

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2019
for
The Association Of Police And Crime
Commissioners**

**The Association Of Police And Crime
Commissioners**

**Report of the Directors
for the year ended 31 March 2019**

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The Association of Police and Crime Commissioners (APCC) is the national body that supports Police and Crime Commissioners (PCC's) and other local policing bodies. The APCC offers the following services to its members:

- Information on national policing policy issues and legislation.
- Consults with members to enable them to develop policy positions and to influence change.
- Facilitates the leadership of its members on national governance structures such as the College of Policing, National Crime Agency and Police Professionals Bodies.
- Assists its members in collaborating to share best practice and identify ways to achieve efficiencies through working together.

Membership of the Association is by subscription. Full members include: All Police and Crime Commissioners in England and Wales, Police Fire and Crime Commissioners, The Deputy Mayors for Policing and Crime in London, Manchester and the City of London Police Committee. In addition, Jersey Police Authority is an associate (non-voting) member.

The Association is supported by a small, focused team of policy and communication professionals with a wide range of experience of representing the interests of local police governance bodies at a national level.

The Association has maintained constructive relationships with other key players in the policing and criminal justice fields, such as the Home Office, Ministry of Justice College of Policing, National Crime Agency, NPCC, Blue Light Services, Staff Associations and Unions, IOPC and HMICFRS.

The Policing Vision 2025 published in 2016 set out the change needed across five strands of policing in order to reform it. Those reform strands were Local Policing, Business Enablers, Workforce, Specialist Capabilities and Digital.

Funding, top sliced from policing, was made available to support a large number of national, regional and local projects across all areas (£175m in 2019/20). These projects have been monitored by the Home Office and more recently that role has been taken on by the Joint Portfolio Team. Overall governance has involved the Police Reform and Transformation Board (PRTB) made up of representatives of the APCC, NPCC, College of Policing, National Crime Agency and Home Office who make recommendations to Ministers on which projects and programmes to fund and review the extent to which we are delivering on the Policing Vision.

Within the last year a Police Portfolio Board, chaired by the Home Office, has been set up. It meets on a monthly basis to review progress, consider programme stage gates to approve further payments and review the PRTB recommendations to Ministers. Membership is similar to the PRTB. The landscape below that is complex and at times unclear but some reform strands are supported by Sub Boards which review project and programme delivery in more detail, what new projects should be funded and where the gaps are so that projects can be commissioned to address them.

To support PCCs to successfully navigate this landscape and deliver on their governance and oversight role in these structures, the APCC hosts a small team funded by the Police Transformation Fund (PTF) to enable PCCs to have some oversight of the projects and programmes supported. This support includes providing the secretariat to the PCC chaired Local Policing and Business Enabler Sub Boards and support across the piece on some of the boards for the national programmes and the Sub Board equivalents for Specialist capabilities and Digital.

**The Association Of Police And Crime
Commissioners**

**Report of the Directors
for the year ended 31 March 2019**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

S D Duckworth
J R Mulligan
M Burns-Williamson (Chair)
M J Surl
O A Jones
J H Cuthbert

Other changes in directors holding office are as follows:

D E Lloyd - resigned 18 July 2018
R C Hirst - appointed 18 July 2018

The Board of Directors is elected annually, with the chair rotating on an annual basis. The board provides strategic direction to the work of the Association, represents the Association in negotiations with government, NPCC and other bodies, and has power to take executive decisions on urgent matters.

CHARITABLE DONATION

During the year, the company has made a charitable donation amounting to £5,000 (2018 £5,000).

APCC GENERAL MEETINGS

The main business of the Association is conducted at General Meetings, which take place at least four times a year.

DIRECTORS INTERESTS

The company is limited by guarantee and as such has no issued share capital. The liability of each member in the event of winding up is limited to £1.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Barnes Roffe LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M Burns-Williamson - Director

Date: 23 July 2019

**The Association Of Police And Crime
Commissioners**

**Statement of Directors' Responsibilities
for the year ended 31 March 2019**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Independent Auditors to the Members of
The Association Of Police And Crime
Commissioners**

Opinion

We have audited the financial statements of The Association Of Police And Crime Commissioners (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
The Association Of Police And Crime
Commissioners**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are 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 directors determine 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ben Bradley (Senior Statutory Auditor)
for and on behalf of Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date: 16/9/2019

**The Association Of Police And Crime
Commissioners**

**Income Statement
for the year ended 31 March 2019**

	Notes	2019 £	2018 £
TURNOVER		1,968,770	1,921,115
Cost of sales		<u>(272,782)</u>	<u>(238,040)</u>
GROSS SURPLUS		1,695,988	1,683,075
Administrative expenses		<u>(1,885,865)</u>	<u>(1,816,994)</u>
OPERATING DEFICIT	4	(189,877)	(133,919)
Interest receivable and similar income	6	<u>1,260</u>	<u>196</u>
		(188,617)	(133,723)
Other finance costs	14	<u>(19,000)</u>	<u>(16,000)</u>
DEFICIT BEFORE TAXATION		(207,617)	(149,723)
Tax on deficit	7	<u>-</u>	<u>-</u>
DEFICIT FOR THE FINANCIAL YEAR		<u><u>(207,617)</u></u>	<u><u>(149,723)</u></u>

The notes form part of these financial statements

**The Association Of Police And Crime
Commissioners**

**Other Comprehensive Income
for the year ended 31 March 2019**

Notes	2019 £	2018 £
DEFICIT FOR THE YEAR	(207,617)	(149,723)
OTHER COMPREHENSIVE INCOME		
Actuarial (loss)/gain on defined benefit pension scheme	(176,000)	66,000
Income tax relating to other comprehensive income	<u> -</u>	<u> -</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(176,000)</u>	<u>66,000</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(383,617)</u>	<u>(83,723)</u>

The notes form part of these financial statements

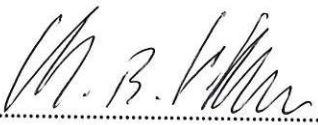
**The Association Of Police And Crime
Commissioners (Registered number: 05214716)**

**Balance Sheet
31 March 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	8	5,250	-
Tangible assets	9	<u>30,506</u>	<u>29,436</u>
		<u>35,756</u>	<u>29,436</u>
 CURRENT ASSETS			
Debtors	10	547,315	689,200
Cash at bank		<u>528,084</u>	<u>440,386</u>
		1,075,399	1,129,586
CREDITORS			
Amounts falling due within one year	11	<u>(256,747)</u>	<u>(225,997)</u>
NET CURRENT ASSETS		<u>818,652</u>	<u>903,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		854,408	933,025
PENSION LIABILITY	14	<u>(1,086,000)</u>	<u>(781,000)</u>
NET (LIABILITIES)/ASSETS		<u><u>(231,592)</u></u>	<u><u>152,025</u></u>
 RESERVES			
Other reserves	13	(1,086,000)	(781,000)
Income and expenditure account	13	<u>854,408</u>	<u>933,025</u>
		<u><u>(231,592)</u></u>	<u><u>152,025</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 July 2019 and were signed on its behalf by:


.....
M Burns-Williamson - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

The Association Of Police And Crime Commissioners is a private company, limited by guarantee, registered in England and Wales. The company's registration number and registered office address can be found on the company information page, and details of the principal activity in the Director's report.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Income represents subscriptions, grants, sponsorship and other contributions and are accounted for when the company is entitled to receipt, the revenue can be measured reliably, and it is probable that the company will receive the consideration due.

Intangible assets

Intangible assets are initially measured at cost. After initial recognitions, intangible assets are measured at a cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are being amortised evenly over their useful life of 5 years.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write each asset off over its estimated useful life.

Leasehold improvements	- over the period of the lease
Computer equipment	- over a period of 3 years
Fixtures, fittings and equipment	- over a period of 5 years

Assets specifically utilised for the Police Reform project are depreciated over the life of the project which was estimated to be a 1 year period.

Fixtures and fittings	- over a period of 1 year
Computer equipment	- over a period of 1 year

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company offers a defined benefit plan. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent on several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated life of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed in other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'finance expense/income'.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible the known amounts of cash with insignificant risk of change in value.

Operating leases

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements - continued
for the year ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Going Concern

As at 31 December 2018 the company has net liabilities of £231,592. However, this includes the defined benefit pension scheme liability of £1,086,000 (see note 14). If this is excluded the company has net assets of £854,408 as can be seen in the reserves note at note 13.

In respect of the defined benefit pension scheme liability on the Merseyside Pension Fund there is currently no requirement for additional contributions to be paid by the company, but the Merseyside Pension Fund have asked the company to provide a bond of £917,000 to meet the pension scheme liability in the unlikely event that the company left the Merseyside Pension Fund. However, as an alternative to a bond it has been agreed in principle with the Merseyside Pension Fund that the membership of the company, the Police and Crime Commissioners (PCCs), will each provide a guarantee from their respective Local Policing Body reserves. The company are now in the process of finalising the documentation to put the guarantees in place.

The directors consequently believe that the company has adequate resources to continue for the foreseeable future, and on this basis the accounts have been prepared on the going concern basis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 18 (2018 - 16).

Directors remuneration was £8,000 (2018 - £8,000).

4. OPERATING DEFICIT

The operating deficit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	18,421	26,522
Intangible assets amortisation	750	-
Pension costs	<u>207,692</u>	<u>185,448</u>

5. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>5,375</u>	<u>4,950</u>
Total audit fees	<u>5,375</u>	<u>4,950</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Deposit account interest	<u>1,260</u>	<u>196</u>

**The Association Of Police And Crime
Commissioners**

**Notes to the Financial Statements - continued
for the year ended 31 March 2019**

7. TAXATION

The Company is limited by guarantee, without share capital, and, as a local authority association has been treated as exempt from taxation under section 519 ICTA 1988.

8. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
Additions	<u>6,000</u>
At 31 March 2019	<u>6,000</u>
AMORTISATION	
Charge for year	<u>750</u>
At 31 March 2019	<u>750</u>
NET BOOK VALUE	
At 31 March 2019	<u>5,250</u>

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 April 2018	17,212	81,672	98,884
Additions	-	19,491	19,491
Disposals	<u>-</u>	<u>(38,150)</u>	<u>(38,150)</u>
At 31 March 2019	<u>17,212</u>	<u>63,013</u>	<u>80,225</u>
DEPRECIATION			
At 1 April 2018	3,729	65,719	69,448
Charge for year	3,442	14,979	18,421
Eliminated on disposal	<u>-</u>	<u>(38,150)</u>	<u>(38,150)</u>
At 31 March 2019	<u>7,171</u>	<u>42,548</u>	<u>49,719</u>
NET BOOK VALUE			
At 31 March 2019	<u>10,041</u>	<u>20,465</u>	<u>30,506</u>
At 31 March 2018	<u>13,483</u>	<u>15,953</u>	<u>29,436</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	28,055	114,780
Other debtors, prepayments and accrued income	<u>519,260</u>	<u>574,420</u>
	<u>547,315</u>	<u>689,200</u>

Notes to the Financial Statements - continued
for the year ended 31 March 2019

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	149,918	140,126
Taxation and social security	43,011	46,093
Other creditors and accruals	<u>63,818</u>	<u>39,778</u>
	<u>256,747</u>	<u>225,997</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	153,225	55,085
Between one and five years	<u>390,506</u>	<u>-</u>
	<u>543,731</u>	<u>55,085</u>

13. RESERVES

	Income and expenditure account	Other reserves	Totals
	£	£	£
At 1 April 2018	933,025	(781,000)	152,025
Deficit for year	(207,617)	-	(207,617)
Actuarial gains or losses on pension scheme assets	(176,000)	-	(176,000)
Transfer between profit and loss reserve and pension scheme reserve	<u>305,000</u>	<u>(305,000)</u>	<u>-</u>
At 31 March 2019	<u>854,408</u>	<u>(1,086,000)</u>	<u>(231,592)</u>

A reserve has been recognised that is equal to the estimated deficit on the pension scheme.

14. EMPLOYEE BENEFIT OBLIGATIONS

The employees of the company are entitled to membership of the Merseyside Defined Benefit Pension Scheme. The most recent full actuarial valuation was on 31 March 2016 and was carried out by a qualified independent actuary.

Notes to the Financial Statements - continued
for the year ended 31 March 2019

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	2019 £	2018 £
Fair value of plan assets	2,279,000	1,974,000
Fair value of plan liabilities	<u>(3,365,000)</u>	<u>(2,755,000)</u>
	<u>(1,086,000)</u>	<u>(781,000)</u>

Changes in the fair value of the scheme assets are as follows:

	Defined Benefit Pension Plans	
	2019 £	2018 £
Opening fair value of scheme assets	1,974,000	1,786,000
Contributions by employer	129,000	112,000
Contributions by scheme participants	70,000	60,000
Interest Income	56,000	48,000
Actuarial gains/(losses)	58,000	(10,000)
Benefits/transfers paid	(4,000)	(18,000)
Administration expenses	<u>(4,000)</u>	<u>(4,000)</u>
	<u>2,279,000</u>	<u>1,974,000</u>

The amounts recognised in surplus or deficit are as follows:

	Defined Benefit Pension Plans	
	2019 £	2018 £
Current service cost	235,000	213,000
Net interest from net defined benefit asset/liability	19,000	16,000
Past service cost	-	-
Administration expenses	<u>4,000</u>	<u>4,000</u>
	<u>258,000</u>	<u>233,000</u>
Actual return on plan assets	<u>114,000</u>	<u>38,000</u>

14. EMPLOYEE BENEFIT OBLIGATIONS – continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined Benefit Pension Plans	
	2019	2018
	£	£
Opening defined benefit obligation	2,755,000	2,512,000
Current service cost	235,000	213,000
Contributions by scheme participants	75,000	60,000
Interest Cost	70,000	64,000
Actuarial losses/(gains)	234,000	(76,000)
Benefits / transfers paid	(4,000)	(18,000)
	<u>3,365,000</u>	<u>2,755,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial (losses)/gains	<u>(176,000)</u>	<u>66,000</u>
	<u>(176,000)</u>	<u>66,000</u>

14. EMPLOYEE BENEFIT OBLIGATIONS - continued

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019 £	2018 £
Equities	896,000	833,000
Government bonds	155,000	132,000
Other bonds	520,000	460,000
Property	173,000	140,000
Cash/liquidity	123,000	99,000
Other	412,000	310,000
	<u>2,279,000</u>	<u>1,974,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019	2018
Discount rate	2.50%	2.70%
Future salary increases	3.60%	3.60%
Future pension increases	2.30%	2.20%
Annual increase in healthcare costs	2.20%	2.10%

15. RELATED PARTY DISCLOSURES

In accordance with FRS102, local policing bodies that have a member on the Board of Directors are considered related parties. Subscriptions paid by these bodies are on standard business terms and conducted at arm's length.