

Registered numbers:	Amey Section	19018801
	Accord Section	19018802
	APS Section	19018803
	Overall Scheme	10225287

AMEY OS PENSION SCHEME

Report and financial statements

Year ended 30 September 2019

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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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 M&G Investment Hayfin Capital Management
Investment Custodians:	SEI (Europe) Investments Ltd
Investment Consultant:	SEI (Europe) Investments Ltd
AVC Provider:	Prudential Assurance Company Limited Equitable Life (until 1 January 2020) Utmost Life and Pensions Limited (from 1 January 2020) Legal and General
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:

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Amey OS Pension Scheme annual report and financial statements

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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 year ended 30 September 2019. 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 year 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 year were:

David Archer

Richard Butcher

David Hosford

Kim Nash

Colin Richardson

Ruston Smith

Alison Bostock

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 year the Trustee held four meetings.

Communication with Members

The Trustee issues a newsletter to the membership annually, which provides an overview of events that have taken place during the year and upcoming events in relation to the Scheme. Members are encouraged in the Newsletter to raise any comments directly with the Administrator. Within the accounting period the newsletter was issued to the members in June 2019.

Employer guarantees

Amey UK Plc provided a guarantee of £10m to the Amey Section on 30 June 2012 and was due to expire on 31 December 2019 (following a previous extension from December 2018). On 28 October 2019, Amey UK Plc confirmed that they would further extend the guarantee until 31 December 2020. The APS Section has been provided with an £80m guarantee that expires on 30 June 2024, and the Accord section with a £23m guarantee that expires in April 2020.

All of the guarantees in place cover present and future obligations of the respective sections.

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GMP Equalisation

In 2018 the High Court ruled that the Lloyds Banking Group Pension Schemes must equalise benefits between females and males who have GMP because of contracted out benefits. This ruling is not expected to result in a material GMP equalisation liability arising for the Amey OS Pension Scheme.

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 year under this procedure.

Report to the Pensions Regulator

The Trustee has been in regular correspondence with the Pensions Regulator during the year in respect of the Covenant and possible sale of the Company. Information provided was at a high level and there are no current perceived issues.

Principal Employer

The registered address of the Principal Employer is Amey plc, Chancery Exchange, 10 Furnival Street, London EC4A 1AB.

Financial Development

The financial statements on pages 21 to 39 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 £557,158,000 at 30 September 2018 to £668,567,000 at 30 September 2019.

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.

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Trustee's Annual Report (continued)

REPORT ON ACTUARIAL LIABILITIES

AMEY SECTION

The last full actuarial valuation of the Amey OS Pension Scheme (Amey Section) was 30 September 2017.

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 as explained below.

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

Assumption	30 September 2018	30 September 2017
Discount Rate	3.25%	3.30%
RPI Inflation		
- Before retirement	3.10%	3.00%
- After retirement	3.30%	3.40%
CPI Inflation		
- Before retirement	2.20%	2.10%
- After retirement	2.40%	2.50%
Earnings increases	2.20%	3.50%
Pension increases		
- RPI Max 5%	3.10%	3.10%
- CPI Max 3%	2.40%	2.50%
- CPI Max 3%	1.90%	2.00%

Demographic Assumptions	
Retirements	All at National Retirement Age
Proportion taking tax free cash	All members taking 75% of maximum permitted cash at retirement
Proportion married	75% at retirement or earlier death (husband 3 years older than wife)
Post-retirement mortality	105% S2PXA year of birth tables
Mortality improvements	CMI 2018 projections, long term improvement rate 1.5% pa
	CMI 2016 projections, long term improvement rate 1.5% pa

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Trustee's Annual Report (continued)

Results

The following table shows the results of the approximate funding update as at 30 September 2018 together with the results of the triennial valuation at 30 September 2017:

	30 September 2018	30 September 2017
Technical Provisions*	23,350,000	23,719,000
Assets	30,472,000	30,631,000
Surplus / (Deficit)	7,122,000	6,912,000
Funding Level	130%	129%

* "Technical Provisions" 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.

Included in the results of the triennial valuation for the Amey section is an allowance for an estimate of the cost of GMP equalisation equal to 0.1% of the value of the section reserves.

The next full triennial valuation of the Section will be as at 30 September 2020.

ACCORD SECTION

The last full actuarial valuation of the Amey OS Pension Scheme (Accord Section) was 30 September 2017.

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 previous assumptions shown for comparison:

Assumption	30 September 2018	30 September 2017
Discount Rate	3.25%	3.30%
RPI Inflation		
- Before retirement	3.10%	3.00%
- After retirement	3.30%	3.40%
CPI Inflation		
- Before retirement	2.20%	2.10%
- After retirement	2.40%	2.50%
Earnings increases	2.20%	3.50%
Pension increases		
- RPI Max 5%	3.10%	3.10%
- CPI Max 3%	1.90%	2.00%
- CPI Max 5%	2.40%	2.50%

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Demographic Assumptions		
Retirements	All at Normal Retirement Age	
Proportion taking tax free cash	All members taking 75% of maximum permitted cash at retirement	
Proportion married	75% at retirement or earlier death (husband 3 years older than wife)	
Post-retirement mortality	105% S2PXA year of birth tables	
Mortality improvements	CMI 2018 projections, long term improvement rate 1.5% pa	CMI 2016 projections, long term improvement rate 1.5% pa

Results

The following table shows the results of the approximate funding update as at 30 September 2018 together with the results of the triennial valuation at 30 September 2017:

Funding Position	30 September 2018	30 September 2017
Technical Provisions*	64,260,000	66,151,000
Assets	76,226,000	61,593,000
Deficit	11,966,000	(4,558,000)
Funding level	119%	93%

* "Technical Provisions" 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.

Included in the results of the triennial valuation for the Amey Accord section is an allowance for an estimate of the cost of GMP equalisation equal to 0.2% of the value of the section liabilities.

The next full triennial valuation of the Section will be as at 30 September 2020.

APS SECTION

The last full actuarial valuation of the Amey OS Pension Scheme (APS section) was 30 September 2017.

Assumptions and method

The valuation method used by the Scheme Actuary is the Defined Accrued Benefit 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.

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Trustee's Annual Report (continued)

A summary of the assumptions is set out in the following tables.

Assumption	30 September 2018	30 September 2017
Discount Rate	3.25%	3.30%
RPI Inflation		
- Before retirement	3.10%	3.00%
- After retirement	3.30%	3.40%
CPI Inflation		
- Before retirement	2.20%	2.10%
- After retirement	2.40%	2.50%
Earnings increases	2.20%	2.10%
Pension increases		
- RPI Max 5%	3.10%	3.10%
- CPI Max 3%	1.90%	2.00%
- CPI Max 5%	2.40%	2.50%

Demographic Assumptions	
Retirements	All at Normal Retirement Age
Proportion taking tax free cash	All members taking 75% of maximum permitted cash at retirement
Proportion married	75% at retirement or earlier death (husband 3 years older than wife)
Post-retirement mortality	90% S2PXA year of birth tables
Mortality improvements	CMI 2018 projections, long term improvement rate 1.5% pa
	CMI 2016 projections, long term improvement rate 1.5% pa

Results

The following table shows the results of the approximate funding update as at 30 September 2018 together with the results of the triennial valuation at 30 September 2017:

Funding Position	30 September 2018	30 September 2017
Technical Provisions*	290,209,000	287,300,000
Assets	313,724,000	312,639,000
Deficit	23,515,000	25,339,000
Funding level	108%	109%

* "Technical Provisions" 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.

Included in the results of the triennial valuation for the Amey APS section is an allowance for an estimate of the cost of GMP equalisation equal to 1.0% of the value of the section liabilities.

The next full triennial valuation of the Section will be as at 30 September 2020.

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Trustee's Annual Report (continued)

MEMBERSHIP

Details of the membership of the Scheme are given below:

	Amey Section Sep 2019	Accord Section Sep 2019	APS Section Sep 2019	Sep 2019	Sep 2018
Active members					
Active members at the start of the year	24	47	-	71	98
Members leaving with preserved benefits	-	(7)	-	(7)	(17)
Deaths	-	-	-	-	(1)
Members retiring	(4)	(4)	-	(8)	(9)
New members	1	-	-	1	-
Active members at the end of the year	21	36	-	57	71
Pensioners					
Pensioners at the start of the year	314	787	1,481	2,582	2,520
Adjustment to b/fwd.	-	-	-	-	(1)
Actives retiring	4	4	-	8	9
Deferred into payment	11	55	65	131	94
New dependant pensioners	10	9	19	38	30
Pensioners who died	(13)	(22)	(31)	(66)	(64)
Commutation of benefits	-	-	-	-	(3)
Reinstated child's pension	-	-	1	1	-
Cessation of pension	(1)	(1)	(1)	(3)	(3)
Pensioners at the end of the year	325	832	1,534	2,691*	2,582
Members with preserved benefits					
Members with preserved benefits at the start of the year	145	677	1,562	2,384	2,498
Adjustment to b/fwd.	-	-	-	-	1
Leavers with preserved benefits	-	7	-	7	17
Death of preserved member	-	(3)	(3)	(6)	(7)
Deferred members becoming pensioners	(11)	(55)	(65)	(131)	(94)
Commutation of benefits	-	(1)	-	(1)	-
Transfers out	(1)	(2)	(13)	(16)	(31)
Members with preserved benefits at the end of the year	133	623	1,481	2,237	2,384
Total membership at the end of the year	479	1,491	3,015	4,985	5,037

*There are 321 (2018: 298) dependant pensioners within the figures above.

In addition to the pensioner members note above, the Accord Section also includes a further 3 (March 2018: 26) annuitant pensioners.

The JUST Insurance policy covers the pensions of 260 (Sep 2018: 261) Amey Section pensioners, 631 (Sep 2018: 638) Accord Section pensioners, and 522 (Sep 2018: 515) APS pensioners.

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

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Pension increases

The pension increase rates may differ depending on the elements a pensioner has on their record. Deferred benefits are not increased annually and are revalued at retirement. There were no discretionary increases in the year. 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.

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 on page 11 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

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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
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		

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

For all Comax members and those Amey DB members who came into payment on or after 1 June 2010, the RPI reference month is September.

For Amey DB members who came into payment before 1 June 2010 and are below GMP Age, the RPI reference month is January. Once GMP age is attained the Post 88 GMP element reverts to using September as the RPI reference month (statutory requirement).

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

Sept RPI Reference month		Increase	
Payment elements		Before GMP Age	On or after GMP Age
0114	Pre88 GMP	RPI max 5%	Nil
0115	Post88 GMP	RPI max 5%	CPI max 3% *3
		Increase (regardless of GMP Age)	
0111	Non Esc	Nil	
0153	Pre97 XS	RPI max 5%	
0154	97-09 XS	RPI max 5%	
0155	Post09 XS	RPI max 5%	
0161	AVC Esc	lower of RPI or 5%	
0162	Legal & General	unknown @ 07/12/2011 *2	
0560	Overpayment of Pension	Nil	
0596	Attachment of Earnings	Nil	

Jan RPI Reference month		Increase	
Payment elements		Before GMP Age	On or after GMP Age
0214	Pre88 GMP	RPI max 5%	Nil
0215	Post88 GMP	RPI max 5% *1	- n/a -
		Increase (regardless of GMP Age)	
0111	Non Esc	Nil	
0253	Pre97 XS	RPI max 5%	
0254	97-09 XS	RPI max 5%	
0255	Post09 XS	RPI max 5%	
0261	AVC Esc	lower of RPI or 5%	
0162	Legal & General	unknown @ 07/12/2011 *2	
0560	Overpayment of Pension	Nil	
0596	Attachment of Earnings	Nil	

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.

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Trustee's Annual Report (continued)

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 the APS Section of the Scheme has appointed M&G Investment and Hayfin Capital Management as investment managers.

In addition to SEI's appointment the Trustee purchased a Bulk Annuity in 2016 with JUST. 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 4th January 2019 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
- 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.

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.

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Trustee's Annual Report (continued)

Asset Allocation

The table below shows the high level asset allocation of the 3 sections at the beginning and end of the Financial Year.

Asset Class	Asset allocation at beginning and end of Financial Year					
	APS Section		Accord Section		Amey Section	
	Beg	End	Beg	End	Beg	End
Equities • Global Developed Market, Emerging Market, Small Companies	24%	25%	29%	31%	16%	14%
Alternatives - Property, Overseas Bonds, Emerging Market Debt, High Yield Bonds, Loans	30%	24%	22%	18%	20%	21%
Risk Management assets - Gilts, Liability Driven Investment Funds (LDI), investment grade UK corporate bonds to match interest rate and inflation risk.	47%	51%	49%	51%	64%	65%

* Excludes the bulk annuities

The Risk Management assets are low risk assets and are invested in such a way to partially mirror movements in the Scheme's liabilities due to changes in interest rates and inflation rates. The Equities and Alternative assets are inherently risky and aim to provide returns in excess of risk free rates.

The Statement of Investment Principles sets out the tolerances around the high level asset targets for each of the asset classes set out above. These are reflected through into the Fiduciary Management Agreement with SEI with SEI being delegated the responsibility for monitoring on these and taking appropriate action should they be breached.

Asset Class	Allowable range		
	APS Section	Accord Section	Amey Section
Equities	10% - 30%	21% - 41%	10% - 35%
Alternatives	5% - 25%	9% - 29%	15% - 40%
Risk Management assets	55% - 75%	40% - 60%	40% - 60%

The SIP also sets the permitted investments again reflected through into the Fiduciary Management Agreement. SEI has some discretion to use other investments but this would only be in the context of their mandate.

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Trustee's Annual Report (continued)

Environmental, Social, and Governance (ESG) Issues and Voting

The Scheme's investments are achieved mainly via pooled investment funds. Direct control of the process of engaging with the companies or entities that issue securities, whether for corporate governance purposes, social, ethical or environmental factors, is delegated to the investment manager of the pooled investment fund. The Trustee expects the managers and their delegates to take account of all financially material factors, including social, environmental and ethical factors, when selecting investments. Similarly the Investment Manager is responsible for shareholder voting. They report on voting and engagement activity to the Trustees on a periodic basis.

Economic Background

During the fourth and final quarter of 2018, precipitous declines in stock markets unfolded around the globe, exceeding the corrections of the first quarter and erasing the recoveries that followed during the second and third quarters in some parts of the world, to settle into calendar-year losses. The three-month period began with swift and sharp selloffs, followed by a comparatively flat November overall in most regions; the final month of the quarter saw many markets hit with losses that were more severe than those experienced in October. EU leaders agreed to terms of the UK's divorce in November, establishing a set of domestic challenges for Prime Minister Theresa May given the absence of parliamentary majority support. December was an especially eventful month, with the European Court of Justice ruling the UK could unilaterally halt Brexit by revoking Article 50; Prime Minister May's survival of a no-confidence vote brought about by a subset of her Conservative colleagues (in part by promising to stand down before the next election scheduled for 2022); and a growing chorus of politicians calling for a second referendum. Details of no-deal Brexit contingency plans also began to trickle out on both sides of the English Channel near year-end, addressing subjects ranging from travel to trade, financial services and more.

Investor sentiment took a 180-degree turn in the New Year. Stock markets rallied around the globe through most of the first quarter, reclaiming much of the fourth quarter's losses. The S&P 500 Index delivered its best quarterly performance since 2009. Government bond rates declined in the UK,

Eurozone and US during the first three months of the year. Long-term rates generally fell by more than short-term rates in the UK and Eurozone. The original Brexit Day (29 March) came and went without fanfare, as the EU granted an extension to the UK in hopes of avoiding a no-deal departure. Prime Minister Theresa May's deal was defeated in Parliament three separate times during the quarter—even as May offered to resign in exchange for votes in support of her deal—as were additional options that legislators debated and voted upon in late March (and again on 1 April). These measures included a customs union between the UK and EU (which failed by only three votes in the second session) and a second referendum (which failed by only 12 votes in the second session). May's bid to resign in exchange for parliamentary support generated speculation about a change in leadership, and, separately, the likelihood of a general election increased (because the impasse risks provoking a no-confidence motion).

During the second quarter of 2019, stocks around most of the world continued their early-year rally before tumbling throughout May and then recovering to varying degrees in June. UK and European equities rallied much of the way back to their late-April tops but failed to reach new heights. Government-bond rates increased in the UK, Europe and US during April, but ultimately moved lower over the quarter as a whole. As for US Treasuries, after briefly inverting in March, the 3-month-to-10-year spread once again turned negative in May—where it remained throughout the second quarter. This triggered concerns about the US economy as an inverted yield curve is commonly considered a reliable recession indicator. After Theresa May announced her resignation in late May, a race opened for her role as UK prime minister and leader of the Conservative Party. The crowded candidate field quickly narrowed—pitting former Foreign Secretary Boris Johnson as widely favoured over his successor Jeremy Hunt. Jean-Claude Juncker, president of the European Commission, stated in June that the divorce deal established during May's tenure is not open for renegotiation despite the British leadership contest.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Trustee's Annual Report (continued)

During the third quarter of 2019, equity markets, which plummeted in early August after climbing through July, recovered towards the end of the Scheme's financial year. UK shares sold off especially sharply in the Government bond rates declined across all maturities in the UK, Eurozone and US during the third quarter. Long-term rates dropped by more than short-term rates in the UK and Eurozone, leading to flatter overall yield curves. After remaining negative since May, the 3-month-to-10-year Treasury spread—a widely-watched recession indicator—turned positive for a single day in late July, but tumbled deeply into negative territory by late August before recovering to less negative levels by the end of the quarter. The new UK Prime Minister, Boris Johnson faced sharp resistance from the outset of his tenure in late July to the prospect of a no-deal departure from the EU on 31 October.

Investment Performance

The asset performance of the 3 sections over the last year is shown below. The current portfolios with SEI were only established in 2016 in respect of Amey and Accord Sections and 2017 for APS and hence 5 year performance is not available for the former two and 3 and 5 year for the latter.

Return % per annum						
	APS Section		Accord Section		Amey Section	
	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark
1 year	23.7%	22.9%	21.5%	21.6%	24.6%	24.6%
3 year pa	n.a.		7.9%	7.3%	6.4%	5.6%

- Equity Markets**

Over the year, the Scheme's equity assets rose by between 1.5% and 3.5% depending on the Section. The Scheme's global developed market equity portfolio was basically flat over the year due to bias of this portfolio towards value stocks which underperformed more momentum driven stocks over the year. The lower risk managed volatility portfolio in the APS section grew by 8.7% and Emerging Market equities across all 3 sections by 5% as Emerging Markets. The small allocations to Smaller Companies underperformed large caps in both the USA and Europe.

- Bond Markets**

The risk management section of the portfolio is designed to partially protect the funding level against changes in interest rate and inflation rates. It contains instruments that effectively leverage the assets exposure to interest rates and inflation rates to cover over 80% of the sensitivity of liabilities to these factors in respect of APS and Accord Sections and 95% in respect of Amey Section. Over the year yields on both government bonds and investment grade corporate bonds fell and hence liabilities and risk management assets grew. Accord and APS section Risk Management Assets rose by 41% whilst Amey Section's rose by 36% as it is less leveraged.

- Alternatives**

The Fixed Income part of the alternatives portfolio had variable, but positive, performance. The 4% invested in Emerging Market Debt in respect of Amey and the 6% in respect of Accord Section grew by 16% whilst their respective 4% and 6% in High Yield Debt grew by 3.4%. The 1.5% invested in Global Credit depreciated by 1.1% and the benchmark for the 5% allocated to UK Credit returned 0.2%. The loan portfolio in the APS section grew by 6.1% and the more leveraged loan portfolios in the other two sections rising 1.3%.

Amey and Accord Section's Property holdings went up by 3.5% and APS's more inflation return focused property related holding went up by over 13%.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Trustee's Annual Report (continued)

Statement of Trustee's Responsibilities

The financial statements, which are prepared in accordance with 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), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; 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, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging the above responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments 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 Scheme will not be wound up.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

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 an appropriate system of internal control.

The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time revising a schedule of contributions showing the 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 adopting risk-based processes to monitor 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.



.....Trustee Director

Date: 29 April 2020

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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

Opinion

We have audited the financial statements of Amey OS Pension Scheme (the 'Scheme') for the year ended 30 September 2019, 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 year ended 30 September 2019, 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 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Trustee and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties. However, no audit should be expected to predict the unknowable factors or all possible future implications for a scheme associated with these particular events.

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.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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

In our evaluation of the Trustee's conclusions, we considered the risks associated with the Scheme's operating model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Scheme will continue in operation.

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 thereon. 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.

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 17, the 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 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.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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

Use of our report

This report is made solely to the 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 Trustee those matters we are required to state to the Trustee 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Date: 29 April 2020

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Fund Account

	Notes	Amey Section 30 Sep 2019 £000	Accord Section 30 Sep 2019 £000	APS Section 30 Sep 2019 £000	Total 30 Sep 2019 £000	Total 30 Sep 2018 £000
Contributions and Benefits payable						
Additions						
Employer contributions		343	879	10,407	11,629	23,065
Employee contributions		18	58	25	101	125
Total contributions	3	361	937	10,432	11,730	23,190
Other income	4	94	-	-	94	5
		455	937	10,432	11,824	23,195
Benefits paid or payable	5	(1,316)	(2,812)	(10,193)	(14,321)	(12,319)
Payments to and on account of leavers	6	(231)	(375)	(3,398)	(4,004)	(6,048)
Administration expenses	7	(339)	(455)	(718)	(1,512)	(1,422)
		(1,886)	(3,642)	(14,309)	(19,837)	(19,789)
Net (withdrawals)/additions from dealings with members		(1,431)	(2,705)	(3,877)	(8,013)	3,406
Returns on investments						
Investment income	8	15	4	7,993	8,012	1,400
Change in market value of investments	9	10,777	18,113	84,155	113,045	10,225
Investment management expenses	16	(150)	(338)	(1,144)	(1,632)	(1,606)
Net returns on investments		10,642	17,779	91,004	119,425	10,019
Net increase in fund during the year		9,211	15,074	87,127	111,412	13,425
Opening net assets		47,013	111,449	398,696	557,158	543,733
Closing net assets		56,224	126,523	485,823	668,570	557,158

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Statement of Net Assets (available for benefits)

	Notes	30 Sept 2019 £000	30 Sept 2018 £000
AMEY SECTION			
Investment Assets	9		
Pooled investment vehicles	10	36,254	29,704
Insurance policies	12	19,400	16,500
AVC investments	11	46	41
Cash Deposits		-	100
Total investments		<u>55,700</u>	<u>46,345</u>
Current Assets	17	789	791
Current Liabilities	18	<u>(265)</u>	<u>(123)</u>
Net assets of the Amey section at the end of the year		<u>56,224</u>	<u>47,013</u>
ACCORD SECTION			
Investment Assets	9		
Pooled investment vehicles	10	87,717	72,979
Insurance policies	12	36,200	35,100
AVC investments	11	139	123
Other investment balances		-	135
Total investments		<u>124,056</u>	<u>108,337</u>
Current Assets	17	2,937	3,358
Current Liabilities	18	<u>(470)</u>	<u>(246)</u>
Net assets of the Accord section at the end of the year		<u>126,523</u>	<u>111,449</u>
APS SECTION			
Investment Assets	9		
Pooled investment vehicles	10	384,622	313,158
Insurance policies	12	96,100	82,200
AVC investments	11	2,738	2,772
Total investments		<u>483,460</u>	<u>398,130</u>
Current Assets	17	3,716	1,898
Current Liabilities	18	<u>(1,353)</u>	<u>(1,332)</u>
Net assets of the APS section at the end of the year		<u>485,823</u>	<u>398,696</u>
Net assets of the Scheme at the end of the year		<u>668,570</u>	<u>557,158</u>

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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 year. The actuarial position of the Scheme, which does take account of such liabilities, is dealt with in the Report on Actuarial Liabilities on pages 5 to 8 and the Actuarial Certificates and Statements on pages 42 to 44, 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 24 to 39 form part of these financial statements.

The financial statements on pages 21 to 39 were approved by the Trustee on

Signed on behalf of the Trustee



----- Trustee Director

Date 29 April 2020

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements

1. BASIS OF PREPARATION

These financial statements have been prepared as at 30 September 2019 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 (revised September 2014).

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 managers.

The AVC investments include policies of assurance underwritten by Prudential, Equitable Life (Utmost Life and Pensions Limited from 1 January 2020) and Legal & General. For Prudential and Equitable Life (Utmost Life and Pensions Limited from 1 January 2020) the fair value of these policies of assurance has been taken as the surrender values of the policies at the year end, as advised by the AVC provider. For Legal & General the fair value is taken as the pooled fund unit price at the year-end date. If a year-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 year-end by JUST. The policy is included in the financial statements at the valuer's best estimate of future benefit liabilities based on applying a discount to an estimated premium value.

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.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

2.4 Contributions and benefits

Normal contributions are accounted for when they are deducted from pay by the Employer, in accordance with the Schedule of Contributions.

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

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

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

Pensions paid, retirement benefits and death benefits are accounted for in the year in which they become due for payment. Where there is a choice, benefits are accounted for on the latter of the date of leaving, retirement or death and the date on which any option or notification is communicated to the Trustee. If there is no choice they are accounted for on the date of retiring or leaving.

2.5 Other income

Death in service income received from insurance companies is accounted for in the same year 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.

2.7 Investment income

Annuity income from the JUST 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

Year ended 30 September 2019

Notes to the financial statements (continued)

3 CONTRIBUTIONS

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from employer:				
Normal	222	527	-	749
Deficit funding	-	-	9,682	9,682
Additional employer contributions	-	83	-	83
Expenses contributions	120	240	600	960
Reimbursement of PPF Levy	1	29	125	155
	343	879	10,407	11,629
Contributions from member:				
Normal	18	57	-	75
Added years	-	1	-	1
Additional voluntary contributions	-	-	25	25
	18	58	25	101
	361	937	10,432	11,730

	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from employer:				
Normal	254	543	-	797
Deficit funding	90	49	9,682	9,821
Additional employer contributions	-	11,670	-	11,670
Expenses contributions	-	339	408	747
Reimbursement of PPF Levy	-	30	-	30
	344	12,631	10,090	23,065
Contributions from member:				
Normal	23	68	-	91
Added years	-	3	-	3
Additional voluntary contributions	-	-	31	31
	23	71	31	125
	367	12,702	10,121	23,190

Per the Schedules of Contributions certified by the Scheme Actuary on 27 March 2018, the employer is to make the following deficit funding and expense funding contributions to the Scheme:

Amey Section for the period 1 April 2018 to 1 April 2023:

Deficit funding	Nil
Expense funding	£10,000 per month

Accord Section for the period 1 April 2018 to 31 May 2026:

Deficit funding	Nil
Expense funding	£20,000 per month
Payments to escrow account	£51,625 per month

APS Section for the period 1 April 2018 to 30 April 2024:

Deficit funding	£806,850 per month
Expense funding	£50,000 per month

The Accord Section operates a salary sacrifice arrangement.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

4 OTHER INCOME

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Claims on Insurance term benefits	94	-	-	94
	<u>94</u>	<u>-</u>	<u>-</u>	<u>94</u>
	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Claims on Insurance term benefits	5	-	-	5
	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>

Death in service is insured with Legal & General.

5 BENEFITS PAID OR PAYABLE

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	(871)	(1,857)	(7,863)	(10,591)
Commutations and lump sums on retirement	(351)	(932)	(2,276)	(3,559)
Lump sums on death in service	(94)	-	-	(94)
Death benefits in retirement	-	(23)	(54)	(77)
	<u>(1,316)</u>	<u>(2,812)</u>	<u>(10,193)</u>	<u>(14,321)</u>
	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	(825)	(1,809)	(7,370)	(10,004)
Commutations and lump sums on retirement	(200)	(418)	(1,662)	(2,280)
Lump sums on death in service	-	(2)	(14)	(16)
Death benefits in retirement	(5)	(14)	-	(19)
	<u>(1,030)</u>	<u>(2,243)</u>	<u>(9,046)</u>	<u>(12,319)</u>

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Individual transfers to other schemes	(231)	(375)	(3,398)	(4,004)
Refunds to members	-	-	-	-
	(231)	(375)	(3,398)	(4,004)

	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Individual transfers to other schemes	(419)	(1,127)	(4,501)	(6,047)
Refunds to members	-	-	(1)	(1)
	(419)	(1,127)	(4,502)	(6,048)

7 ADMINISTRATION EXPENSES

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Actuarial	(25)	(24)	(38)	(87)
Administration	(131)	(124)	(124)	(379)
PPF and other levies	(4)	(24)	(133)	(161)
Legal and professional	(37)	(81)	(29)	(147)
Audit	(5)	(5)	(6)	(16)
Member communication	(16)	(16)	(16)	(48)
Trustee fees	(44)	(44)	(45)	(133)
Sundry expenses	(77)	(137)	(327)	(541)
	(339)	(455)	(718)	(1,512)

	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Actuarial	(58)	(82)	(91)	(231)
Administration	(95)	(121)	(189)	(405)
PPF and other levies	(4)	(53)	(260)	(317)
Legal and professional	(31)	(39)	(42)	(112)
Audit	(5)	(5)	(5)	(15)
Member communication	(25)	(17)	(23)	(65)
Trustee secretarial	(44)	(44)	(44)	(132)
Sundry expenses	(40)	(39)	(66)	(145)
	(302)	(400)	(720)	(1,422)

The Company reimburses the Scheme for the Amey Section, Accord Section and APS Section Pension Protection Fund Levy. The reimbursement is shown in Note 3.

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

8 INVESTMENT INCOME

	30 September 2019			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Interest from pooled fund investments	15	-	7,993	8,008
Annuity income	-	4	-	4
	15	4	7,993	8,012

	30 September 2018			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Interest from pooled fund investments	-	-	1,396	1,396
Annuity income	-	4	-	4
	-	4	1,396	1,400

9 RECONCILIATION OF INVESTMENTS

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

AMEY SECTION

	Value at 30 Sept 2018 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2019 £000
Pooled investment vehicles	29,704	10,131	(10,778)	7,197	36,254
Insurance policies	16,500	-	(675)	3,575	19,400
AVC investments	41	-	-	5	46
	46,245	10,131	(11,453)	10,777	55,700
Cash deposits	100				-
Total	46,345				55,700

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

9 RECONCILIATION OF INVESTMENTS (continued)

ACCORD SECTION

	Value at 30 Sept 2018 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2019 £000
Pooled investment vehicles	72,979	18,015	(18,812)	15,535	87,717
Insurance policies	35,100	-	(1,462)	2,562	36,200
AVC investments	123	-	-	16	139
	108,202	18,015	(20,274)	18,113	124,056
Cash deposits	135				-
Total	108,337				124,056

APS SECTION

	Value at 30 Sept 2018 £000	Purchases at cost £000	Sales proceeds £000	Change in market value £000	Value at 30 Sept 2019 £000
Pooled investment vehicles	313,158	202,727	(196,889)	65,626	384,622
Insurance policies	82,200	-	(4,301)	18,201	96,100
AVC investments	2,772	25	(387)	328	2,738
Total	398,130	202,752	(201,577)	84,155	483,460

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 the sales of investments during the year.

Included in the sales of Insurance policies for the APS section is an amount of £873,005 in respect of a premium refunded from the provider following the completion of a data cleanse exercise and the review of the original premium paid.

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 (Sep 2018: £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.

10 POOLED INVESTMENT VEHICLES

As at 30 September 2019 the Scheme's investment in pooled investment vehicles comprised:

AMEY SECTION	30 Sept 2019 £000	30 Sept 2018 £000
Equity funds	7,496	4,849
Bond funds	26,609	21,291
Credit funds	951	2,390
Property funds	1,198	1,174
	36,254	29,704

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Year ended 30 September 2019

Notes to the financial statements (continued)

10 POOLED INVESTMENT VEHICLES (continued)

ACCORD SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
Equity funds	26,800	21,254
Bond funds	55,625	44,091
Credit funds	1,314	3,733
Property funds	3,978	3,901
	87,717	72,979

APS SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
Equity funds	94,648	73,597
Bond funds	250,289	208,546
Private equity funds	39,685	31,015
	384,622	313,158

11 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 year-end is shown below.

The fair value of the Legal & General policy has been taken as the pooled fund unit price of the policies at the year-end, as advised by the AVC provider. The fair value of the Prudential policy was not available as at the year-end, so as per the SORP, the values have been taken as at the latest available valuation, 31 March 2019 and adjusted for cash movements

AMEY SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
Prudential	46	41

ACCORD SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
Prudential	139	123

APS SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
Equitable Life (Utmost Life and Pensions Limited from 1 January 2020)	439	425
Prudential	150	52
L&G	2,149	2,295
	2,738	2,772

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Year ended 30 September 2019

Notes to the financial statements (continued)

12 INSURANCE POLICIES

AMEY SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
JUST	19,400	16,500
ACCORD SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
JUST	36,200	35,100
APS SECTION	30 Sept 2019	30 Sept 2018
	£000	£000
JUST	96,100	82,200

13 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:

	30 September 2019			Total
	Level 1	Level 2	Level 3	£000
	£000	£000	£000	
AMEY SECTION				
Pooled investment vehicles	-	34,105	2,149	36,254
Insurance policies	-	-	19,400	19,400
AVC investments	-	-	46	46
	-	34,105	21,595	55,700
ACCORD SECTION				
Pooled investment vehicles	-	82,425	5,292	87,717
Insurance policies	-	-	36,200	36,200
AVC investments	-	-	139	139
	-	82,425	41,631	124,056
APS SECTION				
Pooled investment vehicles	-	344,937	39,685	384,622
Insurance policies	-	-	96,100	96,100
AVC investments	-	-	2,738	2,738
	-	344,937	138,523	483,460
	-	461,467	201,749	663,216

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Notes to the financial statements (continued)

13 INVESTMENT FAIR VALUE HIERARCHY (continued)

	30 September 2018			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
AMEY SECTION				
Pooled investment vehicles	-	26,140	3,564	29,704
Insurance policies	-	-	16,500	16,500
AVC investments	-	-	41	41
Cash deposits	100	-	-	100
	<u>100</u>	<u>26,140</u>	<u>20,105</u>	<u>46,345</u>
ACCORD SECTION				
Pooled investment vehicles	-	65,345	7,634	72,979
Insurance policies	-	-	35,100	35,100
AVC investments	-	-	123	123
Cash deposits	135	-	-	135
	<u>135</u>	<u>65,345</u>	<u>42,857</u>	<u>108,337</u>
APS SECTION				
Pooled investment vehicles	-	282,143	31,015	313,158
Insurance policies	-	-	82,200	82,200
AVC investments	-	-	2,772	2,772
Cash deposits	-	-	-	-
	<u>-</u>	<u>282,143</u>	<u>115,987</u>	<u>398,130</u>
	<u>235</u>	<u>373,628</u>	<u>178,949</u>	<u>552,812</u>

14 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 their 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.

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Year ended 30 September 2019

Notes to the financial statements (continued)

14 INVESTMENT RISKS (continued)

AMEY SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2019 and the relevant investment risks:

Asset name	Sep 2019	Sep 2018	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	4,057	2,992	□	□	□	□	□
SGMF Emerging Markets Equity	587	280	□	□	□	□	□
SGMF UK Dynamic Asset Alloc Fund	2,045	1,140	□	□	□	□	□
SGMF Emerging Markets Debt	1,523	1,195	□	□	□	□	□
SGMF High Yield Fixed Income	1,554	1,264	□	□	□	□	□
SGMF UK Credit Fixed Income	8,399	5,535	□	□	□	□	□
SGMF UK Long Duration Credit Fund	3,623	-	□	□	□	□	□
SGMF UK Long Duration Gilts FI	-	978					
SGMF Pan Euro Small Co Equity	404	199	□	□	□	□	□
SGMF US Small Companies Equity	403	238	□	□	□	□	□
SEI UK Property Fund	1,197	1,174	□	□	□	□	□
SEI Credit fund offshore	951	2,390	□	□	□	□	□
SGMF UK Gilts FI	532	-	□	□	□	□	□
SGMF UK I-L Fixed Interest	1,252	1,466	□	□	□	□	□
BMO LDI Funds	9,727	10,852	□	□	□	□	□

■ Significant
□ Partial
□ Negligible

ACCORD SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2019 and the relevant investment risks:

Asset name	Sep 2019	Sep 2018	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	15,856	12,495	□	□	□	□	□
SGMF Emerging Markets Equity	3,363	2,476	□	□	□	□	□
SGMF UK Dynamic Asset Alloc Fund	3,391	2,732	□	□	□	□	□
SGMF Emerging Markets Debt	5,317	4,363	□	□	□	□	□
SGMF UK Credit FI	10,896	3,642	□	□	□	□	□
SGMF UK Long Duration Credit Fund	6,247	-	□	□	□	□	□
SGMF High Yield Fixed Income	5,263	4,532	□	□	□	□	□
SGMF Pan Euro Smaller Co Equity	2,093	1,652	□	□	□	□	□
SGMF US Small Companies Equity	2,098	1,899	□	□	□	□	□
SEI UK Property Fund	3,978	3,900	□	□	□	□	□
SEI Credit fund offshore	1,314	3,733	□	□	□	□	□
SGMF UK Gilts FI	2,618	12,756	□	□	□	□	□
SGMF UK Long Duration ILFI Gilts	5,944	4,551	□	□	□	□	□
BMO LDI Funds	19,340	14,247	□	□	□	□	□

■ Significant
□ Partial
□ Negligible

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Year ended 30 September 2019

Notes to the financial statements (continued)

14 INVESTMENT RISKS (continued)

APS SECTION

The following table outlines the section's pooled investment vehicles held as at 30 September 2019 and the relevant investment risks:

Asset name	Sep 2019	Sep 2018	RISKS				
	Value £000	Value £000	Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	32,800	26,898	□	□	□	□	□
SGMF Emerging Markets Equity	10,477	8,190	□	□	□	□	□
SGMF UK Dynamic Asset Alloc Fund	13,940	11,562	□	□	□	□	□
SGMF Emerging Markets Debt	2,849	1,663	□	□	□	□	□
SGMF High Yield Fixed Income	589	1,571	□	□	□	□	□
SGMF UK Credit Fixed Income	32,032	32,798	□	□	□	□	□
SGMF Global Managed Volatility	23,125	15,046	□	□	□	□	□
SGMF Pan Euro Small Co Equity	7,145	5,786	□	□	□	□	□
SGMF US Small Companies Equity	7,161	6,115	□	□	□	□	□
SGMF UK I-L Fixed Interest	4,385	-	□	□	□	□	□
SGMF UK Long Duration Credit Fund	36,255	-	□	□	□	□	□
BMO LDI Funds	98,233	95,347	□	□	□	□	□
SGMF UK Gilts FI	26,135	18,161	□	□	□	□	□
Hayfin DLF	39,685	31,015	□	□	□	□	□
M&G Inflation opportunities	49,810	59,005	□	□	□	□	□

■ Significant
 □ Partial
 □ Negligible

(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.

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.

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 year end and previous year end

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Notes to the financial statements (continued)

14 INVESTMENT RISKS (continued)

(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 (indirect exposure). There is no direct exposure (segregated accounts) 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 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 and alternative investments such as hedge funds and real estate held within the investments in pooled investment vehicles.

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

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15 CONCENTRATION OF INVESTMENTS

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

AMEY SECTION

	Value at 30 Sep 2019	% of Total Fund Sep 2019	Value at 30 Sep 2018	% of Total Fund Sep 2018
	£000		£000	
SGIF Global Select Equity Fund	4,057	7.2%	2,992	6.4%
SGMF UK Credit Fixed Income	8,399	14.9%	5,535	11.8%
BMO Regular Profile	6,041	10.7%	4,096	8.7%
SGMF UK Long Duration Credit Fund	3,623	6.4%	-	-
JUST Insurance Policy	19,400	34.5%	16,500	35.1%

ACCORD SECTION

	Value at 30 Sep 2019	% of Total Fund Sep 2019	Value at 30 Sep 2018	% of Total Fund Sep 2018
	£000		£000	
SGIF Global Select Equity Fund	15,856	12.5%	12,495	11.2%
BMO Regular Profile Swap Fund	9,697	7.7%	7,134	6.4%
SGMF UK Credit FI	10,896	8.6%	3,642	3.4%
JUST Insurance Policy	36,200	28.6%	35,100	31.5%

APS SECTION

	Value at 30 Sep 2019	% of Total Fund Sep 2019	Value at 30 Sep 2018	% of Total Fund Sep 2018
	£000		£000	
SGIF Global Select Equity Fund	32,800	6.8%	26,898	6.7%
Hayfin DLFII GDP Feeder	39,685	8.1%	31,016	7.8%
SGMF UK Credit Fixed Income	32,032	6.6%	32,798	8.2%
SGMF UK Long Duration Credit Fund	36,255	7.5%	-	-
SGMF UK Gilts FI	26,136	5.4%	-	-
BMO Regular Profile Real Swap Fund	51,819	10.7%	-	-
BMO Regular Profile LVG Real Gilt	29,950	6.2%	-	-
M&G Inflation Fund	49,810	10.3%	59,005	14.8%
JUST Insurance Policy	96,100	19.9%	82,200	20.6%

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Notes to the financial statements (continued)**16 INVESTMENT MANAGEMENT EXPENSES**

	30 September 2019			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Investment fund management	(150)	(338)	(1,144)	(1,632)
	<u>(150)</u>	<u>(338)</u>	<u>(1,144)</u>	<u>(1,632)</u>

	30 September 2018			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Investment fund management	(158)	(317)	(1,131)	(1,606)
	<u>(158)</u>	<u>(317)</u>	<u>(1,131)</u>	<u>(1,606)</u>

17 CURRENT ASSETS

	30 September 2019			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Contributions receivable				
- Employer	28	57	50	135
- Members	1	7	-	8
Prepaid expense	-	-	43	43
Cash	760	2,873	3,623	7,256
	<u>789</u>	<u>2,937</u>	<u>3,716</u>	<u>7,442</u>

	30 September 2018			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Contributions receivable				
- Employer	29	71	50	150
- Members	2	5	-	7
Prepaid expense	-	14	62	76
Cash	760	3,268	1,786	5,814
	<u>791</u>	<u>3,358</u>	<u>1,898</u>	<u>6,047</u>

18 CURRENT LIABILITIES

	30 September 2019			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Benefit payments	(116)	(207)	(729)	(1,052)
Taxation	5	(4)	(3)	(2)
Administrative expenses	(115)	(172)	(346)	(633)
Investment management expenses	(39)	(87)	(275)	(401)
	<u>(265)</u>	<u>(470)</u>	<u>(1,353)</u>	<u>(2,088)</u>

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Notes to the financial statements (continued)

18 CURRENT LIABILITIES (continued)

	30 September 2018			
	Amey Section £000	Accord Section £000	APS Section £000	Total £000
Benefit payments	(68)	(112)	(909)	(1,089)
Taxation	1	(3)	-	(2)
Administrative expenses	(19)	(51)	(151)	(221)
Investment management expenses	(37)	(80)	(272)	(389)
	<u>(123)</u>	<u>(246)</u>	<u>(1,332)</u>	<u>(1,701)</u>

19 RELATED PARTY TRANSACTIONS

The directors of the Independent Trustee are not members of the Scheme. Trustee Fees of £133,000 (year ended 30 September 2018: £132,000) were paid to PTL, the independent Corporate Trustee during the year.

20 EMPLOYER RELATED INVESTMENTS

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

21 CONTINGENT ASSETS

At the 30 September 2019 there was £1,577,239 (2018 (restated): £952,295) held in the Accord Section Escrow account.

22 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.

23 GMP EQUALISATION

As explained on page 4 of the Trustee report, on the 26th October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgement arise in relation to many other defined benefit pension schemes. The Trustee of the Scheme is aware that the issue will affect the Scheme and will be considering this at a future meeting and decisions will be made as to the next steps. Under the ruling schemes are required to backdate benefit adjustments in relation to GMP equalisation and provide interest on the backdated amounts. Based on an initial assessment of the likely backdated amounts and related interest the Trustee does not expect these to be material to the financial statements and therefore have not included a liability in respect of these matters in these financial statements. They will be accounted for in the year they are determined.

24 NON ADJUSTING SUBSEQUENT EVENTS

The Covid-19 viral outbreak has had a significant market impact from March 2020. Since the year end date to 31 March 2020 the value of the pooled fund investment vehicles investments held by the Scheme has fallen by 11.3%.

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Year ended 30 September 2019

Summary of Contributions

During the year ended 30 September 2019, 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	222	527	-	749
Deficit funding	-	-	9,682	9,682
Expenses contributions	120	240	600	960
Reimbursement of PPF levies	1	29	125	155
	<u>343</u>	<u>796</u>	<u>10,407</u>	<u>11,546</u>
Contributions from members				
Normal	18	57	-	75
Added years	-	1	-	1
Additional voluntary contributions	-	-	25	25
	<u>18</u>	<u>58</u>	<u>25</u>	<u>101</u>
Contributions payable under the Schedules (as reported on by the Scheme auditor)	<u>361</u>	<u>854</u>	<u>10,432</u>	<u>11,647</u>
Other contributions payable				
Other	-	83	-	83
	<u>-</u>	<u>83</u>	<u>-</u>	<u>83</u>
Contributions reported in the financial statements	<u>361</u>	<u>937</u>	<u>10,432</u>	<u>11,730</u>

Employee normal contributions have been underpaid in respect of one member due to an administrative error made in setting up their contributions deduction rate within the payroll records. The employer believes that this is an isolated instance and does not impact on other members of the Scheme.

The underpayments cover the period from January 2010 until April 2019 and the total underpaid contributions in that time amounts to £2,621. As at the date of this report payment has not yet been made to the Scheme and therefore the employee normal contributions, amounting in total to £2,621, are late by between 346 and 3,722 days in relation to the requirements set out in the relevant schedules of contributions in force throughout the period of the error.



..... Trustee Director

Date: 29 April 2020

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

Independent auditor's statement about contributions to the Trustee of Amey OS Pension Scheme

We have examined the summary of contributions to the Amey OS Pension Scheme (the 'Scheme') in respect of the Scheme year ended 30 September 2019 which is set out on page 40

Qualified statement about contributions payable under the schedule of contributions

In our opinion, except for the effects of the departure from the schedule of contributions described in the Basis for qualified statement about contributions paragraph, contributions for the Scheme year ended 30 September 2019 as reported in the summary of contributions and payable under the schedule 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 March 2018 (in relation to all three sections).

Basis for qualified statement about contributions

As explained on page 40, employee normal contributions in relation to one member have been deducted at an incorrect rate from January 2010 until April 2019. As at the date of this report payment has not yet been made to the Scheme and therefore the employee normal contributions, amounting in total to £2,621, are late by between 346 and 3,722 days in relation to the requirements set out in the relevant schedules of contributions in force throughout the period of the error.

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 schedule 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 schedule of contributions.

Respective responsibilities of Trustee and the auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 17, the 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 schedule of contributions.

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

Use of our statement

This statement is made solely to the 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 Trustee those matters we are required to state to the Trustee in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustee as a body, for our work, for this statement, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

Date : 29 April 2020

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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

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be 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 23 March 2018.

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 March 2018
Name: Andrew Allsopp	Qualification: FIA
Address: Quattro Pensions Prospect House Fishing Line Road Redditch B97 6EW	Name of employer (if applicable): Quattro Pensions Consulting Limited

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the Recovery Plan dated 23 March 2018.

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 23 March 2018.

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 March 2018
Name: Andrew Allsopp	Qualification: FIA
Address: Quattro Pensions Prospect House Fishing Line Road Redditch B97 6EW	Name of employer (if applicable): Quattro Pensions Consulting Limited

Amey OS Pension Scheme annual report and financial statements

Year ended 30 September 2019

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 the statutory funding objective can be 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 23 March 2018.

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 March 2018
Name: Andrew Allsopp	Qualification: FIA
Address: Quattro Pensions Prospect House Fishing Line Road Redditch B97 6EW	Name of employer (if applicable): Quattro Pensions Consulting Limited