at the period end is shown overleaf.

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Period ended 30 September 2017

Notes to the financial statements (continued)

12 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs) (continued)

The fair value of the Legal & General policy has been taken as the pooled fund unit price of the policies at the period end, as advised by the AVC provider. The fair values of the Prudential and Equitable Life policies were not available as at the period end, so as per the SORP, the values have been taken as at the latest available valuation, 31 March 2017 and adjusted for cash movements

AMEY SECTION	30 Sept 2017	31 March 2017
	£000	£000
Prudential	41	52
ACCORD SECTION	30 Sept 2017	31 March 2017
	£000	£000
Prudential	123	132
ACCORD SECTION	30 Sept 2017	31 March 2017
	£000	£000
Equitable Life	440	-
Prudential	70	-
L&G	2,296	-
	2,806	-

13 INSURANCE POLICIES

AMEY SECTION	30 Sept 2017	31 March 2017
	£000	£000
Just Retirement	16,600	16,900
ACCORD SECTION	30 Sept 2017	31 March 2017
	£000	£000
Just Retirement	34,900	35,300
APS SECTION	30 Sept 2017	31 March 2017
	£000	£000
Just Retirement	84,400	-

14 INVESTMENT FAIR VALUE HIERARCHY

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

Level 1 - The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 - Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The Scheme's investments have been analysed using the above hierarchy categories as follows:

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

14 INVESTMENT FAIR VALUE HIERARCHY (continued)

	30 September 2017			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
AMEY SECTION				
Pooled investment vehicles	-	26,109	4,220	30,329
Insurance policies	-	-	16,600	16,600
AVC investments	-	-	41	41
	-	26,109	20,861	46,970
ACCORD SECTION				
Pooled investment vehicles	-	53,561	7,491	61,052
Insurance policies	-	-	34,900	34,900
AVC investments	-	-	123	123
	-	53,561	42,514	96,075
APS SECTION				
Pooled investment vehicles	-	288,459	15,165	303,624
Insurance policies	-	-	84,400	84,400
AVC investments	-	-	2,806	2,806
Cash deposits	8,339	-	-	8,339
	8,339	288,459	102,371	399,169
	8,339	368,129	165,746	542,214

	31 March 2017			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
AMEY SECTION				
Pooled investment vehicles	-	27,269	4,054	31,323
Insurance policies	-	-	16,900	16,900
AVC investments	-	-	52	52
	-	27,269	21,006	48,275
ACCORD SECTION				
Pooled investment vehicles	-	55,034	7,195	62,229
Insurance policies	-	-	35,300	35,300
AVC investments	-	-	132	132
	-	55,034	42,627	97,661
APS SECTION				
Pooled investment vehicles	-	-	-	-
Insurance policies	-	-	-	-
AVC investments	-	-	-	-
	-	-	-	-
	-	82,303	63,633	145,936

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Period ended 30 September 2017

Notes to the financial statements (continued)

15 INVESTMENT RISKS

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

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

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

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial instrument 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 instrument 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 instrument 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 Trustee determines its investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Trustee by regular reviews of the investment portfolio.

AVC investments are not covered in this analysis as they are not considered material to the financial statements.

AMEY SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2017 and the relevant investment risks:

Asset name	Sep 2017	Mar 2017	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	4,004	3,873	□	□	□	□	□
SGMF Emerging Markets Equity	899	915	□	□	□	□	□
SGMF UK Dynamic Asset Alloc Fund	2,144	2,104	□	□	□	□	□
SGMF Emerging Markets Debt	1,511	1,511	□	□	□	□	□
SGMF High Yield Fixed Income	1,522	1,470	□	□	□	□	□
SGMF UK Credit Fixed Income	5,693	5,666	□	□	□	□	□
SGMF UK Long Duration Gilts FI	970	1,058	□	□	□	□	□
SGMF Pan Euro Small Co Equity	732	795	□	□	□	□	□
SGMF US Small Companies Equity	717	725	□	□	□	□	□
SEI UK Property Fund	2,055	1,975	□	□	□	□	□
SEI Credit fund offshore	2,165	2,079	□	□	□	□	□
SGMF UK I-L Fixed Interest	554	620	□	□	□	□	□
BMO LDI Funds	7,363	8,532	□	□	□	□	□

■ Significant
□ Partial
□ Negligible

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Period ended 30 September 2017

Notes to the financial statements (continued)

15 INVESTMENT RISKS (continued)

ACCORD SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2017 and the relevant investment risks:

Asset name	Sep 2017	Mar 2017	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	14,738	14,257	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Emerging Markets Equity	4,723	4,622	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF UK Dynamic Asset Alloc Fund	3,939	3,723	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Emerging Markets Debt	4,128	4,128	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF High Yield Fixed Income	4,302	4,156	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Pan Euro Smaller Co Equity	2,872	2,694	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF US Small Companies Equity	2,507	2,396	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEI UK Property Fund	4,108	3,948	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEI Credit fund offshore	3,382	3,247	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF UK Gilts FI	-	1,318	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF UK Long Duration ILFI Gilts	2,853	1,955	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BMO LDI Funds	13,500	15,785	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Significant
 Partial
 Negligible

APS SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2017 and the relevant investment risks:

Asset name	Sep 2017	Mar 2017	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	32,859	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Emerging Markets Equity	14,350	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF UK Dynamic Asset Alloc Fund	23,579	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Emerging Markets Debt	4,218	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF High Yield Fixed Income	4,451	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF UK Credit Fixed Income	32,911	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Global Managed Volatility	14,523	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF Pan Euro Small Co Equity	8,836	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SGMF US Small Companies Equity	9,171	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BMO LDI Funds	87,389	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hayfin DLF	15,165	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M&G Inflation opportunities	56,172	-	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Significant
 Partial
 Negligible

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

15 INVESTMENT RISKS (continued)

(i) Credit Risk

The Scheme is subject to credit risk because the Scheme invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles and also via the annuity insurance policy held.

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled funds. The Trustee reviews the prospectus of funds on offer and carries out due diligence checks on the fiduciary manager who in turn monitors the credit risk within the pooled funds on behalf of the Trustee. Due diligence check are also carried out in regard annuity insurance policies.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicle. The Trustee recognises that this risk may lead to volatility in the short term and is mitigated by limiting allocation to such assets.

The information about exposures to and mitigation of credit risk above applied at both the current period end and previous year end

(ii) Currency risk

The Scheme is subject to indirect currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. There is no direct exposure to currency risk within the Scheme.

(iii) Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in annuity policies, bonds and interest rate swaps (through pooled vehicles), and cash.

Under this strategy, if interest rates fall, the value of risk management investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the risk management investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate.

(iv) Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes equities held in pooled vehicles, alternative investments such as hedge funds and real estate.

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various sectors.

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Period ended 30 September 2017

Notes to the financial statements (continued)

16 CONCENTRATION OF INVESTMENTS

The following assets make up over 5% of the total assets within each section of the Scheme.

AMEY SECTION

	Value at 30 Sep 2017	% of Total Fund Sep 2017	Value at 31 March 2017	% of Total Fund Mar 2017
	£000		£000	
SGIF Global Select Equity Fund	4,004	8.5%	3,873	8.0%
SGMF UK Credit Fixed Income	5,693	12.0%	5,666	11.7%
BMO LDI Funds	7,362	15.6%	8,532	17.6%
Just Retirement Insurance Policy	16,600	35.1%	16,900	34.9%

ACCORD SECTION

	Value at 30 Sep 2017	% of Total Fund Sep 2017	Value at 31 March 2017	% of Total Fund Mar 2017
	£000		£000	
SGIF Global Select Equity Fund	14,738	15.3%	14,257	14.5%
BMO LDI Funds	13,499	14.0%	15,785	16.1%
Just Retirement Insurance Policy	34,900	36.1%	35,300	35.9%

APS SECTION

	Value at 30 Sep 2017	% of Total Fund Sep 2017	Value at 31 March 2017	% of Total Fund Mar 2017
	£000		£000	
SGIF Global Select Equity Fund	32,859	8.3%	-	-
SGMF UK Dynamic AA Fund	23,579	5.9%	-	-
M&G Inflation Opportunities Fund	56,171	14.1%	-	-
SGMF UK Credit Fixed Income	32,911	8.3%	-	-
BMO LDI Funds	87,389	22.0%	-	-
Just Retirement Insurance Policy	84,400	21.2%	-	-

17 INVESTMENT MANAGEMENT EXPENSES

	30 September 2017			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Investment consulting	-	-	(8)	(8)
Investment fund management	(82)	(153)	(439)	(674)
	(82)	(153)	(447)	(682)

	31 March 2017			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Investment fund management	(201)	(366)	-	(567)
	(201)	(366)	-	(567)

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Notes to the financial statements (continued)

18 CURRENT ASSETS

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions receivable				
- Employer	26	85	-	111
- Members	3	7	-	10
- PPF levy reimbursement	-	31	379	410
Pensions prepaid	-	107	-	107
Prepaid expense	-	-	198	198
Cash	372	510	1,163	2,045
	401	740	1,740	2,881

During the period and in accordance with the Statement of Contributions, the Scheme requested that the employer reimburse the annual PPF levy. The monies were received after the period end, so have been accrued.

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions receivable				
- Employer	25	90	-	115
- Members	3	8	-	11
Pensions prepaid	-	106	-	106
Cash	282	666	-	948
	310	870	-	1,180

19 CURRENT LIABILITIES

	30 September 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Benefit payments	-	(29)	(311)	(340)
Creditors	(6)	(9)	(382)	(397)
Taxation	(9)	(19)	(98)	(126)
Administrative expenses	(43)	(65)	(30)	(138)
Investment management expenses	(41)	(77)	(243)	(361)
	(99)	(199)	(1,064)	(1,362)

	31 March 2017			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Lump sums on retirement	-	(39)	-	(39)
Taxation	(7)	(26)	-	(33)
Administrative expenses	(52)	(20)	-	(72)
Investment management expenses	(41)	(76)	-	(117)
	(100)	(161)	-	(261)

Amey OS Pension Scheme annual report and financial statements

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Notes to the financial statements (continued)

20 RELATED PARTY TRANSACTIONS

The directors of the Independent Trustee are not members of the Scheme. Trustee Fees of £86,000 (March 2017: £93,000) were paid to PTL, the independent Corporate Trustee during the period.

In addition there were £35,000 (March 2017 £Nil) paid to the former Trustees and and Secretary of the Amey Pension Scheme.

21 EMPLOYER RELATED INVESTMENTS

There were no employer-related investments at any time during the period.

22 CONTINGENT ASSETS

The Accord Final Salary Scheme Schedule of Contributions certified by the Scheme Actuary on 23 December 2015 required that from November 2016 monthly amounts of £34,000 were to be paid into an Escrow account, the funds of which could only be released to the Scheme if certain triggers were met, such as the insolvency of the employer or a deterioration of the Scheme funding level. Upon the merger of the Scheme into the Amey OS Pension Scheme this Escrow account has been assigned to the Amey OS Scheme.

The Amey Section Schedule of Contributions certified by the Scheme Actuary on 27 November 2014 requires that the sponsoring employer pays monthly contributions of £83,334 into an Escrow account from April 2015 to March 2019. These contributions will only be payable to the Scheme if certain triggers, such as the insolvency of the employer or a deterioration in the Scheme funding level, are met. These payments are being made into separate Escrow accounts.

At the 30 September 2017 £11,584,898 (Mar 2017: £10,634,894) was held in the accounts.

23 TAX STATUS OF THE SCHEME

The Scheme is a registered pension scheme for tax purposes under chapter 2, part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief, and income and capital gains earned by the Scheme receive preferential treatment.

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

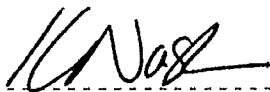
Summary of Contributions

During the period ended 30 September 2017, the contributions payable to the Scheme were as follows:

	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Contributions payable under the Schedules of Contributions				
Contributions from employer				
Normal	149	356	-	505
Deficit funding	-	49	4,034	4,083
Expenses contributions	-	105	-	105
Reimbursement of PPF levies	-	31	530	561
	<u>149</u>	<u>541</u>	<u>4,564</u>	<u>5,254</u>
Contributions from members				
Normal	15	43	-	58
Added years	-	2	-	2
	<u>15</u>	<u>45</u>	<u>-</u>	<u>60</u>
Contributions payable under the Schedules (as reported on by the Scheme auditor)	<u>164</u>	<u>586</u>	<u>4,564</u>	<u>5,314</u>
Other contributions payable				
AVCs	-	-	11	11
Additional employer contributions	-	-	5,000	5,000
Contributions reported in the financial statements	<u>164</u>	<u>586</u>	<u>9,575</u>	<u>10,325</u>

Signed on behalf of the Trustee on

26/3/18



Trustee Director

Date:

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Independent Auditor's Statement about Contributions to the Trustee of the Amey OS Pension Scheme

We have examined the summary of contributions to the Amey OS Pension Scheme (the 'Scheme') in respect of the period 1 April 2017 to 30 September 2017 which is set out on page 32.

In our opinion, contributions for the Scheme period 1 April 2017 to 30 September 2017 as reported in the summary of contributions and payable under the Schedules of Contributions have in all material respects been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 27 November 2014 (in relation to the Amey Section), 23 December 2015 (in relation to the Accord Section) and 10 June 2015 (in relation to the APS Section).

Who we are reporting to

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

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 Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedules of Contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 11, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a Schedule of Contributions and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedules of Contributions.

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

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

26 March 2018

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Period ended 30 September 2017

Actuarial Certification of Schedule of Contributions – Amey section

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 5 April 2014 to continue to be met for the period for which the Schedule is to be in force.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 20 November 2014.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound-up.

Signature: <i>Andrew Allsopp</i>	Date: 27 November 2014
Name: Andrew Allsopp	Qualification: FIA
Address: Quattro Pensions Prospect House Fishing Line Road Redditch Worcestershire B97 6EW	Name of employer (if applicable): Quattro Pensions Consulting Limited

Amey OS Pension Scheme annual report and financial statements

Period ended 30 September 2017

Actuarial Certification of Schedule of Contributions – Accord section

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Adequacy of rates of contributions

I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 1 April 2015 to be met by the end of the period specified in the Recovery Plan dated 17 December 2015.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 17 December 2015.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound-up.

Signature: <i>Andrew Allsopp</i>	Date: 23 December 2015
Name: Andrew Allsopp	Qualification: FIA
Address: Quattro Pensions Prospect House Fishing Line Road Redditch Worcestershire B97 6EW	Name of employer (if applicable): Quattro Pensions Consulting Limited

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Period ended 30 September 2017

Actuarial Certification of Schedule of Contributions – APS Section

This certificate is provided for the purpose of Section 227(5) of the Pensions Act 2004 and Regulation 10(6) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that as at the valuation date, 31 March 2014, the statutory funding objective could have been expected to continue to be met for the period for which the Schedule is to be in force.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 10 June 2015.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound-up.

Signature: *B J Huby* **Date:** 10 June 2015

Name: B J Huby **Qualification:** Fellow of the Institute and Faculty of Actuaries

Address: St Paul's House, St Paul's Hill, Winchester, SO22 5AB

Name of Employer: Lane Clark & Peacock LLP

