Registered number: 10225287

AMEY OS PENSION SCHEME

Report and financial statements

Year ended 31 March 2017

Amey OS Pension Scheme annual report and financial statements

Year ended 31 March 2017

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Trustee and Advisers

Trustee:	PTL Governance Limited
Scheme Actuary:	A Allsopp F.I.A. Quattro Pension Consulting Actuaries
Independent Auditor:	Grant Thornton UK LLP
Investment Managers:	SEI Investments Just Retirement Limited (appointed 12 July 2016)
Investment Consultant:	SEI Investments
AVC Provider:	Prudential Assurance Company Limited
Legal Advisers:	Squire Patton Boggs
Scheme Administrator:	RPMI Limited
Banks:	Royal Bank of Scotland
Life Assurance Company:	Legal & General Assurance Society Limited
Principal Employer:	Amey plc
Participating Employers:	Amey Services Limited

Contact for further information and complaints about the Scheme

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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 31 March 2017. The Scheme is a Defined Benefit scheme.

Management of the Scheme

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

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

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

David Archer

Christopher Avery

Steve Carrodus

Andrew Davies

David Hosford

Suzanne Brooker

Richard Butcher

Sue O'Brien

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

During the year the Trustee held four meetings.

Trust Deed and Rules

A revised consolidated deed and rules was executed as at 12 March 2014.

Communication with Members

The Trustee issues a newsletter to the membership on an annual basis, which provides an overview of events that have taken place during the year and upcoming events in relation to the Scheme. Members are encouraged in the Newsletter to raise any comments directly with the Administrator. Within the accounting period the newsletter was issued to the members in October 2016.

Trustee Knowledge and Understanding

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

Trustee's Annual Report (continued)

Governance and Risk Management

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

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

Internal Dispute Resolution

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

Report to the Pensions Regulator

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

Principal Employer

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

Post year end changes

As at 30 April 2017 the APS merged into the Amey OS Pension Scheme on a sectionalised basis. The benefits provided under the Amey OS Pension Scheme for Amey Pension Scheme members will be identical to those provided under the previous Scheme. Next year's accounts will therefore provide details of the APS section alongside the Amey and Accord section. The transfer of APS assets amounted to £388m.

Financial Development

The financial statements on pages 13 to 27 have been prepared and audited in accordance with the Regulations made under Sections 41(1) and (6) of the Pensions Act 1995. They show that the value of the Fund increased from £137,646,953 at 31 March 2016 to £146,855,470 at 31 March 2017.

REPORT ON ACTUARIAL LIABILITIES

AMEY SECTION

The last full valuation of the Amey OS Pension Scheme (Amey Section) had an effective date of 5 April 2014.

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

Assumptions and method

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

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

Trustee's Annual Report (continued)

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

Assumption	31 March 2016	31 March 2015	5 April 2014
Discount Rate			
- Before retirement	3.3%	3.2%	4.4%
- After retirement	3.3%	3.2%	4.4%
Salary Growth	3.4%	3.6%	4.0%
RPI Inflation on deferred benefits	2.4%	2.6%	3.1%
CPI Inflation on deferred benefits	1.5%	1.7%	2.2%
Pension increases			
- 5% Fixed	5.0%	5.0%	5.0%
- RPI linked	3.2%	3.2%	3.4%
- CPI linked	2.3%	2.3%	2.5%

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

Demographic Assumptions	
Retirements	All at Normal Retirement Age
Proportion taking tax free cash	0%
Proportion married	90%
Post-retirement mortality	105% S2PXA year of birth tables with CMI 2013 projections and 1.5% pa long-term improvement rate

Results

Technical Provisions

The following table shows the funding update as at 31 March 2016 together with last year's update and the results of the previous valuation at 5 April 2014:

	31 March 2016	31 March 2015	5 April 2014
Technical Provisions*	45,508,000	47,065,000	38,993,000
Assets	46,109,000	45,521,000	42,257,000
Surplus / (Deficit)	601,000	(1,544,000)	3,264,000
Funding Level	101%	97%	108%

* The "Technical Provision" is the estimate of the amount of money needed in the Scheme to provide Scheme benefits, assessed on a prudent basis according to the Statement of Funding Principles. The above figures include a 3% reserve for expenses.

The next full triennial valuation of the Section is expected as at 31 March 2017 and is ongoing.

ACCORD SECTION

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

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

Trustee's Annual Report (continued)

Assumptions and method

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

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

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

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

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

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

Results

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

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

The next full triennial valuation of the Section is expected as at 31 March 2017 and is ongoing.

Trustee's Annual Report (continued)

MEMBERSHIP

Details of the membership of the Scheme are given below:

	Amey Section 2017	Accord Section 2017	2017	2016
Active members				
Active members at the start of the year	**59**	**103**	**162**	**174**
New entrants	-	3	3	-
Deaths in service	-	-	-	(2)
Members leaving with preserved benefits	(14)	(28)	(42)	(8)
Members retiring	(5)	(7)	(12)	(1)
Refunds	-	-	-	(1)
Active members at the end of the year	**40**	**71**	**111**	**162**
Pensioners				
Pensioners at the start of the year	**289**	**707**	**996**	**944**
Members retiring	29	61	90	52
Spouses and dependants	4	4	8	20
Pensioners who died	(8)	(8)	(16)	(16)
Commutation of benefits	-	(15)	(15)	-
Cessation of pension	(7)	-	(7)	(4)
Pensioners at the end of the year	**307**	**749**	**1,056**	**996**
Members with preserved benefits				
Members with preserved benefits at the start of the year	**163**	**762**	**925**	**978**
Leavers with preserved benefits	14	28	42	8
Death of preserved member	(1)	(2)	(3)	(4)
Deferred members becoming pensioners	(24)	(54)	(78)	(51)
Transfers out	(1)	(6)	(7)	(6)
Members with preserved benefits at the end of the year	**151**	**728**	**879**	**925**
Total membership at the end of the year	**498**	**1,548**	**2,046**	**2,083**

In addition to the pensioner members note above, the Accord Section also includes a further 26 (2016: 26) annuitant pensioners.

The Just Retirement Insurance policy covers the pensions of 306 Amey Section pensioners and 660 Accord Section pensioners.

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

Pension increases

The pension increase rates may differ depending on the elements a pensioner has on their record. 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.

Trustee's Annual Report (continued)

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

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

Amey OS = all N's, L's, P's
Amey Bali = A8
Amey Accord = A1-A7, A9-A11

Details of the increase rates applicable per element

			Increase	
Payment elements		Benefit type	Before GMP Age	On or after GMP Age
0112	Pre88 GMP	L1, L2, P1, A1, A2, A9, A10	5%	nil
0113	Post88 GMP	L1, L2, P1, A1,A2, A9, A10	5%	3%
0114	Pre88 GMP	N1, N2, L3, L4, P2, P4, P7, A3, A5, A6, A8	RPI max 5%	nil
0115	Post88 GMP	N1, N2, L3, L4, P2, P4, P7	RPI max 5%	3%
0120	Post88 GMP	A3, A5, A6, A8	RPI max 5%	RPI max 3%
0116	Pre88 GMP	L5, L6, P3, P5, A4	RPI	nil
0117	Post88 GMP	L5, L6, P3, P5	RPI	3%
0121	Post88 GMP	A4	RPI	CPI max 3% **
0118	Pre88 GMP	N3	CPI max 5%	nil
0119	Post88 GMP	N3	CPI max 5%	3%
0122	Pre88 GMP	A7	CPI	nil
0123	Post88 GMP	A7	CPI	CPI max 3% **
			Increase (regardless of GMP Age)	
0150	Pre97 XS	L1, L2, P1, A1, A2, A9, A10	5%	
0151	97-09 XS	L1, L2, P1, A9, A10	5%	
0152	Post09 XS	L1, L2, P1, A9, A10	5%	
0172	97-02 XS	A1 , A2	5%	
0173	Post02 XS	A1 , A2	LPI (RPI max 5%)	
0153	Pre97 XS	N1, N2, L3, L4, P2, P4, P7, A3, A5, A6, A8	LPI (RPI max 5%)	
0154	97-09 XS	N1, N2, L3, L4, P2, P4, P7,	LPI (RPI max 5%)	
0155	Post09 XS	N1, N2, L3, L4, P2, P4, P7, A1, A2	LPI (RPI max 5%)	
0174	Post 97 XS	A3, A5, A6, A8	LPI (RPI max 5%)	
0156	Pre97 XS	L5, L6, P3, P5, A4	RPI	
0157	97-09 XS	L5, L6, P3, P5,	RPI	
0158	Post09 XS	L5, L6, P3, P5,	RPI	
0175	Post97 XS	A4	RPI	
0164	Pre97 XS	N3	CPI max 5%	
0165	97-09 XS	N3	CPI max 5%	
0166	Post09 XS	N3	CPI max 5%	

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

Further Information

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

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

INVESTMENT REPORT

General

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

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

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

Investment Principles

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

1. Acquiring suitable assets, having due regard to risk, which will generate income and capital growth to pay, together with deficit repayment contributions from the Principal Employer, the benefits as they fall due.

2. Limiting the risk of the assets being assessed as failing to meet the liabilities over the long term having regard to the Statutory Funding Objective.

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

Trustee's Annual Report (continued)

Investment Strategy

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

The high level strategic asset allocation as at 31st March 2017 is as follows:

Asset Class	Target asset allocation			
	Amey Section		Accord Section	
	31/3/2016	31/3/2017*	31/3/2016	31/3/2017*
Equities	22.5%	28%	37.0%	44%
Alternatives - Property, Overseas Bonds Emerging Market Debt, High Yield Bonds	13.0%	22%	22.5%	26%
Risk Management assets - Gilts, Liability Driven Investment Funds, investment grade UK corporate bonds to match interest rate and inflation risk.	64.5%	50%	40.5%	30%

**Excludes the bulk annuities*

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

Investment Performance

During June/July 2016 the Scheme completed the purchase of the bulk annuities mentioned above and disinvested from other assets. The investment strategy for the remaining assets was subsequently re-organised as shown in the table. As a consequence of this it has not been possible to calculate accurate portfolio performance numbers covering periods spanning this activity. From 31st July 2016 to 31st March 2017 the total portfolio performance, excluding the Bulk Annuities, was 4.1% and 14.4% for the Amey and Accord Sections respectively against benchmark performances of 2.4% and 13.2%.

Custodial arrangements

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

Trustee's Annual Report (continued)

Statement of Trustee's Responsibilities for the Financial Statements

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

- Show a true and fair view of the financial transactions of the Scheme during the scheme 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; and

- Contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited financial statements and a Statement from the Auditor) Regulations 1996, including a statement as to whether the financial statements have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes".

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

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

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

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

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

---------- Trustee Director

Date: 20/10/2017

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

We have audited the financial statements of Amey OS Pension Scheme for the year ended 31 March 2017 which comprise the Fund Account, the Statement of Net Assets (available for benefits) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 the Scheme's Trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities on page 11, the Scheme's Trustee is responsible for the preparation of financial statements which show a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion

In our opinion, the financial statements:

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

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester
Date:

Fund Account

	Notes	Amey OS Section 2017 £	Accord section 2017 £	Total 31 March 2017 £	Total 31 March 2016 £
Contributions and Benefits					
Additions					
Employer contributions		416,971	1,464,447	1,881,418	*1,451,825*
Employee contributions		35,388	112,483	147,871	*189,674*
Total contributions	3	452,359	1,576,930	2,029,289	*1,641,499*
Other income	4	2,179	691	2,870	*124,736*
		454,018	**1,577,621**	**2,032,159**	***1,766,235***
Withdrawals					
Benefits	5	(1,300,452)	(2,508,264)	(3,808,716)	*(2,739,802)*
Payments to and on account of leavers	6	(277,087)	(693,912)	(970,999)	*(466,629)*
Other payments	7	-	-	-	*2,915*
Administration expenses	8	(336,652)	(605,966)	(942,618)	*(486,127)*
		(1,914,191)	**(3,808,142)**	**(5,722,333)**	***(3,689,643)***
Net withdrawals from dealings with members		**(1,459,653)**	**(2,230,521)**	**(3,690,174)**	***(1,923,408)***
Returns on investments					
Investment income	9	484	8,824	9,308	*3,847,159*
Change in market value of investments	10	3,908,945	9,547,355	13,456,300	*(2,307,262)*
Investment management expenses	17	(201,285)	(365,632)	(566,917)	*(210,312)*
Net returns on investments		**3,708,144**	**9,190,547**	**12,898,691**	***1,329,585***
Net increase/(decrease) in fund during the year		**2,248,491**	**6,960,026**	**9,208,517**	***(593,823)***
Opening net assets		**46,236,526**	**91,410,427**	**137,646,953**	***138,240,776***
Closing net assets		**48,485,017**	**98,370,453**	**146,855,470**	***137,646,953***

Statement of Net Assets (available for benefits)

	Notes	31 March 2017 £	31 March 2016 £
Amey Section			
Investment Assets	10		
Pooled investment vehicles	11	**31,322,513**	45,984,106
Insurance policies	13	**16,900,000**	-
AVC investments	12	**52,233**	40,347
Total investments		**48,274,746**	46,024,453
Current Assets	18	**309,625**	369,130
Current Liabilities	19	**(99,354)**	(157,057)
Net assets of the Amey section at the end of the year		**48,485,017**	46,236,526
Accord Section			
Investment Assets	10		
Pooled investment vehicles	11	**62,229,148**	91,073,390
Insurance policies	13	**35,300,000**	-
AVC investments	12	**132,044**	82,303
Total investments		**97,661,192**	91,155,693
Current Assets	18	**870,196**	400,197
Current Liabilities	19	**(160,935)**	(145,463)
Net assets of the Accord section at the end of the year		**98,370,453**	91,410,427
Net assets of the Scheme at the end of the year		**146,855,470**	137,646,953

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 4 to 6 and the Actuarial Certificates and Statements on pages 30 and 31, 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 15 to 27 form part of these financial statements

The financial statements on pages 13 to 27 were approved by the Trustee on 20/10/17

Signed on behalf of the Trustee

---------- Trustee Director

Notes to the financial statements

1. BASIS OF PREPARATION

These financial statements have been prepared as at 31 March 2017 in accordance with the Occupational Pension Schemes (Requirement to obtain Audited financial statements and a Statement from the Auditor) Regulations 1996, Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the guidance set out in the Statement of Recommended Practice (2015). statements.

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

2. ACCOUNTING POLICIES

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

2.1 Currency

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

2.2 Accruals concept

The financial statements have been prepared on an accruals basis.

2.3 Valuation of investments

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

The AVC investments include policies of assurance underwritten by Prudential plc. 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.

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

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

2.4 Contributions and benefits

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

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

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

2.5 Other income

Interest on bank deposits is accounted for as it accrues.

Notes to the financial statements (continued)

2.6 Transfer values

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

2.7 Investment income

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

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

2.8 Administrative and 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 two sections.

3 CONTRIBUTIONS

	2017		
	Amey Section	**Accord Section**	**Total**
	£	**£**	**£**
Contributions from employer:			
Normal	366,971	854,624	**1,221,595**
Deficit funding	-	98,400	**98,400**
Towards expenses	-	210,000	**210,000**
Reimbursement of merger costs	50,000	50,000	**100,000**
Reimbursement of PPF Levy	-	251,423	**251,423**
	416,971	1,464,447	**1,881,418**
Contributions from member:			
Normal	34,868	107,468	**142,336**
Added years	-	4,385	**4,385**
Additional voluntary contributions	520	630	**1,150**
	35,388	112,483	**147,871**
	452,359	**1,576,930**	**2,029,289**

	2016		
	Amey Section	**Accord Section**	**Total**
	£	**£**	**£**
Contributions from employer:			
Normal	523,597	754,685	**1,278,282**
Deficit funding	-	24,600	**24,600**
Towards expenses	-	52,500	**52,500**
Reimbursement of PPF Levy	-	96,443	**96,443**
	523,597	928,228	**1,451,825**
Contributions from member:			
Normal	45,987	138,049	**184,036**
Added years	-	4,493	**4,493**
Additional voluntary contributions	520	625	**1,145**
	46,507	143,167	**189,674**
	570,104	**1,071,395**	**1,641,499**

Notes to the financial statements (continued)

3 CONTRIBUTIONS (continued)

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

The employer agreed to refund £100,000 of costs associated with the merger of the Amey Pension Scheme into the Scheme, which was finalised in April 2017. The refund was split evenly between the sections.

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

4 OTHER INCOME

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Compensation	326	691	**1,017**
Claims on Insurance term benefits	-	-	**-**
Interest on cash deposits held by the Trustees	1,853	-	**1,853**
	2,179	**691**	**2,870**

	2016		
	Amey Section	Accord Section	Total
	£	£	£
Compensation	-	-	**-**
Claims on Insurance term benefits	59,070	64,302	**123,372**
Interest on cash deposits held by the Trustee	1,364	-	**1,364**
	60,434	**64,302**	**124,736**

5 BENEFITS

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Pensions	(714,509)	(1,517,363)	**(2,231,872)**
Commutations and lump sums on retirement	(585,943)	(978,052)	**(1,563,995)**
Lump sums on death in service	-	-	**-**
Death benefits in retirement	-	(12,849)	**(12,849)**
	(1,300,452)	**(2,508,264)**	**(3,808,716)**

	2016		
	Amey Section	Accord Section	Total
	£	£	£
Pensions	(632,130)	(1,362,448)	**(1,994,578)**
Commutations and lump sums on retirement	(142,468)	(428,416)	**(570,884)**
Lump sums on death in service	(59,070)	(64,302)	**(123,372)**
Death benefits in retirement	(124)	(50,844)	**(50,968)**
	(833,792)	**(1,906,010)**	**(2,739,802)**

Notes to the financial statements (continued)

6 PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Refunds to members	-	-	-
Individual transfers to other schemes	(277,087)	(693,912)	**(970,999)**
	(277,087)	**(693,912)**	**(970,999)**

	2016		
	Amey Section	Accord Section	Total
	£	£	£
Refunds to members	-	1,388	**1,388**
Individual transfers to other schemes	(153,173)	(314,844)	**(468,017)**
	(153,173)	**(313,456)**	**(466,629)**

7 OTHER PAYMENTS

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Premium on term insurance policies	-	-	-

	2016		
	Amey Section	Accord Section	Total
	£	£	£
Premium on term insurance policies	2,915	-	**2,915**

8 ADMINISTRATION EXPENSES

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Actuarial	(36,650)	(15,562)	**(52,212)**
Administration	(99,010)	(135,655)	**(234,665)**
PPF and other levies	(5,883)	(251,423)	**(257,306)**
Legal and professional	(131,618)	(115,977)	**(247,595)**
Audit	(4,723)	(4,675)	**(9,398)**
Member communication	(12,309)	(36,214)	**(48,523)**
Trustee secretarial	(46,459)	(46,460)	**(92,919)**
	(336,652)	**(605,966)**	**(942,618)**

Notes to the financial statements (continued)

8 ADMINISTRATION EXPENSES (continued)

	2016		
	Amey Section (restated) £	Accord Section (restated) £	Total £
Actuarial	(18,143)	(27,686)	**(45,829)**
Administration	(60,149)	(102,902)	**(163,051)**
PPF and other levies	(681)	(96,443)	**(97,124)**
Legal and professional	(29,923)	(29,922)	**(59,845)**
Audit	(5,970)	(4,260)	**(10,230)**
Member communication	(12,909)	(2,118)	**(15,027)**
Trustee secretarial	(47,511)	(47,510)	**(95,021)**
	(175,286)	**(310,841)**	**(486,127)**

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

The admin expenses for 2016 have been restated by the Trustee to better reflect the split of expenses between the two sections of the Scheme.

9 INVESTMENT INCOME

	2017		
	Amey Section £	Accord Section £	Total £
Interest from pooled fund investments	484	1,216	**1,700**
Annuity income	-	7,608	**7,608**
	484	8,824	**9,308**

	2016		
	Amey Section £	Accord Section £	Total £
Interest from pooled fund investments	1,128	3,838,766	**3,839,894**
Annuity income	-	7,265	**7,265**
	1,128	3,846,031	**3,847,159**

10 RECONCILIATION OF INVESTMENTS

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

AMEY SECTION

	Value at 1 April 2016 £	Purchases at cost £	Sales proceeds £	Change in market value £	**Value at 31 March 2017 £**
Pooled investment vehicles	45,984,106	17,289,772	(39,617,200)	7,665,835	**31,322,513**
Insurance policies	-	21,116,000	(437,439)	(3,778,561)	**16,900,000**
AVC investments	40,347	520	(10,305)	21,671	**52,233**
	46,024,453	**38,406,292**	**(40,064,944)**	**3,908,945**	**48,274,746**

Notes to the financial statements (continued)

10 RECONCILIATION OF INVESTMENTS (continued)

ACCORD SECTION

	Value at 1 April 2016 £	Purchases at cost £	Sales proceeds £	Change in market value £	**Value at 31 March 2017 £**
Pooled investment vehicles	91,073,390	17,557,332	(64,033,446)	17,631,872	**62,229,148**
Insurance policies	-	44,368,000	(934,372)	(8,133,628)	**35,300,000**
AVC investments	82,303	630	-	49,111	**132,044**
	91,155,693	**61,925,962**	**(64,967,818)**	**9,547,355**	**97,661,192**

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

Included 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. Indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles and are not separately disclosed to the Scheme

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

11 POOLED INVESTMENT VEHICLES

As at 31 March 2017 the Scheme's investment in pooled investment vehicles comprised:

AMEY SECTION	**2017 £**	**2016 £**
Equity funds	8,411,648	10,044,708
Bond funds	18,857,206	34,625,684
Credit funds	2,078,516	-
Property funds	1,975,143	1,313,714
	31,322,513	**45,984,106**

ACCORD SECTION	**2017 £**	**2016 £**
Equity funds	27,691,430	35,334,845
Bond funds	27,342,862	55,738,545
Credit funds	3,246,980	-
Property funds	3,947,876	-
	62,229,148	**91,073,390**

12 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

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

Notes to the financial statements (continued)

12 ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs) (continued)

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 above.

AMEY SECTION	2017 £	2016 £
Prudential	**52,233**	**40,347**

ACCORD SECTION	2017 £	2016 £
Prudential	**132,044**	**82,303**

13 INSURANCE POLICIES

AMEY SECTION	2017 £	2016 £
Just Retirement	**16,900,000**	**-**

ACCORD SECTION	2017 £	2016 £
Just Retirement	**35,300,000**	**-**

14 INVESTMENT FAIR VALUE HIERARCHY

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

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

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

Level 3 - Inputs are unobservable (ie 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:

	2017			
	Level 1 £	**Level 2 £**	**Level 3 £**	**Total £**
AMEY SECTION				
Pooled investment vehicles	-	27,268,854	4,053,659	**31,322,513**
Insurance policies	-	-	16,900,000	**16,900,000**
AVC investments	-	-	52,233	**52,233**
	-	**27,268,854**	**21,005,892**	**48,274,746**
ACCORD SECTION				
Pooled investment vehicles	-	55,034,292	7,194,856	**62,229,148**
Insurance policies	-	-	35,300,000	**35,300,000**
AVC investments	-	-	132,044	**84,891**
	-	**55,034,292**	**42,626,900**	**97,661,192**
	-	**82,303,146**	**63,632,792**	**145,935,938**

Notes to the financial statements (continued)

14 INVESTMENT FAIR VALUE HIERARCHY (continued)

	2016			
	Level 1	Level 2	Level 3	Total
	£	£	£	£
AMEY SECTION				
Pooled investment vehicles	-	44,670,392	1,313,714	**45,984,106**
AVC investments	-	-	40,347	**40,347**
	-	**44,670,392**	**1,354,061**	**46,024,453**
ACCORD SECTION				
Pooled investment vehicles	-	91,073,390	-	**91,073,390**
AVC investments	-	-	82,303	**82,303**
	-	**91,073,392**	**82,303**	**91,155,693**
	-	**135,743,782**	**1,436,364**	**137,180,146**

15 INVESTMENT RISKS

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

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

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

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

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

AMEY SECTION

The following table outlines the section's pooled investment vehicles held as at 31 March 2017 and the relevant investment risks:

Notes to the financial statements (continued)

15 INVESTMENT RISKS (continued)

Asset name	2017 Value £	2016 Value £	RISKS				
			Credit	Currency	Interest rate	Inflation	Other
SGIF Global Select Equity Fund	3,873,206	4,056,586	☐	◘	☐	☐	◘
SGMF Emerging Markets Equity	915,140	1,170,337	☐	◘	☐	☐	◘
SGMF UK Dynamic Asset Alloc Fund	2,103,700	2,580,633	☐	☐	☐	☐	◘
SGMF Emerging Markets Debt	1,510,941	1,939,204	◘	◘	◘	◘	◘
SGMF Global Opportunities FI	-	883,946	◘	◘	◘	◘	◘
SGMF High Yield Fixed Income	1,469,988	1,787,683	◘	◘	◘	◘	◘
SGMF UK Credit Fixed Income	5,665,966	8,852,170	◘	☐	◘	☐	☐
SGMF UK Long Duration Gilts FI	1,058,140	17,106,825	☐	☐	◘	☐	☐
SGMF Pan Euro Small Co Equity	794,605	1,111,420	☐	◘	☐	☐	◘
SGMF US Small Companies Equity	724,996	1,125,732	☐	◘	☐	☐	◘
SEI UK Property Fund	1,975,143	1,313,714	☐	☐	☐	☐	◘
SGMF UK Long Duration I-L Gilts	-	4,055,856	☐	☐	◘	◘	☐
SEI Credit fund offshore	2,078,517	-	◘	◘	☐	☐	☐
SGMF UK I-L Fixed Interest	620,311	-	☐	☐	◘	◘	☐
BMO LDI Funds	8,531,860	-	☐	☐	◘	◘	◘

■ Significant
◘ Partial
☐ Negligible

(i) Credit Risk

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

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

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

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

(ii) Currency risk

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

Notes to the financial statements (continued)

15 INVESTMENT RISKS (continued)

(iii) Interest rate risk

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

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

(iv) Other price risk

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

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

ACCORD SECTION

The following table outlines the section's pooled investment vehicles held as at 31 March 2017 and the relevant investment risks:

	2017	2016	RISKS				
Asset name	**Value £**	**Value £**	**Credit**	**Currency**	**Interest rate**	**Inflation**	**Other**
SGIF Global Select Equity Fund	14,256,648	16,237,795	☐	◘	☐	☐	◘
SGMF Emerging Markets Equity	4,622,211	4,900,015	☐	◘	☐	☐	◘
SGMF UK Dynamic Asset Alloc Fund	3,722,930	9,483,723	☐	☐	☐	☐	◘
SGMF Emerging Markets Debt	4,128,331	6,224,299	◘	◘	◘	◘	◘
SGMF Global Opportunities FI	-	5,810,723	◘	◘	◘	◘	◘
SGMF High Yield Fixed Income	4,155,869	6,300,093	◘	◘	◘	◘	◘
SGMF UK Credit Fixed Income	-	12,900,997	◘	☐	◘	☐	☐
SGMF Pan Euro Smaller Co Equity	2,693,844	2,362,109	☐	◘	☐	☐	◘
SGMF US Small Companies Equity	2,395,797	2,351,203	☐	◘	☐	☐	◘
SGMF Sterling Liquidity	-	1,316,591	☐	☐	☐	☐	☐
SEI UK Property Fund	3,947,876	-	☐	☐	☐	☐	◘
SGMF UK Gilts FI	1,318,290	-	☐	☐	◘	☐	☐
SGMF UK Long Duration ILFI Gilts	1,955,259	-	☐	☐	◘	◘	☐
SEI Credit fund offshore	3,246,980	-	◘	◘	☐	☐	☐
BMO LDI Funds	15,785,113	23,185,842	☐	☐	◘	◘	◘

■ Significant
◘ Partial
☐ Negligible

(i) Credit Risk

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

Notes to the financial statements (continued)

15 INVESTMENT RISKS (continued)

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

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

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

(ii) Currency risk

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

(iii) Interest rate risk

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

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

(iv) Other price risk

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

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

16 CONCENTRATION OF INVESTMENTS

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

Amey Section

	Value at 31 March 2017	% of Total Fund 2017	Value at 31 March 2016	% of Total Fund 2016
	£		£	
SGIF Global Select Equity Fund	3,873,206	8.0%	4,056,586	8.8%
SGMF UK Credit Fixed Income	5,665,966	11.7%	-	-
BMO LDI Funds	8,531,860	17.6%	-	-
Just Retirement Insurance Policy	16,900,000	34.9%	-	-

Notes to the financial statements (continued)

16 CONCENTRATION OF INVESTMENTS (continued)

Accord Section

	Value at 31 March 2017	% of Total Fund 2017	Value at 31 March 2016	% of Total Fund 2016
	£		£	
SGIF Global Select Equity Fund	14,256,648	14.5%	16,237,795	17.8%
BMO LDI Funds	15,785,113	16.1%	23,185,842	25.4%
Just Retirement Insurance Policy	35,300,000	35.9%	-	-

17 INVESTMENT MANAGEMENT FEES

	2017 Amey Section £	2017 Accord Section £	Total £
Investment consulting	-	-	-
Investment fund management	(201,285)	(365,632)	**(566,917)**
	(201,285)	**(365,632)**	**(566,917)**

	2016 Amey Section £	2016 Accord Section £	Total £
Investment consulting	(27,331)	-	**(27,331)**
Investment fund management	(99,673)	(83,308)	**(182,981)**
	(127,004)	**(83,308)**	**(210,312)**

18 CURRENT ASSETS

	2017 Amey Section £	2017 Accord Section £	Total £
Contributions receivable			
- Employer	24,922	90,100	**115,022**
- Members	2,487	8,274	**10,761**
Pensions prepaid	-	105,625	**105,625**
Cash	282,216	666,197	**948,413**
	309,625	**870,196**	**1,179,821**

	2016 Amey Section £	2016 Accord Section £	Total £
Contributions receivable			
- Employer	43,713	112,798	**156,511**
- Members	3,751	11,653	**15,404**
Cash (restated)	321,666	275,746	**597,412**
	369,130	**400,197**	**769,327**

The 2016 cash balance split has been restated by the Trustee to reflect the amendments made to the administration expenses and the impact on cash held in each section for those changes.

Notes to the financial statements (continued)

19 CURRENT LIABILITIES

	2017		
	Amey Section	Accord Section	Total
	£	£	£
Lump sums on retirement	-	(39,497)	**(39,497)**
Taxation	(7,195)	(25,695)	**(32,890)**
Administrative expenses	(51,512)	(19,907)	**(71,419)**
Investment management expenses	(40,647)	(75,835)	**(116,482)**
	(99,354)	**(160,934)**	**(260,288)**

	2016		
	Amey Section	Accord Section	Total
	£	£	£
Lump sums on retirement	(53,918)	(10,616)	**(64,534)**
Taxation	15	(3,152)	**(3,137)**
Administrative expenses	(51,881)	(62,162)	**(114,043)**
Investment management expenses	(51,273)	(69,533)	**(120,806)**
	(157,057)	**(145,463)**	**(302,520)**

19 RELATED PARTY TRANSACTIONS

The directors of the Independent Trustee are not members of the Scheme. Trustee Fees of £92,919 (2016: £95,021) were paid to PTL, the independent Corporate Trustee.

20 EMPLOYER RELATED INVESTMENTS

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

21 CONTINGENT ASSETS

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

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

A one off payment of £5,000,000 was paid by the employer in March 2017.

At the 31 March 2017 £10,634,894 (2016: £3,729,485) was held in the accounts.

22 TAX STATUS OF THE SCHEME

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

Summary of Contributions

During the year ended 31 March 2017, the contributions payable to the Scheme were as follows:

	Amey Section £	Accord Section £	Total £
Contributions payable under the Schedules of Contributions			
Contributions from employer			
Normal	366,971	854,624	**1,221,595**
Deficit funding	-	98,400	**98,400**
Towards expenses	-	210,000	**210,000**
Reimbursement of PPF levies	-	251,423	**251,423**
	366,971	**1,414,447**	**1,781,418**
Contributions from members			
Normal	34,868	107,468	**142,336**
Added years	-	4,385	**4,385**
	34,868	**111,853**	**146,721**
Contributions payable under the Schedules (as reported on by the Scheme auditor)	**401,839**	**1,526,300**	**1,928,139**
Other contributions payable			
Reimbursement of merger costs	50,000	50,000	**100,000**
AVCs	520	630	**1,150**
Contributions reported in the financial statements	**452,359**	**1,576,930**	**2,029,289**

Signed on behalf of the Trustee on 20/10/17

---------- Trustee Director

Date: 20/10/17

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

We have examined the Summary of Contributions to the Amey OS Pension Scheme in respect of the scheme year ended 31 March 2017 which is set out on page 28.

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

Respective responsibilities of Trustee and auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 11, the Scheme's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing 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 Trustee is also responsible for keeping records in respect of contributions received in respect of the 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.

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

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the Summary of Contributions have in all material respects been paid at least in accordance with the Schedule of Contributions. This includes 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.

Statement about contributions payable under the Schedules of Contributions

In our opinion, contributions for the Scheme year ended 31 March 2017 as reported in the Summary of Contributions and payable under the Schedules of Contributions have, in all material respects, been paid at least in accordance with the Schedules of Contributions certified by the Scheme Actuary on 27 November 2014 (in relation to the Amey Section) and 23 December 2015 (in relation to the Accord Section).

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester
Date:

Actuarial Certification of Schedule of Contributions – Amey section

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

Adequacy of rates of contributions

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

Adherence to statement of funding principles

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

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

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

Actuarial Certification of Schedule of Contributions – Accord section

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

Adequacy of rates of contributions

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

Adherence to statement of funding principles

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

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

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