Registered number: 10024805

AMEY PENSION SCHEME

Annual report and financial statements

Period ended 30 September 2017

Contents

Trustees and Advisers

Scheme Actuary:	B Huby MA MBA F.I.A. Lane Clark & Peacock LLP
Independent Auditor:	Crowe Clark Whitehill LLP
Investment Manager:	*Defined Benefit Section (transferred to the Amey OS Pension Scheme)* Legal & General Investment Management Limited (transferred 27 May 2017) Aviva Investors (transferred 7 September 2017) Franklin Templeton Investments (terminated 8 July 2016) M&G Investments (transferred 2 May 2017) Baillie Gifford Life Limited (transferred 2 May 2017) Standard Life Investments (transferred 27 April 2017) Pyrford International (transferred 5 May 2017) BMO Global Asset Management (transferred 21 June 2017) Hayfin Capital Management LLP (appointed 29 July 2016, transferred 25 May 2017) Just Retirement Limited (appointed 31 August 2016, transferred 28 April 2017) *Defined Contribution Section (transferred to the Legal & General Master Trust)* Friends Life (formerly Winterthur Life UK Limited) (transferred 22 November 2016) Legal & General Investment Management Limited (transferred 20 June 2017) BlackRock Advisors (UK) Limited (transferred 20 June 2017)
AVC Provider:	*Defined Benefit Section (transferred to the Amey OS Pension Scheme)* The Equitable Life Assurance Society (transferred 6 June 2017) Friends Life (formerly Friends Provident) (terminated 21 March 2017) Friends Life (formerly Winterthur Life UK Limited) (terminated 21 March 2017) Prudential Assurance Company Limited (transferred 15 May 2017) Legal & General Investment Management Limited (appointed 4 November 2016, transferred 22 May 2017)
Investment Adviser:	Lane Clark & Peacock LLP
Legal Adviser:	CMS Cameron McKenna LLP
Scheme Administrators:	RPMI Limited Friends Life (terminated 22 March 2017)
Bank:	Royal Bank of Scotland
Principal Employer:	Amey plc
Participating Employer:	Amey Services Limited

Contact for further information and complaints about the Scheme

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Trustees' Annual Report

Introduction

The Trustees of the Amey Pension Scheme (the "Scheme") are pleased to present their Report together with the Financial Statements for the period ended 30 September 2017. The Scheme has Defined Benefit (DB) and Defined Contribution (DC) sections, both of which are closed to further contributions, with the exception of AVC contributions.

During the period, all assets and liabilities were transferred to other pension arrangements. These accounts therefore constitute the termination accounts for the Scheme.

Management of the Scheme

Under the Rules of the Scheme, which comply with the Occupational Pension Schemes (Member Nominated Trustees and Directors) Regulations 2006, there are normally six Trustees, three of whom are member nominated.

During the period under review, the Trustees of the Scheme were:

BESTrustees plc	Employer nominated (removed 1 September 2016)
PTL Governance Ltd (formerly Pitmans Trustees Limited)	Employer nominated (appointed 1 September 2016)
K Bailey	Member nominated
A Clare	Employer nominated (resigned 30 June 2017)
A Coppin	Member nominated
G Cunningham	Member nominated
C Rogers	Employer nominated

The Member nominated Trustees may be removed before the end of their five year term only by agreement of all the remaining Trustees, although their appointment ceases if they cease to be members of the Scheme or, unless the Trustees agree otherwise, employed by Amey. In light of the decision to terminate the Scheme, the Trustees agreed to extend the appointment period of the Member nominated Trustees beyond the five year term until the winding up of the Scheme was completed. In accordance with the trust deed, the Principal Employer, Amey plc, has the power to appoint and remove the other Trustees of the Scheme.

During the period, the Trustees held 13 full meetings (including 3 by conference call) and 6 DC sub-committee meetings.

Transfer of DB assets and liabilities

Following a request from the Employer, the Trustees agreed to transfer all DB members (except those eligible for a Winding Up Lump Sum (WULS), see below) and DB assets to the Amey OS Pension Scheme (AOS). The Transfer Agreement between Amey plc, the Trustees of the Scheme, Amey Services Limited and Pitmans Trustees Limited (the Trustee of the AOS) was executed on 27 April and the initial transfer of members was with effect from 30 April 2017, though for practical reasons the transfer of assets took place on various dates shortly before or thereafter. The transfer of investments are recognised in these accounts at the date of physical transfer or novation as detailed on page 2. The final transfer of all remaining assets and liabilities took place on 29 September 2017.

Transfer of DC assets and liabilities

As reported last year, following a review of the DC Section the Trustees decided that it would be in the best interest of members to transfer them to the Legal & General Master Trust. The transfer of Amey Saver Plan members took place in November 2016 and that of Comax Money Purchase members in June 2017.

Termination of the Scheme

Following the transfer out of all members except those eligible for a WULS (see below) the Trustees decided that in accordance with clause 10.2.1 of the Trust Deed and Rules, the Scheme should be terminated and wound up. Eligible members of the DB section were offered the option of a WULS in lieu of their Scheme benefits; 103 members took up this option and the lump sum payments were made in August 2017, extinguishing these members' rights to any further benefits from the Scheme. Members who declined the WULS option were transferred to AOS on the same terms as those who had transferred on 30 April.

Trust Deed and Rules

The Scheme was governed by the deed and rules dated 7 May 2013, as amended by subsequent amending deeds.

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. All of the Trustees have completed the Regulator's Trustee Toolkit e-learning programme.

Communication with Members

Benefit statements were sent to DC section members and to those members of the DB section who remained in Amey's employment. A newsletter was sent to all DB members. DB members also received letters before and after the transfer of their benefits to AOS. Further information about communications with DC members is included in the DC Governance Statement on page 16.

Partial pensioner buy-in

On 31 August 2016 the Trustees entered into a bulk annuity buy-in policy with Just Retirement Limited; the policy covers the majority of pensioners under the age of 70 as at 29 July 2016, excluding members with a benefit value of under £30,000 who may be eligible for a trivial commutation lump sum. Assets were disinvested from Legal & General Investment Management, Standard Life Investments, Pyrford International and BMO Global Asset Management to meet the premium payable.

Review of AVC providers

The Trustees undertook a review of AVC providers during the period, and decided to transfer members' policies from Friends Life to Legal & General; this transfer took place in March 2017. No costs were incurred by members.

Contracting out

Following the Scheme's closure to accrual, the Scheme ceased to be contracted out with effect from 5 April 2012.

Financial Development

The Financial Statements on pages 22 to 36 have been prepared and audited in accordance with the Regulations made under Section 41 (1) and (6) of the Pensions Act 1995. They show that the value of the fund decreased from £369,920,000 at 31 March 2016 to nil at 30 September 2017 due to the transfer of assets to the Amey OS Pension Scheme.

Pension increases

Pensions in payment are increased annually on 1 April by 5% or by the increase in retail price index if less. The actual rate of increase on 1 April 2017 in accordance with the Rules was 2.6% (2016: 1.3%) for Amey

DB members (based on January RPI) and 2.0% (2016: 0.8%) for Comax DB members and Amey DB members becoming pensioners after 1 June 2010 (based on September RPI). This increase does not apply to any Guaranteed Minimum Pension, which was earned in respect of service before April 1988.

Calculation of transfer values

Members have the option to transfer the value of their benefits under the Scheme to another scheme or to an insurance contract. Discretionary benefits are not included in the calculation of transfer values.

Transfer values, when paid by the Scheme, are calculated and verified as required under section 97 of the Pension Schemes Act 1993. In December 2016, having received an Insufficiency Report from the Scheme Actuary the Trustees decided that Cash equivalents should be reduced by 6%, for all Cash Equivalent Transfer Value quotations provided on or after 30 January 2017

Report on Actuarial Liabilities

Actuarial position of the Scheme

A valuation report was not prepared as at 31 March 2017, as a full valuation was due with effect from that date; this has been taken forward by the AOS Actuary.

Under Section 224 of the Pensions Act 2004, every scheme is subject to the Statutory Funding Objective, which is to have sufficient and appropriate assets to covers its technical provisions. The technical provisions represent the present value at the valuation date of the benefits members are entitled to – this benefit is based on their service in the Scheme. This is assessed using the assumptions agreed between the Trustees and the Principal Employer and is set out in the Statement of Funding Principles, which is available to Scheme members on request.

An actuarial valuation of the Scheme is required at least triennially. The most recent full actuarial valuation of the Scheme was carried out as at 31 March 2014 and since then an annual funding update as at 31 March 2016 was carried out on a consistent basis. These showed:

	Valuation at 31 March 2016	**Valuation at 31 March 2014**
The value of technical provisions was	(£453.8m)	(£372.5m)
The value of assets was	£340.4m	£308.3m
Shortfall	(£113.4m)	(£64.2m)
Funding level	75%	83%

The main reason the Scheme was less well funded as at 31 March 2016 was that, although the market value of the Scheme assets had increased and the receipt of deficit payments from the Company, the expected cost of future pension provision had also increased due to a fall in the returns available on gilts.

Following the valuation the Trustees and the Principal Employer agreed to correct the funding shortfall of £64.2m by the payment of the following contributions by the Company:

- £904,200 per month by the end of each month from April 2014 to December 2015 inclusive (i.e. 21 payments); and
- £806,850 per month by the end of each month from January 2016 to July 2021 inclusive (i.e. 67 payments).

The Trustees and the Principal Employer also agreed that the Company will make the following additional deficit recovery contributions, to reflect in part the increase in the deficit resulting from post-valuation changes in market conditions:

- £806,850 per month by the end of each month from August 2021 to December 2023 inclusive (i.e. 29 payments).

The Actuarial Certificate in relation to the Schedule of Contributions is shown on page 38 of the Annual Report.

If the Company goes out of business or decides to stop contributing to the Scheme, the Scheme may be "wound-up" and the Company could be required to pay additional money to buy all members' benefits from an insurance company. The comparison of the Scheme's assets to the cost of buying the benefits from an insurance company is known as the "buy-out position". A pension scheme's buy-out position will often show a larger shortfall than the standard actuarial valuation as insurers are obliged to take a very cautious view of the future, and they also need to make a profit.

The actuarial valuation at 31 March 2014 showed that the Scheme's assets would not have been enough to buy all members' benefits from an insurance company, as the "buy-out" position at that date was:

Estimated cost of buying benefits with an insurance company	(£522.7m)
The value of assets was	£308.3m
Buy-out position shortfall	(£214.4m)

The fact that there was a shortfall at the last valuation has not affected the pensions paid from the Scheme and all members who have retired have received the full amount of their pension.

Actuarial Method

The actuarial method used in the calculation of the technical provisions is the Projected Unit Method.

Significant technical provisions assumptions

The main financial assumptions underlying the valuation calculations as at 31 March 2014 and the update at 31 March 2016 were:

Assumption (single equivalent rates)	**Valuation at 31 March 2016**	**Valuation at 31 March 2014**
Rate of return from gilts	2.19% pa	3.51% pa
Discount rates:		
Pre-retirement	4.19% pa	5.51% pa
Post-retirement	2.69% pa	4.01% pa
Rate of price inflation:		
Retail price inflation ("RPI")	3.14% pa	3.58% pa
Consumer price inflation ("CPI")	2.34% pa	2.78% pa

Further details of the assumptions are described below:

Pre-retirement discount interest rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 2.0% pa representing a prudent allowance for the expected out-performance of the portfolio of higher risk assets held to back benefits not currently in payment.

Post-retirement discount interest rate: term dependent rates set by reference to the fixed interest gilt curve (as derived from Bank of England data) at the valuation date plus an addition of 0.5% pa representing a prudent allowance for the expected out-performance of the portfolio of bonds assumed to be held to back pensions in payment.

Future Retail Price inflation: term dependent rates derived from the Bank of England fixed interest and index-linked gilt curves at the valuation date.

Future Consumer Price inflation: term dependent rates derived from the assumption for future retail price inflation less an adjustment equal to 0.8% per annum.

Pension increases: derived from the term dependent rates for future price inflation allowing for the caps and the floors on pension increases according to the provisions in the Scheme rules and for assumed inflation volatility.

Pre-retirement and post-retirement mortality: 90% of the standard S2NA tables and allowance for improvements in line with CMI 2013 core projections with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females.

Membership

Details of the membership of the Scheme are given below:

Pensioners	DB Section	DC Section	**2017**	2016
Pensioners at the start of the year	1,414	-	**1,414**	1,370
Wind up lump sum	(70)	-	**(70)**	-
Bulk transfer out	(1,411)	-	**(1,411)**	-
Members with preserved benefits reaching retirement	80	-	**80**	59
Spouses and dependants	19	-	**19**	17
Pensioners who died	(31)	-	**(31)**	(27)
Dependants who died	-	-	**-**	(1)
Cessation of pension	(1)	-	**(1)**	(4)
Pensioners at the end of the year	-	-	**-**	1,414

Members with preserved benefits	DB Section	DC Section	**2017**	2016
Members with preserved benefits at the start of the year	1,825	1,170	**2,995**	3,127
Adjustments	-	1	**1**	1
Wind up lump sums	(36)	-	**(36)**	-
Bulk transfer out	(1,690)	(1,144)	**(2,834)**	-
Deferred members becoming pensioners	(80)	-	**(80)**	(59)
Transfers out	(17)	(15)	**(32)**	(42)
Deaths	(2)	(2)	**(4)**	(4)
Maturities	-	(10)	**(10)**	(28)
Members with preserved benefits at the end of the year	-	-	**-**	2,995
Total membership at the end of the year	-	-	**-**	4,497

36 preserved members and 70 pensioners in the Scheme at 30 April 2017 chose not to transfer into the Amey OS Pension Scheme and were paid out a winding up lump sum instead.

Investment Report
For the period ended 30 September 2017

Trustees' Investment Principles

The Trustees have produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. A copy of the Statement is available on request. All investments made during the period were in accordance with this Statement.

The main priority of the Trustees when considering the investment policy for the DB section is to ensure that the promises made about members' pensions may be fulfilled. The main priority of the Trustees when considering the investment policy for the DC section is to make available investment funds which serve to meet the varying investment needs and risk tolerances of the Scheme members.

The Trustees cannot usually directly influence the managers' policies on social, environmental and ethical factors where the Trustees hold assets in pooled funds. This is due to the nature of these investments.

The Trustees cannot usually directly influence the managers' policies on the exercise of investment rights where assets are held in pooled funds; this is due to the nature of these investments. The Trustees understand that investment rights will be exercised by the investment managers in line with the managers' general policies on corporate governance, which reflect the recommendations of the UK Stewardship Code issued by the Financial Reporting Council, and which are provided to the Trustees from time to time, taking into account the financial interests of the beneficiaries.

There is a degree of delegation of responsibility for investment decisions. The investment strategy is agreed by the Trustees after taking appropriate advice. Subject to complying with the agreed strategy, which specifies the target proportions of the fund which should be invested in the principal market sectors, the day-to-day management of the Scheme's asset portfolio, which includes full discretion for stock selection, is the responsibility of the investment managers.

Investment Strategy and Objectives

In the quarter following 31 March 2017, the assets and liabilities of the DB section of the Amey Pension Scheme were transferred into the Amey OS Pension Scheme; because of this the performance reports in the tables below refer to the year ended 31 March 2017 as this was the last completed quarter.

DB section

Over the year to 31 March 2017, the Trustees' main objectives for the DB Section were that:

- the Scheme should be able to meet benefit payments as they fall due; and
- the Scheme's funding position (i.e. the value of its assets relative to the assessed value of its liabilities) should remain at an appropriate level. The Trustees are aware that there are various measures of funding, and have given due weight to those considered most relevant to the Scheme.

The assets of the DB Section were:

- a bulk annuity policy that insures the benefits of a subset of the pensioners and dependants of the Scheme (ie those under age 70 as at 29 July 2016); and
- the invested assets of the Scheme.

As at 31 March 2017, the investment strategy for the invested assets of the DB Section was based on allocations to three portfolios as follows:

- a 35% allocation to **return-seeking assets**, consisting of investments in pooled equity funds that aim to perform broadly in line with global equity markets;

- a 25% allocation to **medium risk assets**, consisting of investments in pooled diversified growth funds ("DGFs") that seek to deliver positive investment returns in all market conditions with relatively low volatility and a private credit fund that aims to generate income (providing support to meet short-term benefit payments) by lending to small and medium sized companies; and
- a 40% allocation to **matching assets**, consisting of investments in pooled liability driven investment ("LDI") funds, an inflation opportunities fund and cash. This portfolio seeks to hedge against the risk that higher inflation or lower interest rates cause an increase in the value of the Scheme's liabilities.

The investments of the Scheme within the Defined Benefit Section were managed during the year under review by Legal & General Investment Management Limited ("L&G"), Franklin Templeton Investments ("Franklin Templeton"), Hayfin Capital Management LLP ("Hayfin"), M&G Investments ("M&G"), Standard Life Aberdeen ("Standard Life"), Baillie Gifford Life Limited ("Baillie Gifford"), Pyrford International ("Pyrford") and BMO Global Asset Management ("BMO"). The Scheme also has a buy-in policy provided by Just Retirement Limited ("Just Retirement").

Ahead of the EU Referendum in June 2016, the Trustees decided to complete the remaining monthly switches from the BMO cash fund to the BMO LDI funds. This increased the Scheme's interest rate and inflation hedging levels to around 50%.

Over the year, the Trustee also completed a buy-in to insure a subset of pensioners, which was partially funded by a full redemption from the Franklin Templeton Global Bond Fund. In addition, a commitment of £42m was made to a private credit mandate managed by Hayfin, and a total of approximately £10m had been drawn as at 31 March 2017.

DC section

At the start of the period the Scheme had a DC section comprising two separate DC arrangements; the Amey Saver Plan ("ASP") and the Comax Money Purchase ("CMP"). In November 2016, members in the ASP were transferred from their arrangements with Friends Life to Legal & General's ("L&G") Master Trust. Members in the CMP were transferred to L&G's Master Trust in June 2017. In respect of each member, the employer and members formerly paid contributions at an agreed rate into an account for that member. The Trustees' primary objectives for the ASP and CMP (prior to the transfer to L&G), are to provide members with access to an appropriate range of investment options, reflecting the membership profile of the DC section and the variety of ways that members can draw their benefits in retirement; and a default investment option that the Trustees believe to be reasonable for those members who do not wish to make their own investment decisions.

Each member is responsible for specifying one or more funds for the investment of their account, having regard to their attitude to the risks involved. If a member did not choose an investment option, their account was invested into the default option. The objective of the default option is to generate returns significantly above inflation whilst members are some distance from retirement, but then to switch automatically and gradually to lower risk investments as members near retirement.

The default option for the ASP prior to the move to L&G targeted cash withdrawal at retirement, since the Trustees believed that most members would wish to take their benefits in this form. The Trustees decided that the default option would continue to target cash withdrawal at retirement following the move to L&G. Therefore, in the initial growth phase the default option is invested in L&G's Multi-Asset Fund, which aims to provide long-term investment growth through exposure to a diversified range of asset classes, and then in the 3 years before retirement, assets are switched gradually into less risky assets, with the asset allocation at retirement being designed to be appropriate for members taking cash withdrawal. The default option for CMP following the transfer to L&G also targets cash withdrawal at retirement, utilising the same strategy as for ASP.

The investments available under the DC Section (ASP and CMP) were provided by Friends Life (formerly Winterthur Life UK Limited and latterly rebranded Aviva), L&G and BlackRock respectively.

Overall Scheme performance

The Scheme's assets returned 21.3% over the year as a result of:

- The Scheme's return-seeking assets returning 22.0%;
- The Scheme's medium risk assets returning 6.4%; and
- The Scheme's matching assets returning 36.4%.

Investment markets over the year to 31 March 2017 were partly driven by political events, with the UK's vote to leave the European Union ("EU") closely followed by the election of Donald Trump as US president. Article 50 was also subsequently triggered on 28 March 2017, signalling the beginning of "Brexit" negotiations.

After the UK's vote to leave the EU, Sterling fell to near-record lows and the IMF (International Monetary Fund) and OECD (Organisation for Economic Co-operation and Development) lowered the UK's economic growth forecasts. The Bank of England responded by further cutting interest rates (from 0.5% pa to 0.25% pa).

In the US, the Federal Reserve raised base interest rates twice over the 12 month period, reaching 1% pa in March 2017, following rising inflation expectations and US equity markets as a result of Trump's "pro-growth" reforms.

Despite a slow start, continued quantitative easing from the European central bank and a rejection of populism in major European elections (e.g. the Dutch election) subsequently contributed to improved European economic indicators over the period. European business surveys rose to their highest level in over five years and consumer confidence recovered to levels near those seen before the 2008 financial crisis.

Emerging market equities have generally performed strongly over the last twelve months despite fears over a slowdown in Chinese economic growth. In addition, a reduction in current account deficits in a number of regions has reduced vulnerability to a rising US Dollar. Commodity-exporting countries like Brazil, Russia and South Africa also benefitted from an upturn in commodity prices. The performance of Japanese equities was dampened over the year, partially due to a strong Yen reducing the competitiveness of the country's exports.

Improved global economic growth supported the Scheme's global equity investments, which returned 22.0% over the year. Positive equity market performance also boosted returns of the Scheme's investment in the Baillie Gifford DGF (returning 10.3% over the year) and the Pyrford DGF (returning 8.8% over the year), which typically have a material allocation to equities.

The Standard Life DGF (which typically aims to generate returns using less "traditional" investment strategies) produced a smaller positive return of 1.3% over the year. Relative positions favouring US banks detracted from returns as US base rate rises were slower than expected. In addition, positions favouring larger companies over small companies in the US also detracted from returns, as domestically focussed businesses benefitted from improved US economic prospects.

Overall, UK government bond yields fell over the period. Yields did begin to rise towards the end of 2016, with markets appearing more optimistic over the global economic outlook. However, yields subsequently fell again in the first quarter of 2017, with the build up to Article 50 and doubts over Trump's fiscal authority creating uncertainty.

The Scheme's LDI portfolio (which primarily consists of leveraged government bonds) provided protection against the impact of movements in bond yields on the Scheme's liabilities over the period. In particular, BMO's Real LDI fund produced a return of 50.5%, BMO's Short Profile Real Dynamic LDI fund produced a return of 53.1% and BMO's Nominal Dynamic LDI fund produced a return of 34.3%.

By the end of September 2016, property markets had started to recover from initial fears relating to the impact of "Brexit" on the UK market. This recovery continued into 2017 with property transaction volumes recovering more quickly than expected. Long-lease property markets were generally less impacted by "Brexit" due to the longer-term nature and greater reliance on income to generate returns (as opposed to capital values). The Scheme's investment in the M&G inflation opportunities fund (which includes allocations to both commercial and long-lease property) generated positive returns of 14.8% over the year to 31 March 2017.

The Hayfin private credit mandate is in the process of deploying capital, which remains in line with Hayfin's expectations at the time of appointment.

Review of investment performance

All performance figures shown are net of annual management fees, unless otherwise stated, as at 31 March 2017 and are sourced directly from the investment providers.

Defined Benefit Section

The table below shows the performance of the Scheme's invested assets over periods to 31 March 2017. Performance is shown net of fees unless stated otherwise.

	1 Year %		3 Year % p.a.		5 Year % p.a.	
	Fund	**B'mark**	**Fund**	**B'mark**	**Fund**	**B'mark**
L&G Equities[1]	22.0	22.0	8.4	8.3	10.0	10.1
Franklin Templeton Bonds[2]	-1.9	3.7	-2.5	1.4	1.4	1.6
Standard Life DGF[3]	1.3	4.9	2.1	5.0	-	-
Baillie Gifford DGF[4]	10.3	3.8	5.4	4.0	-	-
Pyrford DGF[5]	8.8	8.3	5.7	6.9	-	-
M&G Inflation Opportunities[6]	14.8	5.7	12.5	4.4	-	-
BMO Real Dynamic LDI[7]	50.5	55.5	-	-	-	-
BMO Short Real Dynamic LDI[7]	53.1	60.2	-	-	-	-
BMO Nominal Dynamic LDI[7]	34.3	39.6	-	-	-	-
BMO Cash[7]	0.4	0.2	-	-	-	-
Total Scheme[8]	21.3	22.1	10.3	9.9	9.2	9.1

Source: Investment Managers

[1] *Performance shown gross of fees.*
[2] *The Scheme fully disinvested from Franklin Templeton on 8 July 2016. As such, performance is shown to 8 July 2016.*
[3] *Benchmark is to outperform 6 month LIBOR by 4.3% (after fees) over rolling three year periods. The inception date is 20 June 2013 therefore 5 year performance is not available.*
[4] *Benchmark is to outperform UK Bank of England base rate by 3.5% pa (after fees) over rolling five year periods. The inception date is 11 June 2013 therefore 5 year performance is not available.*
[5] *Performance has been adjusted to allow for the 0.35% pa fee rebate agreed between Pyrford and the Scheme. Benchmark is to outperform the UK RPI inflation index by 4.35% (after fees). The inception date is 11 October 2013 therefore 5 year performance is*

not available.
[6] *The inception date for M&G is 2 April 2013, therefore 5 year performance is not available.*
[7] *Performance shown gross of fees. The inception date for BMO is 6 August 2015 therefore longer term performance for the Scheme is not available.*

Defined Contribution Section

The DC section of the Scheme makes available an appropriate range of both active and passive funds for members. The actively managed funds are expected to provide performance that differs from their respective benchmarks.

The table below shows the performance of the ASP assets over periods to 30 September 2016, the quarter-end prior to the transfer to L&G. Performance is shown before the deduction (i.e. gross) of fees.

	1 Year %		3 Years % p.a.		5 Years % p.a.	
Amey Saver Plan	**Fund**	**B'mark**	**Fund**	**B'mark**	**Fund**	**B'mark**
Baillie Gifford Managed Fund	22.8	15.4	9.8	7.0	12.7	9.2
BlackRock Aquila Life Market Advantage Fund	9.8	0.5	6.0	0.6	5.9	0.6
BlackRock Aquila UK Over 15 Year Gilt Fund	23.4	23.0	16.2	16.0	11.2	11.0
BlackRock Aquila UK Over 5 Year Index Linked Gilt Fund	27.0	27.0	16.0	16.0	11.9	11.8
BlackRock Aquila Hist Priced Cash	0.6	0.3	0.5	0.4	0.6	0.4
BlackRock Aquila Consensus Managed Fund	21.6	21.9	9.5	9.6	11.6	11.6
BlackRock Aquila Global Equity 50/50	23.1	23.4	9.7	9.6	13.0	13.1
BlackRock Aquila UK Equity Index Fund	16.3	16.8	6.5	6.6	11.0	11.0
BlackRock Aquila World ex UK Index Fund	31.5	31.4	15.0	14.8	16.7	16.5
Liontrust UK Growth Fund	27.9	16.8	12.5	6.6	15.1	11.0
M&G Corporate Bond Fund	13.5	12.2	8.8	7.1	8.8	7.4
Threadneedle Pension Property Fund	-2.2	3.4	10.6	11.6	9.3	8.1
HSBC Amanah Global Equity Index (ex NLD) Fund	35.6	33.8	16.3	17.0	16.4	16.9
Schroder Global Emerging Markets Fund	38.7	36.2	8.4	7.0	9.3	6.8
L&G Pre-Retirement Fund	20.1	20.1	12.2	12.1	10.0	9.9
BMO Responsible UK Income Fund	9.7	16.8	9.3	6.6	13.8	11.0

Source: Friends Life

The table below shows the performance of the CMP assets over periods to 31 March 2017, the quarter-end prior to the transfer to L&G. Performance is shown before the deduction (i.e. gross) of fees.

Comax Money Purchase	1 Year %		3 Years % p.a.		5 Years % p.a.	
	Fund	B'mark	Fund	B'mark	Fund	B'mark
Legal & General:	12.3	12.3	14.1	14.1	9.2	9.2
Over 15 Year Gilts Index Fund	19.4	19.3	9.4	9.3	9.5	9.5
Consensus Index Fund	27.4	27.2	11.7	11.5	12.3	12.1
Global Equity 50:50 Index Fund	0.3	0.2	0.4	0.3	0.4	0.3
Cash Fund						
BlackRock:	27.3	27.3	12.2	11.6	13.2	12.1
Global Equity 50:50 Fund	12.3	12.3	14.1	14.1	9.2	9.2

Source: Investment managers

AVCs

The Scheme has AVC policies with the Equitable Life Assurance Society, Friends Life and Prudential Assurance Company Limited and Legal & General; the AVC policies formerly held with Friends Life were transferred to Legal & General in March 2017.

Custodial arrangements

The Scheme's assets are invested in a range of pooled arrangements. The Scheme's investment managers appoint the custodians of the pooled funds to carry out the safekeeping of assets, monitoring and reconciliation of documentation relating to the ownership of the underlying investments.

The Trustees are responsible for ensuring the Scheme's assets continue to be securely held. They review the custodian arrangements from time to time and the Scheme auditors are authorised to make whatever investigations they deem are necessary as part of the annual audit procedure.

Basis of investment manager's fees

The investment managers are remunerated on a fee basis which is reviewed periodically by the Trustees.

Statement of Trustees Responsibilities for the Financial Statements

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

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year, in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and

- contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the financial statements have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised November 2014).

- Are prepared on the going concern basis unless its appropriate to presume that the Scheme will not continue on that basis.

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

The Trustees are also responsible for making available certain other information about the Scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing rates of contributions payable towards the Scheme by or on behalf of the Employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

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

The Trustee report is signed on behalf of the Trustees by

---------------------- Trustee

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Date:
26th January 2018

DC Governance Statement for the period ended 30 September 2017

1. Introduction

Details of the Scheme's DC arrangements are set out on page 10 of this report.
This Governance Statement sets out how the Trustees embraced statutory governance standards which are central to the running of the Scheme recognising the importance of robust governance and adopting good practice standards.

As reported in last year's Governance Statement, the Trustees carried out a review of the DC Section and concluded that in the best interests of members the members' funds should be transferred to the Legal & General Master Trust (the Master Trust). The transfer of ASP members to the Master Trust took place in November 2016, and that of CMP members in June 2017. The reasons for the transfer were set out in letters to the members.

2. Governance of the default investment arrangement

Before the transfer to the Master Trust, over 90% of Scheme members participated in the default investment strategy. The default strategy was designed to provide to members a lower level of exposure to investment risk as they proceeded towards retirement, something that is commonly referred to as a 'lifestyle' approach where the member's fund is de-risked closer to retirement.

One of the Trustees' key responsibilities was to ensure that, based on the aims and objectives of the default arrangement the default strategy was designed in the best interests of all members. This duty and other governance issues relating to the default arrangement are explained in our Statement of Investment Principles. Details of the default arrangements are provided on page 10 of this report.

To help ensure that the default arrangement, as well as the self-select investments, continued to be appropriate to the Scheme's membership, the Trustees regularly reviewed their suitability. This took into account the range of investments, their risk profiles and the demographics of Scheme members. The Trustees also made sure that all the investments options were clearly labelled.

As reported last year, during the year ended 31 March 2016 a review of the default arrangements and net performance against the longer term default strategy was completed by the Trustees. The review included consideration of the following:

- Ongoing suitability, governance arrangements and objectives;
- Default investment strategy; and
- Design of the default arrangement including the suitability of underlying investments.

Following the review, changes were made to the default arrangement, and the description of the default strategy on page 10 reflects these changes.

Each quarter the net performance of funds underlying the default arrangement was reviewed by the Trustees with input from the Scheme's investment managers.

3. Administration

The Trustees are required to report about the processes and controls in place in relation to the processing of "core financial transactions". The law specifies that these include the following:

- transferring assets related to members into or out of the Scheme;
- transferring assets between different investments within the Scheme; and
- making payments from the Scheme to or on behalf of members.

The Trustees must ensure that these important financial transactions are processed promptly and accurately: in practice this is delegated responsibility to the Scheme administrators. The Scheme administration was delivered by Friends Life (for ASP) and RPMI (for CMP).

The Scheme administrators provided regular reports to the Trustees which allowed assessment of how quickly and effectively the core scheme financial transactions were completed. Any mistakes or delays were investigated thoroughly and action taken to put things right as quickly as possible.
To help gain assurances that administration was dealt with promptly and accurately the Trustees undertook the following exercises with input from the administrators:

- Monitored services against service level agreements;
- Reviewed administration reports on a quarterly basis; and
- Reviewed the annual administration assurance reports obtained by RPMI.

In respect of CMP members the Trustees were confident that the processes and controls in place with the administrator were robust and ensured that the financial transactions which are important to members are dealt with properly. In respect of ASP members, as reported last year, the Trustees were dissatisfied with the service levels provided by Friends Life, and this was a contributing factor in the Trustees' decision to transfer the members to the Master Trust.

4. Costs and charges
CMP members do not pay any of the direct charges arising from their Scheme membership.

Transaction costs and charges borne by ASP members may have a significant impact on their pension savings, so it was important that the Trustees kept the levels of these deductions under review.

On an annual basis the Trustees assessed the level of annual management charges ("AMCs") and, as far as is possible, the level of transaction costs borne by members. This assessment included all investments selected by members, i.e. the default arrangement and self-select investment options.

The AMCs for the funds making up the ASP default strategy were as follows. The Trustees are not able to state the level of transaction costs incurred by members. The Trustees do not intend to seek further information in this respect due to the decision to transfer the members to another scheme.

Fund	AMC %
BlackRock Aquila (50:50) Global Equity	0.38
BlackRock Aquila Over 5 Year UK Index Linked Gilt	0.43
BlackRock Aquila Cash	0.43
BlackRock Aquila Life Market Advantage (white labelled as the APS Long term growth fund)	0.68

The full range of available funds is listed on page 10 of the report; the AMCs range from 0.43% to 1.38%.

During a review of CMP members' investment choices, it came to light that AMCs had been deducted in error from certain members' funds over a number of years. In the light of legal advice that there was no power within the rules to make such deductions, compensation payments were calculated by LCP for all the then current members of the section, and these payments were implemented as part of the transfer to the Master Trust. Ex gratia payments were also made to the members who had transferred out or retired between the point of calculation by LCP and the closure of the CMP section, and in so far as they could be traced, to those members who had retired since RPMI took over the administration of the Scheme in 2011.

The Trustees took the view that it would not be possible to calculate rectification payments due to members who had retired before RPMI took over the administration of the Scheme as the data transferred from the previous administrators, Mercer, was insufficient for this purpose. However, they agreed in principle that if any such former member became aware of the payments made to other former members and was able to provide adequate information about their former scheme membership to enable an approximate calculation to be made, then an ex gratia compensation payment would be made, and the relevant information has been disclosed to the AOS Trustee as part of the transfer of liabilities to that Scheme.

Good value for members

As part of the Trustees assessment of transaction costs and charges consideration was given to the extent to which they offered good value to members. The assessment took into account the range of member deductions including those associated with administration (including member communications), investment management and investment governance and the quality of Scheme stewardship, reflecting on the nature of benefits provided and service quality. The assessment therefore considered the benefits of membership in the Scheme against costs of membership.

The Trustees' review of the ASP (referred to in the introduction) concluded that although the AMCs paid by members were competitive, other aspects of Scheme membership in particular the quality of administration and the range of retirement options available did not represent best value for members, leading to the decision to transfer these members to the Master Trust. The Trustees' review of the CMP concluded that although the members paid no charges, other aspects of Scheme membership, in particular the limited choice of investment funds and the range of retirement options available, did not overall represent best value for members, leading to the decision that they too should be transferred to the Master Trust, with additional payments, calculated by the Scheme Actuary, to compensate them against future charges.

5. Trustee knowledge and understanding ("TKU")

Upon appointment and on an ongoing basis, Trustees of the Scheme were required to maintain appropriate levels of trustee knowledge and understanding, both individually and collectively. This was managed in a number of ways including:

- All Trustees were required to complete the Pensions Regulator's eLearning trustee toolkit;
- Regular training sessions by the Scheme Actuary and other Scheme advisers were included in the Trustee meeting schedule; and
- Attending seminars and pensions events.

In addition to the skills within the trustee board, the Trustees also appointed a number of professional advisers who provided specialist support and advice. This included the Scheme's Legal Adviser, Actuary, Auditors and Investment Consultant. Pooling all these resources meant that the trustee board was well equipped to exercise its functions as Trustees and managed the Scheme effectively.

Signed:

Chairman of the Amey Pension Scheme Trustees

Date: 26th January 2018

Independent Auditor's report to the Trustees of the Amey Pension Scheme

Opinion

We have audited the financial statements of Amey Pension Scheme for the period ended 30 September 2017 which comprise the Fund Account, the Statement of Net Assets and the related 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).

This report is made solely to the scheme's trustees, as a body, in accordance with Regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the scheme's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the scheme's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the period ended 30 September 2017, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the 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 draw your attention to note 1 where it is disclosed that this Scheme is being merged as at 30 September 2017 and therefore these accounts are being prepared on a cessation basis. Our opinion is not modified in this respect.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the statement of Trustees' responsibilities set out on page 15, the trustees are responsible for the preparation of the financial statements, for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are 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 trustees either intend to wind up the scheme or have 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

Date: 26 January 2018

Independent Auditor's statement about contributions to the Trustees of the Amey Pension Scheme

Statement about contributions payable under the schedule of contributions

We have examined the summary of contributions payable to the Amey Pension Scheme, for the scheme period ended 30 September 2017 which is set out on page 37.

Except for the late contributions detailed in the summary of contributions on page 37, in our opinion contributions for the Plan period ended 30 September 2017 have in all material respects been paid at least in accordance with the Payment Schedule dated 10 June 2015.

Basis of opinion

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

Responsibilities of trustees

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

Auditor's responsibilities for the statement about contributions

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

Use of our statement

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

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditor
London

26 January 2018

Fund Account
For the period ended 30 September 2017

	Notes	DB section 2017 £000	DC section 2017 £000	Total 2017 £000	DB section 2016 £000	DC section 2016 £000	Total 2016 £000
Contributions and Benefits							
Employer contributions		**10,901**	-	**10,901**	10,906	-	10,906
Employee contributions		**34**	-	**34**	44	-	44
Total contributions	3	**10,935**	-	**10,935**	10,950	-	10,950
Transfer in	4	**46**	-	**46**	-	-	-
Other income	5	**3**	-	**3**	3	-	3
		10,984	-	**10,984**	10,953	-	10,953
Benefits paid or payable	6	**(11,296)**	**(246)**	**(11,542)**	(8,011)	(642)	(8,653)
Payments to and on account of leavers	7	**(417,123)**	**(29,167)**	**(446,290)**	(4,341)	(790)	(5,131)
Other payments	8	-	-	-	(17)	-	(17)
Administration expenses	9	**(1,605)**	**(37)**	**(1,642)**	(1,009)	-	(1,009)
		(430,024)	**(29,450)**	**(459,474)**	(13,378)	(1,432)	(14,810)
Net (withdrawals)/additions from dealings with members		**(419,040)**	**(29,450)**	**(448,490)**	(2,425)	(1,432)	(3,857)
Returns on investments							
Investment income	10	**3,293**	-	**3,293**	2,248	-	2,248
Change in market value of investments	12	**73,036**	**3,071**	**76,107**	(5,000)	(1,144)	(6,144)
Investment management expenses	11	**(519)**	**(311)**	**(830)**	(422)	(10)	(432)
Net return on investments		**75,810**	**2,760**	**78,570**	(3,174)	(1,154)	(4,328)
Net (decrease)/increase in fund during the year or period		**(343,230)**	**(26,690)**	**(369,920)**	(5,599)	(2,586)	(8,185)
Transfers between sections	20	-	-	-	1,088	(1,088)	-
Opening net assets of the Scheme		**343,230**	**26,690**	**369,920**	347,741	30,364	378,105
Closing net assets of the Scheme		-	-	-	**343,230**	**26,690**	**369,920**

The notes on Pages 24 to 36 form part of these Financial Statements.

Statement of Net Assets available for benefits

	Notes	30 September 2017 £	31 March 2016 £
Defined Benefit section			
Investment assets	12		
Pooled investment vehicles		-	339,234
AVC investments		-	2,824
Total investments		-	342,058
Current assets	18	-	1,637
Current liabilities	19	-	(465)
Closing net assets of the Defined Benefit section		-	343,230
Defined Contribution section			
Investment assets	12		
Pooled investment vehicles		-	26,684
Total investments		-	26,684
Current assets	18	-	8
Current liabilities	19	-	(2)
Closing net assets of the Defined Contribution section		-	26,690
Total net assets of the Scheme		-	369,920

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme period. The actuarial position of the Scheme, which takes into account such obligations for the defined benefit section, is dealt with in the Report of Actuarial Liabilities on page 5 and these financial statements should be read in conjunction with this report.

The notes on Pages 24 to 36 form part of these financial statements.

The financial statements on pages 22 to 36 were approved by the Trustees on 26th January 2018

Signed on behalf of the Trustees

---------------------- Trustee

---------------------- Trustee

1. BASIS OF PREPARATION

These Financial Statements have been prepared as at 30 September 2017 in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (2015). They have been prepared on the cessation basis as the Scheme has been merged as at 30 September 2017 as disclosed in note 7 in the accounts.

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

2. ACCOUNTING POLICIES

The principal accounting policies are set out below.

2.1 Accruals concept

The financial statements have been prepared on an accruals basis.

2.2 Valuation of investments

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

The AVC investments include insurance policies with The Equitable Life Assurance Society, Friends Life (formerly Friends Provident and Winterthur Life UK Limited) and Prudential Assurance Company Limited. The market value has been taken as the surrender values of the policies of assurance at the year end, as advised by the AVC providers.

The Scheme has purchased annuity policies to cover certain pensions in payment. The cost of acquiring these assets is included in the Statement of Net Assets in the period of purchase and represents the cost of discharging the obligations of the Scheme to the relevant members at the time of purchase. Annuities have been valued by the Scheme Actuary on the Scheme funding basis, determined using the most recent Scheme Funding valuation assumptions updated for recent market conditions.

2.3 Contributions and benefits

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

Augmentations are accounted for in accordance with the agreement under which they are received or, in absence of an agreement, on a receipts basis.

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

PPF Levies are paid by the Scheme when they fall due and then reimbursed by the Employer.

2.4 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.

2.5 Other income

Interest on bank deposits is accounted for as it accrues.

2.6 Administrative and investment management expenses and other payments

Administrative and investment management expenses and other payments are accounted for on an accruals basis.

3. CONTRIBUTIONS

	Period ending 30 September 2017		
	DB Section £000	DC Section £000	Total £000
Contributions from employer:			
Deficit funding	10,489	-	**10,489**
Reimbursement of merger costs	107	-	**107**
Reimbursement of PPF Levy	305	-	**305**
	10,901	-	**10,901**
Contributions from employees:			
AVCs	34	-	**34**
	34	-	**34**

	Year ended 31 March 2016		
	DB Section £000	DC Section £000	Total £000
Contributions from employer:			
Deficit funding	10,558	-	**10,558**
Reimbursement of PPF Levy	330	-	**330**
Augmentations	18	-	**18**
	10,906	-	**10,906**
Contributions from employees:			
AVCs	44	-	**44**
	10,950	-	**10,950**

In accordance with the Schedule of Contributions, amounts have been received to reduce the scheme deficit. £10.85m is due each year from January 2013 to December 2015 inclusive, and £8.23m from January 2016 to April 2023 inclusive.

4. TRANSFERS IN

	2017		
	DB Section £000	DC Section £000	Total £000
Transfers in	**46**	-	**46**

This is in respect of partial AVC transfers in of existing members.

5. OTHER INCOME

	Period ending 30 September 2017		
	DB Section £000	DC Section £000	Total £000
Interest on cash held by Trustees	**3**	-	**3**

	Year ended 31 March 2016		
	DB Section £000	DC Section £000	Total £000
Interest on cash held by Trustees	**3**	-	**3**

6. BENEFITS PAID OR PAYABLE

	Period ending 30 September 2017		
	DB Section	DC Section	Total
	£000	£000	£000
Pensions	7,605	-	**7,605**
Commutation of pensions and lump sum retirement benefits	3,679	207	**3,886**
Pension sharing orders	-	-	-
Lump sum death benefits from preserved	12	39	**51**
Lump sum death benefits from retirement	-	-	-
	11,296	**246**	**11,542**

The Scheme purchased annuities from Just Retirement to cover a subset of pensions in payment.

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Pensions	6,245	-	**6,245**
Commutation of pensions and lump sum retirement benefits	1,371	581	**1,952**
Pension sharing orders	241	-	**241**
Purchase of annuities	-	61	**61**
Lump sum death benefits from preserved	134	-	**134**
Lump sum death benefits from retirement	20	-	**20**
	8,011	**642**	**8,653**

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Period ending 30 September 2017		
	DB Section	DC Section	Total
	£000	£000	£000
Refunds to members	-	4	**4**
Individual transfers out to other schemes	6,588	-	**6,588**
Transfer of Scheme assets following merger	410,535	29,163	**439,698**
	417,123	**29,167**	**446,290**

The assets and liabilities of the DB section were transferred to the Amey OS Pension Scheme following the merger which was agreed on 30 April 2017. The bulk transfer out includes the following accounted for at the value at physical date of transfer:

Investments assets	**£000**
Pooled investment vehicles	298,434
Insurance policies	109,300
AVCs	649
	408,382
Current assets	**2,153**
Current liabilities	-
Total	**410,535**

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Individual transfers out to other schemes	**4,341**	**790**	**5,131**

8. OTHER PAYMENTS

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Premiums on term insurance policies	17	-	17

From 1 June 2015, the liability for insuring members still employed by the Employer transferred from the Scheme to the Employer.

9. ADMINISTRATION EXPENSES

	Period ending 30 September 2017		
	DB Section	DC Section	Total
	£000	£000	£000
Actuarial	593	-	593
Administration	193	14	207
Legal	181	-	181
Audit	21	-	21
Pension Protection and other levies	320	-	320
Trustee Secretarial	80	-	80
Independent Trustee fees	133	-	133
Printing and design costs	30	-	30
Covenant advisor fees	41	-	41
Miscellaneous expenses	13	23	36
	1,605	37	1,642

Expenses incurred by the Defined Contribution Section are paid in part by charges on the pooled investment vehicles and otherwise through the Defined Benefit Section.

The PPF levy has been reimbursed by the Company.

The printing and design costs in 2016 included member newsletters and benefit statements, and additional communications to the Saver Plan members to inform them of changes in the default strategy and the available funds

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Actuarial	257	-	257
Administration	130	-	130
Legal	40	-	40
Audit	20	-	20
Pension Protection and other levies	337	-	337
Trustee Secretarial	61	-	61
Independent Trustee fees	68	-	68
Printing and design costs	86	-	86
Miscellaneous expenses	10	-	10
	1,009	-	1,009

6. BENEFITS PAID OR PAYABLE

	Period ending 30 September 2017		
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	£000	£000	£000
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Individual transfers out to other schemes	**4,341**	**790**	**5,131**

8. OTHER PAYMENTS

	Year ended 31 March 2016		
	DB Section £000	DC Section £000	Total £000
Premiums on term insurance policies	17	-	**17**

From 1 June 2015, the liability for insuring members still employed by the Employer transferred from the Scheme to the Employer.

9. ADMINISTRATION EXPENSES

	Period ending 30 September 2017		
	DB Section £000	DC Section £000	Total £000
Actuarial	593	-	**593**
Administration	193	14	**207**
Legal	181	-	**181**
Audit	21	-	**21**
Pension Protection and other levies	320	-	**320**
Trustee Secretarial	80	-	**80**
Independent Trustee fees	133	-	**133**
Printing and design costs	30	-	**30**
Covenant advisor fees	41	-	**41**
Miscellaneous expenses	13	23	**36**
	1,605	**37**	**1,642**

Expenses incurred by the Defined Contribution Section are paid in part by charges on the pooled investment vehicles and otherwise through the Defined Benefit Section.

The PPF levy has been reimbursed by the Company.

The printing and design costs in 2016 included member newsletters and benefit statements, and additional communications to the Saver Plan members to inform them of changes in the default strategy and the available funds

	Year ended 31 March 2016		
	DB Section £000	DC Section £000	Total £000
Actuarial	257	-	**257**
Administration	130	-	**130**
Legal	40	-	**40**
Audit	20	-	**20**
Pension Protection and other levies	337	-	**337**
Trustee Secretarial	61	-	**61**
Independent Trustee fees	68	-	**68**
Printing and design costs	86	-	**86**
Miscellaneous expenses	10	-	**10**
	1,009	**-**	**1,009**

10. INVESTMENT INCOME

	Period ending 30 September 2017		
	DB Section	DC Section	Total
	£000	£000	£000
Income from pooled fund vehicles	1,401	-	**1,401**
Annuity income received	1,892	-	**1,892**
Income from pooled fund vehicles	**3,293**	-	**3,293**

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Income from pooled fund vehicles	**2,248**	-	**2,248**

11. INVESTMENT MANAGEMENT EXPENSES

	Period ending 30 September 2017		
	DB Section	DC Section	Total
	£000	£000	£000
Administration, management and custody	334	311	**645**
Investment fee rebates	(78)	-	**(78)**
Consultancy	263	-	**263**
	519	**311**	**830**

	Year ended 31 March 2016		
	DB Section	DC Section	Total
	£000	£000	£000
Administration, management and custody	302	10	**312**
Investment fee rebates	(94)	-	**(94)**
Consultancy	214	-	**214**
	422	**10**	**432**

12. RECONCILIATION OF INVESTMENTS

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

DEFINED BENEFIT SECTION

	Value at 1 April 2016	Purchases at cost	Sales proceeds	Change in market value	Value at 30 September 2017
	£000	£000	£000	£000	£000
Pooled investment vehicles	339,234	159,158	(571,853)	73,461	-
Insurance policies	-	110,110	(109,300)	(810)	-
AVC investments	2,824	80	(3,289)	385	-
	342,058	**269,348**	**(684,442)**	**73,036**	-

During the year £16m, £16m, £54m and £25m was disinvested from Pyrford, Standard Life, BMO and L&G, respectively, and transferred to Just Retirement in respect of the buy-out of pension liabilities. The £11m holdings in Franklin Templeton were redeemed and transferred to BMO. Baillie Gifford switched its £67m holding into a new fund. BMO switches between its funds amounted to £70m. All transactions are included in the above table.

DEFINED CONTRIBUTION SECTION

	Value at 1 April 2016	Purchases at cost	Sales proceeds	Change in market value	Value at 30 September 2017
	£000	£000	£000	£000	£000
Pooled investment vehicles	26,684	1,595	(31,350)	3,071	-
Allocated to members	25,620				-
Not allocated to members	1,064				-
	26,684				-

13. POOLED INVESTMENT VEHICLES

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

DEFINED BENEFIT SECTION	2017 £000	2016 £000
Equity funds	-	114,269
Bond funds	-	58,351
LDI funds	-	58,383
Diversified growth funds	-	87,910
Cash funds	-	20,302
Property funds	-	19
	-	339,234

The diversified growth funds hold a variety of investments including equities, bonds, derivatives, commodities and property.

DEFINED CONTRIBUTION SECTION	2017 £000	2016 £000
Equity funds	-	22,392
Bond funds	-	1,814
Cash funds	-	1,943
Property funds	-	535
	-	26,684

14. ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

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

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

DEFINED BENEFIT SECTION	2017 £000	2016 £000
The Equitable Life Assurance Society	-	560
Friends Life (formerly Friends Provident)	-	846
Prudential Assurance Company Limited	-	183
Friends Life (formerly Winterthur Life UK Limited)	-	1,235
	-	2,824

During the year period Friends Life policies were transferred to a Legal & General policy. The ownership of the new policy was, in turn, transferred to Amey OS Pension Scheme as part of the merger.

15. 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 (ie developed using market data) for the asset or liability, either directly or indirectly.

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

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

	30 September 2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
DEFINED BENEFIT SECTION				
Pooled investment vehicles	-			
AVC investments	-	-	-	-
	-	-	-	-
DEFINED CONTRIBUTION SECTION				
Pooled investment vehicles	-	-	-	-
	-	-	-	-

	31 March 2016			
	Category 1	**Category 2**	**Category 3**	**Total**
	£000	**£000**	**£000**	**£000**
DEFINED BENEFIT SECTION				
Pooled investment vehicles	-	339,215	19	**339,234**
AVC investments	-	2,361	463	**2,824**
	-	**341,576**	**482**	**342,058**
DEFINED CONTRIBUTION SECTION				
Pooled investment vehicles	-	26,149	535	**26,684**
	-	**367,725**	**1,017**	**368,742**

16. INVESTMENT RISKS

This note includes information in relation to certain investment risks.

When deciding how to invest the Scheme's assets, the Trustees consider a wide range of risks, including credit risk and market risk, as defined below.

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. The Trustees have also decided to disclose information on inflation risk.

16 INVESTMENT RISKS (continued)

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate and inflation risk: these are the risks that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates and inflation expectations.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk, inflation risk or currency risk). These changes may be caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trustees determine their investment strategy after taking advice from their investment adviser. The Scheme has exposure to these risks via its investments. The Trustees manage investment risks, including credit risk and market risk, by considering the Scheme's investment objectives, the investment strategy and the advice of their investment advisers. Within each investment portfolio, investment objectives and restrictions to manage risk are implemented through the pooled fund selection. The Trustees monitor the performance of the strategy and associated risks, and each investment manager, against its objectives and restrictions, on a regular basis. Details on the Scheme's investment objectives and strategy are contained in the Investment Report, earlier in this document.

DB Section

The table below summarises the Scheme's pooled fund holdings within each of the Return-seeking, Medium Risk and Matching portfolios, as set out in the Scheme's Investment Strategy and Objectives, as shown on page 8.

DB strategy holdings	30 April 2017 £000	2017 %	2017 Target %	31 March 2016 £000
Return-seeking				
L&G Equities	100,659	34		114,269
Aviva Property	-	0		19
	100,659	**34**	**35**	**114,288**
Medium Risk				
Franklin Templeton Bonds*	-	-		10,918
Standard Life DGF	13,798	5		29,505
Baillie Gifford DGF	34,252	11		30,801
Pyrford DGF	13,960	5		27,604
Hayfin Private Credit	12,815	4		-
	74,825	**24**	**40**	**98,828**
Matching				
M&G Inflation Opportunities*	55,320	19		47,432
BMO Real Dynamic LDI	37,293	12		30,128
BMO Short Real Dynamic LDI	23,034	8		16,610
BMO Nominal Dynamic LDI	5,097	2		11,645
BMO Cash	3,611	1		20,303
	124,355	**42**	**25**	**126,118**
Total	**299,839**	**100**	**100**	**339,234**

Source: Investment Managers. Please note that rows and columns do not sum due to rounding.
[9] As at 31 March 2017, there was a small residual holding in the Aviva UK Real Estate Property Fund, prior to the final wind up. This had a value of c £18.2k as at 30 September 2016 (which was the last valuation issued ahead of the vehicle being fully liquidated).

16 INVESTMENT RISKS (continued)

Following the decision to undergo a buy-in, the Matching portfolio became overweight and the Medium-Risk portfolio became underweight over the year. In view of the pending transfer to the Amey OS Pension Scheme, the Trustees decided not to carry out any rebalancing.

The table below summarises the Scheme's pooled investment vehicles that have significant exposure to credit, currency interest rate and other price risk.

	Credit risk	Currency risk	Interest rate risk	Other price risk
Return seeking				
L&G equity funds	○	●	○	●
Medium risk				
Diversified growth funds	●	●	●	●
Hayfin private credit fund	●	○	●	●
Franklin Templeton bond fund	●	●	●	○
Matching				
M&G inflation opportunities fund	●	○	●	●
BMO liability driven investment funds	●	○	●	○
BMO cash fund	●	○	●	○
Annuity policy	●	○	●	○

Key: The risk noted affects the fund significantly (•) or hardly/ not at all (○).

Further information on the Trustees' approach to risk management, credit and market risk is set out below. This does not include AVC investments, as these are not considered significant in relation to the overall investments of the Scheme.

(i) Credit risk

The Scheme's invested assets are held in pooled funds and are therefore exposed to direct credit risk in relation to the solvency of the investment manager and custodian of those funds. The Scheme is also exposed to direct credit risk arising from the insurance provider of the annuity policy.

Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled funds being ring-fenced from the investment managers, the regulatory environments in which the pooled fund managers operate and diversification of the Scheme's investments across a number of pooled funds. The Trustees, with the help of their advisers, carry out due diligence checks prior to the appointment of any new investment manager or fund, and monitor for changes to the operating environment of the existing investments.

The Scheme is indirectly exposed to credit risks arising from the underlying investments held by the pooled funds, where they invest in bonds and other assets of a contractual nature. In particular, the Scheme is indirectly exposed to sub-investment grade credit assets within the Hayfin private credit fund. Hayfin manages this risk by conducting thorough due diligence on borrowers and ensuring security against borrower default.

Indirect credit risk arising from the Scheme's other pooled funds is managed by having a diversified exposure to bond issuers or highly rated investment grade issuers (including UK government), as well as conducting thorough research on the likelihood of default of those issuers and having only a

16 INVESTMENT RISKS (continued)

limited exposure to bonds rated below investment grade. The magnitude of credit risk within each fund will vary over time, as the managers change the underlying investments in line with their views on markets, asset classes and specific securities.

Within the LDI portfolio, there is indirect exposure to credit risk as BMO uses derivative instruments (such as swaps, repos and reverse repos) to hedge risk associated with the Scheme's liabilities. The terms under which the LDI portfolio is managed include provisions to manage the exposure to credit risk, such as diversification of exposure to counterparties and careful initial selection and ongoing monitoring of counterparties. In addition, the derivative positions are collateralised daily, so as to aim to limit credit risk to one day's adverse market movements.

Cash within the BMO cash fund is held with financial institutions which are at least investment-grade credit rated

(ii) Currency risk

As the Scheme's liabilities are denominated in Sterling, any non-Sterling currency exposure within the assets presents additional currency risk.

Although all the pooled funds held by the Scheme are priced in Sterling, the Scheme is subject to currency risk because some of the underlying assets are priced in other currencies. The Trustees consider the overseas currency exposure in the context of the overall investment strategy, and believe that it diversifies the strategy and is appropriate.

The Scheme's overall exposure to foreign currencies will vary over time as the investment managers change the underlying investments. The Scheme's holdings in the pooled developed market equity fund are hedged back to Sterling, while its holdings in the pooled emerging market equity fund are not hedged.

The Scheme's exposure to currency risk is not expected to be a material driver of returns over the longer term. Decisions about the exposure to foreign currencies within the pooled funds held are at the discretion of the fund managers.

(iii) Interest rate and inflation risk

The BMO LDI funds, the M&G inflation-opportunities fund and the annuity policy are subject to interest rate and inflation risk. However, the overall interest rate exposure of the Scheme's assets hedges part of the corresponding risks associated with the Scheme's liabilities. The net effect will be to reduce the volatility of the funding level, and therefore the Trustees believe that it is appropriate to have exposure to interest rate risk in this manner.

The DGFs may also have some sensitivity to changing interest rates and inflation expectations, but this sensitivity will vary over time as the underlying investments change, and it is not expected to be a significant driver of returns due to the investment approaches of these funds.

The private credit fund managed by Hayfin is primarily exposed to "floating rate" investments. As such, the value of income received on these investments increases as short-term interest rates rise and decreases as short-term interest rates fall.

(iv) Other price risk

Some of the Scheme's investments are exposed to other price risk, and the Trustees monitor this risk on a regular basis, looking at the performance of the Scheme as a whole as well as each

16 INVESTMENT RISKS (continued)

individual portfolio. The Trustees believe that the Scheme's DB assets are adequately diversified between different asset classes and within each asset class to manage this risk.

The exposure to other price risk within a number of the pooled funds will vary over time depending on how the managers change the underlying asset allocation to reflect their market views.

The Trustees recognise there are other, non-investment risks faced by the Scheme, and takes these into consideration as far as practical in setting the Scheme's investment arrangements.

Examples include:
-longevity risk (the risk that members live, on average, longer than expected); and
-sponsor covenant risk (the risk that, for whatever reason, the sponsoring employer is unable to support the Scheme as anticipated).

Together, the investment and non-investment risks give rise generally to funding risk. This is the risk that the Scheme's funding position falls below what is considered an appropriate level. By understanding and considering the key risks that contribute to funding risk, the Trustees believe that they have appropriately addressed and are positioned to manage this general risk.

DC Section

The Trustees' objectives and investment strategy is to make available an appropriate range of investment options as shown in the Investment Report on page 8. The ASP section was transferred from Friends Life to L&G's Master Trust in November 2016, and the CMP in June 2017, as such the comments below relate to the period prior to the transfer.

(i) Direct credit risk

The ASP section was subject to direct credit risk in relation to Friends Life, the platform provider, and the managers of the underlying pooled funds made available to members on this platform. The CMP subject to direct credit risk in relation to L&G and BlackRock, the managers of the pooled funds made available to members.

Direct credit risk arising from pooled funds is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the investment platform provider and investment managers, the regulatory environment in which the platform provider and managers of the pooled funds operate, and diversification of the investments amongst a number of pooled arrangements.

Prior to the transfer to L&G, in the event of default by Friends Life, the ASP section was protected by the Financial Services Compensation Scheme ("FSCS"). For insurance policy arrangements such as that which the ASP section had with Friends Life, the FSCS aims to ensure the members would get back 100% of any loss with no upper limit. However, in the event of default by one of the underlying fund providers the members would not be covered by the FSCS, because Friends Life is the fund provider and there is no direct relationship between the fund managers and the members. Within the CMP Scheme the members invest directly with the fund providers (there is no DC platform), and so default by a fund provider would be covered by the FSCS.

(ii) Indirect credit and market risk

The ASP and CMP sections were subject to indirect credit and market risk arising from the underlying investments held in the pooled funds made available to members. Member level risk exposures will be dependent on the funds invested in by members.

The ASP and CMP sections were indirectly exposed to credit risks arising from the underlying

16 INVESTMENT RISKS (continued)

investments held by the pooled funds, where they invest in bonds. The indirect exposure to credit risk mainly arose from the ASP's and CMP's bond and cash investments but also in multi-asset investments.

The managers of these pooled funds manage credit risk by having a diversified exposure to bond issuers and conducting thorough research on the probability of default of those issuers. The

magnitude of credit risk within each fund will vary over time, as the managers change the underlying investments in line with its views on markets, asset classes and specific bonds.

The majority of the CMP's members invested in the default fund. Overall the assets invested in the funds used within the default represented around 60% (2016: 60%) of the section's investments. The majority of ASP's members invested in the default funds for the period prior to the transfer to L&G. The market risk disclosures have therefore focussed on these funds. The ASP and CMP (prior to the transfer to L&G) were subject to indirect currency, interest rate and other price risk arising from the underlying financial instruments held in the following funds:

ASP (prior to the transfer to L&G)

- The multi-asset fund is exposed to currency, interest rate and other price risks.
- The equity fund is exposed to currency and other price risks.
- The bond fund is exposed to interest rate risk.
- The cash fund is exposed to interest rate risk.

CMP (prior to the transfer to L&G)

- The equity fund is exposed to currency and other price risks.
- The bond fund is exposed to interest rate risk.
- The cash fund is exposed to interest rate risk.

17. CONCENTRATION OF INVESTMENTS

There are seven investment funds (see list below) in which more than 5% of the total value of the net assets of the Scheme were invested:

	Value at 30 September 2017 £000	% of Total Fund 2017	Value at 30 September 2016 £000	% of Total Fund 2016
M&G	-	-	47,432	12.8
Baillie Gifford	-	-	30,801	8.3
Standard Life	-	-	29,505	8.0
Pyrford	-	-	27,180	7.5
L&G Global Equities	-	-	105,451	26.4
BMO Real Dynamic	-	-	30,128	8.1
BMO Sterling Liquidity	-	-	20,302	5.5

18. CURRENT ASSETS

	30 September 2017 DB Section £000	DC Section £000	Total £000
Cash balances	-	-	-

	31 March 2016 DB Section £000	DC Section £000	Total £000
Cash balances	1,637	8	1,645

19. CURRENT LIABILITIES

	30 September 2017 DB Section £000	DC Section £000	Total £000
Pensions paid in arrears	-	-	-
Benefits accrued	-	-	-
Accrued expenses	-	-	-
	-	-	-

	31 March 2016 DB Section £000	DC Section £000	Total £000
Pensions paid in arrears	205	-	205
Unpaid benefits	21	-	21
Accrued expenses	239	2	241
	465	2	467

20. TRANSFERS BETWEEN SECTIONS

	31 March 2016 DB Section £000	DC Section £000	Total £000
Transfers between sections	1,088	(1,088)	-

Following a rule amendment dated 7 May 2015 which allowed Scheme expenses to be met from the Reserve Account, £1m was transferred from the DC Reserve Account to the Trustees' bank account to meet general Scheme expenses.

21. RELATED PARTY TRANSACTIONS

Of the Trustees, Messrs Bailey, Coppin, and Cunningham are members of the Scheme and receive benefits on the same terms as normally granted to members. BESTrustees plc, PTL and A. Clare receive a fee in respect of their role as Trustees, as disclosed in note 9. Messrs Clare and Rogers are not members of the Scheme. There have been no other related party transactions.

22. CONTINGENT LIABILITIES

In the opinion of the Trustees, the Scheme had no contingent liabilities at 30 September 2017 (31 March 2016: nil)

23. EMPLOYER RELATED INVESTMENTS

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

Trustees' Summary of Contributions payable under the Schedule in respect of the Scheme period ended 30 September 2017

During the year, the contributions paid to the Scheme by the Employer under the Schedules of Contributions were as follows:

	DB Section £000
Employer deficit funding contributions	10,489
Employer reimbursement of merger costs	107
Employer reimbursement of PPF levies	305
Total contributions as reported in the auditor's statement about contributions	**10,901**
Member AVC contributions	34
Total contributions reported in the financial statements	**34**

The January deficit contributions of £806,850 were received on 2 February 2017 2 days later than the due date of 31 January 2017.

....

Signed by the Trustees

26th January 2018

Actuarial Certification of Schedule of Contributions

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

Adequacy of rates of contributions

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

Adherence to statement of funding principles

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

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

Signature:	*B J Huby*	**Date:**	10 June 2015
Name:	B J Huby	**Qualification:**	Fellow of the Institute and Faculty of Actuaries
Address:	St Paul's House, St Paul's Hill, Winchester, SO22 5AB		
Name of Employer:	Lane Clark & Peacock LLP		