Mineworkers’ Pension Scheme

Report and Accounts

2018

Contents

MEMBERSHIP OF COMMITTEES
as at 30 September 2018

Trustees of the Mineworkers' Pension Scheme Limited (the Trustee)

Committee of Management (the Committee)

The Appointed and Elected Pensioner Representative Trustee Directors are shown below.

Appointed Trustee Directors
C Cheetham (Chairman)
K Jones
I Maybury
J McAleenan [2]
P Trickett

Elected Pensioner Representative Trustee Directors
J Bonser - Derbyshire, Nottinghamshire & Lincolnshire
K Capstick - Yorkshire & North Lincolnshire
R Clelland - Scotland, North West England & North Wales [3]
AW Jones - Central & Southern England & South Wales
A Young - North East England & Overseas

Investment Sub-committee (ISC)
P Trickett (Chairman)
R Clelland
I Maybury [4]
A Young
J Betteridge [5]
I Harwood [5]

Risk and Assurance Sub-committee (RASC) [1]
J McAleenan (Chairman)
J Bonser
AW Jones
I Maybury

Member Experience Sub-committee (MESC) [1]
K Jones (Chairman)[6]
K Capstick
C Cheetham
R Clelland

Discretions and Appeals Sub-committee (DASC)
K Jones (Chairman) [6]
K Capstick [7]
C Cheetham [7]
R Clelland [7]

[1] The Committee decided at its meeting on 26 September 2018 to replace the Risk and Operations Sub-committee (ROSC) with a new Member Experience Sub-committee to focus specifically on its strategic objectives in this key area and a Risk and Assurance Sub-committee. The latter would assume ROSC's responsibilities of overseeing the risk framework, the controls environment and the key financial and operational risks of the Scheme.

[2] Mr J McAleenan was appointed as a Trustee Director on 13 August 2018. Mr McAleenan replaced Mrs S O'Connor as a Member of the Committee of Management. Mr McAleenan was appointed as Chairman of the Risk and Operations Sub-committee and the Discretions and Appeals Sub-committee with effect from 13 August 2018 replacing Mr I Maybury who had been appointed as Acting Chairman of both committees since 6 June 2017. Mr McAleenan was appointed as Chairman of the Risk and Assurance Sub-committee on 26 September 2018.

[3] Mr R Clelland was re-elected as a Pensioner Representative Trustee Director for Scotland, North West England and North Wales with effect from 1 October 2018.

[4] Mr I Maybury replaced Ms K Jones as a member of the Investment Sub-committee with effect from 26 September 2018.

[5] Mr I Harwood and Mr J Betteridge are advisers to the Investment Sub-committee.

[6] Ms K Jones was appointed as Chairman of the Member Experience Sub-committee on 26 September 2018 and replaced Mr J McAleenan as Chairman of the Discretions and Appeals Sub-committee with effect from 26 September 2018.

[7] Mr K Capstick, Mr C Cheetham and Mr R Clelland were appointed as members of the Member Experience Sub-committee and also replaced Mr J Bonser, Mr I Maybury and Mr A Jones as members of the Discretions and Appeals Sub-committee with effect from 26 September 2018.

Appointments
as at 30 September 2018

Trustee Company
Trustees of the Mineworkers' Pension Scheme Limited

Executive- Coal Pension Trustees Services Limited (CPT)
G Mellor & G Lane, Co-Chief Executives
M Walker, Chief Investment Officer [1]
A Gibbons, Scheme Secretary

Principal Investment Adviser - Coal Pension Trustees Investment Limited **(CPTI)**

Principal Investment Managers [2]
LaSalle Investment Management (LaSalle)
Legal and General Investment Management (Legal & General)
AQR Capital Management (AQR)

Actuary - M Clarke, Government Actuary

Principal Legal Adviser - Linklaters LLP

Pension Administrator – Capita Employee Benefits [3]

Auditor - Ernst & Young LLP

Bankers - JP Morgan Chase Bank, N.A.
Lloyds Bank plc

Custodian - JP Morgan Investor Services

Medical Adviser - Dr RM Quinlan RPS Business Healthcare

The Scheme's registration number with The Pensions Regulator is 10058240.

1. Mr M Walker joined CPT as Chief Investment Officer on 1 January 2018.
2. Principal Investment Managers are defined as those managing at least 5% of the Scheme's Net Assets by market value as at 30 September 2018.
3. On 11 December 2017, following the transfer of the administration services contract, the Scheme's Pension Administrator changed from Paymaster (1836) Limited to Capita Employee Benefits.

Chairman's Introduction

On behalf of the Committee, I am pleased to be able to introduce the Annual Report and Audited Financial Statements of the Mineworkers' Pension Scheme for the year ended 30 September 2018.

Our objective as Trustees of the MPS is simple to state. It is to strive to deliver the best possible outcomes for all members. While our key focus is on securing and improving pension benefits, we are also committed to ensuring a friendly and efficient member experience and clearer communications about pensions. We have been very active in each of these areas during the last twelve months, having successfully concluded the latest actuarial valuation of the Scheme, which we believe delivered a very good outcome for all members, changed the provider of benefits administration and also refreshed our communications to members. I discuss each of these developments below.

Investment Strategy

The success of the Scheme's investment strategy going forward will obviously be critical to member outcomes. It should be no surprise, therefore, that the Committee spends much of its time discussing investment matters with the Scheme's advisors. However, we have also thought very carefully about what our investment objectives should be. Our overarching goal is to achieve the best possible pension benefits going forward for all members, including deferred members who have yet to draw their pensions, but there are three aspects of this challenge the Trustees continue to focus on.

The first question concerns the annual level of new bonuses that might be achievable in the long term. This is difficult to predict because it depends upon the performance of financial markets, but we believe that delivering new bonuses to members that would allow inflation-linking of total pensions, i.e. of the guaranteed pension plus current bonuses, is an achievable target as long as financial markets perform reasonably well.

Secondly, the Committee is conscious of the risks that our chosen investment strategy necessarily involves and we have, therefore, focussed on how we might protect existing bonuses which, under the Scheme's Rules, can be lost over time if investment returns disappoint. When managing this risk we have the skill of our investment team and that of our investment managers on our side, but we are still largely dependent on financial markets performing well.

Third, we are aware that the scheme is now very mature with annual benefit payments in excess of £600 million. These cash outflows exceed the income that can be earned on the scheme's investments so that, as result, we will need to continue to sell assets to pay pensions. To put this in perspective, over the remaining life of the Scheme we need to invest the £12billion of Scheme assets in order to pay pensions to members totalling at least £17 billion. Ideally, we will be able to pay significantly more to members through additional bonuses.

Taken together and recognising that the Government Guarantee means that members' total pensions cannot fall, these three considerations mean that the Trustees can continue to pursue an investment strategy which seeks high returns. The risks associated with this approach are addressed through a broad diversification of investments, including into so-called 'alternative' assets such as ships, property and UK infrastructure, while investment in assets which also generate high levels of cash income are designed to help mitigate the risks associated with being 'forced to sell' assets to pay pensions at a time when their prices may have fallen in the market.

An important part of the Committee's investment focus relates to environmental, social and governance (ESG) considerations. Our objective, of course, is to maximise prospective returns for any given level of risk, but the Committee recognises that ESG factors can impact investment outcomes and ensures that they are taken into account in all investment decisions. The Scheme has been a signatory of the UK Stewardship Code for many years and more recently the Committee agreed that the Scheme will become a signatory of the UN-supported Principles for Responsible Investment.

Actuarial Valuation as at 30 September 2017

The results of the Scheme's actuarial valuation, as at 30 September 2017, were published during the year. The success of the Scheme's investment strategy, which in part reflected the favourable financial market environment, led to a very favourable valuation outcome. The Scheme Actuary calculated that the Scheme's Guaranteed Fund had a surplus of just over £1.2 billion, and hence the ability to pay new bonuses to Scheme members. The surplus was large enough to fund new bonuses which provide members with increases every year for the next six years, equivalent to 4.2% of guaranteed pensions. This is broadly equivalent to the Committee's target of inflation linking total pensions and hence represents a very good outcome for members.

To enable us to be certain that we will be able to provide these bonuses over each of the next six years, i.e. to remove the risk that they could be lost at the 2020 valuation through the 'standstill' mechanism, the Committee suggested to the Government that we make a change to the Scheme Rules. The Government agreed to this Rule change and, as result, members can now have complete confidence in the pensions they will receive over each of the next six years, regardless of how financial markets perform over that period or, for example, how the UK's departure from the European Union impacts investment returns.

The Scheme Actuary also decided that a payment of £475m should be made from the Investment Reserve to the Government and this was paid in July 2018. It is intended that the balance of the Investment Reserve will be repaid to the Government over the period to 2029, with the amounts and timings to be decided by the Scheme Actuary following each valuation.

Benefits Administration and Member Communications

We highlighted in last year's report, and in other member communications, that in 2016 the Committee decided to undertake a review of the Benefits Administration contract which had been with Equiniti Paymaster since 2001.

Following a market tendering exercise and extensive due diligence the Committee decided to appoint Capita Employee Benefits. Capita are a very experienced provider of pension benefits administration in the UK and serve many other large Schemes. The Committee were satisfied that they would deliver a very good service to Scheme members and that their proposal represented the best value for money. An added benefit of appointing Capita is that Scheme pensions are once again administered from Sheffield. I am delighted to be able to report now that the move to Capita Employee Benefits, which was completed on 11 December 2017, went smoothly. This was a significant achievement given the scale of the transition.

The Committee are very conscious that over the past year the wider Capita Group has experienced some adverse publicity around its financial performance and corporate restructuring plans and we have been very proactive in managing the Scheme's relationship with Capita Employee Benefits. We continue to monitor Capita Group's financial strength very closely and regularly request and receive updates from Capita Employee Benefits. The Committee remains confident in our choice of Benefits Administrator for the Scheme.

We have been working hard over the past year to improve the look and feel of member communications. We undertook an extensive review of member letters as part of the administration transition, simplifying the language wherever possible and we provided more clarity in the October pension increase letters. We also launched a new Scheme website with a number of improvements. The website is easier to read and it now contains additional information about the Scheme, along with some helpful videos. Similarly, we have refreshed Pension Newsline in order to deliver information about the Scheme more clearly. We hope that members have benefitted from these enhancements. We are always happy to receive feedback from members and will continue to seek ways to improve member experience.

Discussions with the Government on Potential Improvements to Member Outcomes
The Committee's role is secure the best outcomes for members, while working within the rules of the Scheme. The Trustees do not have the power to make changes to these rules. This can only be done with the agreement of the Government. Nevertheless, we do see it as our role to engage with the Government to seek changes to Scheme rules where we believe this would be in the interests of Scheme members. For this reason the Committee has had an ongoing dialogue with the Government and we have met with the Minister responsible for the Scheme within the Department of Business, Energy and Industrial Strategy. These discussions will continue.

Structure and Organisation
I am confident that the Mineworkers' Pension Scheme has a strong and experienced Trustee Board, supported by an equally strong Executive team. I was delighted that James McAleenan joined the Committee as an appointed Trustee Director in August. James was also appointed as Chair of the Risk and Assurance sub-committee. He replaced Sophie O'Connor who stepped down after six years as a member of the Committee. Bobby Clelland was re-elected as a Pensioner Representative for a further five-year term of office following the election in the Scotland, North West England and North Wales constituency. As a result, the Committee will continue to benefit from Bobby's experience and perspective. In 2019 the Pensioner Representative election will be in the Derbyshire, Nottinghamshire and Lincolnshire constituency.

As far as the Executive team is concerned, we welcomed Mark Walker as the Chief Investment Officer of Coal Pension Trustees Services in January 2018. Mark has been further strengthening his investment team and is already making an excellent contribution.

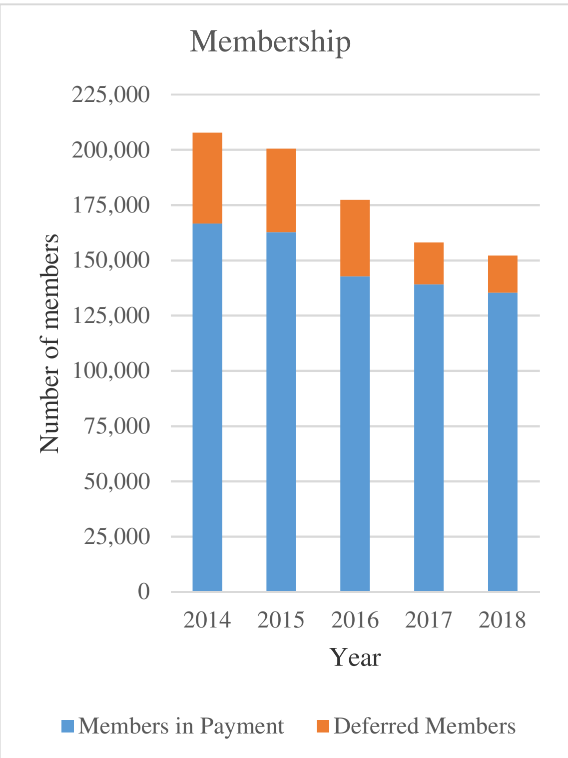
In response to strengthened data protection regulation (GDPR), the Committee ensured that the Scheme's administrator and any other third parties who have access to members' data are compliant with the new legislation. A new privacy statement was published on the Scheme website with a shorter version sent to all members to highlight the changes and explain how personal data is handled.

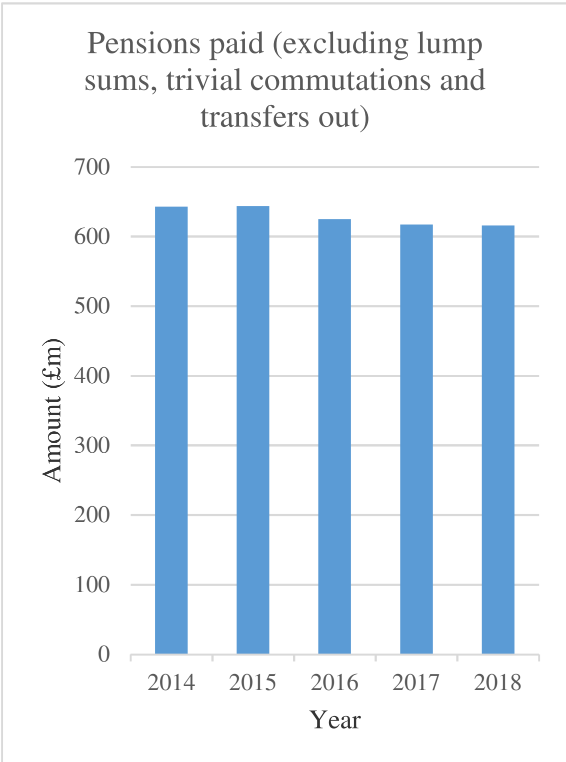
Finally, I would like to take this opportunity to thank my fellow Trustee Directors on the Committee for their support and hard work over the past year to ensure the effective oversight and running of the Scheme. We are also fortunate to have a strong executive team in both the London and Sheffield offices working diligently and skilfully on your behalf.

Key Statistics

Key Statistics for 2018	
Total number of pensioner members	135,301
Total number of deferred members	16,881
Total benefits paid and transfers out	£696m
Net decrease in the fund during the year	(£262m)
Net assets of the Scheme at the end of the year	£11,979m

Five Year Summary of the Fund Account	**2014 £m**	**2015 £m**	**2016 £m**	**2017 £m**	**2018 £m**
Benefits and payments out of the Scheme					
Benefits and transfers out of Scheme	(742)	(721)	(882)	(678)	(696)
Payments to the Guarantor	(750)	(92)	(113)	(51)	(526)
Administrative expenses	(9)	(9)	(7)	(6)	(7)
Net withdrawals from the Scheme	**(1,501)**	**(822)**	**(1,002)**	**(735)**	**(1,229)**
Returns on investments					
Investment income	212	237	277	290	308
Change in market value of investments	978	97	1,680	1,338	706
Investment management expenses	(36)	(43)	(50)	(48)	(47)
Net returns on investments	**1,154**	**291**	**1,907**	**1,580**	**967**
Net increase/(decrease) in the fund during the year	**(347)**	**(531)**	**905**	**845**	**(262)**
Net assets of the Scheme at the end of the year	**11,022**	**10,491**	**11,396**	**12,241**	**11,979**





Report of the Committee of Management

The Committee is pleased to present the Annual Report and Accounts of the Mineworkers' Pension Scheme (the Scheme) for the year ended 30 September 2018.

The Investment Report on pages 18 to 23 and the Compliance Statement on page 55 form part of this Annual Report.

Management of the Scheme

The Trustee has ten directors who form the Scheme's Committee. Of the ten members of the Committee, five are appointed, and may be removed, by the Committee. When there is an appointed Trustee Director vacancy, the Nomination Group recommends a suitable candidate to the Committee. The term of office for an appointed Trustee Director is three years. The maximum number of terms served is three, although this can be extended with the agreement of the Secretary of State for Business, Energy and Industrial Strategy (the Guarantor).

Sophie O'Connor's term of office as an Appointed Trustee Director ended on 17 July 2018 and she was replaced by James McAleenan. Mrs O'Connor served on the Committee since her appointment on 18 July 2012. The Committee wishes to put on record its appreciation for the work carried out for the Scheme by Mrs O'Connor during her period of office. Mr McAleenan also replaced Mr Maybury as Chairman of ROSC and DASC. Mr Maybury had served as Acting Chairman of ROSC and DASC since 6 June 2017 and the Committee also wishes to put on record its appreciation for the additional responsibilities undertaken by Mr Maybury over this period.

The remaining five members of the Committee are Pensioner Representatives elected by Scheme members from five geographical constituencies. The term of office for an elected Pensioner Representative Trustee Director is five years, after which the Pensioner Representative will be eligible for re-election.

Attendance at Meetings

During the year there were six meetings of the Committee. Trustee Directors are notified of all meetings in advance. For decisions to be valid, a minimum of four Trustee Directors must be present (of whom two must be appointed directors and two Pensioner Representatives). In the case of an equality of votes, the Chairman of the meeting has a second or casting vote.

Sub-committees

To help perform its duties and to streamline decision making, the Committee has established, and delegated some of its powers, to four Sub-committees. Each Sub-committee has its own written Terms of Reference agreed by the Committee. The membership of each Sub-committee is shown on page 2. Sub-committee meetings are open to all members of the Committee to attend.

During the year: DASC met on three occasions; ISC met on four occasions; and ROSC met on five occasions. As noted on page 3, at its meeting on 26 September 2018 the Committee agreed, that going forward, ROSC would be separated into the MESC and the RASC.

Remuneration
Members of the Committee are entitled to remuneration for the work they undertake for the Scheme. The rates of remuneration are set by the Guarantor for all Committee posts other than the Chairman, the Chairman of ISC and the Chairman of RASC which are set by the Committee after showing that the pay rates have been benchmarked to the satisfaction of the Guarantor.

Remuneration rates are reviewed annually with effect from 1 April to reflect any increase in the Retail Prices Index (RPI). From 1 April 2018, the rates of remuneration for all members of the Committee increased in line with the 3.3% rise in RPI, to £72,650 per year for the Chairman, to £57,600 per year for the Chairman of ISC, to £39,700 per year for the Chairman of RASC, to £24,000 for the Chairman of MESC and to £19,000 per year for all other members of the Committee.

The total remuneration paid in the year to the members of the Committee was £224,330.

Appointments
A list of the key appointments made by the Committee is on page 4. These appointments are periodically reviewed by the Committee. The principal investment managers and custodian are also listed on page 4 and a full list of the investment managers is included in the investment report on page 20.

Pension Administrator
The Scheme's benefits administration contract transferred from Equiniti Paymaster to Capita Employee Benefits on 11 December 2017.

Coal Pension Trustees Services Limited
Coal Pension Trustees Services Limited (CPT), a company owned jointly by the Scheme and the British Coal Staff Superannuation Scheme (BCSSS), acts as the Scheme's Executive. Four members of the Committee sit on the Board of Directors of CPT. At the year-end, these were Mr Cheetham, Mr Jones, Mr McAleenan and Mr Young. The Board met twice during the year.

A subsidiary company of CPT, Coal Pension Trustees Investment Ltd (CPTI) provides investment advice to the Committee. CPTI is authorised by the Financial Conduct Authority (FCA).

Further Information
Enquiries about the Scheme should be sent to the Scheme Secretary at the address shown below.

Internal Dispute Resolution Procedure
It is expected that most queries about pension benefits can be resolved by the Scheme Administrator. In the event that a complaint cannot be resolved, Scheme members can lodge a formal complaint using the Scheme's Internal Dispute Resolution Procedure (IDRP).

The Scheme's IDRP complies with the requirements of Section 50 of the Pensions Act 1995 and The Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008. The IDRP is the route under which any disputes between the Committee and Scheme beneficiaries may be resolved.

Details of the IDRP can be obtained from the Scheme Secretary at:

Coal Pension Trustees Services Limited
Ventana House, 2 Concourse Way, Sheaf Street, Sheffield, S1 2BJ.

IDRP forms can also be downloaded from the 'Update your details' section of the Scheme's website.

Complainants have recourse to The Pensions Ombudsman (TPO) to assist them in taking their complaint through the IDRP. TPO gives free and independent advice to members of the public to help them deal with pension problems.

TPO can be contacted at:

10 South Colonnade, Canary Wharf, E14 4PU
www.pensions-ombudsman.org.uk

Transfers out of the Scheme
Transfer values paid during the year in respect of transfers to other pension schemes have been calculated on a basis decided by the Committee following advice from the Actuary. The Committee has directed the Actuary not to take discretionary pension increases into account in the calculation of transfer payments.

Statement of Investment Principles
The Scheme is exempt from producing a Statement of Investment Principles (SIP) under the Occupational Pension Schemes (Investment) Regulations 2005. However, under Clause 9A of the Scheme and Rules the Committee is required to prepare and maintain a written statement of the principles governing decisions about investments for the purposes of the Scheme. The Statement is reviewed at least every three years and immediately after any significant change in investment policy.

Discretionary Benefits
The Committee may, in certain circumstances, pay discretionary benefits where Scheme benefits are not yet in payment. The Committee currently has a discretionary power to grant early payment of unreduced Scheme benefits in extreme and exceptional circumstances, whatever a member's age. For example, discretionary benefits may be paid where a deferred member provides medical evidence to show that they would be unable to undertake any form of employment due to physical or mental deterioration in their health before the age of sixty.

Conflicts of Interest Policy
The Committee has a conflicts of interest policy which sets out its principles for identifying, managing and monitoring any Trustee Director, Scheme Executive or Scheme adviser's actual or potential conflicts of interest which may arise in the conduct of Committee business and decision making. The policy is reviewed regularly.

Evaluation of Trustee Director Performance
The Committee evaluates formally its performance and the performance of its Sub-committees on a periodic basis.

Membership of the Scheme

Details of changes in the numbers of pensioners and deferred pensioners during the year are shown below.

Deferred members at 30 September 2017	**18,958**
Additions:	
Pension sharing credits	3
Adjustments*	5
Reductions:	
Retirements	1,862
Deaths	64
Transfers	60
Commutations paid	99
Deferred members at 30 September 2018	**16,881**
Pensioners in payment at 30 September 2017	**139,141**
Additions:	
Retirements	1,862
Dependants' Pensions	1,104
Children's pensions	18
Adjustments*	13
Reductions:	
Deaths	6,421
Commutations paid	344
Children's benefits	65
Adjustments*	7
Pensioners in payment at 30 September 2018	**135,301**

*Adjustments consist of records where members moved between the various categories shown above during the year, and late notifications.

Actuarial Valuation and Report on Actuarial Liabilities

The Scheme is exempt from the statutory scheme funding requirements for occupational pension schemes (Part 3 of the Pensions Act 2004). The funding requirements for the Scheme are instead set out in the Mineworkers' Pension Scheme (Modification) Regulations 1994 and the Guarantee Deed relating to the Mineworkers' Pension Scheme under paragraph 2(9) at schedule 5 to the Coal Industry Act 1994.

Clauses 17, 18A and 18B of the Modification regulations require that the Government Actuary carries out an Actuarial Valuation of the assets and liabilities of the Scheme at least every three years.

The Scheme is split into four notional sub-funds known as the Guaranteed Fund, the Bonus Augmentation Fund, the Guarantor's Fund and the Investment Reserve. More details on the operation of these sub-funds is set out in notes 1 and 24 of these accounts.

The last Actuarial Valuation was carried out as at 30 September 2017. A summary of the Actuary's report is on page 54. Details of the outcome of the valuation of each of the notional sub-funds, reflecting the Guarantee arrangements in the Scheme and Rules, are included in the Actuary's report and the notes to the accounts on pages 41 and 42.

A summary of the valuation results is given below:

- the surplus of £1,216 million in the Guaranteed Fund (plus a further £18 million to cover the projected future expenses which are associated with this portion of the Fund) was divided equally between the Bonus Augmentation Fund and the Guarantor's Fund;
- the surplus in the Bonus Augmentation Fund was £851 million following the transfer of £617million surplus from the Guaranteed Fund. With the agreement of the Guarantor, £836 million of this surplus was allocated to pay a bonus in each of the years from 2018 to 2023. In addition, an allocation of £15million was made for the award of discretionary benefits for deferred members in serious ill health;
- the surplus in the Guarantor's Fund was £672 million following the transfer of £617 million surplus from the Guaranteed Fund;
- the Investment Reserve has no quantifiable liabilities, is not subject to a valuation and had a market value at 30 September 2017 of £1,488 million.

Pensions paid from the Guaranteed Fund (excluding any Guaranteed Minimum Pension) continue to be increased in line with inflation measured by the RPI, although bonuses earned before 2012 will be reduced each year by the same amount. The new bonuses to be granted from 2018 to 2023 will be 4.2% per annum of the Guaranteed Fund pensions (excluding any Guaranteed Minimum Pension).

The Actuary recommended that the existing stream of outstanding payments to the Guarantor from the Guarantor's Fund as at 1 October 2018 be increased. He also recommended that the surplus of £617 million transferred from the Guaranteed Fund to the Guarantor's Fund be allocated to a new stream of ten annual payments of £80.2 million each, which takes account of expected future investment returns on this amount. The payment to the Guarantor during the year of £51 million from the Guarantor's Fund is explained in note 24 to the accounts.

In accordance with the provisions of the Scheme, the Actuary considered whether, taking into account the outcome of the 2017 valuation, monies should be released to the Guarantor from the Investment Reserve. He concluded that a payment of £475 million should be made to the Guarantor no later than 30 September 2018. The £475 million payment was made to the Guarantor on 17 July 2018.

Method and Significant Assumptions Adopted at the 2017 Actuarial Valuation
The Scheme's financial position is measured by comparing the current value of its assets with the Actuary's estimate of the current value of the Scheme's liabilities. The current value of the Scheme's assets can be determined at the valuation date. There are uncertainties inherent in estimating the current value of the liabilities, for example, the length of time for which a future pension might be paid, the possibility that a survivor's benefit might be paid, and the future rate of return on assets. Estimates of all these factors are used to determine the amount of assets that would be required today in order to meet, in full, the benefits members have already earned up to the date of the valuation.

The regulations require the assumptions for the Actuarial Valuation to be decided by the Actuary after consultation with the Committee and the Guarantor. The key assumptions used for the 30 September 2017 Actuarial Valuation were as follows:

Discount rate	2.00% pa real (above RPI)
Prudence margin	
Guaranteed Fund	2.00% increase in the liability value
Bonus Augmentation Fund	1.00% increase in the liability value
RPI inflation	
2018 onwards	3.15% pa
CPI inflation	
2018	3.00%
2019 onwards	2.00% pa
Pension increases	These are derived from the inflation assumptions above in line with the Scheme rules
Mortality rates	Baseline mortality rates are assumed to be in line with standard tables, adjusted to reflect recent Scheme membership experience, with future improvements projected to be in line with those underlying the Office of National Statistics 2016-based principal UK population projections.

The next Actuarial Valuation will be prepared as at 30 September 2020. The Committee and the Guarantor have agreed that the outcome of the 2020 review will not have any impact on member benefits or payments to or from the Guarantor.

Risk Management

The Committee is responsible for the Scheme's Risk Management Framework, which includes the system of internal control, and for reviewing its effectiveness.

The Risk Management Framework is designed to manage the risk of failure to achieve the Committee's objectives and can provide reasonable, but not absolute, assurance against material misstatement or loss.

The RASC has the remit to review and monitor the Risk Management Framework and make recommendations to the Committee, where appropriate, for improvement. It assists the Committee and other Sub-committees in discharging their responsibilities in relation to financial reporting, risk management and internal controls.

A risk register is maintained by the Committee which records the assessment of applicable risks facing the Scheme together with the effectiveness of controls in place to mitigate each risk. Each Sub-committee has responsibility for ensuring that the specific risks that fall within its remit are being adequately managed. The risk register is reviewed and updated regularly.

Key risks are prioritised to enable attention to be focussed appropriately. Risk appetite measures have been established and compliance with these is monitored by the Committee.

Controls are designed to provide reasonable assurance that the assets are safeguarded against loss from unauthorised use and that benefits are paid in accordance with the Scheme and Rules.

The Committee receives assurance over the operation of the system of internal controls from internal audit and other assurance reviews, according to a programme approved and overseen by RASC.

Statement of Trustee's Responsibilities in Respect of the Accounts

The Mineworkers' Pension Scheme is governed by the Scheme and Rules set out in the Schedule to the Mineworkers' Pension Scheme (Modification) Regulations 1994 and as subsequently amended. Under the Definitive Scheme and Rules, the Committee is required to obtain audited accounts. The Committee applies the accounting principles in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 (FRS 102) and makes available certain other information about the Scheme in the form of an Annual Report.

The financial statements, which comprise the Fund Account, the Statement of Net Assets and the Notes to the Accounts, are the responsibility of the Committee. The Scheme and Rules require, and the Committee is responsible for ensuring that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities other than liabilities to pay pensions and benefits after the end of the Scheme year; and

- include a statement that the financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice including FRS 102, and as required by the Scheme and Rules include specific disclosures in respect of the sub-funds.

In discharging the above responsibilities, the Committee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis, and for the preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will not be wound up.

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

Investment Report

Policy
The responsibility for setting the investment policy of the Scheme lies with the Committee. Decisions concerning the establishment of investment objectives and formulation of an investment strategy which seeks to achieve the objectives are made by the Committee. The ISC is responsible for overseeing the efficient implementation of the investment strategy and deciding on the most appropriate investment structure within delegated parameters. Decisions are made after consideration of advice from CPTI, the Scheme's investment adviser.

Day-to-day investment decisions are delegated to the Scheme's investment managers who are required to follow specific guidelines.

The Committee takes professional advice to ensure that risk in the long-term strategy is appropriate to the profile of expected benefit payments.

Investment Review and Performance
The year to September 2018 saw volatility return to asset prices after a period of relative calm, as markets adjusted to higher interest rates. The Federal Reserve continued to raise rates in a steady and gradual manner, but the Bank of England continued to be much further behind, only raising rates twice during the period due to ongoing Brexit uncertainty.

Global equity markets as measured by the FTSE All World Index rose by 10.5% over the year in sterling terms whilst the FTSE All Gilt Total Return Index returned 0.6%.

UK commercial property as measured by the IPD All Property Index had a total return of 8.4%.

Sterling weakened on a trade weighted basis, falling by 1.6% over the year. The pound weakened by 2.7% against the dollar over the year and also fell 1.7% against the euro. There was significant sterling volatility over the year due to the ongoing Brexit negotiations.

Over the year the Committee continued to increase its exposure to private assets such as special situations debt, private debt, UK infrastructure equity and shipping. The Committee also invested in an insurance event strategy and increased its exposure to global macro. Most of these moves were funded from cash proceeds arising from equity sales.

During the year the Committee decreased its hedging of foreign currency exposure within the equity allocation. 50% of developed public and private equity exposure in US dollars, euros, yen and Swiss francs are now currency hedged. Global investment grade credit, global multi-asset credit, private debt, special situations debt and shipping mandates remain 100% currency hedged.

The Committee uses JP Morgan Investor Services (JP Morgan) as its independent investment performance measurer. Annualised returns over one, three and five-year periods are shown below.

	Scheme Return %	**Benchmark** %
1 Year	**8.21**	**9.31**
3 Years	**13.83**	**15.26**
5 Years	**10.99**	**11.26**

The benchmark is a composite of individual asset class benchmarks, weighted in accordance with the investment strategy agreed by the Committee. It provides an indication of how effectively the Scheme's investment strategy has been executed in the period under review.

The Scheme's investment managers and the nature of each mandate are shown below: -

			Total net assets
		£m	**£m**
Cash	Insight	338	
	Other cash	8	**346**
Global government bonds	BlackRock	362	**362**
Global investment grade credit	PGIM	178	
	Wellington	177	**355**
Global multi-asset credit	PGIM	309	
	Wellington	296	**605**
Private debt	Bain Capital	414	
	Goldman Sachs MBD	217	
	Ares	176	
	Goldman Sachs Mezzanine	1	
	HIG Whitehorse	10	**818**
Special situations debt	M&G	184	
	Apollo	111	
	Varde	46	
	Oak Hill	125	
	Castlelake	53	
	Atalaya	38	
	HIG Bayside	17	
	LCM	39	
	AnaCap	18	
	Siguler Guff	1	
	TAO IV	6	
	Bain Asia	10	
	Arbour Lane	13	**661**
Public equity	Legal & General	2,129	
	AQR	756	
	Cantillon	490	
	Baillie Gifford	393	
	Edinburgh Partners	406	
	Lazard	359	
	JO Hambro	171	
	Genesis	173	
	Schroder	138	**5,015**
Private equity	Various	1,160	**1,160**
Property	LaSalle	1,821	**1,821**
UK infrastructure	Dalmore	195	
	Greencoat Solar	44	**239**
Global macro	Bridgewater	247	**247**
Insurance	Securis	120	**120**
Shipping	Tufton Oceanic	230	**230**
Net Assets as at 30 September 2018			**11,979**

The manager totals include investment debtors, creditors and investment cash

At the end of the year, the actual proportion of investment assets held at market value in comparison to the target asset allocation was as follows:

	Actual	Target Asset Allocation
	%	%
Cash	2.8	0.0
Global government bonds	3.0	3.0
Global investment grade credit	3.0	3.0
Global multi-asset Credit	5.1	5.0
Private debt	6.8	10.0
Special situations debt	5.5	7.0
Public equity	41.9	38.0
Private equity	9.7	10.0
Property	15.2	15.0
Insurance	1.0	1.0
UK infrastructure	2.0	5.0
Global macro	2.1	1.5
Shipping	1.9	1.5
	100.0	**100.0**

Variations between actual and target allocations are monitored by ISC and are rebalanced as appropriate. The above analyses are based on the underlying investments. These differ from the classifications used in note 7 to the accounts which have been presented in line with accounting standards.

The ten largest public equity holdings at 30 September 2018 were:

	Market Value £m	% of Total Scheme Net Assets
Alphabet	74.5	0.62%
Amazon	66.3	0.55%
Tencent	57.3	0.48%
Alibaba	47.8	0.40%
Royal Dutch Shell	42.1	0.35%
Facebook	38.9	0.33%
Microsoft	37.9	0.32%
Samsung Electronics	37.5	0.31%
Apple	36.8	0.31%
Illumina	35.8	0.30%
	474.9	**3.97%**

The basis of the valuation of investments is shown in note 1 of the accounts.

Custodial and Cash Arrangements
The Scheme's quoted securities are held by a custodian, JP Morgan, who also provides investment accounting, investment performance measurement, securities lending, derivatives and bank loan valuation and other fund services.

Insight Investment manages most sterling cash balances within its Liquidity funds. The remaining cash is either deposited with JP Morgan Chase Bank, N.A. or placed on deposit in the name of the Scheme.

The Committee’s approval is required for any borrowings in excess of agreed short-term overdraft facilities with JP Morgan Chase Bank, N.A. and Lloyds Bank plc.

Public equities and bonds are registered in the name of nominee companies controlled by the Scheme's custodian or sub-custodians. Passively managed securities are mainly held in pooled funds, which appoint their own custodian.

Property investments are primarily registered in the name of Coal Pension Properties Ltd (CPPL) or Crucible Residential Properties Ltd (CRPL) which are nominee companies controlled jointly by the Scheme and BCSSS, together the Schemes, and incorporated for the purpose of holding title to the Scheme properties. A further subsidiary company set up as a joint venture between the Scheme and BCSSS holds title to one property, although ‘Heads of Terms’ were agreed to sell the property just before the year end and completion took place the following month. Title deeds are held by firms of solicitors. Trust deeds between the nominee companies and the Schemes establish that the properties are held on behalf of the Schemes and which Scheme holds which property.

Private debt, special situations debt, private equity and shipping investments are held in the name of the Mineworkers’ Private Equity Trust on behalf of the Scheme.

UK infrastructure investments are held in the name of Trustees of the Mineworkers’ Pension Scheme Limited on behalf of the Scheme.

Regular reconciliations are carried out of evidence of title and value held by the custodian with records maintained by the Scheme's investment managers.

Corporate Governance
The Committee believes that widespread adoption of good corporate governance practice by investee companies will improve the quality of investee company management and, as a consequence, potentially increase the returns to long-term investors. The Scheme is a signatory to the Financial Reporting Council’s (FRC) UK Stewardship Code, updated in 2016. This sets out a number of areas of good practice to which the FRC believes institutional investors should aspire. It also describes steps asset owners can take to protect and enhance the value that accrues to the ultimate beneficiary.

Effective intervention, however, requires a deep knowledge of the underlying businesses in which the Scheme effectively invests, which the Committee does not have. For this reason, engagement and voting activities for equity managers are delegated to Hermes Equity Ownership Services or in some cases the investment managers and their reports are published on the Scheme website. For other investment classes the Committee relies upon its investment adviser to undertake effective due diligence and ongoing monitoring to ensure that environmental, social and governance (ESG) considerations are considered in the selection, retention and realisation of investments through its investment managers. The Committee's focus on ESG considerations within the investment portfolio has increased during the year with the subject being discussed in more detail at both Committee and Sub-committee level.

Securities Lending

The Scheme participates in securities lending through its custodian, JP Morgan. Approved borrowers are required to provide collateral valued in excess of securities on loan. Additional controls include limits on lending to borrowers and restrictions on acceptable collateral. The Scheme also benefits from an indemnity from JP Morgan against losses on borrower default.

Transaction costs

The management of transaction costs and the obligation to seek best execution is the responsibility of each investment manager, with whom there is a regular dialogue.

Derivatives

The Committee has authorised the use of equity, foreign exchange and bond index futures, credit default swaps, currency, interest rate, inflation and total return swaps. These are used by the Scheme's investment managers to contribute to the reduction of risk and to facilitate efficient portfolio management (including the reduction of cost or the generation of additional capital or income with an acceptable level of risk). Controls in place include authorisation of permitted instruments, limits on market exposures and on total tracking errors and collateral requirements.

JP Morgan Chase Bank N.A. also provides an independent valuation for derivatives.

Currency Hedge

At year end exposure to all non-sterling currencies within global multi-asset credit, global investment grade credit, private debt, special situations debt and shipping is 100% hedged. Exposure to US dollars, euros, Swiss francs and yen is 50% hedged in relation to developed market public and private equity.

For and on behalf of the Committee of Management:

……………………….. Chairman

……………………….. Committee Member

19 March 2019

FUND ACCOUNT

YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £m	2017 £m
Contributions and Benefits			
Benefits	2	**(689)**	(676)
Payments to and on account of leavers	3	**(7)**	(2)
Payments due to the Guarantor	4	**(526)**	(51)
Administrative expenses	5	**(7)**	(6)
Net Withdrawals from Dealings With Members and the Guarantor		**(1,229)**	(735)
Returns on Investments			
Investment income	6	**308**	290
Change in market value of investments	7	**706**	1,338
Investment management expenses	8	**(47)**	(48)
Net Returns on Investments		**967**	1,580
Net (Decrease)/Increase in the Fund During the Year		**(262)**	845
Net Assets of the Scheme at the beginning of the year		**12,241**	11,396
Net Assets of the Scheme at the end of year		**11,979**	12,241

STATEMENT OF NET ASSETS

AS AT 30 SEPTEMBER 2018

	Note	2018 £m	2017 £m Restated
Investment assets:	7		
Equities		**2,938**	3,495
Fixed income securities	9	**2,031**	1,943
Property	10	**1,764**	1,693
Pooled investment vehicles	11	**4,243**	4,080
Derivatives	12	**52**	223
Shipping	13	**219**	138
Joint ventures	14	**56**	69
Cash and cash equivalents		**644**	647
Other financial assets	15	**237**	92
		12,184	12,380
Investment liabilities:			
Derivatives	12	**(65)**	(28)
Other financial liabilities	15	**(142)**	(117)
Net investment assets		**11,977**	12,235
Current assets	21	**12**	10
Current liabilities	22	**(10)**	(4)
Net assets of the Scheme at 30 September		**11,979**	12,241

The accounts summarise the transactions of the Scheme and deal with the net assets at the disposition 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 into account such obligations, is dealt with in the Report on Actuarial Liabilities included on page 14 and these accounts should be read in conjunction with that Report.

The notes on pages 26 to 50 form part of these financial statements.

These accounts were approved by the Committee on 19 March 2019.

Signed on behalf of the Committee of Management:

……………………… Chairman

……………………… Committee Member

Scheme Registration Number: 10058240

Notes to the Accounts

1. Accounting policies

Basis of preparation

The accounts have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) - the Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and with the guidelines set out in the Statement of Recommended Practice – Financial Reports of Pension Schemes (November 2014) (SORP), and, as required by the Scheme and Rules include specific disclosure in respect of the sub-funds. The principal accounting policies applied in the preparation of these accounts are set out below.

During the year the Committee reviewed the investment categories shown on the Statement of Net Assets and decided to reduce the number of categories. This has resulted in the revised classes being more in line with the standard headings shown in the SORP and FRS 102. This resulted in allocating prior year global government bonds, global investment grade credit, global multi-asset credit and private debt investments into fixed income securities and allocating prior year special situations debt and private equity into pooled investment vehicles. This does not impact the net assets or the increase in the Fund as previously reported. In order to show the comparability of the current year and prior year the Committee has restated the prior year figures and the relevant notes to the accounts.

Net Investment Assets

	As previously reported 2017	**Reclassifications 2017**	**As restated 2017**
	£m	£m	£m
Equities	3,495	-	3,495
Fixed income securities	-	1,943	1,943
Global government bonds	338	(338)	-
Global investment grade credit	340	(340)	-
Global multi-asset credit	576	(576)	-
Private debt	689	(689)	-
Property	1,693	-	1,693
Pooled investment vehicles	2,429	1,651	4,080
Special situations debt	526	(526)	-
Private equity	1,125	(1,125)	-
Derivatives	195	-	195
Shipping	138	-	138
Joint ventures	69	-	69
Cash and cash equivalents	647	-	647
Other financial assets and liabilities	(25)	-	(25)
	12,235	**-**	**12,235**

Investment Income

	As previously reported 2017 £m	Reclassifications 2017 £m	As restated 2017 £m
Dividends from equities	74	-	74
Income from fixed income securities	-	108	108
Income from global government bonds	17	(17)	-
Income from global investment grade credit	6	(6)	-
Income from global multi-asset credit	14	(14)	-
Income from private debt	71	(71)	-
Property rents (net of expenses)	79	-	79
Income from pooled investment vehicles	-	8	8
Income from private equity	8	(8)	-
Income from shipping (net of expenses)	14	-	14
Income from joint ventures	3	-	3
Interest on cash deposits and margin accounts	1	-	1
Other	3	-	3
	290	**-**	**290**

Basis of accounting

The accounts include the assets and liabilities, excluding obligations to pay pensions and benefits after the end of the Scheme year, together with the net income arising during the year. The majority of assets and liabilities are held through nominee, trustee or subsidiary companies, limited partnerships and other pooling arrangements.

Basis of consolidation

The results of subsidiary undertakings are included from the date of acquisition and up to the date of disposal using the acquisition method of accounting.

Investment income

Revenue is recognised when the Scheme's right to receive payment is established as follows:

Income from equity investments is included in the accounts on the date when the securities are quoted ex-dividend, or where no ex-dividend date is quoted, when the Scheme's right to receive payment is established.

Income from fixed income securities, property, shipping and cash is taken into account on an accruals basis. Income from property and shipping is stated net of any expenses which relate directly to the income against which it has been incurred.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price and is reported within the change in market value. Where income is distributed it is included in investment income when the Scheme's right to receive payment is established. Distributions from pooled investment vehicles which are not split between income and realised gains are included in change in market value.

Income from joint ventures represents income from a jointly owned property and is stated net of any expenses which relate directly to the income against which it has been incurred.

Individual transfers
Individual transfers from the Scheme during the year are recognised in the accounts when the member liability is accepted by a registered pension arrangement.

Benefits
Benefits payable are included in the accounts on an accruals basis when the member notifies the Trustee as to the type or amount of benefit to be taken, or where there is no choice, on the date of retirement or leaving.

Administrative expenses and investment management expenses
Administrative expenses and investment management expenses, where they are invoiced directly, are accounted for on an accruals basis. Some investment managers deduct their fees directly from the fund and these are reflected within the change in market value. Irrecoverable VAT is reflected within the appropriate expense heading.

Foreign currencies
Transactions in foreign currencies during the period, including purchases and sales of securities, investment income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Amounts denominated in foreign currencies at the year-end are translated into sterling, the Scheme's functional currency, at the rate of exchange ruling at the year-end date. Gains and losses on foreign currency denominated investments are shown in aggregate within the change in market value of investments to which they relate in the Fund Account. Gains and losses relating to cash are included in investment income.

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

Investment assets and liabilities
The statement of net assets includes investments at fair value and details of the valuation techniques involved in estimating fair values of certain investments are included below and in note 19.

Fair value measurement
The Committee measures all of its investments at fair value at each reporting date.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. FRS 102 and the SORP requires the use of a three-level hierarchy to describe the way the estimate was carried out as shown in note 19.

The methods of determining fair value for the principal classes of investments are detailed below.

- Equities and fixed income securities which are traded in an active market are included at the quoted price, which is normally the bid price. Transaction costs arising on all investment purchases and sales are charged to the Fund Account within change in market value by adding to purchase costs and netting against sale proceeds, as appropriate for all investment types.

- The fair value of fixed income securities which comprise various types of debt instruments which are unquoted or not actively traded on a quoted market are either based on advice from the respective investment manager or are evaluated by pricing vendors using financial models and comparable security data.

- The value of shipping and pooled investment vehicles which are unquoted or not actively traded on a quoted market, are estimated by the Committee based on advice from the respective investment manager. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value. Where the last valuation provided by the investment manager is prior to the year-end, the valuation is adjusted for cash flows in the intervening period.

- Unitised pooled investment vehicles comprising unit linked insurance policies which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually substantially traded on all pricing days, are included at the last price provided by the manager at or before year-end.

- Property is valued at open market value as at 30 September 2018, determined in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards and the Practice Statement contained therein. The properties have been valued by Cushman and Wakefield (C&W), Chartered Surveyors, an external independent valuer with recognised and relevant professional qualifications who has recent experience of the locations and types of properties held by the Scheme, taking account of, amongst other things, the current estimate of rental values and market yield.

- One property investment is held on behalf of the Scheme through an investment in a joint venture with the British Coal Staff Superannuation Scheme and is valued in the same way as the property investments described above. 'Heads of Terms' had been agreed to sell this property at the year end date and completion took place the following month.

- Futures are contractual arrangements to buy or sell a specified financial instrument at a specific price at a predetermined future date, are traded in standardised amounts on regulated exchanges, and are subject to daily cash margin requirements. They are valued at the fair value as determined by the closing exchange price as at the year-end.

- Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, and normally transacted over the counter (OTC). They are valued at the current value of future expected cash flows arising from the swap, determined using a discounted cash flow model and market data at the reporting date.

- Forward foreign exchange contracts are customised contracts transacted in the OTC market. They are valued by determining the gain or loss that would arise from closing out the contract at the year-end by entering into an equal or opposite contract at that date.

Other investment arrangements
The Committee continues to recognise assets it has lent under securities lending arrangements to reflect its ongoing interest in those securities. Collateral received in respect of these arrangements is disclosed in note 17 but not recognised as a Scheme asset.

Collateral payments in respect of OTC derivative contracts and initial margin deposits in respect of futures contracts are reported within cash.

Sub-funds
The Scheme is notionally split into four sub-funds; Guaranteed Fund, Bonus Augmentation Fund, Guarantor's Fund and Investment Reserve, in accordance with the Scheme and Rules as set out in the Mineworkers' Pension Scheme (Modification) Regulations 1994. Movements between the sub-funds, as calculated by the Actuary, are recognised following completion of the latest Actuarial Valuation as required by the Scheme and Rules dated October 1994. Bonus pensions payable are charged to the Bonus Augmentation Fund on an accruals basis. Each of the sub-funds is allocated annually a proportional share of income, expenses and movements in asset values as shown in note 24.

2. Benefits

	2018	2017
	£m	£m
Pensions	**506**	515
Dependant benefits	**151**	125
Lump sum retirement benefits	**32**	36
	689	676

3. Payments to and on account of leavers

	2018	2017
	£m	£m
Individual transfers to other schemes	**7**	2

4. Payments to the Guarantor

	2018	2017
	£m	£m
Payments to the Guarantor	**526**	51

Details of the above payments and future payments to be made to the Guarantor are shown in notes 23, 24 and 25.

5. Administrative expenses

	2018	2017
	£m	£m
Pension administration	**6**	5
Legal, actuarial and other fees	**1**	1
	7	6

6. Investment income

	2018	2017
	£m	£m
		Restated
Dividends from equities	**67**	74
Income from fixed income securities	**118**	108
Property rents (net of expenses)	**76**	79
Income from pooled investment vehicles	**7**	8
Income from shipping (net of expenses)	**31**	14
Income from joint ventures	**3**	3
Interest on cash deposits and margin accounts	**2**	1
Other	**4**	3
	308	290

Property expenses of £19 million (2017: £11 million) were deducted from property income. Shipping expenses of £29 million (2017: £16 million) were deducted from shipping income. During the year a further ten ships were purchased which brings the total number of ships held at the year end to 22.

As explained in note 1 the number of asset categories has been reduced following a review of the structure of the Statement of Net Assets and therefore the 2017 figures in the table above have been restated.

7. Investments

	Value brought forward at 1 October 2017 Restated	Purchases at cost and derivative payments	Sale proceeds and derivative receipts	Change in market value	Value carried forward at 30 September 2018
	£m	£m	£m	£m	£m
Equities	3,495	1,210	(2,103)	336	2,938
Fixed income securities	1,943	1,831	(1,739)	(4)	2,031
Property	1,693	67	(21)	25	1,764
Pooled investment vehicles	4,080	1,085	(1,379)	457	4,243
Derivatives	195	600	(714)	(94)	(13)
Shipping	138	83	-	(2)	219
Joint ventures	69	-	-	(13)	56
Cash and cash equivalents	647	-	(12)	9	644
Other financial assets and liabilities	(25)	128	-	(8)	95
	12,235	**5,004**	**(5,968)**	**706**	**11,977**

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 all profits and losses realised on sales of investments during the year.

As explained in note 1 the number of asset categories has been reduced following a review of the structure of the Statement of Net Assets and therefore the 2017 figures in the table on page 31 have been restated.

The table below shows a restated 2017 investment reconciliation table had the investments been re-classified in line with the 2018 categories.

	Value brought forward at 1 October 2016 Restated £m	**Purchases at cost and derivative payments £m**	**Sale proceeds and derivative receipts £m**	**Change in market value £m**	**Value carried forward at 30 September 2017 Restated £m**
Equities	3,206	1,974	(2,239)	554	3,495
Fixed income securities	1,416	3,123	(2,546)	(50)	1,943
Property	1,565	124	(56)	60	1,693
Pooled investment vehicles	4,076	785	(1,297)	516	4,080
Derivatives	(42)	500	(542)	279	195
Shipping	60	88	-	(10)	138
Joint ventures	71	-	-	(2)	69
Cash and cash equivalents	1,063	-	(412)	(4)	647
Other financial assets and liabilities	(24)	4	-	(5)	(25)
	11,391	**6,598**	**(7,092)**	**1,338**	**12,235**

8. Investment management expenses

	2018 £m	2017 £m
Administration, management and custody	**43**	44
Other advisory fees	**4**	4
	47	48

Other advisory fees include £1.8 million (2017: £2.4 million) of costs relating to CPTI, the Scheme's investment adviser. Also included in other advisory fees are £2.2 million (2017: £2.0 million) of legal and other third-party adviser costs.

9. Fixed income securities

	2018 £m	2017 £m Restated
Bonds	**1,112**	1,105
Loans	**919**	838
	2,031	1,943

Loans comprise secured loans made direct to entities through four investment managers principally to businesses based in the UK, continental Europe and the US and bank loans which are debt financing obligations issued by a bank or similar financial institution purchased via the secondary market. Loans are not traded on an active market which may restrict the ability of the Scheme to realise them at short notice.

10. Property

	2018	2017
	£m	£m
UK property	**1,764**	1,693

When property investments are sold, the period between the initiation and completion of the disposal process can take time.

11. Pooled investment vehicles

	2018	2017
	£m	£m
		Restated
Global macro	**247**	199
UK infrastructure	**239**	-
Insurance-linked securities	**120**	-
Private equity	**1,161**	1,125
Special situations debt	**661**	526
Unit linked insurance policies	**1,815**	2,230
	4,243	4,080

Pooled investment vehicles include holdings in UK and overseas equities, bonds, loans, derivatives, infrastructure and insurance-linked securities. The underlying investments of the special situations debt investments are principally loans made to companies in Europe and the US. UK infrastructure, private equity, special situations debt investments and insurance-linked securities are not traded on an active market which may restrict the ability of the Scheme to realise them at short notice.

12. Derivative contracts

	2018	2017
	£m	£m
Assets		
Forward foreign exchange contracts	**37**	214
Futures contracts	**3**	4
Swaps	**12**	5
Liabilities		
Forward foreign exchange contracts	**(50)**	(22)
Futures contracts	**(1)**	(2)
Swaps	**(14)**	(4)
Net derivative contracts	**(13)**	195

Objectives and policies for holding derivatives
The Committee has authorised the use of derivative financial instruments by its investment managers as follows:

- Forward foreign exchange contracts are used to provide the Scheme with protection against changes in exchange rates which may adversely affect the value of overseas investments in foreign currencies. As at 30 September 2018 the Committee's policy is to hedge 100% of investments in the fixed income securities mandate (excluding US treasuries within this mandate which remain unhedged), the special situations debt investments within pooled investment vehicles and the shipping investments and 50% of investments in public and private equity which are held in euros, Swiss francs, US dollars and yen.

- Futures contracts are used to provide the Scheme with exposure to the equity and bond markets.

- Swaps are used for efficient portfolio and risk management as well as hedging purposes in pursuit of the Scheme's investment objective. They provide exposure to interest bearing assets and debt investments in both sterling and foreign currencies.

Forward foreign exchange contracts	**Bought £m**	**Sold £m**	**Asset £m**	**Liability £m**
Euro	462	(1,406)	9	(7)
Sterling	5,735	(1,970)	-	-
US Dollar	1,557	(4,387)	19	(41)
Yen	124	(443)	8	(1)
Other	25	(124)	1	(1)
	7,903	**(8,330)**	**37**	**(50)**

Futures
The Scheme holds long and short index future contracts with economic exposure of £299 million (2017: £302 million) and £138 million (2017: £153 million) respectively. The majority expire in 3 months' time and are held on various global market indices. The market values of these positions are an asset of £3 million and a liability of £1 million giving a net asset position of £2 million.

Swaps

Contract	**Expiration**	**Nature of Swap**	**Notional principal £m**	**Asset £m**	**Liability £m**
Credit default swaps	1 to 45 years	Buying and selling credit exposure	86	2	(2)
Interest rate swaps	1 to 30 years	Paying and receiving fixed for floating	1,293	10	(12)

The notional principal amount of the swap is used for the calculation of cash flow only.

13. Shipping

	2018	2017
	£m	£m
Shipping	**219**	138

The Scheme’s shipping investments are held through wholly owned subsidiary undertakings. When shipping investments are sold, the period between the initiation and completion of the disposal process can take time.

14. Joint ventures

	2018	2017
	£m	£m
Investments in joint ventures	**85**	98
Investment liabilities in joint ventures	**(29)**	(29)
Net investment in joint ventures	**56**	69

The amounts above of £56 million (2017: £69 million) relate to property investments held through an interest in a joint venture with BCSSS. As described in note 1, ‘Heads of Terms’ had been agreed to sell the property at the year-end date and completion took place the following month. £56 million was realised on completion of the sale of the joint venture.

15. Other financial assets and liabilities

	2018	2017
	£m	£m
Amounts due from brokers	**180**	33
Other debtors	**19**	21
Outstanding income and withholding tax	**38**	38
Amounts due to brokers	**(71)**	(59)
Other creditors	**(71)**	(58)
	95	(25)

Amounts due from brokers includes £100 million of disinvestments from pooled investment vehicles which were traded on the last day of the financial year but did not settle until after the year end.

16. AVC Investments

Members' additional voluntary contributions (AVCs) are invested separately from the Scheme in investments administered by the Prudential Assurance Company Limited. The value of the AVC fund is included in other financial assets, and movements in the AVC fund value are included in the Fund Account. The AVC fund value at 30 September 2018 was £0.2 million (2017: £0.2 million).

17. Securities Lending

The Scheme participates in public equity and fixed income securities lending through its custodian, JP Morgan. Approved borrowers are required to provide collateral valued more than securities on loan. The value of securities on loan and the collateral provided is shown in the table below.

	Securities on loan 2018 £m	**Collateral provided 2018 £m**	Securities on loan 2017 £m Restated	Collateral provided 2017 £m Restated
Equities	**199**	**212**	209	219
Fixed income securities	**306**	**328**	43	46
	505	**540**	252	265

As explained in note 1 the number of asset categories has been reduced following a review of the structure of the Statement of Net Assets and therefore the 2017 figures in the above table have been restated.

During the year US treasuries were loaned out which accounted for the increase in fixed income securities on loan.

18. Concentration of investments

There are no investments in funds as at 30 September 2018 which account for more than 5% of the Scheme's net assets.

Investments in the following fund as at 30 September 2017 account for more than 5% of the Scheme's net assets.

	2017 Market Value £m	
L&G North America Equity Index Fund	711	5.8%

19. Fair value hierarchy of assets and liabilities

FRS 102 requires the disclosure of financial instruments held at fair value by class under the following hierarchy:

- Level 1 - the unadjusted quoted price in an active market for an identical asset or liability that the entity can access at the measurement date;
- Level 2 - inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;
- Level 3 – inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Fair value hierarchy of investment assets and liabilities 2018

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Equities	2,938	-	-	**2,938**
Fixed income securities	433	679	919	**2,031**
Property	-	-	1,764	**1,764**
Pooled investment vehicles		1,815	2,428	**4,243**
Derivatives	2	-	(15)	**(13)**
Shipping	-	-	219	**219**
Joint ventures	-	-	56	**56**
Cash and cash equivalents	306	338	-	**644**
Other financial assets and liabilities	95	-	-	**95**
	3,774	2,832	5,371	**11,977**

Fair value hierarchy of investment assets and liabilities 2017 (Restated)

	Level 1 £m	Level 2 £m	Level 3 £m	Total Restated £m
Equities	3,495	-	-	3,495
Fixed income securities	357	748	838	1,943
Property	-	-	1,693	1,693
Pooled investment vehicles	-	2,230	1,850	4,080
Derivatives	2	-	193	195
Shipping	-	-	138	138
Joint ventures	-	-	69	69
Cash and cash equivalents	215	432	-	647
Other financial assets and liabilities	(25)	-	-	(25)
	4,044	3,410	4,781	12,235

As explained in note 1 the number of asset categories has been reduced following a review of the structure of the Statement of Net Assets and therefore the 2017 figures in the above table have been restated.

Valuation techniques

Equities
Equities are normally quoted at bid prices which are readily available and regularly occurring in active markets from relevant securities exchanges. These are included at level 1 in the fair value hierarchy.

Fixed income securities
The Committee invests in fixed income securities (bonds) which are traded regularly on an active market. They are included at levels 1 and 2 in the fair value hierarchy. In the absence of a quoted price in an active market bonds, which are investment grade, are valued on a 'clean' basis which excludes accrued interest using observable market data such as recently executed transaction prices of securities of the issuer or comparable issuers. They are included at level 2 in the fair value hierarchy.

Secured loans described in note 9 are valued by the investment managers using discounted cash flow techniques for which significant inputs are the amount and timing of future expected cash flows, market yields, current performance and recovery assumptions and applicable publicly available comparable company valuations. Bank loans described in note 9 are traded OTC and are valued using an evaluated bid price provided by a pricing vendor using financial models and comparable market security data. These are included at level 3 within the fair value hierarchy.

Property

The valuation of investment property at the Scheme's year end is performed by C&W who are an external, independent valuer with current knowledge of the relevant markets and the skills and understanding to undertake the valuations competently.

For properties in the course of development, construction and associated costs in respect of both the work completed and the work necessary for completion together with a completion date have been considered. Valuations of completed buildings have been based on an assumption that all works of construction have been carried out in accordance with the building contract and specifications, current British standards and any relevant codes of practice.

The properties have been valued at market value which is primarily derived using comparable recent market transactions on arm's length terms and has taken account of current and estimated annual rents receivable and market yields such as net initial yield, nominal equivalent yield and true equivalent yield.

Property investments are included at level 3 in the fair value hierarchy.

Pooled investment vehicles

Pooled investment vehicles which are traded regularly are included at level 2 of the fair value hierarchy. The prices are published by the pooled investment vehicle manager at bid price on a daily or weekly basis.

Unquoted pooled investment vehicles are reported using the net asset value (NAV) of the fund. The NAV is determined by the pooled investment vehicle manager using fair value principles to value the underlying investments of the pooled arrangement. These investments, which can also be subject to redemption notice periods and are not traded regularly, are included at level 3 of the fair value hierarchy.

Derivatives

The investment managers use valuation models which incorporate foreign exchange spot and forward rates and interest rate curves for determining fair values of OTC forward foreign exchange contracts. The valuation techniques include forward pricing using present value calculations and other inputs into these models. These investments are included at level 3 in the fair value hierarchy.

Exchange traded future contracts are stated at fair value using market quoted prices. These are included at level 1 in the fair value hierarchy.

Swaps are valued at the net present value of future cash flows arising therefrom. These are included at level 3 in the fair value hierarchy.

Shipping
With the exception of two vessels, the fair value of shipping investments is derived by obtaining a broker valuation for the vessels. The broker valuation uses the sales comparison approach which is then adjusted by the investment manager for differences in key attributes such as vessel type, features, age, cargo, capacity and potential freight earnings. For the vessels where a broker valuation is not available, the investment manager has determined the value using a discounted cash flow model where significant inputs are the amount and timing of expected future charter income. Shipping investments are included at level 3 in the fair value hierarchy.

Joint ventures
Property held through joint ventures with BCSSS are valued by C&W at the Scheme year-end and are valued in the same way as the property investments described above. These are included at level 3 in the fair value hierarchy.

Cash and cash equivalents
The Committee invests some Scheme cash in sterling liquidity funds. These funds are pooled investment vehicles which are traded regularly and are included at level 2 in the fair value hierarchy. Cash held in interest bearing bank accounts is held at level 1 in the fair value hierarchy.

20. Investment transaction costs

	Commissions 2018 £m	**Taxes 2018 £m**	**Total 2018 £m**	Total 2017 £m
Equities	**2**	**1**	**3**	3
Property	**-**	**1**	**1**	6
	2	**2**	**4**	9

Included within the purchases and sales figures in the investment reconciliation table are direct transaction costs comprising fees, commissions and taxes. The Scheme also incurs indirect transaction costs on private debt, special situations debt, private equity and pooled investment vehicles. Such costs are taken into account in calculating the bid-offer spread of these investments and are not separately reported.

21. Current assets

	2018 £m	2017 £m
Cash at bank	**12**	10

22. Current liabilities

	2018 £m	2017 £m
Accrued benefits	**4**	1
Tax and VAT	**6**	3
	10	4

23. Related party transactions

The Secretary of State for Business, Energy and Industrial Strategy acts as Guarantor to the Scheme. A payment was made to the Guarantor during the year of £51 million (2017: £51 million) from the Guarantor's Fund in respect of surpluses in earlier years. In addition, a payment of £475 million was made to the Guarantor from the Investment Reserve on 17 July 2018 as directed by the Government Actuary in his report of the Actuarial Valuation as at 30 September 2017.

The Scheme owns UK Government bonds which at the year-end had a market value of £5 million (2017: £4 million).

During the year the Scheme paid £463,942 (2017: £203,230) to the Government Actuary's Department (GAD) for provision of actuarial services.

Four members of the Committee were in receipt of a pension from the Scheme. The aggregate amount paid was £51,018 (2017: four members, £49,805).

Members of the Committee are entitled to receive remuneration from the Scheme. The total remuneration paid in the year was £224,330 (2017: £220,480) and is detailed in the Report of the Committee of Management.

CPT is jointly owned by the Scheme and BCSSS with each appointing four members of their Committees of Management as directors. CPT costs, which are in respect of support services, are included within pensions administration costs in note 5 and were £1.8 million (2017: £1.8 million). CPTI costs, which are in respect of investment advisory services, are included within other advisory fees in note 8 and were £1.8 million (2017: £2.4 million).

The Scheme and BCSSS jointly invest in properties and partnerships with a value to the Scheme of £239 million (2017: £216 million). Included in this balance is £57 million (2017: £69 million) of joint venture interest which is shown in note 14.

24. Market value of sub-funds

The movements on the sub-funds during the year, as confirmed by the Actuary, are set out below:

	Guaranteed Fund	Bonus Augmentation Fund	Investment Reserve	Guarantor's Fund	Total Assets
	£m	£m	£m	£m	£m
Market values at 30 September 2017	**9,056**	**1,312**	**1,488**	**385**	**12,241**
Transfers in respect of early retirement factors	(9)	9	-	-	-
Transfers following 30 September 2017 Actuarial Valuation	(1,234)	617	-	617	-
Revised values at 30 September 2017 following Actuarial Valuation	**7,813**	**1,938**	**1,488**	**1,002**	**12,241**
Payments to the Guarantor	-	-	(475)	(51)	**(526)**
Benefits paid	(545)	(151)	-	-	**(696)**
Allocation of income, expenses and movement in net asset values	615	151	117	77	**960**
Market values at 30 September 2018	**7,883**	**1,938**	**1,130**	**1,028**	**11,979**

As explained in note 1, the Scheme is notionally split into four sub-funds in accordance with the Scheme and Rules of the Scheme as set out in the Mineworkers' Pension Scheme (Modification) Regulations 1994. The basis of each sub-fund is as set out below:

Guaranteed Fund - this is used to fund the pensions which accrued before the Scheme was restructured in October 1994, including the benefit improvements which were made immediately prior to restructuring. Such pensions are guaranteed to increase in line with RPI. A deficit in the Guaranteed Fund is met first by a call on the Investment Reserve, then by equal calls on the Bonus Augmentation Fund and the Guarantor's Fund. Any surplus in the Guaranteed Fund is first used to repay any previous transfers from the Investment Reserve, with any remaining surplus thereafter being split equally between the Bonus Augmentation Fund and the Guarantor's Fund.

Bonus Augmentation Fund - this represents the members' share of surpluses arising from Actuarial Valuations since 1994 and is used to fund bonus pensions, and discretionary benefits in extreme and exceptional circumstances. A deficit in this Bonus Augmentation Fund would lead to bonuses being restructured and becoming reducing amounts over time.

Investment Reserve - this originally represented the Guarantor's share of surpluses present in the Scheme at the time of restructuring in 1994. Ultimately it is all due be paid to the Guarantor, but whilst it remains in the Scheme can be used to support the Guaranteed Fund as described above. The payment of £475 million shown in the table above was made as directed by the Government Actuary in his report of the Actuarial Valuation as at 30 September 2017.

Guarantor's Fund - this represents the Guarantor's share of surpluses arising from Actuarial Valuations since 1994, which is paid out to the Guarantor over ten years. Following the September 2017 valuation, the Actuary recommended that from 1 October 2018 the six outstanding payments to the Guarantor, arising from the March 2013 interim valuation, should be increased from £30.3 million to £37 million and the seven outstanding payments, arising from the September 2014 valuation, should be increased from £20.7 million to £25.2 million. A new series of ten annual payments of £80.2 million, arising from the September 2017 valuation also commenced from 1 October 2018. A payment of £51 million (being £30.3 million and £20.7 million) made on 1 October 2017 is shown in the table above.

When a member chooses to take early retirement, the Scheme applies a common reduction factor to the benefits payable from the Guaranteed Fund and the Bonus Augmentation Fund. This generally leads to a surplus arising in the Guaranteed Fund and a (broadly) equal deficit in the Bonus Augmentation Fund. A transfer is made from the Guaranteed Fund to the Bonus Augmentation Fund every three years to offset this effect. The transfer of £9 million shown above covers the period between the 2014 and 2017 valuations.

25. Forward Commitments and Contingent Liabilities not provided for in the Accounts

Forward commitments comprise expenditure on investments authorised and contractually committed before the year end which is not provided for in the accounts as it is not yet due. This includes investments in private equity of £677 million (2017: £553 million), special situations debt of £789 million (2017: £664 million) and UK infrastructure of £480 million (2017: nil) included within the pooled investment vehicle mandate. There were further commitments of £74 million (2017: £37 million) of secured loans included within the fixed income securities mandate and property and development costs of £62 million (2017: £70 million). There were no shipping forward commitments at the year end (2017: £18 million).

The timing of private equity investment funding is uncertain and has been estimated. It is assumed £169 million (25%) will fall due in the next twelve months and the remaining £508 million in later years. Forward commitments in relation to the secured loans will be paid within approximately six months of the year end whilst the special situations debt, infrastructure and property purchases and development costs will be paid within three years.

The Guarantor's share of any actuarial surplus is distributed in ten annual payments, the size of which are subject to review at successive actuarial valuations. During the year the Guarantor received payments of £51 million (being £30.3 million and £20.7 million as described in note 24) and a further £142.4 million was paid on 1 October 2018. £142.4 million is payable in each of the five years from 2019 to 2023, a payment of £105.4 million is payable in 2024 and £80.2 million is payable in each of the three years from 2025 to 2027.

The balance of the Investment Reserve is due to be repaid to the Guarantor by 2029 unless the Guarantor, after consultation with the Committee, resolves to bring the repayment forward to 2024.

26. Contingent Assets not provided for in the Accounts
Claims for the recovery of UK and overseas tax credits valued at approximately £79 million (2017: £84 million) are being processed through the Courts as part of a Group Order with other UK pension funds. Receipts are recognised when the cash is received by the Scheme.

An investment in the Dakota, Minnesota and Eastern Railroad Corporation held through a joint venture was sold for initial consideration of £33 million on 10 October 2007. Dependant on rail track expansion into the Powder River Basin in North America, further contingent proceeds of up to £48 million (at year-end exchange rates) may be payable in the period to 2025 which would give rise to an additional tax liability of approximately £9 million.

27. Investment risk and management objectives and policies
FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

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 of 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 Scheme has exposure to these risks because of the investments the Committee makes to implement its investment strategy. The Committee seeks to maintain a portfolio of suitable assets with sufficient overall liquidity which will maximise the chance of delivering at least RPI increases on total pensions for all members over the full life of the Scheme. As such the Committee's primary investment objective is to achieve sustainably the returns required to do this subject to risks remaining within tolerances that the Committee establishes from time to time.

The Committee bases its investment views on an assessment of the economic situation, economic scenarios, and the valuation of assets through time. As a result, the actual asset allocation will change through time, as a result of changes to the underlying valuation of different assets, the economic situation and the investment opportunities available. There are control ranges for each asset category to ensure the overall asset portfolio is sufficiently diversified.

Asset liability modelling and other forms of risk analysis are used to estimate the return expectations of the portfolio and the risks that the Committee is taking in seeking to achieve the investment objective.

Consistent with the objective and investment views, the Committee's investment strategy is defined below.

1. **Return principle:** to achieve sustainably over time a return that will deliver at least RPI-linked total pensions with an underlying aim to maximise the expected return subject to the agreed risk controls and market conditions.

2. **Risk controls:**
   a. **Liquidity:** holding sufficient assets that provide options for raising cash to pay up to 3.5 years of benefit and other payments out of the Scheme.
   b. **Income:** minimum level of income from assets of £300 million per annum.
   c. **Illiquidity:** maximum allocation of 50% of the Scheme's total assets to assets that cannot be sold quickly.
   d. **Diversification:** asset categories to remain within tolerance ranges established from time to time by the Committee.

3. **Asset allocation changes:** formalised into an Annual Investment Plan that takes a forward- looking approach focused on achieving the above investment objective given the market conditions, risk controls, investment environment and new opportunities.

Details of the asset allocation are set out in the Investment Report on page 21.

These investment objectives and risk tolerances are implemented through the investment management agreements in place with the Scheme's investment managers and monitored by the Committee by regular reviews of the investment portfolios. Further information on the Committee's approach to risk management and the Scheme's exposures to credit and market risks are set out below.

As explained in note 1 the number of asset categories has been reduced following a review of the structure of the Statement of Net Assets and therefore the 2017 figures in the tables below in respect of fixed income securities and pooled investment vehicles where applicable have been restated.

Credit risk
The Scheme is subject to credit risk because it directly invests in fixed income securities, OTC derivatives, holds cash balances and undertakes securities lending activities.

The Committee also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled fund. This is a result of the Committee being dependent on the pooled investment vehicle manager for delivery of the cash flows and for buying and selling of the shares within the pooled arrangement. The Scheme is also indirectly exposed to credit risks arising on the financial instruments held within the pooled investment vehicles.

A summary of exposures to credit risk is given in the following table, and the notes below, which explain how this risk is managed and mitigated for the different classes:

2018	**Investment grade**	**Non-investment grade**	**Unrated**	**Total**
	£m	**£m**	**£m**	**£m**
Credit risk				
Fixed income securities	828	450	753	**2,031**
Pooled investment vehicles			4,243	**4,243**
Cash and cash equivalents	644			**644**
Securities lending - collateral cash	72			**72**
	1,544	450	4,996	**6,990**

2017 (Restated)	**Investment grade**	**Non-investment grade**	**Unrated**	**Total**
	£m	**£m**	**£m**	**£m**
Credit risk				
Fixed income securities	772	458	713	1,943
Pooled investment vehicles			2,955	2,955
Derivatives	193			193
Cash and cash equivalents	647			647
Securities lending - collateral cash	124			124
	1,736	458	3,668	5,862

Fixed income securities include a broad range of quoted and unquoted securities, including bonds and loans. Credit risk arising on bonds is mitigated by investing in securities which are rated at least investment grade in accordance with those deemed so by the major ratings agencies or investing in a portfolio of securities where the average credit quality of the portfolio is at least investment grade and limiting the net credit exposure to unrated securities and those below investment grade to 10% of the portfolio's value.

Amounts of holdings in bank loans as described in note 9 which are investment grade and below and are considered a substantial risk are limited. Credit risk on secured loans which are unrated is mitigated by the credit analysis and due diligence work undertaken by the respective investment managers. They ensure that there is adequate security covenant against the loans and there are guidelines within their mandate that require diversification within the portfolio by region, sector and issuer. In the event that a loan becomes impaired and a credit event occurs the investment managers undertake any restructuring processes necessary to protect the interests of the Scheme.

The Committee also manages the credit risk arising on fixed interest securities by requesting the investment managers to diversify the portfolios by sector, industry and issuer and limit investments to any one issuer.

The Scheme is directly exposed to credit risk in relation to the units it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held within the vehicles. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangement being ring-fenced from the pooled manager. The Committee ensures that due diligence checks are undertaken on the appointment of any new pooled investment vehicle managers and any changes to the regulatory and operating environment of the manager is monitored on an ongoing basis. The indirect risk is mitigated by the Committee investing in regulated markets and pooled arrangements where the portfolio of investments is diversified.

Credit risk on OTC derivative contracts (which include forward foreign exchange contracts and swaps) arises due to them not being traded on a regulated exchange and therefore the Scheme is subject to the risk of failure of the counterparty. The credit risk for OTC derivative contracts is mitigated through collateral arrangements and ensuring all transactions in financial instruments are with reputable counterparties.

Cash is held with financial institutions which are at least investment grade credit rated.

As explained in the Investment Report the Scheme participates in securities lending to approved borrowers who are required to provide collateral valued in excess of securities on loan. The Committee re-invests cash collateral received. Credit risk arising is managed by re-investing in permissible securities only, limiting the amount that can be re-invested with a given issuer, re-investing in securities that mature within agreed time limits and have a minimum rating as provided by the major ratings agencies.

Currency risk
The Scheme is subject to currency risk because some of the investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure).

The table below summarises the Scheme's net unhedged exposure by major currency at the year-end.

	2018 £m	2017 £m Restated
Direct currency risk		
Brazilian real	**31**	67
Euro	**138**	62
Hong Kong dollar	**248**	340
Indonesian rupiah	**30**	46
Indian rupee	**64**	106
Japanese yen	**66**	38
Mexican peso	**25**	31
US dollar	**1,151**	828
South African rand	**41**	66
Other currencies	**371**	441
Indirect currency risk		
Pooled investment vehicles	**1,452**	1,212
	3,617	3,237

In addition to the re-statement of the 2017 figures as a result of the review of the structure of the Statement of Net Assets, the numbers have also been re-stated to incorporate the impact of a mis-classification of pooled investment vehicles of £365 million which were included as direct currency risk rather than indirect currency risk, and a further £118 million of unhedged pooled investment vehicles that were not previously included as indirect currency risk.

The Committee receives advice from CPTI regarding the management of currency risk which assists it in agreeing a currency hedging policy for the respective currency and asset class.

The Committee typically limits overseas currency exposure by hedging a proportion of the overseas investments' currency risk within agreed limits using forward foreign exchange contracts. The currency exposures within the fixed income securities, (excluding US treasuries), special situations debt and shipping mandates are fully hedged at the reporting date whilst exposure to euros, Swiss francs, US dollars and yen within the developed market public and private equity mandates are 50% hedged.

Interest rate risk

The Scheme is subject to interest rate risk because some of the investments are held in fixed income securities and debt included within pooled investment vehicles. The value of these investments is impacted by changes in interest rates which use valuation techniques where interest rates are an input. Loans included within the fixed income securities mandate and debt within the pooled investment vehicles are all based on floating interest rates and therefore carry negligible interest rate risk. They have a duration close to zero and their prices show very little sensitivity to changes in market rates as they are subject to the interest fixing period.

The table below summarises the Scheme's exposure to interest rate risk at the year-end.

	2018 **£m**	2017 £m Restated
Interest rate risk		
Fixed income securities	**2,031**	1,943
Pooled investment vehicles	**661**	526
Credit default swaps	**-**	2
	2,692	2,471

Other price risk
Other price risk arises principally in relation to equities, infrastructure, property and shipping. Indirect price risk arises in relation to equity investments held in pooled investment vehicles.

The table below summarises the Scheme's exposure to other price risk at the year-end.

	2018 £m	2017 £m Restated
Direct price risk		
Equities	**2,937**	3,495
Property	**1,764**	1,693
Shipping	**219**	138
Joint ventures	**57**	69
Indirect price risk		
Equity pooled investment vehicles	**3,215**	3,355
	8,192	8,750

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

28. Related undertakings of Mineworkers' Pension Scheme

In accordance with The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015, a full list of related undertakings, the country of incorporation and the percentage of share class owned as at 30 September 2018 is disclosed below. All undertakings are indirectly owned by MPS other than those indicated.

Name of undertaking	Country of incorporation	Share class	% held by MPS
Trustees of the Mineworkers' Pension Scheme Ltd[1]	England & Wales	Limited by guarantee	100[13]
Coal Pension Trustees Services Ltd[1]	England & Wales	£1.00 A Ordinary shares[12]	100
Coal Pension Trustees Investments Ltd[1]	England & Wales	£1.00 Ordinary shares	50
Globe Investments UK Ltd[1]	England & Wales	£1.00 Ordinary shares	50
Coal Pension Securities Nominees Ltd[1]	England & Wales	Limited by guarantee	50
Coal Pension Venture Nominees Ltd[2]	England &Wales	Limited by guarantee	50[13]
Coal Pension Securities Nominees Ltd 1[3]	Guernsey	Limited by guarantee	50[13]
Coal Pension Properties Ltd[4]	England & Wales	Limited by guarantee	50[13]
Crucible Residential Properties Ltd[4]	England & Wales	£1.00 Ordinary shares	50
MPS Property Holding Ltd[4]	England & Wales	£1.00 Ordinary shares	100
MPS Property GP Ltd[4]	England & Wales	£1.00 Ordinary shares	100
MPS Wembley Limited Partnership[4]	England & Wales	Limited Partnership	100
MPS Norwich Limited Partnership[4]	England & Wales	Limited Partnership	100
Greengate GP Limited Liability Partnership[4]	England & Wales	£1.00 Ordinary shares	54.5
Greengate (Manchester) Limited Partnership[4]	England & Wales	Limited Partnership	54.5
Greengate (Manchester) Nominee Limited[4]	England & Wales	£1.00 Ordinary shares	54.5
Exchange GP LLP[4]	England & Wales	£1.00 Ordinary shares	55.8
Exchange (Birmingham) LP[4]	England & Wales	Limited Partnership	55.8
Darfield Investment Holdings Ltd[5]	British Virgin Islands	No par value Ordinary shares	50
Harworth Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Filly Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Nike Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Tonos Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL San Sebastian Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Bronco Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Mykonos Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Melbourne ShippingLtd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Sheffield Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Anna Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Lisbon Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Newcastle Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Accord Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Paraty Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Porto Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Portsmouth Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Trader Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Hosanger Shipping Pte Ltd[7]	Singapore	$1.00 Ordinary shares	100
HSL Tiger Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100

Name of undertaking (continued)	Country of incorporation	Share class	% held by MPS
HSL Transit Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Trail Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL Husum Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
HSL MGC Shipping Ltd[6]	Isle of Man	$1.00 Ordinary shares	100
MPS Investments Sárl[8]	Luxembourg	£1.00 Ordinary shares	100
MPS Holdco UK Ltd[11]	England & Wales	£1.00 Ordinary shares	100
MPS AAIP Cayman Feeder Ltd[9]	Cayman Islands	$1.00 Ordinary shares	100
MPS AEPF3 Ltd[9]	Cayman Islands	$1.00 Ordinary shares	100
MPS AIX Ltd[9]	Cayman Islands	$1.00 Ordinary shares	100
MPS SSD Ltd[10]	Cayman Islands	$1.00 Ordinary shares	100

The registered office addresses of the above undertakings are as follows:

1 Ground Floor, Ventana House, 2 Concourse Way, Sheaf Street, Sheffield, S1 2BJ
2 C/o Hackwoood Secretaries Ltd, One Silk Street, London, EC2Y 8HQ
3 East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP
4 One Curzon Street, London, W1J 5HD
5 Nemours Chamber, PO Box 3170, Road Town, Tortola, British Virgin Islands
6 St George's Court, Upper Church Street, Douglas, Isle of Man, IM1 1EE
7 4 Robinson Road, #05-01 The House of Eden, Singapore, 048543
8 7, rue Lou Hemmer, L-1748 Luxembourg - Findel
9 c/o Maples Corporate Services Ltd, PO Box 309, Ugland House, Grand Cayman, KY-1104, Cayman Islands
10 c/o Walkers Corporate Services Ltd, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands
11 Forum 3 Solent Business Park, Whitely, Fareham, Hampshire, PO15 7FH

12 Coal Pension Trustees Services Ltd is a jointly owned entity of the Scheme and BCSSS. MPS holds 100% of the £1.00 A Ordinary shares of Coal Pension Trustees Services Ltd. BCSSS holds 100% of the £1.00 B Ordinary shares of Coal Pension Trustees Services Ltd.
13 Entity held directly by the Scheme

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE MINEWORKERS' PENSION SCHEME

Opinion

We have audited the financial statements of Mineworkers' Pension Scheme for the year ended 30 September 2018 which comprise the Fund Account, the Statement of Net Assets and the related notes 1 to 28, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 30 September 2018, 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 including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and

- contain the information specified in Clause 14 of the Scheme and Rules in respect of specific disclosure in relation to the sub-funds

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 below. 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The other information comprises the information included in the annual report, including the Report of the Committee of Management and the Investment Report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Trustee
As explained more fully in the Trustee's responsibilities statement set out on page 16-17, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the Trustee is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to wind up the Scheme or to cease operations, 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on 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

https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Scheme's Trustee, as a body, in accordance with the Scheme and Rules set out in the Schedule to the Mineworkers' Pension Scheme (Modification) Regulations 1994 and as subsequently amended. Our audit work has been undertaken so that we might state to the Schemes' Trustee those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Schemes' Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Leeds
22 March 2019

The maintenance and integrity of the Mineworkers' Pension Scheme web site is the responsibility of the Trustee; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SUMMARY OF THE ACTUARIAL REVIEW AS AT 30 SEPTEMBER 2017

An actuarial review of the Scheme is carried out by the Government Actuary usually once every three years. The latest review was carried out as at 30 September 2017 and is described in my report dated 3 July 2018. A summary of the results of the 2017 review is set out below.

The main purpose of a review is to determine whether there is a surplus or a deficiency in each of the Scheme's sub-funds by comparing the assets to the liabilities. The four sub-funds are:

the **Guaranteed Fund** which pays the guaranteed pensions that accrued up to 1994. Under the terms of an agreement reached in 1994, any surplus arising in the Guaranteed Fund is shared equally between the members via the Bonus Augmentation Fund and the Guarantor via the Guarantor's Fund

the **Bonus Augmentation Fund** which finances the award of new bonus pensions to members since 1994

the **Guarantor's Fund** which finances phased payments to the Guarantor

the **Investment Reserve** which contains the share of the unapplied surplus which was allocated to British Coal at the 1993 review and acts as a buffer against adverse experience in the Guaranteed Fund

Sub-fund results at 30 September 2017 (post asset transfers)

	Assets £m	Liabilities £m	Surplus / (Deficit) £m	Comment
Guaranteed Fund	7,813	7,813	-	Guaranteed Fund in balance as the initial £1.2bn surplus was shared equally between the Bonus Augmentation Fund and the Guarantor's Fund
Bonus Augmentation Fund	1,938	1,087	851	The Bonus Augmentation Fund has a surplus of £851m following the transfer of £617m from the Guaranteed Fund
Guarantor's Fund	1,002	330	672	The Guarantor's Fund had a surplus of £672m following the transfer of £617m from the Guaranteed Fund
Investment Reserve	1,488	N/a	N/a	Assets increased from £1,066m at the 2014 valuation in line with asset returns

Outcome of the 2017 actuarial review

The key outcomes of the 2017 actuarial review were:

Members: the surplus in the Bonus Augmentation Fund was utilised by the Trustee to award six annual bonuses in 2018-2023, inclusive, which will provide for each member's total pension to increase annually by 4.2% of their guaranteed pension (excluding any Guaranteed Minimum Pension). Additionally, an allocation of £15 million was made to support the award of discretionary benefits.

Government: as a consequence of the surplus in the Guarantor's Fund, the outstanding payments to Government from 2018 were increased by around 20% and a new series of ten annual payments of £80.2 million was established. Given the relative size of the Investment Reserve at the review date, an additional single payment of £475 million was made in 2018 to the Government from the Investment Reserve.

Valuation outcome period: following agreement between the Trustee and the Government, the valuation outcome period for the 2017 review is six years, rather than the typical three years. This means that the results of the next actuarial review in 2020 will not affect outcomes for either the members or the Government.

The valuation results depend on the value of the Scheme assets at the valuation date as well as on the assumptions made; the most important being the assumed rates of investment return and inflation, and the future mortality rates.

Martin Clarke
Fellow of the Institute and Faculty of Actuaries
Government Actuary
28 November 2018

Compliance Statement

This statement is included to comply with recommendations contained in the Statement of Recommended Practice 'Financial Reports of Pension Schemes' (revised November 2014), issued by the Pensions Research Accountants Group.

A printable version of the Pensions Regulator's (TPR) Guidance for Trustees is available from the Pensions Regulator's website: www.thepensionsregulator.gov.uk or a copy is available for inspection at the address of the Scheme Secretary, Ventana House, 2 Concourse Way, Sheaf Street, Sheffield S1 2BJ.

Trustees of the Mineworkers' Pension Scheme Limited is registered with the Information Commissioner's Office under the terms of the Data Protection Act 2018.

The registration number of the Scheme with the Pensions Regulator is 10058240.

The Scheme is a registered pension scheme under the provisions of Schedule 36 of the Finance Act 2004. Accordingly, under the provisions of sections 186 and 187 of the Finance Act 2004 its income and investment gains are free of taxation. However, income from a trading activity is not investment income and so will be assessed to tax in the normal way.

The investments of the Scheme are made in compliance with the Occupational Pension Schemes (Investment) Regulations 2005.

Cash equivalent transfer values paid during the year were calculated in accordance with the requirements of the Pension Schemes Act 1993.

The Trustee has written agreements in the form of contracts with all major service providers.

Changes to the Scheme Constitution, Rules or Basic Information

Constitution of the Scheme
The Mineworkers' Pension Scheme is governed by the Scheme and Rules set out in the Schedule to the Mineworkers' Pension Scheme (Modification) Regulations 1994 dated October 1994 with subsequent amendments.

Amendments to the Scheme and Rules
The Rules were amended during the year to give effect to the changes arising out of the 2017 Actuarial Valuation.

Increases to Pensions in Payment
Guaranteed pensions (in excess of any Guaranteed Minimum Pension (GMP) element) are reviewed annually in line with the percentage change in the Retail Prices Index (RPI) in June. The 2018 increase to guaranteed pensions as above, effective from 1 October 2018, was 3.4% although due to standstill, any previously awarded bonuses were therefore reduced by the same amount.

However, the surplus in the Bonus Augmentation Fund (BAF), following completion of the Actuarial Valuation as at 30 September 2017, allowed the Committee to award a new bonus which will provide an increase to total pensions equivalent to 4.2% of guaranteed pensions (excluding any GMP entitlement). The bonus was effective from 1 October 2018. The Committee also agreed that the Surplus in the BAF should be utilised to pay five further such bonuses each year from 2019 to 2023 inclusive.

Changes to the Guaranteed pension do not apply to the element of the pension in payment representing any GMP which the Scheme is required to provide as a consequence of contracting out of the State pension arrangements as these increases are provided by the State.

The State will pay any increase to the GMP for Scheme membership before 5 April 1988.

The Scheme will pay the first 3% of any annual cost of living increase due on the GMP for Scheme membership after 5 April 1988. In any year that the increase is more than 3% the State will make up the increase to the cost of living level.

Increases to Benefits in Deferment
Pensions in deferment are generally increased annually in line with price inflation either under statutory revaluation or the Guarantee arrangements. Deferred pensioners have also been awarded bonus increases following distributions of members' share of surplus declared at previous Actuarial Valuations.

All increases were in accordance with the Scheme and Rules or legislative requirements.

For more information

A range of publications is available to members. Requests for copies should be addressed to the Scheme Secretary at:

The Scheme Secretary
Mineworkers' Pension Scheme
Coal Pension Trustees Services Limited
Ventana House
2 Concourse Way
Sheaf Street, Sheffield S1 2BJ

This is also the registered office of Trustees of the Mineworkers' Pension Scheme Limited.

The Trustee can be contacted by email using the 'Contact us' facility on the website.

The Scheme Administrator can be contacted:

By post: MPS
PO Box 555
Stead House
Darlington
DL1 9YT

By telephone: 0333 222 0077 **By email:** mps@capita.co.uk

The Scheme's website, www.mps-pension.org.uk, gives members access to information about the Scheme, on-line copies of Scheme publications and forms which can be printed off and used to notify the Trustee of changes in circumstances.

Other useful addresses and contact details:

The Pensions Ombudsman
10 South Colonnade
Canary Wharf E14 4PU
www.pensions-ombudsman.org.uk

The Pensions Advisory Service (TPAS)
11 Belgrave Road
London SW1V 1RB
www.pensionsadvisoryservice.org.uk

Pensions Tracing Service
The Pension Service 9
Mail Handling Site A
Wolverhampton WV98 1LU
https://www.gov.uk/find-pension-contact-details

The Pensions Regulator
Napier House
Trafalgar Place
Brighton BN1 4DW
www.thepensionsregulator.gov.uk