

<b>Registered numbers:</b>	<b>Amey Section</b>	<b>19018801</b>
	<b>Accord Section</b>	<b>19018802</b>
	<b>APS Section</b>	<b>19018803</b>
	<b>Overall Scheme</b>	<b>10225287</b>

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## **AMEY OS PENSION SCHEME**

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**Annual report and financial statements**

**Year ended 30 September 2024**

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# **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Trustee and Advisers

Trustee:	ZEDRA Governance Limited (represented by Sam Burden and Payam Kazemian)
Scheme Actuary:	J Clack FIA Broadstone Pensions Limited
Independent Auditor:	Grant Thornton UK LLP
Investment Managers:	Schroders Solutions Limited Hayfin Capital Management
Annuity Policy Providers:	JUST Pension Insurance Corporation ("PIC")
Investment Custodians:	CACEIS
Investment Consultant:	Schroders Solutions Limited
AVC Provider:	Prudential Assurance Company Limited Legal and General
Legal Advisers:	Squire Patton Boggs
Scheme Administrator:	Railpen Limited
Bank:	Royal Bank of Scotland
Life Assurance Company:	Legal & General Assurance Society Limited
Principal Employer:	Amey Limited
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**

Year ended 30 September 2024

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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 2024. 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, a Corporate Body may be appointed as Trustee to the Scheme.

During the year under review, the Trustee of the Scheme was a corporate body – ZEDRA Governance Limited ("ZEDRA").

ZEDRA acts through its Directors. The Directors of ZEDRA who held office in the year were:

Dawn Harris  
Kim Nash  
Colin Richardson  
Alison Bostock

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

During the year the Trustee held one meeting (additional meetings for specific projects were held throughout the year).

#### **Changes in the Year**

Following the agreement to secure a buy-in policy with PIC, the Scheme completed the buy-in policy purchase in December 2022, covering the Scheme's deferred and non-annuitant pensioners. The initial buy-in premium payment was settled via an in-specie transfer of the Scheme's gilt assets totalling £306m, and cash payments totalling £65m. Subsequent to the initial payments in December 2022, deferred cash payments of £14m were settled in the year to 30 September 2023. At 30 September 2023, £14.2m (inclusive of interest) of deferred premium payments remained unpaid, which have been fully settled in the year to 30 September 2024. During the year there have not been any significant changes to the Scheme.

Subsequent to the year end, the Employer ceased accrual to the Scheme for the remaining active members. The newly deferred members were then bought in with PIC via an extension to the PIC buy-in policy in December 2024.

The buy-in policy extension and the conclusion of the 2023 triennial valuations resulted in a change in the Schedules of Contributions as agreed by the Scheme Actuary on 13 December 2024 details of which are disclosed within Note 5 in the Notes to the Financial Statements on pages 30 and 31.

The Trustee has consulted with Schroders and the Employer and determined the investment strategy for the assets outside of the monies held by PIC and JUST. The monies held outside of PIC and JUST are invested in a mixture of cash and gilts.

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## Amey OS Pension Scheme Annual report and financial statements

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### Trustee's Annual Report (continued)

#### 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 October 2023. An additional newsletter was issued in February 2025.

The Scheme has a member website (<https://my-amey-os-pension.com/>) which the Trustee frequently updates with information for the membership.

#### Employer Guarantees

Amey UK Plc provided a guarantee of £10m to the Amey Section on 30 June 2012 that was due to expire on 31 December 2020 (following a previous extension from December 2019). On 11 December 2020, Amey UK Plc confirmed that they would further extend the guarantee until 31 December 2021. The APS Section had been provided with an £80m guarantee that expired on 30 June 2024, and the Accord section with a £23m guarantee that will expire in April 2030.

During the Scheme year ending 30 September 2022, the guarantee position was reviewed as part of the buy-in process and it was agreed that the current overall guarantee cap £103m – the APS Section was provided with an £80m guarantee that expired on 30 June 2024, and the Accord section with a £23m guarantee that expires in April 2030, less any Escrow balance), which was fixed up to and including the 2026 valuation and thereafter i.e. from 30 September 2029, the cap was due to be reset by reference to the funding deficit using a discount rate of Gilts + 0.25%, (with a ceiling of the current £113m cap), less the Escrow account. The current overall guarantee cap reduced from £103m to £23m.

All of the guarantees in place over the course of the Scheme year cover present and future obligations of the respective Sections.

#### GMP Equalisation

In October 2018, the High Court determined that benefits built up between May 1990 and April 1997 must be recalculated for both men and women to remove the inequality. This is known as Guaranteed Minimum Pension Equalisation ("GMP Equalisation"). Under the ruling, where an uplift to benefits is necessary, schemes are required to backdate benefit adjustments in relation to GMP Equalisation and, where the benefits are already in payment, 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, has not included a liability in respect of these matters in these financial statements.

On 20 November 2020, the High Court handed down a further judgment on the GMP Equalisation case in relation to the Lloyds banking group pension schemes. This follows from the original judgment in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Scheme may have experienced historical transfers out which might be subject to adjustment as a result of this second ruling. The Trustee has been working closely with its advisers to ensure that the Scheme GMP benefits are equalised correctly and will be writing to affected members during 2025. The liabilities will be accounted for in the year they are determined.

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## **Amey OS Pension Scheme Annual report and financial statements**

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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 Zedra is represented by Sam Burden and Payam Kazemian who are Accredited Professional Pension Trustees and met their CPD requirements for 2023 and 2024.

#### **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. One complaint was raised during the year under this procedure which has been resolved.

#### **Principal Employer**

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

#### **Financial Development**

The financial statements on pages 22 to 49 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 Scheme's net assets increased from £389,226,000 at 30 September 2023 to £402,232,000 at 30 September 2024.

#### **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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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **Trustee's Annual Report (continued)**

#### **Going Concern**

In assessing whether the going concern assumption is appropriate, the Trustee assesses a period of at least 12 months from the date of approval of the accounts, based on information available at the time of approval of the accounts.

#### **Process**

The process that the Trustee adopts in considering going concern and any material uncertainties in relation to going concern include ensuring a recovery plan is in place following each triennial valuation, assessing the employer covenant on an ongoing basis and considering whether there are any other factors that could impact this assessment.

#### **Assessment of going concern and any material uncertainties**

In order to be able to make this assertion, the following key factors have been considered relevant:

- Employer Covenant
- Scheme cashflow forecasts
- Liquidity of assets
- Scheme funding levels
- Wind up/trigger events
- Review of contributions in line with recovery plan / Schedule of Contributions
- Catastrophic events
- Buy-in of benefits with PIC and historic buy-in with JUST

#### **Evidence**

The following evidence supports this assessment and has been provided to the auditor.

- Actuarial valuation and recovery plan for each section as at 30 September 2023
- Funding update as part of the buy-in process
- Dashboard / Company Accounting provided at Trustee meetings

#### **Conclusion**

It is therefore concluded that it is reasonable to produce financial statements for the Amey OS Pension Scheme on a going concern basis.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### REPORT ON ACTUARIAL LIABILITIES

Under Section 222 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to cover its technical provisions. The technical provisions represent the present value of the benefits members are entitled to based on pensionable service to the valuation date. This is assessed using the assumptions agreed between the Trustee and the Employer and set out in the Statement of Funding Principles, which is available to Scheme members on request.

#### Amey Section

The most recent full actuarial valuation of the Amey OS Pension Scheme (Amey Section) was carried out as at 30 September 2023.

#### 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.

A summary of the assumptions used for the actuarial valuation as at 30 September 2023 are set out in the following table below.

<b>Assumptions</b>	<b>30 September 2023</b>
Discount Rate	Gilt curve + 0.25% pa (pensioner members) Gilt curve – 0.25% pa (deferred members)
RPI Inflation	Bank of England inflation curve
CPI Inflation	As RPI inflation with a 0.6% pa deduction before 2030
Pension increases	
RPI Max 5%	Derived in line with the Black-Scholes
CPI Max 3%	statistical model with volatility 2.1% pa
GMP equalisation reserve	c0.20% of liabilities
<b>Demographic Assumptions</b>	
Retirements	All members assumed to retire at Minimum Pension Age
Proportion taking tax free cash	No allowance
Proportion married	85% (males) and 75% (females) at retirement or earlier death
Mortality improvements	100% S3 PXA tables
Mortality improvements	CMI 2022 projections, long term improvement rate 2% pa

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### Results

The following table shows the results of the triennial valuation at 30 September 2023 together with the results of the previous triennial valuation as 30 September 2020:

	30 September 2023 (£)	30 September 2020 (£)
Technical Provisions*	29,862,000	26,566,000
Assets	28,983,000	36,619,000
(Deficit)/ Surplus	(879,000)	10,053,000
Funding Level	97%	138%

\* "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.

Annuities were excluded from both assets and technical provisions in the 2020 valuation, but have been included in the figures for the 2023 valuation given that the vast majority of the liabilities relate to annuities. In any case, the insurance asset is presumed to be equal to the corresponding insured liability, so the inclusion or exclusion of annuities has no effect on the reported surplus or deficit.

The next full triennial valuation of the Amey Section will be as at 30 September 2026.

#### Accord section

The most recent full actuarial valuation of the Amey OS Pension Scheme (Accord Section) was carried out as at 30 September 2023.

#### Assumptions and method

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

A summary of the assumptions used for the actuarial valuation as at 30 September 2023 is set out in the following table below.

Assumptions	30 September 2023
Discount Rate	Gilt curve + 0.25% pa (pensioner members) Gilt curve – 0.25% pa (deferred members)
RPI Inflation	Bank of England inflation curve
CPI Inflation	As RPI inflation with a 0.6% pa deduction before 2030
Pension increases	
- RPI Max 5%	Derived in line with the Black-Scholes statistical model
- CPI Max 3%	with volatility 2.1%
GMP equalisation reserve	c0.20% of liabilities

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### Demographic Assumptions

Retirements	All members assumed to retire at Minimum Pension Age
Proportion taking tax free cash	No allowance
Proportion married	85% (males) and 75% (females) at retirement or earlier death
Mortality improvements	100% S3 PXA tables
Mortality improvements	CMI 2022 projections, long term improvement rate 2% pa

#### Results

The following table shows the results of the triennial valuation at 30 September 2023 together with the results of the previous triennial valuation at 30 September 2020:

	30 September 2023 (£)	30 September 2020 (£)
Technical Provisions*	78,042,000	72,284,000
Assets	75,915,000	87,802,000
(Deficit) / Surplus	(2,127,000)	15,518,000
Funding Level	97%	121%

\* "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.

Annuities were excluded from both assets and technical provisions in the 2020 valuation, but have been included in the figures for the 2023 valuation given that the vast majority of the liabilities relate to annuities. In any case, the insurance asset is presumed to be equal to the corresponding insured liability, so the inclusion or exclusion of annuities has no effect on the reported surplus or deficit.

The next full triennial valuation of the Accord Section will be as at 30 September 2026.

#### APS Section

The most recent full actuarial valuation of the Amey OS Pension Scheme (APS Section) was carried out as at 30 September 2023.

#### 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.

A summary of the assumptions used for the actuarial valuation as at 30 September 2023 is set out in the following table on the following page.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

Assumptions	30 September 2023
Discount Rate	Gilt curve + 0.25% pa (pensioner members) Gilt curve – 0.25% pa (deferred members)
RPI Inflation	Bank of England inflation curve
CPI Inflation	As RPI inflation with a 0.6% pa deduction before 2030
Pension increases	
- RPI Max 5%	Derived in line with the Black-Scholes statistical model with volatility 2.1%
- CPI Max 3%	
GMP equalisation reserve	c0.10% of liabilities

### Demographic Assumptions

Retirements	All members assumed to retire at Minimum Pension Age
Proportion taking tax free cash	No allowance
Proportion married	85% (males) and 75% (females) at retirement or earlier death
Mortality improvements	100% S3 PXA tables
Mortality improvements	CMI 2022 projections, long term improvement rate 2% pa

### Results

The following table shows the results of the triennial valuation at 30 September 2023 together with the results of the previous triennial valuation as 30 September 2020:

	30 September 2023 (£)	30 September 2020 (£)
Technical Provisions*	287,383,000	315,152,000
Assets	282,493,000	387,230,000
(Deficit)/ Surplus	(4,890,000)	72,078,000
Funding Level	98%	123%

\* "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.

Annuities were excluded from both assets and technical provisions in the 2020 valuation, but have been included in the figures for the 2023 valuation given that the vast majority of the liabilities relate to annuities. In any case, the insurance asset is presumed to be equal to the corresponding insured liability, so the inclusion or exclusion of annuities has no effect on the reported surplus or deficit.

The next full triennial valuation of the APS Section will be as at 30 September 2026.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### MEMBERSHIP

Details of the membership of the Scheme are given below:

	Amey Section 30 Sept 2024	Accord Section 30 Sept 2024	APS Section 30 Sept 2024	30 Sept 2024	30 Sept 2023
<b>Active members</b>					
Active members at the start of the year	11	2	-	13	16
Leavers with deferred benefits	(2)	(1)	-	(3)	-
Members retiring	(6)	-	-	(6)	(3)
Active members at the end of the year	<b>3</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>13</b>
<b>Pensioners</b>					
Pensioners at the start of the year	334	914	1,664	2,912	2,911
Actives retiring	6	-	-	6	3
New Pensioner	12	34	54	100	-
Death of dependant	(2)	(1)	(7)	(10)	-
Deferred into payment	-	-	-	-	59
New dependant pensioners	3	11	25	39	24
Pensioners who died	(6)	(12)	(39)	(57)	(83)
Cessation of pension	-	-	-	-	(2)
Pensioners at the end of the year	<b>347</b>	<b>946</b>	<b>1,697</b>	<b>2,990*</b>	<b>2,912</b>
<b>Members with preserved benefits</b>					
Members with preserved benefits at the start of the year	106	506	1,238	1,850	1,919
Death of preserved member	-	(4)	(8)	(12)	(4)
Leavers with deferred benefits	2	1	-	3	-
Deferred members becoming pensioners	(12)	(34)	(54)	(100)	(59)
Commutation of benefits	-	-	-	-	(1)
Transfers out	-	(1)	(2)	(3)	(5)
Members with preserved benefits at the end of the year	<b>96</b>	<b>468</b>	<b>1,174</b>	<b>1,738</b>	<b>1,850</b>
<b>Total membership at the end of the year</b>	<b>446</b>	<b>1,415</b>	<b>2,871</b>	<b>4,732</b>	<b>4,775</b>

\*There are 424 (2023: 397) dependant pensioners within the pensioners' figures above.

In addition to the pensioner members noted above, the Accord Section also includes a further 3 (2023: 3) annuitant pensioners.

The JUST Insurance policy covers the pensions of 232 (Sep 2023: 239) Amey Section pensioners, 580 (Sep 2023: 587) Accord Section pensioners, and 505 (Sep 2023: 510) APS Section pensioners.

The PIC Insurance policy (purchased in the year) covers the deferred pensions of 96 (Sep 2023: 106) Amey Section deferred members, 471 (Sep 2023: 506) Accord Section deferred members, and 1,183 (Sep 2023: 1,238) APS Section deferred members. The PIC insurance policy also covers the pensions of 105 (Sep 2023: 95) Amey Section pensioners, 357 (Sep 2023: 327) Accord Section pensioners, and 1,186 (Sep 2023: 1,154) APS Section pensioners.

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **Trustee's Annual Report (continued)**

#### **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 members will also have any Post 88 GMP element increased by the same percentage.

The table on page 13 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

**Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

**Trustee's Annual Report (continued)****Pension Increases (continued)**

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% **
			<b>Increase (regardless of GMP Age)</b>	
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		

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### Pension Increases (continued)

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 ("SIP") can be inspected. The SIP can be found on the Scheme website which is [my-amey-os-pension.com](http://my-amey-os-pension.com).

Please contact Matt Riley at ZEDRA whose contact details can be found on page 2 if you require such information.

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **Trustee's Annual Report (continued)**

#### **INVESTMENT REPORT**

##### **General**

The Trustee appointed Schroders Solutions Limited ("Schroders") as fiduciary manager for the assets of the Amey OS Pension Scheme (the "Scheme") in November 2021. In this capacity Schroders provides advice to the Trustee on the long term investment strategy of the Scheme. Assets were transferred to Schroders between September and November 2021.

In addition to Schroders, the APS Section of the Scheme has appointed Hayfin Capital Management as investment manager.

In addition to Schroders 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 Schroders appointment excludes responsibility for the AVC assets and annuity policies).

Following the buy-in policy with PIC and subsequent extension in December 2024, all non-insured assets excluding AVC assets, and an amount for the day to day running of the Scheme have been transferred to PIC. The Trustee has agreed an investment strategy with Schroders following consultation with the employer that will see the assets outside of the monies held by PIC and JUST invested in Government gilts.

##### **Statement of Investment Principles**

In accordance with the Pensions Act 1995, the Trustee has prepared a Statement of Investment Principles, which sets out its policy on investment issues, including risks, diversification of investments and details of the key elements of the investment arrangements of the Scheme.

The Statement of Investment Principles ("SIP") sets out how the Scheme takes into account financially material considerations, including Environmental, Social and Governance ("ESG") factors, in its investment decision making process.

In December 2022, the Trustee agreed a low-risk investment strategy comprising of a full Scheme buy-in (excluding the active members) with Pension Insurance Corporation ("PIC"), PIC is committed to paying the retirement benefits due to all members and dependents. For the remaining active members in the Scheme prior to the buy-in in December, the assets were invested in a portfolio which is managed by Schroders. The Scheme's remaining assets mainly cash and the residual illiquid assets are managed by Schroders on a maintenance basis. The latest Statement of Investment Principles was finalised in February 2024 a copy is included in appendix 2 on pages 57 to 62 of this report.

The Scheme's ultimate objective is to meet the benefit payments as they fall due. In order to achieve this, the Trustee has undertaken a few buy-in transactions of the Scheme's liabilities where all of members' benefits are now secured with PIC and JUST, insurance companies. The Trustee's objective is therefore no longer framed with reference to a liability-related objective. It is simply to protect the capital value of the remaining surplus until further notice.

Along with the insurance policies that the Scheme has with JUST and PIC, the Scheme's remaining assets are invested in cash, and a liquidity fund. There is a residual amount of monies that are currently held with Hayfin within pooled funds that is being disinvested over the course of the next couple of years.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Trustee's Annual Report (continued)

#### Investment Manager Arrangements

The Trustee sets general investment policy but has delegated day-to-day investment of the Scheme's assets to Schroders Investment Solutions Limited ('Schroders Solutions'), hereafter referred to as the 'Fiduciary Manager, PIC and JUST.

#### Custodial Arrangements

In addition, the Trustee has appointed Schroders Solutions as custodian of the Scheme's assets held with Schroders.

#### Investment Strategy

The Scheme completed a bulk annuity (buy-in) transaction in December 2022 with Pension Insurance Corporation. The Scheme has also a historic buy-in of benefits with JUST. Whilst the Scheme has completed a buy-in for all deferred and pensioner members, a small number of active members remained uninsured at the year end.

The active members section had been created to ring-fence assets for the remaining active members and held a portfolio of gilts which broadly hedge interest rate and inflation risks.

#### Active Members

At the year end, active member's portfolio held gilt funds, listed below, and a cash fund (Accord Section) to ring-fence the active members' risk.

##### Amey Section

	<b>30 September 2024 £000</b>
1.25% Treasury Gilt 2051	2,052
0.125% Index-Linked Treasury Gilt 2044	633

##### Accord Section

	<b>30 September 2024 £000</b>
4.25% Treasury Gilt 2046	103
0.125% Index-Linked Treasury Gilt 2041	183
Cash Fund	125

Subsequent to the year end, the Employer ceased accrual to the Scheme for the remaining active members. The newly deferred members were then insured with PIC via an extension to the PIC buy-in policy in December 2024. The additional premium was settled via an in-specie transfer of the above gilt holdings and cash payments.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Trustee's Annual Report (continued)

#### Market Background

During the early part of the 12-month period investor focus was primarily on elevated inflation and the policy response from major central banks. There were fears that higher interest rates could lead to recession. However, global economic growth generally remained resilient, particularly in the US.

Towards the end of 2023, inflation readings in major developed market economies began to soften. This led to hopes that interest rates had plateaued and could soon fall in 2024. Markets began to price in a series of interest cuts. As 2024 progressed, inflation proved to be stickier than expected and markets were forced to push back both the timing and extent of rate cuts, especially in the US. The June "dot plot", showing the rate setting forecasts of US Federal Reserve (Fed) policymakers, indicated just one rate cut this year.

July 2024 saw investors begin to worry that the Fed had left US interest rates too high for too long and risked causing an economic slowdown or even recession. A weak non-farm payrolls report for July exacerbated these concerns and saw investors begin to price in steep US rate cuts. At the same time, the Bank of Japan made a surprise move to lift interest rates for a second time in the year. This reassessment of expectations for interest rates sparked extreme market volatility in late July.

September saw the US Fed reduce interest rates by 50 basis points (bps). The European Central Bank cut rates by 25 bps, following an earlier cut in June. Also in September, China announced a package of stimulus measures, including interest rate cuts and property market support, to try to revive its lacklustre economy.

Global shares posted gains over the 12-month period. Corporate earnings largely proved resilient. The MSCI World index returned 32.4% (in US dollar terms). An important theme over the 12 months was enthusiasm for stocks with exposure to Artificial Intelligence (AI). That said, towards the end of the period these stocks began to come under pressure as investors questioned whether the large investments being made into the sector would be justified by returns.

Emerging market (EM) equities also registered a strong advance but lagged their developed peers. The MSCI EM index returned 26.1% (in US dollars). Elections were a key theme in EM with investors largely welcoming political developments in South Africa and India.

In fixed income, bond markets rallied in late 2023 as easing inflationary pressures convinced investors that rates had peaked. This reversed as 2024 progressed because sticky inflation saw investors reduce expectations for extensive rate cuts. However, the trend turned again from late July as investors began once more to anticipate steep US rate cuts. The US 10-year yield fell to 3.78% from 4.57% over the 12 months. The UK 10-year yield fell to 4.02% from 4.44%.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Trustee's Annual Report (continued)

#### Statement of Trustee's Responsibilities

##### Trustee's responsibilities in respect of the financial statements

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 Regulation 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 these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared 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.

##### Trustee's responsibilities in respect of contributions

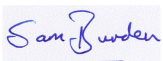
The Trustee is responsible under pensions legislation for preparing, maintaining and from time to time reviewing and, if necessary, revising a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and 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 employers 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 to members.

The Trustee is responsible for the maintenance and integrity of the financial information of the scheme included on the Scheme's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Approved by and signed for and on behalf of the Trustee:



.....  
Date: 30/4/2025

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### 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 2024, 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 2024, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the Scheme's operating model including effects arising from macro-economic uncertainties such as uncertain interest and inflation rates, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the Scheme's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved by the Trustee.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the annual 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.

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 themselves. 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 the Trustee

As explained more fully in the Statement of Trustee's Responsibilities set out on page 18, the Trustee is responsible for the preparation of financial statements and for being satisfied that they give 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Scheme and determined that the most significant are the Pensions Act 1995 and 2004, and those that relate to the reporting frameworks (Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 (FRS 102), and the Statement of Recommended Practice "Financial Reports of Pension Schemes" 2018 ("the SORP"));
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, such as the Pensions Regulator's Codes of Practice and relevant compliance regulations (including the Annual Pensions Bill and tax legislation) under which the Scheme operates;
- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management, the Trustee, and

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

- from inspection of Trustee board minutes and legal and regulatory correspondence. We discussed the policies and procedures regarding compliance with laws and regulations with the Trustee;
- We assessed the susceptibility of the Scheme's financial statements to material misstatement due to irregularities, including how fraud might occur. We evaluated management's incentives and opportunities for manipulation of the financial statements and determined that the principal risks were in relation to:
    - The risk of management override of controls through posting inappropriate journal entries to manipulate net assets for the year;
  - Our audit procedures involved:
    - Journal entry testing, with a focus on large journals, manual journals, those journals with unusual account combinations, or entries posted to suspense accounts;
    - Use of our internal experts to challenge the reasonableness of the insurance policy valuations at the year end produced by the Trustee's valuation specialists; and
    - Obtaining independent confirmations of material investment valuations and cash balances at the year-end.
  - In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
  - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
  - The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
    - Knowledge of the industry in which the Scheme operates.
  - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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 it 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.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
 Statutory Auditor, Chartered Accountants  
 Manchester  
 Date: 30/4/2025

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Fund Account for the year to 30 September 2024

	Notes	Amey Section 30 Sep 2024 £000	Accord Section 30 Sep 2024 £000	APS Section 30 Sep 2024 £000	Total 30 Sep 2024 £000	Total 30 Sep 2023 £000
<b>Additions from dealings with members</b>						
Employer contributions		335	600	606	1,541	49,119
Employee contributions		6	1	6	13	20
Total contributions	5	341	601	612	1,554	49,139
<b>Withdrawals from dealings with members</b>						
Benefits paid or payable	6	(1,727)	(3,430)	(12,787)	(17,944)	(15,587)
Payments to and on account of leavers	7	-	(120)	(105)	(225)	(570)
Administration expenses	8	(746)	(730)	(1,021)	(2,497)	(1,769)
		(2,473)	(4,280)	(13,913)	(20,666)	(17,926)
<b>Net (withdrawals) / additions from dealings with members</b>		(2,132)	(3,679)	(13,301)	(19,112)	31,213
<b>Returns on investments</b>						
Investment income	9	172	17	14	203	922
Change in market value of investments	11	2,430	6,385	23,171	31,986	(90,679)
Investment management expenses	20	(25)	(22)	(24)	(71)	(177)
<b>Net returns on investments</b>		2,577	6,380	23,161	32,118	(89,934)
<b>Net increase / (decrease) in fund during the year</b>		445	2,701	9,860	13,006	(58,721)
<b>Opening net assets</b>		28,983	75,980	284,263	389,226	447,947
Transfers between Sections	10	1,310	2,017	(3,327)	-	-
<b>Closing net assets</b>		30,738	80,698	290,796	402,232	389,226

**Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

**Statement of Net Assets Available for Benefits as at 30 September 2024**

	Notes	Amey Section 30 Sep 2024 £000	Accord Section 30 Sep 2024 £000	APS Section 30 Sep 2024 £000	Total 30 Sep 2024 £000	Total 30 Sep 2023 £000
<b>Investment assets</b>						
Bonds	11	2,685	287	-	2,972	2,726
Pooled investment vehicles	13	1,332	289	4,354	5,975	12,311
Insurance policies	15	26,425	78,678	292,663	397,766	383,518
AVC investments	14	-	67	1,762	1,829	1,835
Cash and other investment assets	19	101	5	655	761	1,671
Total investment assets		<b>30,543</b>	<b>79,326</b>	<b>299,434</b>	<b>409,303</b>	<b>402,061</b>
<b>Investment liabilities</b>						
Insurance policies	12	-	-	-	-	(13,195)
Total investment liabilities		-	-	-	-	(13,195)
<b>Total net investments</b>		<b>30,543</b>	<b>79,326</b>	<b>299,434</b>	<b>409,303</b>	<b>388,866</b>
Current assets	21	546	1,604	52	2,202	2,835
Current liabilities	22	(351)	(232)	(8,690)	(9,273)	(2,475)
<b>Total net assets available for benefits</b>		<b>30,738</b>	<b>80,698</b>	<b>290,796</b>	<b>402,232</b>	<b>389,226</b>

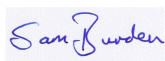
The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such liabilities, is dealt with in the Report on Actuarial Liabilities on pages 7 to 10 and the Actuarial Certificates on pages 52 to 54, 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 49 form part of these financial statements.

30/4/2025

The financial statements on pages 22 to 49 were approved by the Trustee on.....

Signed for and on behalf of the Trustee:



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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Notes to the financial statements

#### 1. BASIS OF PREPARATION

The individual financial statements of Amey OS Pension Scheme have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts 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 ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (Revised June 2018) ("the SORP").

Under the Pension Statement of Recommended Practice, a going concern basis is assumed unless a decision has been made to wind up the Scheme or an event triggering its wind up has occurred. As no such event has occurred or is currently anticipated, these financial statements have been prepared on a going concern basis.

In assessing whether the going concern assumption is appropriate, the Trustee assesses a period of at least 12 months from the date of approval of the financial statements, based on information available at the time of approval of the financial statements.

#### Process

The process that the Trustee adopts in considering going concern and any material uncertainties in relation to going concern include ensuring a recovery plan is in place following each triennial valuation, assessing the employer covenant on an ongoing basis and considering whether there any other factors that could impact this assessment.

#### Assessment of going concern and any material uncertainties

In order to be able to make this assertion, the following key factors have been considered relevant:

- Employer Covenant
- Scheme cashflow forecasts
- Liquidity of assets
- Scheme funding levels
- Wind up/trigger events
- Review of contributions in line with recovery plan / Schedule of Contributions
- Catastrophic events
- Buy-in of benefits with PIC and historic buy-in with JUST

#### Evidence

The following evidence supports this assessment and has been provided to the auditor.

- Actuarial valuation and recovery plan for each section as at 30 September 2023
- Funding update as part of the buy-in process
- Dashboard / Employer Accounting provided at Trustee meetings

#### Conclusion

It is therefore concluded that it is reasonable to produce financial statements for the Amey OS Pension Scheme on a going concern basis.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 2. IDENTIFICATION OF THE FINANCIAL STATEMENTS

Amey OS Pension Scheme is established as a trust under English law. 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. The address for further information about the Scheme is Matt Riley, ZEDRA Governance, Merlin House, Brunel Road, Theale, Berkshire, RG7 4AB (E-mail: matt.riley@ZEDRA.com)

#### 3. COMPARATIVE DISCLOSURES FOR THE FUND ACCOUNT AND STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

##### Fund account for the year to 30 September 2023

	Notes	Amey Section 30 Sep 2023 £000	Accord Section 30 Sep 2023 £000	APS Section 30 Sep 2023 £000	Total 30 Sep 2023 £000
<b>Additions from dealings with members</b>					
Employer contributions		713	15,137	33,269	49,119
Employee contributions		12	2	6	20
Total contributions	5	725	15,139	33,275	49,139
<b>Withdrawals from dealings with members</b>					
Benefits paid or payable	6	(1,308)	(2,777)	(11,502)	(15,587)
Payments to and on account of leavers	7	-	(37)	(533)	(570)
Administration expenses	8	(564)	(569)	(636)	(1,769)
		(1,872)	(3,383)	(12,671)	(17,926)
<b>Net (withdrawals) /additions from dealings with members</b>		(1,147)	11,756	20,604	31,213
<b>Returns on investments</b>					
Investment income	9	108	(85)	899	922
Change in market value of investments	10	(4,914)	(19,664)	(66,101)	(90,679)
Investment management expenses	19	(43)	(44)	(90)	(177)
<b>Net returns on investments</b>		(4,849)	(19,793)	(65,292)	(89,934)
<b>Net decrease in fund during the year</b>		(5,996)	(8,037)	(44,688)	(58,721)
<b>Opening net assets</b>		34,979	84,017	328,951	447,947
<b>Closing net assets</b>		28,983	75,980	284,263	389,226

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### Statement of Net Assets Available for Benefits as at 30 September 2023

	Notes	Amey Section 30 Sep 2023 £000	Accord Section 30 Sep 2023 £000	APS Section 30 Sep 2023 £000	Total 30 Sep 2023 £000
<b>Investment assets</b>					
Bonds	10	2,459	267	-	2,726
Pooled investment vehicles	12	1,068	346	10,897	12,311
Insurance policies	14	25,539	76,071	281,908	383,518
AVC investments	13	-	65	1,770	1,835
Cash and other investment assets	19	227	1,280	164	1,671
Total investment assets		29,293	78,029	294,739	402,061
<b>Investment liabilities</b>					
Insurance policies	11	(712)	(2,504)	(9,979)	(13,195)
Total investment liabilities		(712)	(2,504)	(9,979)	(13,195)
<b>Total net investments</b>		28,581	75,525	284,760	388,866
Current assets	20	584	923	1,328	2,835
Current liabilities	21	(182)	(468)	(1,825)	(2,475)
<b>Total net assets available for benefits</b>		28,983	75,980	284,263	389,226

#### 4. ACCOUNTING POLICIES

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

##### 4.1 Currency

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

Assets and liabilities in foreign currency are expressed in sterling at the rates of exchange ruling at the year end. Foreign currency transactions are translated into sterling at the spot exchange rate at the date of the transaction.

##### 4.2 Accruals concept

The financial statements have been prepared on an accruals basis.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Notes to the financial statements (continued)

#### 4.3 Valuation of investments

Investments are included at fair value as described below:

Unitised pooled investment vehicles which are not quoted on active markets, have been valued at the latest available bid price or single price provided by the pooled investment manager. Shares in other pooled arrangements have been valued at the latest available net assets value ("NAV"), determined in accordance with fair value principles, provided by the pooled investment manager.

Bonds which are traded on an active market, are included at the quoted price, which is normally the bid price, at the year end.

Accrued interest is excluded from the market value of bonds, but is included in investment income receivable.

The AVC investments include policies of assurance underwritten by Prudential Assurance Company Limited, and Legal & General. For Prudential, 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 policies held in the name of the Trustee are held with, and valued at the year-end by JUST and PIC. The policies are 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, with Prudential and Legal & General, 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.

The change in market value of investments during the year comprises all increases and decreases in market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. In the case of pooled investment vehicles which are accumulation funds, where income is reinvested within the fund without issue of further units, change in market value also includes such income.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Notes to the financial statements (continued)

#### 4.4 Contributions and benefits

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

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

#### 4.5 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.

#### 4.6 Investment income

Annuity income from the JUST bulk annuity policy and PIC annuity policy used to pay pension benefits is recognised within investment sales on a cash basis. The income from the PIC buy-in policy commenced on 1 February 2023.

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

Income from any pooled investment vehicles, which distribute income, is accounted for on an accruals basis on the date stocks are quoted ex-dividend, or in the case of unquoted instruments, when the dividend is declared.

Income from bonds is accounted for on an accruals basis and includes income bought and sold on purchases and sales of bonds. Other interest on cash and short term deposits and income from other investments are accounted for on an accruals basis.

## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **Notes to the financial statements (continued)**

#### **4.7 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.

#### **4.8 Estimates and judgements**

The Trustee makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of net assets within the next financial year are related to the valuation of the insurance policies. The valuation basis of the policies are disclosed within note 4.3 on page 27.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 5. CONTRIBUTIONS

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from Employer:				
Normal	94	19	-	113
Additional Employer contributions	-	219	-	219
Expenses contributions	240	360	600	1,200
Reimbursement of PPF Levy	1	2	6	9
	<b>335</b>	<b>600</b>	<b>606</b>	<b>1,541</b>
Contributions from member:				
Normal	6	1	-	7
Additional voluntary contributions	-	-	6	6
	<b>6</b>	<b>1</b>	<b>6</b>	<b>13</b>
	<b>341</b>	<b>601</b>	<b>612</b>	<b>1,554</b>

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions from Employer:				
Normal	172	25	-	197
Deficit contributions	-	14,650	15,850	30,500
Additional Employer contributions	300	100	16,811	17,211
Expenses contributions	240	360	600	1,200
Reimbursement of PPF Levy	1	2	8	11
	<b>713</b>	<b>15,137</b>	<b>33,269</b>	<b>49,119</b>
Contributions from member:				
Normal	12	2	-	14
Additional voluntary contributions	-	-	6	6
	<b>12</b>	<b>2</b>	<b>6</b>	<b>20</b>
	<b>725</b>	<b>15,139</b>	<b>33,275</b>	<b>49,139</b>

Per the Schedules of Contributions certified by the Scheme Actuary on 14 December 2022, the Employer is to make the following deficit funding and expense funding contributions to the Scheme:

Amey Section for the period 12 December 2022 to 12 December 2027:

Deficit funding	nil
Expense funding	£20,000 per month

Accord Section for the period 12 December 2022 to 12 December 2027:

Deficit funding	The Employer shall pay to the scheme £14,649,565 in December 2022 (via the Scheme's investments manager or insurer). This amount shall be due for payment by 14 December 2022.
Expense funding	£30,000 per month

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 5. CONTRIBUTIONS (continued)

APS Section for the period 12 December 2022 to 12 December 2027:

Deficit funding	The Employer shall pay to the scheme £15,850,435 in December 2022 (via the Scheme's investments manager or insurer). This amount shall be due for payment by 14 December 2022.
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Expense funding	£50,000 per month
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The Accord Section operates a salary sacrifice arrangement.

Per the Schedules of Contributions certified by the Scheme Actuary on 13 December 2024, the Employer is to make the following deficit funding and expense funding contributions to the Scheme:

Amey Section for the period 13 December 2024 to 13 December 2029:

Deficit funding	nil
Expense funding	£3,600 per month

Accord Section for the period 13 December 2024 to 12 December 2029:

Deficit funding	The Employer shall pay to the scheme £225,000 by 31 January 2025 (via the Scheme's investments manager or insurer). This amount shall be due for payment by 31 December 2024.
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Expense funding	£9,600 per month
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APS Section for the period 13 December 2024 to 12 December 2029:

Deficit funding	The Employer shall pay to the scheme £4,775,000 and £2,000,000 by 31 January 2025 (via the Scheme's investments manager or insurer). The £2,000,000 shall be due for payment by 16 December 2024 and the £4,775,000 shall be due for payment by 31 December 2024.
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Expense funding	£36,800 per month
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On 4 December 2023, the Escrow was closed and the residual balance (inclusive of interest) of £218,633 was transferred to the Scheme (Accord Section).

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 6. BENEFITS PAID OR PAYABLE

	30 September 2024			Total
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	1,204	2,708	10,500	14,412
Commutations and lump sums on retirement	523	703	2,226	3,452
Lump sum death benefits	-	12	25	37
Death benefits in retirement	-	7	36	43
	<u>1,727</u>	<u>3,430</u>	<u>12,787</u>	<u>17,944</u>

	30 September 2023			Total
	Amey Section £000	Accord Section £000	APS Section £000	
Pensions	1,114	2,508	9,772	13,394
Commutations and lump sums on retirement	184	229	1,683	2,096
Lump sum death benefits	10	18	47	75
Death benefits in retirement	-	22	-	22
	<u>1,308</u>	<u>2,777</u>	<u>11,502</u>	<u>15,587</u>

#### 7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	30 September 2024			Total
	Amey Section £000	Accord Section £000	APS Section £000	
Individual transfers to other schemes	-	120	105	225

	30 September 2023			Total
	Amey Section £000	Accord Section £000	APS Section £000	
Individual transfers to other schemes	-	37	533	570

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 8. ADMINISTRATION EXPENSES

	30 September 2024			Total
	Amey	Accord	APS	
	Section	Section	Section	
	£000	£000	£000	£000
Actuarial	213	337	519	1,069
Administration	365	189	292	846
PPF and other levies	5	13	29	47
Legal and professional	63	93	81	237
Audit	12	12	12	36
Member communication	2	2	2	6
Trustee fees	82	82	82	246
Other professional fees	4	2	4	10
	<b>746</b>	<b>730</b>	<b>1,021</b>	<b>2,497</b>

	30 September 2023			Total
	Amey	Accord	APS	
	Section	Section	Section	
	£000	£000	£000	£000
Actuarial	267	211	224	702
Administration	83	144	177	404
PPF and other levies	4	13	29	46
Legal and professional	96	89	94	279
Audit	14	14	14	42
Member communication	11	11	11	33
Trustee fees	85	85	85	255
Other professional fees	4	2	2	8
	<b>564</b>	<b>569</b>	<b>636</b>	<b>1,769</b>

The Employer reimburses the Scheme for the Amey Section, Accord Section and APS Section Pension Protection Fund Levies in accordance with the Schedules of Contributions. The reimbursement is shown in Note 5.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 9. INVESTMENT INCOME

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Income from bonds	53	5	-	58
Income from pooled fund investments	80	7	645	732
Annuity income	1	2	-	3
Interest on cash deposits	38	15	56	109
Exchange loss	-	(1)	28	27
Hayfin loan Interest	-	-	(65)	(65)
Interest payable on deferred premiums	-	(11)	(650)	(661)
	172	17	14	203

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Income from bonds	(13)	(16)	(124)	(153)
Income from pooled fund investments	79	21	1,643	1,743
Income from derivatives	21	53	123	197
Annuity income	-	3	-	3
Interest on cash deposits	75	43	94	212
Exchange loss	(2)	(4)	(104)	(110)
Interest payable on deferred premiums	(52)	(185)	(733)	(970)
	108	(85)	899	922

Interest payable on deferred premiums relates to interest payable by 31 December 2024 on the deferred premiums due to PIC.

#### 10. TRANSFERS BETWEEN SECTIONS

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Transfer of deferred premium	764	1,234	(1,998)	-
Transfer of cash	546	783	(1,329)	-
	1,310	2,017	(3,327)	-

As at 30 September 2024, all Sections had fully settled their deferred premiums with PIC. However, APS Section had utilised overpaid deferred premiums of the Accord Section and the Amey OS Section. As a result, the Accord Section and the Amey OS Section had overpaid their initial deferred premium and the APS Section underpaid. Therefore, a cash transfer between Sections was completed to settle the overpayment of deferred premiums.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### 11. RECONCILIATION OF INVESTMENT ASSETS

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

#### AMEY SECTION

	Value at 30 Sept 2023	Purchases at cost	Sales proceeds	Change in market value	Value at 30 Sept 2024
	£000	£000	£000	£000	£000
Bonds	2,459	31	(4)	199	2,685
Pooled investment vehicles	1,068	277	(65)	52	1,332
Insurance policies	25,539	-	(1,293)	2,179	26,425
	29,066	308	(1,362)	2,430	30,442
Cash	218				101
Other investment balances	9				-
Total	29,293				30,543

#### ACCORD SECTION

	Value at 30 Sept 2023	Purchases at cost	Sales proceeds	Change in market value	Value at 30 Sept 2024
	£000	£000	£000	£000	£000
Bonds	267	9	(1)	12	287
Pooled investment vehicles	346	24	(218)	137	289
Insurance policies	76,071	-	(3,627)	6,234	78,678
AVC investments	65	-	-	2	67
	76,749	33	(3,846)	6,385	79,321
Cash	1,279				5
Other investment balances	1				-
Total	78,029				79,326

#### APS SECTION

	Value at 30 Sept 2023	Purchases at cost	Sales proceeds	Change in market value	Value at 30 Sept 2024
	£000	£000	£000	£000	£000
Bonds	-	-	-	-	-
Pooled investment vehicles	10,897	6	(6,101)	(448)	4,354
Insurance policies	281,908	-	(12,664)	23,419	292,663
AVC investments	1,770	6	(214)	200	1,762
	294,575	12	(18,979)	23,171	298,779
Cash	164				655
Other investment balances	-				-
Total	294,739				299,434

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 2023: £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.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 12. INVESTMENT LIABILITIES

##### AMEY SECTION

	30 Sept 2024 £000	30 Sept 2023 £000
Insurance policies	-	(712)
	-	(712)

##### ACCORD SECTION

	30 Sept 2024 £000	30 Sept 2023 £000
Insurance policies	-	(2,504)
	-	(2,504)

##### APS SECTION

	30 Sept 2024 £000	30 Sept 2023 £000
Insurance policies	-	(9,979)
	-	(9,979)

The liabilities in the prior year related deferred premium amounts owed to PIC which were payable after more than one year and were due to be settled by 31 December 2024. The deferred premiums were fully settled in the year ended 30 September 2024.

#### 13. POOLED INVESTMENT VEHICLES

As at 30 September 2024 the Scheme's investment in pooled investment vehicles comprised:

##### AMEY SECTION

	30 Sept 2024 £000	30 Sept 2023 £000
Cash	1,296	1,017
Property funds	36	51
	1,332	1,068

##### ACCORD SECTION

	30 Sept 2024 £000	30 Sept 2023 £000
Cash	164	141
Property funds	125	205
	289	346

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 13. POOLED INVESTMENT VEHICLES (continued)

##### APS SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
Bond funds	4,287	10,607
Alternative	18	17
Cash	49	273
	<u>4,354</u>	<u>10,897</u>

#### 14. 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 2024 and adjusted for cash movements.

##### ACCORD SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
Prudential	<u>67</u>	<u>65</u>

##### APS SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
Prudential	107	104
L&G	1,655	1,666
	<u>1,762</u>	<u>1,770</u>

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 15. INSURANCE POLICIES

##### AMEY SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
JUST	10,800	10,550
PIC	15,625	14,989
	<u>26,425</u>	<u>25,539</u>

##### ACCORD SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
JUST	22,000	21,700
PIC	56,678	54,371
	<u>78,678</u>	<u>76,071</u>

##### APS SECTION

	30 Sept 2024	30 Sept 2023
	£000	£000
JUST	58,600	57,370
PIC	234,063	224,538
	<u>292,663</u>	<u>281,908</u>

The insurance policies held with JUST and PIC are valued by the insurers and are calculated on a best estimate basis. Due to the commercial sensitivity of the assumptions, there are not available to the Trustee.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 16. INVESTMENT FAIR VALUE HIERARCHY

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

- Level 1 - The unadjusted quoted price 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 investment assets have been analysed using the above hierarchy categories as follows:

	<b>30 September 2024</b>			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<b>AMEY SECTION</b>				
Pooled investment vehicles	-	1,296	36	1,332
Bonds	2,685	-	-	2,685
Insurance policies	-	-	26,425	26,425
Cash	101	-	-	101
	<u>2,786</u>	<u>1,296</u>	<u>26,462</u>	<u>30,543</u>
<b>ACCORD SECTION</b>				
Pooled investment vehicles	-	164	125	289
Bonds	287	-	-	287
Insurance policies	-	-	78,678	78,678
AVC investments	-	-	67	67
Cash	5	-	-	5
	<u>292</u>	<u>164</u>	<u>78,870</u>	<u>79,326</u>
<b>APS SECTION</b>				
Pooled investment vehicles	-	49	4,305	4,354
Insurance policies	-	-	292,663	292,663
AVC investments	-	-	1,762	1,762
Cash	655	-	-	655
	<u>655</u>	<u>49</u>	<u>298,730</u>	<u>299,434</u>
	<u>3,733</u>	<u>1,509</u>	<u>404,061</u>	<u>409,303</u>

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 16. INVESTMENT FAIR VALUE HIERARCHY (continued)

	<b>30 September 2023</b>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>AMEY SECTION</b>				
Pooled investment vehicles	-	1,017	51	1,068
Bonds	2,459	-	-	2,459
Insurance policies (net)	-	-	24,827	24,827
Cash	218	-	-	218
Other investment balances	9	-	-	9
	<u>2,686</u>	<u>1,017</u>	<u>24,878</u>	<u>28,581</u>
<b>ACCORD SECTION</b>				
Pooled investment vehicles	-	141	205	346
Bonds	267	-	-	267
Insurance policies (net)	-	-	73,567	73,567
AVC investments	-	-	65	65
Cash	1,279	-	-	1,279
Other investment balances	1	-	-	1
	<u>1,547</u>	<u>141</u>	<u>73,837</u>	<u>75,525</u>
<b>APS SECTION</b>				
Pooled investment vehicles	-	273	10,624	10,897
Insurance policies (net)	-	-	271,929	271,929
AVC investments	-	-	1,770	1,770
Cash	164	-	-	164
	<u>164</u>	<u>273</u>	<u>284,323</u>	<u>284,760</u>
	<u>4,397</u>	<u>1,431</u>	<u>383,038</u>	<u>388,866</u>

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 17. INVESTMENT RISKS

FRS 102 requires the disclosure of information in relation to certain investment risks that the Scheme is exposed to at the year end.

**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.

#### Credit Risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore indirectly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Trustees' policy for managing credit risk is detailed in the Statement of Investment Principle.

As at 30 September 2024, the Amey Section holds £2.7m (2023: £2.5m) in directly held bonds and £0.1m (2023: £0.2m) in directly held cash balances. The Scheme also holds £1.3m (2023: £0.1m) cash through underlying pooled fund investments.

As at 30 September 2024, the Accord Section holds £0.3m (2023: £0.3m) in directly held bonds and £0.005m (2023: £0.001m) in directly held cash balances. The Scheme also holds £0.2m (2023: £0.1m) cash through underlying pooled fund investments.

As at 30 September 2024, the APS Section holds £0.7m (2023: £0.2m) in directly held cash balances. The Scheme also holds £4.0m (2023: £10.9m) bonds and cash £0.049m through underlying pooled fund investments.

The table on page 43 details the bonds held directly and indirectly as at 30 September 2024.

Credit risk arising on bonds held directly is mitigated by Schroders Solutions choosing to only invest in government bonds, where the credit risk is minimal, or corporate bonds which are rated at least investment grade.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 17. INVESTMENT RISKS (continued)

Directly held cash balances are at financial institutions which are at least investment grade credit rated. This is the position at the year-end.

In all above instances, "investment grade" is defined as being rated at least BBB- by Standard & Poor's or Baa3 by Moody's.

Both direct and indirect credit risk is mitigated by holding a diversified portfolio to minimise the impact of default by any one issuer. The Trustees monitor the investment strategy adopted by Schroders Solutions to ensure that the arrangement remains diversified.

Direct credit risk arises in respect of pooled investment vehicles. The Scheme's growth assets is invested across a large number of different pooled funds which have various legal structures in various domiciles (e.g. open-ended investment companies, unit trusts, limited partnerships etc.).

A summary of pooled investment vehicles by type of arrangement is as follows:

2024	Amey	Accord	APS
Type of arrangement	£000	£000	£000
ICVC	36	125	4,287
Unit Trust	1,296	164	49
<b>Total</b>	<b>1,332</b>	<b>289</b>	<b>4,336</b>

The direct credit risk associated with these managers is also mitigated by:

- the regulatory environments in which those managers operate;
- diversification amongst a large number of pooled arrangements; and
- due diligence checks by Schroders Solutions on the appointment of new pooled managers, and monitoring on an ongoing basis for any changes to the operating environment of each manager.

A significant proportion of the Scheme's assets are held in annuity policies, which are subject to credit risk. As at 30 September 2023, the Amey Section holds £26.43m (2023: £25.54m) in annuity policies, the Accord Section holds £78.68m (2023: £76.07m) in annuity policies and the APS Section holds £292.66m (2023: £281.91m) in annuity policies. This risk is mitigated by the UK regulatory environment which the insurers, PIC and Just, operate whereby the insurers are required to make a reserve for each policy by holding prescribed amounts (and to hold those amounts in prescribed asset classes). This is consistent with regulations in force throughout the UK insurance industry.

This risk is also mitigated by the diversification of the policy's underlying assets.

#### Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets via pooled investment vehicles. The Trustee's policy for managing this risk is detailed in the Statement of Investment Principles.

Currency risk is mitigated by delegating management of currency exposures at total portfolio level to Schroders Solutions. Schroders Solutions implement currency hedging through the use of hedged shared classes of pooled funds (where available) and the use of FX forward contracts.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 17. INVESTMENT RISKS (continued)

Net of currency hedging, 0.1% (2023:0.0%) Amey Section, 0.0% (2023:0.0%) Amey Accord Section, 0.0% (2023:0.0%) APS Section of the Scheme's holdings were exposed to overseas currencies as at year-end.

#### Interest rate risk

The Scheme's assets are subject to interest rate risk because some of the Scheme's investments are held in bonds.

At the year-end, the assets subject to interest rate risk comprised of:

	30/09/2024 £000	30/09/2024 £000	30/09/2024 £000
	Amey Section	Accord Section	APS Section
<b>Direct</b>			
Bonds	2,685	287	-
<b>Indirect</b>			
Bonds PIVs	-	-	4,287
Cash PIVs	1,296	164	49

	30/09/2023 £000	30/09/2023 £000	30/09/2023 £000
	Amey Section	Accord Section	APS Section
<b>Direct</b>			
Bonds	2,459	267	-
<b>Indirect</b>			
Bonds PIVs	-	-	10,607
Cash PIVs	1,017	141	273

Please note clean values have been used where applicable.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 17. INVESTMENT RISKS (continued)

##### Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which may include various asset classes (i.e. alternatives, bonds, equities, cash and investment properties) held in pooled vehicles. The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets. At the year end, the Scheme's exposure to investments subject to other price risk was:

	30/09/2024 £000	30/09/2024 £000	30/09/2024 £000
	Amey Section	Accord Section	APS Section
<b>Indirect</b>			
Property PIVs	36	125	-
Alternatives PIVs	-	-	-
Aviva PIVs	-	-	18

	30/09/2023 £000	30/09/2023 £000	30/09/2023 £000
	Amey Section	Accord Section	APS Section
Property PIVs	51	205	-

Please note clean values have been used where applicable.

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 18. CONCENTRATION OF INVESTMENTS

Investments exceeding 5% of the value of each Section's net assets as at 30 September 2024 and 30 September 2023 are detailed below:

##### AMEY SECTION

	Value at 30 Sep 2024 £000	%	Value at 30 Sep 2023 £000	%
JUST Insurance Policy	10,800	35.1	10,550	36.4
PIC Insurance Policy	15,625	50.8	14,989	51.7
Schroders Solutions 1.25% Treasury Gilt 31/07/2051	2,052	6.7	1,872	6.5

##### ACCORD SECTION

	Value at 30 Sep 2024 £000	%	Value at 30 Sep 2023 £000	%
JUST Insurance Policy	22,000	27.2	21,700	28.6
PIC Insurance Policy	56,678	70.2	54,371	71.6

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 18. CONCENTRATION OF INVESTMENTS (continued)

##### APS SECTION

	Value at 30 Sep 2024 £000	%	Value at 30 Sep 2023 £000	%
JUST Insurance Policy	58,600	20.2	57,370	20.2
PIC Insurance Policy	234,063	80.5	224,538	79.0

#### 19. OTHER INVESTMENT BALANCES

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Cash	101	5	655	761
Accrued investment income	-	-	-	-
	<u>101</u>	<u>5</u>	<u>655</u>	<u>761</u>

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Cash in transit	219	1,279	164	1,662
Accrued investment income	8	1	-	9
	<u>227</u>	<u>1,280</u>	<u>164</u>	<u>1,671</u>

#### 20. INVESTMENT MANAGEMENT EXPENSES

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Investment fund management	25	22	24	71

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Investment fund management	43	44	90	177

## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

### Notes to the financial statements (continued)

#### 21. CURRENT ASSETS

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions receivable				
- Employer	22	30	50	102
- Members	-	-	-	-
Prepaid benefits	-	38	2	40
Amounts owed from APS Section	-	74	-	74
Cash	524	1,462	-	1,986
	<b>546</b>	<b>1,604</b>	<b>52</b>	<b>2,202</b>

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Contributions receivable				
- Employer	35	33	54	122
- Members	-	-	-	-
Prepaid benefits	95	206	541	842
Cash	454	684	733	1,871
	<b>584</b>	<b>923</b>	<b>1,328</b>	<b>2,835</b>

#### 22. CURRENT LIABILITIES

	30 September 2024			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Benefit payments	(201)	(70)	(537)	(808)
Taxation	1	1	7	9
Administrative expenses	(117)	(85)	(404)	(606)
Annuity income in advance	(34)	(78)	(567)	(679)
Loan from Employer	-	-	(7,115)	(7,115)
Amounts owed to Accord Section	-	-	(74)	(74)
Interest payable on deferred premiums	-	-	-	-
	<b>(351)</b>	<b>(232)</b>	<b>(8,690)</b>	<b>(9,273)</b>

	30 September 2023			Total £000
	Amey Section £000	Accord Section £000	APS Section £000	
Benefit payments	(19)	(1)	(371)	(391)
Taxation	(13)	(34)	(150)	(197)
Administrative expenses	(68)	(94)	(120)	(282)
Annuity income in advance	(30)	(154)	(451)	(635)
Interest payable on deferred premiums	(52)	(185)	(733)	(970)
	<b>(182)</b>	<b>(468)</b>	<b>(1,825)</b>	<b>(2,475)</b>

The interest payable in the prior year related to accrued interest on deferred premium amounts owed to PIC which were payable after more than one year and were due to be settled by 31 December 2024.

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Notes to the financial statements (continued)

#### 23. RELATED PARTY TRANSACTIONS

##### Key management personnel

The directors of the Independent Trustee are not members of the Scheme. Trustee fees of £246,000 (2023: £255,000) were paid to ZEDRA, the independent Corporate Trustee during the year. At the end of the year the Scheme owed the Corporate Trustee £18,073 (2023: £19,200).

##### Other related parties

On 15 August 2024, the Employer loaned the Scheme £7,049,509 to fund the settlement of the deferred premium payments to PIC. The unsecured loan accrues monthly interest and is to be repaid in full by 30 June 2026. The terms of the loan stipulate any distributions or redemptions from the Hayfin investment are to be paid to the Employer as part of the settlement for the loan. At the year end, the balance outstanding with respect to the loan was £7,115,006 inclusive of accrued interest.

#### 24. EMPLOYER RELATED INVESTMENTS

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

#### 25. CONTINGENT ASSETS

At 30 September 2024, there are no contingent assets held by the Scheme. At the 30 September 2023, there was £215,967 (2022: £15,242,503) held in the Escrow account. On 4 December 2023, the residual balance (inclusive of interest) of £218,633 was transferred to the Scheme bank account and the Escrow account was closed.

#### 26. 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.

#### 27. GMP EQUALISATION

In October 2018, the High Court determined that benefits built up between May 1990 and April 1997 must be recalculated for both men and women to remove the inequality. This is known as Guaranteed Minimum Pension Equalisation ("GMP Equalisation"). Under the ruling, where an uplift to benefits is necessary, schemes are required to backdate benefit adjustments in relation to GMP Equalisation and, where the benefits are already in payment, 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.

On 20 November 2020, the High Court handed down a further judgement on the GMP Equalisation case in relation to the Lloyds banking group pension schemes. This follows from the original judgment in October 2018 which confirmed that schemes need to equalise pensions for the effect of unequal GMPs between males and females. This latest judgment confirms that Defined Benefit (DB) schemes which provide GMPs need to revisit and where necessary top up historic Cash Equivalent Transfer Values that were calculated based on unequalised benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The Scheme may have experienced historical transfers out which might be subject to adjustment as a result of this second ruling. The Trustee has been working closely with its advisers to ensure that the Scheme GMP benefits are equalised correctly and communications to the affected members will be issued in 2025. The will be accounted for in the year in which they are determined.

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **Notes to the financial statements (continued)**

#### **28. SUBSEQUENT EVENTS**

Subsequent to the year end, the Employer ceased accrual to the Scheme for the remaining active members. The newly deferred members were then insured with PIC via an extension to the PIC buy-in policy in December 2024. The additional premium was settled via an in-specie transfer of the above gilt holdings and cash payments.

#### **29. CONTINGENT LIABILITIES**

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court on 16 June 2023, considered the implications of section 37 of the Pension Schemes Act 1993. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the case has the potential to cause significant issues in the pensions industry.

The BBC v BBC Pension Trust Ltd and Christina Burns decision in May 2023, which considered the use of the trustee's Power of Amendment to make amendments to scheme rules that reduced members benefits, was also subject to a failed appeal in July 2024.

The Trustee will investigate the possible implications of both cases with their advisers in due course, but it is not possible at present to estimate the potential impact, if any, on the Scheme.

## Amey OS Pension Scheme Annual report and financial statements

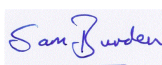
Year ended 30 September 2024

### Summary of Contributions

During the year ended 30 September 2024, 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	94	19	-	113
Deficit contributions	-	-	-	-
Expenses contributions	240	360	600	1,200
Reimbursement of PPF levies	1	2	6	9
	<u>335</u>	<u>381</u>	<u>606</u>	<u>1,322</u>
Contributions from members				
Normal	6	1	-	7
Additional voluntary contributions	-	-	6	6
	<u>6</u>	<u>382</u>	<u>6</u>	<u>13</u>
Contributions payable under the Schedules (as reported on by the Scheme auditor)	<u>341</u>		<u>612</u>	<u>1,335</u>
Other contributions payable				
Additional Employer contributions	-	219	-	219
	-	<u>219</u>	-	<u>219</u>
Contributions reported in the financial statements	<u>341</u>	<u>601</u>	<u>612</u>	<u>1,554</u>

On 4 December 2023, the Escrow account was closed and the residual balance (inclusive of interest) of £218,633 was transferred to the Scheme (Accord Section). The balance has been recorded as additional Employer contributions.



Trustee

Date: 30/4/2025

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **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') for the Scheme year ended 30 September 2024 which is set out on page 50.

In our opinion, contributions for the Scheme year ended 30 September 2024 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 Schedules of Contributions certified by the Scheme Actuary on 14 December 2022 (in relation to all three Sections).

### **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 18, 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 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.

### **Use of our statement**

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 it 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.

*Grant Thornton UK LLP*

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester

Date : 30/4/2025

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS**

#### **THE AMEY OS PENSION SCHEME – APS SECTION ('THE SCHEME', 'THE SECTION')**

##### **Adequacy of rates of contribution**

I certify that, in my opinion, the rates of contribution shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 30 September 2023 to be met by the end of the period specified in the Recovery Plan dated 13 December 2024.

##### **Adherence to the Statement of Funding Principles**

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 13 December 2024.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.



**Jeremy Clack**

Fellow of the Institute and Faculty of Actuaries

**Employer: Broadstone Consultants & Actuaries Ltd**

Prospect House, Fishing Line Road, Redditch, Worcestershire B97 6EW

Dated: 13 December 2024

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS**

#### **THE AMEY OS PENSION SCHEME – AMEY OS SECTION ('THE SCHEME', 'THE SECTION')**

##### **Adequacy of rates of contribution**

I certify that, in my opinion, the rates of contribution shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 30 September 2023 to be met by the end of the period specified in the Recovery Plan dated 13 December 2024.

##### **Adherence to the Statement of Funding Principles**

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 13 December 2024.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.



**Jeremy Clack**

Fellow of the Institute and Faculty of Actuaries

**Employer: Broadstone Consultants & Actuaries Ltd**

Prospect House, Fishing Line Road, Redditch, Worcestershire B97 6EW

Dated: 13 December 2024

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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### **ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS**

#### **THE AMEY OS PENSION SCHEME – ACCORD SECTION ('THE SCHEME', 'THE SECTION')**

##### **Adequacy of rates of contribution**

I certify that, in my opinion, the rates of contribution shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 30 September 2023 to be met by the end of the period specified in the Recovery Plan dated 13 December 2024.

##### **Adherence to the Statement of Funding Principles**

I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 13 December 2024.

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 Section's liabilities by the purchase of annuities, if the Section were to be wound up.



**Jeremy Clack**

**Fellow of the Institute and Faculty of Actuaries**

**Employer: Broadstone Consultants & Actuaries Ltd**

Prospect House, Fishing Line Road, Redditch, Worcestershire B97 6EW

Dated: 13 December 2024

# Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

## Appendix 1

### IMPLEMENTATION STATEMENT

#### Amey OS Pension Scheme ('Scheme') 30 September 2024 Implementation Statement

##### 1. Introduction

The Trustee is required to make publicly available online a statement (the 'Implementation Statement') covering the Amey OS Pension Scheme (the '**Scheme**') in relation to the Scheme's Statement of Investment Principles (the "**SIP**").

The SIP was amended once during the year ending 30 September 2024, and this SIP came into force from 09 February 2024.

A copy of the current SIP signed and dated can be found [https://cdn-suk-whitelabel-prod-001.azureedge.net/wl-sitefinity-prod/docs/ameylibraries/sips/20231222-statement-of-investment-principles---signed31e0ac3246c0627a90a7ff03004d73bd.pdf?sfvrsn=65feec6c\\_5](https://cdn-suk-whitelabel-prod-001.azureedge.net/wl-sitefinity-prod/docs/ameylibraries/sips/20231222-statement-of-investment-principles---signed31e0ac3246c0627a90a7ff03004d73bd.pdf?sfvrsn=65feec6c_5).

This Implementation Statement covers the period from 1 October 2023 to 30 September 2024 (the '**Scheme Year**').

The latest guidance ("the **Guidance**") from the Department for Work and Pensions ("**DWP**") aims to encourage the Trustees of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme's SIP. With the help of the Scheme's Fiduciary Manager, to whom the Trustees delegated the implementation of their Stewardship policy, this Implementation Statement has been prepared to provide the details on how the Trustees have complied with the DWP's statutory guidance.

The Trustees use the Fiduciary Management service of Schroders IS Limited as their Investment Manager and Adviser (referred to as the "**Fiduciary Manager**" in the Implementation Statement). The Fiduciary Manager can appoint other investment managers (referred to as "Underlying Investment Managers") to manage part of the Scheme's assets, and investments with these managers are generally made via pooled funds, where the Scheme's investments are pooled with those of other investors.

Due to the buy-in which was completed in December 2022, the assets remaining with the Fiduciary Manager as at 30 September 2024 were as follows:

Asset Class	Fund	Value (£)	Proportion of assets
<b>Cash</b>	Blackrock Sterling Liquidity	£1.30m	31%
<b>Cash</b>	Directly held	£0.05m	1%
<b>Property</b>	SEI UK Property Fund	£0.03m	1%
<b>Gilts &amp; Cash</b>	UK Gilts and Cash	£2.70m	67%

Source: Fiduciary Manager, Underlying Investment Managers, 30 September 2024.

The nature of the assets remaining with the Fiduciary Manager are either cash assets or illiquid assets which are in the process of being sold down. The Scheme does not hold any investments with voting rights attached. Therefore, there is no voting summary shown in this Implementation Statement.

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## **Amey OS Pension Scheme Annual report and financial statements**

Year ended 30 September 2024

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A copy of this Implementation Statement is available on the following website: <https://www.my-amey-os-pension.com/>.

In December 2022, the Trustee carried out a buy-in transaction with the insurer Pension Insurance Corporation ('PIC') where the Scheme secured an annuity for majority of its deferred and retired members. The Trustee worked very closely with the Fiduciary Manager to determine an appropriate investment strategy for the Scheme's remaining assets which are shown in the previous section. Since the Scheme Year end, the Trustee sold majority of the remaining assets and carried out another buy-in transaction for the Scheme's remaining active members.

As reported in the previous year, the Trustee selected PIC to carry out the buy-in transactions, which the Trustee believed would lead to better security of the Scheme's members' benefits being paid going forward, once a full Scheme buyout is completed in the near future. Given the nature of the remaining assets which were set out in the previous section, voting and engagement are irrelevant hence there is limited scope for the Trustee to exercise its stewardship policy stated in the SIP. However, the Trustee plans to monitor PIC with the assistance of the Buy-in Advisor (or Risk Transfer Advisor) going forward as part of the ongoing monitoring process before a full Scheme buyout is completed. The examples of monitoring include insurer's commitments to the ESG initiatives, voting (if relevant) and engagement report of the annuity etc.

**Given the policy as set out above and the investment strategy held by the Trustee during the Scheme Year, the Trustee believes that it has acted in accordance with the DWP Guidance and successfully followed the stewardship policy in the SIP over the Scheme Year.**

**Approved by the Trustee of the Amey OS Pension Scheme on 4 April 2025**

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**Amey OS Pension Scheme Annual report and financial statements**  
Year ended 30 September 2024

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**Appendix 2**

**Statement of Investment Principles**

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**Amey OS Pension Scheme**

**February 2024**

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Introduction

This Statement of Investment Principles ('the SIP') is required under Section 35 of the Pensions Act 1995 (as amended) for the Amey OS Pension Scheme ('the Scheme'). It describes the investment policy being pursued by the Trustee for each of the three Sections in the Scheme: the Amey Section, the Accord Section and the APS Section. The Trustee believes these are in compliance with the Government's voluntary code of conduct for Institutional Investment in the UK ('the Myners Principles') and TPR's Investment Guidance for defined benefit pension schemes. This SIP also reflects the requirements of Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018.

The Scheme Actuary is Andrew Allsopp of Quattro Pensions Consulting Actuaries (now part of Broadstone Group), and the Investment Adviser is Schroders Solutions (collectively termed 'the Advisers').

The Trustee confirms that, before preparing this SIP, they have consulted with Amey Services Limited ('the Sponsoring Employer') and the Scheme Actuary and have obtained and considered advice from the Investment Adviser.

The Trustee is responsible for the investment of the Scheme's assets and where they are required to make an investment decision, the Trustee always receives advice from the relevant Advisers first. They believe that this ensures that they are appropriately familiar with the issues concerned.

In accordance with the Financial Services & Markets Act 2000 ('FSMA'), the Trustee sets general investment policy but has delegated day-to-day investment of the Scheme's assets to Schroders Investment Solutions Limited ('Schroders Solutions', hereafter referred to as the 'Investment Manager') and Pension Insurance Corporation PLC ('PIC').

The Trustee confirms that this SIP reflects the investment strategy it has implemented for the Scheme. The Trustee acknowledges that it is its responsibility, with guidance from the Advisers, to ensure the assets of the Scheme are invested in accordance with these Principles.

### Scheme Governance

The Trustee is responsible for the governance and investment of the Scheme's assets. The Trustee considers that the governance structure is appropriate for the Scheme as it allows the Trustee to make the important decisions on investment policy, while delegating the day-to-day aspects to the Investment Manager, PIC or the Advisers as appropriate.

The Trustee will review this SIP at least every three years, or following any changes to the investment strategy, and modify it with consultation from the Advisers and the Sponsoring Employer if deemed appropriate. There will be no obligation to change this SIP, the Investment Manager or Adviser as part of such a review.

### Suitability

The Trustee has defined the investment objective and investment strategy with due regard to the Scheme's liabilities. The Trustee has taken advice from the Advisers to ensure that the proposed strategy, and the assets held by the Scheme through that strategy, are suitable given its liability profile, the Trustee's objectives, legislative requirements, regulatory guidance and specifications in the trust deed and rules governing the Scheme (the Trust Deed).

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## Amey OS Pension Scheme Annual report and financial statements

Year ended 30 September 2024

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### Statutory Funding Requirement

The Trustee will obtain and consider proper advice on the question of whether the investments and investment strategy are satisfactory having regard to both the investment objectives and the requirement to meet any statutory funding requirements. The funding position is reviewed periodically by the Scheme Actuary, with a full actuarial valuation at least every three years.

The Trustee will consider with the Investment Adviser and the Scheme Actuary whether the results of these actuarial valuations suggest that any change to investment strategy is necessary to ensure continued compliance with the statutory funding requirement.

### Investment Objectives

The overall objective of the Scheme is to meet the benefit payments promised as they fall due. In order to achieve this, in December 2022, the Trustee agreed a low-risk investment strategy comprising of a full Scheme buy-in (excluding the active members) with Pension Insurance Corporation plc ("PIC" and "the contract"). Under the terms of the contract, PIC is committed to paying the retirement benefits due to all members and their dependents that were included in the contract.

Given the Trustee no longer requires investment returns in order to meet majority of its outstanding liabilities, the Trustee's objective is no longer framed with reference to a liability-related objective. The Scheme's remaining assets (mainly cash and the residual illiquid assets) are managed by the Investment Advisor on a care and maintenance basis.

The Trustee has given due consideration to the investment strategy of the remaining active members in the Scheme. For these members the assets are invested in a portfolio of physical gilts and cash providing appropriate interest rate and inflation hedging. Given the strong funding position of the active members and the materiality of the associated liabilities the Trustee have agreed to maintain a low-risk strategy for the active members.

### Implementation of investment strategy

The Trustee has delegated the investment of the Scheme's remaining assets to Schroders Solutions, on a care and maintenance basis. The Trustee has acknowledged and considered with sufficient diligence the potential conflict that may arise from the Investment Manager and the Investment Adviser being the same organisation.

### Monitoring

The Trustee will monitor the performance of the Investment Manager against the agreed performance objectives.

The Trustee, or any other suitably qualified Adviser on behalf of the Trustee, will regularly review the activities of the Investment Manager to satisfy themselves that the Investment Manager continues to carry out their work competently and have the appropriate knowledge and experience to manage the assets of the Scheme.

As part of this review, the Trustee will consider whether or not the Investment Manager:

- Is carrying out their function competently.
- Has regard to the need for diversification of investments.
- Has regard to the suitability of each investment and each category of investment.
- Has been exercising their powers of investment with a view to giving effect to the principles contained in this SIP, so far as is reasonably practical.

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If the Trustee is not satisfied with the Investment Manager, they will ask the Investment Manager to take steps to rectify the situation. If the Investment Manager still does not meet the Trustee's requirements, the Trustee will remove the Investment Manager and appoint another.

### Corporate Governance and Stewardship

We note the Scheme's Growth assets were near fully redeemed at the date of this Document and the majority of the Scheme's assets are held in a buy-in policy with PIC and Just

Given the nature of the Scheme's buy-in policies, the Trustee believes it has a limited scope to influence the ongoing stewardship and corporate governance activities of the insurer as a result it will not actively seek to monitor its activities and policies in this area. Should the Trustee be provided with any opportunity which it deems appropriate to engage its insurers in the it will consider this and will outline its views and expectations of the insurers – should it deems this to be appropriate.

The policy below applies to the Investment Manager in respect of the residual assets in the Scheme portfolios where applicable.

The Trustee and Investment Manager have agreed an investment/fiduciary management agreement setting out the scope of the Investment Manager's activities, charging basis and other relevant matters. The Investment Manager has been provided with a copy of this SIP and is required to exercise its powers with a view to giving effect to the principles contained herein and in accordance with subsection (2) of Section 36 of the Pensions Act 1995.

The Trustee has appointed the Investment Manager to implement the Scheme's investment strategy. The Investment Manager manages assets directly on behalf of the Trustee as well as having delegated authority to appoint, monitor and change the Underlying Managers. The Investment Manager is appointed to carry out its role on an ongoing basis. The Trustee periodically reviews the overall value-for-money of using the Investment Manager, and information in relation to costs associated with investing is included in the quarterly monitoring report. The Trustee is satisfied that these arrangements incentivise the Investment Manager:

- to align its investment strategy and decisions with the Trustee's] investment policies, such as their return target and the restrictions detailed in the Investment/Fiduciary Management Agreement, and
- to assess and make decisions based on the medium- to long-term financial and non-financial performance of issuers of debt or equity, and to engage with such issuers to improve this medium- to long-term performance. The success of such engagement will contribute to the Scheme's performance, which is measured relative to the Trustee's long-term performance objectives.

The Scheme's investments are generally made via pooled investment funds, in which the Scheme's investments are pooled with those of other investors. As such, direct control of the process of engaging with the companies that issue these securities, whether for corporate governance purposes (such as capital structure) or other financially material considerations, is delegated to the Underlying Managers.

The Trustee has delegated responsibility for monitoring and voting on decisions relating to their Underlying Manager holdings to the Investment Manager. The Trustee does not have its own voting and engagement policies for the Scheme at this time, but it has the responsibility for the voting and engagement policies that the Investment Manager implements on its behalf and reviews these policies from time to time. The Investment Manager has an ESG policy in place which covers both voting and engagement as part of the overall active ownership strategy.

The Trustee undertakes the engagement directly with its Investment Manager who appoint Underlying Managers to carry out engagement with investee companies directly. The Investment Manager set out its voting and engagement priorities which focus on six themes including climate, Natural Capital and Biodiversity,

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Human Rights, Human Capital Management, Diversity and Inclusion and Corporate Governance. The Trustee has aligned its/their engagement priorities with the Investment Manager's.

The Trustee believes those engagement priorities which have been chosen by the Investment Manager will result in better management of financially-material ESG and climate risks, therefore it is expected to improve the financial outcome of the Scheme which ultimately is in the members and beneficiaries' best interest. The Trustee reviews the voting and engagement activity of the Investment Manager on an annual basis including a review of the annual fiduciary management ESG report and will challenge the Investment Manager as necessary on its stewardship activity.

### Realisation of Investments

The majority of the Scheme's assets are held in a buy-in policy which cannot be easily realised. However, the buy in policy has been designed with reference to the Scheme's liabilities and will distribute income to meet member benefit payments.

The physical gilt assets ring-fenced for the active members are easily realised and is in line with the Corporate and Trustee intention to transfer the active members into the buy-in policy when possible, to do so.

### Additional Voluntary Contributions (AVCs)

Under the Scheme's Trust Deed and Rules, members were previously allowed to invest Additional Voluntary Contributions to improve the benefits they receive at retirement. The Trustee has selected a range of investment funds (to allow for portfolio diversification) with AVC providers for the AVCs to be invested in. The AVC providers are Prudential Assurance Company Limited, The Equitable Life Assurance Society and Friends Life. Members investing with these AVC providers are responsible for their own investment decisions.

The Trustee reviews these arrangements regularly having regard to their performance, the objectives and the views of the Advisers.

### Financially material investment considerations

These considerations which include the below "Risks" can affect the long-term financial performance of investments and can (but do not have to) include environmental, social and governance factors (otherwise known as "ESG") where relevant. All references to ESG also include climate change.

The Trustee recognises climate change as a systemic, long-term material financial risk to the value of the Scheme's investments.

The Trustee policy is to delegate consideration of financially material factors, including ESG to the Investment Manager who considers these when constructing the portfolio, including looking at Underlying Managers. All references to ESG relate to financial factors only. As part of their ongoing monitoring, the Trustee reviews 6 some key metrics on a regular basis that are provided by the Investment Manager covering ESG which enable them to engage with the Investment Manager and understand the impact of ESG on the portfolio.

Given the nature of the Scheme's buy-in policies, the Trustee believes it has a limited scope to influence the ongoing stewardship and corporate governance activities of the insurer as a result it will not actively seek to monitor its activities and policies in this area. Should the Trustee be provided with any opportunity which it deems appropriate to engage its insurers in the it will consider this and will outline its views and expectations of the insurers – should it deems this to be appropriate.

### Risks

The Trustee recognises a number of risks involved in the investment of the assets of the Scheme. These risks,

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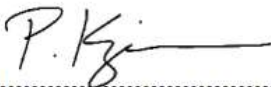
and how they are measured and managed, include (but are not limited to):

- **Funding and asset/liability mismatch risk** – the risk that the funding level or the ability to potentially buy out the Scheme’s liabilities in the future would be adversely affected due to a mismatch between the assets and liabilities. This risk is managed in the following ways:
  - o Implementing a full buy-in of the Scheme’s liabilities ahead of buy-out
  - o Retaining assets, in the form of cash and short-term sovereign bond funds, in excess of the buy-in policy and the Trustee bank account to preserve the capital value of the surplus ahead of buy-out.
- **Underperformance risk** – the risk of underperforming the benchmarks and objectives set by the Trustee. This risk is minimised by implementing a buy-in policy and retaining additional invested assets in a low-risk asset class (cash and short-term sovereign bonds).
- **Concentration risk** – the risk of an adverse influence on investment values from the concentration of holdings is reduced by the diversification of the assets. While the Scheme’s invested assets are held entirely in a buy-in policy, this lack of diversification is appropriate given the Scheme’s circumstances.
- **ESG risk** – the risk of adverse performance due to ESG related factors including climate change. This is addressed by the Investment Manager’s ESG assessment at the point of investment with Underlying Managers. A summary of the overall ESG characteristics including carbon metrics of the portfolio is included in the quarterly governance report.
- **Accrual risk** – the risk that the active members are exposed to given the monthly benefit accruals (of the active members) are not transferred to the investment portfolio. This will lead to a slight mismatch between the assets and liabilities. Given the materiality this is acceptable.
- **Organisational risk** – the risk of inadequate internal processes leading to problems for the Scheme. This is addressed through regular monitoring of the Investment Manager and Advisers by the Trustee, and of the Underlying Managers by the Investment Manager.
- **Sponsor risk** – the risk of the Sponsoring Employer ceasing to exist which, for reasons of prudence, has been taken into account when setting the asset allocation strategy. The Trustee regularly reviews the covenant of the Sponsoring Employer.
- **Insurer default/credit risk** - the risk of a default by the bulk annuity provider (buy-in insurer). The Trustee and its risk settlement advisors considered the strength of the insurer before entering into the policy whilst considering the wider regulatory framework within which they are required to operate.

The Trustee will keep these risks and how they are measured and managed under regular review.

### Non-financial matters

The Trustee does not at present take into account non-financial matters (such as members’ ethical considerations, social and environmental impact matters or future quality of life considerations for members and beneficiaries) when making investment decisions as there is no likely common view on any ethical matters which members are likely to hold. At this time the Trustee has no Schemes to seek the views of the membership on ethical considerations.

Signed:  .....

Date: **09/02/2024** .....

For and on behalf of the Trustee of the Amey OS Pension Scheme