

REGISTERED COMPANY NUMBER: 04680035 (England and Wales)
REGISTERED CHARITY NUMBER: 1104765



Annual Report

2015 | 16

The National Appropriate Adult Network Ltd

Report of the Trustees and

Unaudited Financial Statements for the year ended 31 March 2016

Accounts independently inspected by

Calcutt Matthews
Chartered Accountants
19 North Street
Ashford
Kent
TN24 8LF

Chair's Introduction

I was greatly honoured to accept the role of Chair of NAAN from October 2015, following in the footsteps of the remarkable Jenny Talbot OBE.

Whilst Chair of the Law Society's Criminal Law Committee, I worked closely with NAAN and was impressed with their passion and commitment to vulnerable people. As a solicitor, I regularly witness the impact effective appropriate adults can make for vulnerable suspects in the police station. In contrast I have also seen first-hand the serious problems caused where they are not available.

Vulnerability comes in many forms; age, mental illness, learning disability, autistic spectrum disorders, and brain injuries for example. To have a fair justice system, something that benefits both victim and suspect, all vulnerable people must receive the support of an AA as required by the Police & Criminal Evidence Act and its Codes.

Sadly, public spending cuts continued to bite this year, impacting the whole justice system. Whether it be pressurised police seeking an interviewing officer, less qualified solicitors attending the police station, or the use of 'virtual courts' to reduce costs, it is of course vulnerable people who are most at risk of injustice.

In this environment, the safeguard of an AA becomes even more critical. However, while Youth Offending Teams have a statutory duty to ensure AA provision for children, they themselves are experiencing major cuts and are yet to receive additional central government funding for the expansion of AAs to 17 year olds. As a result, AA schemes for children are under increasing pressure. Without additional resources, many will be unable to meet the increasing expectations on them, such as delivering truly 24/7 services, supporting children through the whole of a detention period and attending voluntary interviews under caution.

The situation for vulnerable adults is increasingly dire. With no explicit statutory duty, the immense financial pressures on adult social services are increasingly leading them to apply 100% cuts in funding for AA schemes. All mentally vulnerable adults have the right to an AA but with around half of England and Wales having no organised AA scheme for adults, we are now at risk of going backward before we make progress.

This issue remains a top priority for NAAN.

Our report 'There to Help', commissioned by Theresa May, was published in August. It received press coverage that is unparalleled in NAAN's history, being the lead story across BBC television and radio on publication day. There was genuine shock at its finding that mentally vulnerable adults are detained and interviewed without an AA an estimated 235,000 per year.

The report was welcomed by all stakeholders as clear evidence of the need for change. We were particularly pleased by the Home Secretary's response that the status quo was unacceptable and that the priority has to be action. We look forward to taking a leading role in the new Home Office working group arising from the report.

Turning to our work with members, I am pleased to see the continued high satisfaction rates with our events and to note that the October 2015 Professional Development Day and AGM was the best attended in NAAN's history.

While undoubtedly successful, this year has been extremely challenging for NAAN. Shortly after the year began our Administration Manager moved on. As a result, our Chief Executive Chris Bath was the sole member of staff for the rest of the year. While our successes this year speak for themselves, this is not a sustainable situation. Having reviewed our strategy, we concluded that a more senior role was required, focusing on effective practice. With the real terms value of our Home Office grant having reduced significantly since its inception, we sought additional funding to achieve this. Based on discussions with the Home Office, the Board now expects to return to employing two members of staff early in the next financial year.

Of course NAAN is nothing without its members. This year it was pleasing to see some important recognition of the, often unsung, work of our members. This year Young Lives Foundation (Kent and Medway) was awarded the Queen's Voluntary Service Medal for its AA volunteers. In addition, Mr John Thornhill of CCP (Gloucester and Wiltshire) was awarded the Chief Constable's Community Service Award on retiring after 21 years of voluntary service as an AA.

My sincere thanks to all trustees, staff, members and the Home Office for their continued dedication to appropriate adults and NAAN.

Richard Atkinson | Chair of Trustees

	Page
Report of the Trustees	4 to 19
Independent Examiner's Report	20
Statement of Financial Activities	21
Balance Sheet	22
Notes to the Financial Statements	23 to 26
Detailed Statement of Financial Activities	27 to 28

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

Reference & Administrative Details

Company number	04680035 (England and Wales)	
Charity number	1104765	
Registered office	19 North Street, Ashford, Kent, TN24 8LF	
President	The Lord Patel of Bradford OBE (House of Lords)	
Chair	Jenny Talbot OBE (Prison Reform Trust)	- retired 22.10.15
	Richard Atkinson (Solicitor, Tuckers Solicitors LLP)	- appointed 22.10.15
Treasurer	Dipak Kothari FRSA FCCA (Chartered Accountant)	
Other trustees	Ian Blackie (Retired social worker)	- appointed 22.10.15
	Superintendent Alan Greene (Gr. Manchester Police)	- retired 01.07.15
	Gisli Gudjonsson (Professor of Forensic Psychology)	- appointed 22.10.15
	Anne Harper (Equal Lives Norfolk)	
	Lisa Hindle (Office of the PCC for Greater Manchester)	-retired 22.10.15
	Fiona Hodge (Bristol Youth Offending Team)	
	Faith Marriott MBE (Child Action North West)	
	Mike Sampson (Peterborough Youth Offending Team)	
	Sophie Smith (GT Stewarts Solicitors)	-retired 22.10.15
	Darren Smith (Sova)	-retired 22.10.15
	Jane Tomlin (Leeds Youth Offending Team)	-retired 22.10.15
	Grev Wallington (Southwark Council)	
Chief Executive & Company Secretary	Chris Bath FRSA	
Independent examiner	Calcutt Matthews Chartered Accountants 19 North Street, Ashford, Kent, TN24 8LF	
Bankers	Unity Trust Bank 9 Brindleyplace, Birmingham, B1 2HB	

Structure, Governance & Management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The charity is governed by a Board consisting of trustees who are elected at the AGM by, and from within, the full membership of the organisation. In addition, up to five trustees can be co-opted by the Board. An induction pack is provided for new trustees.

All trustee appointments are time-limited under the governing document. The Board thanks Superintendent Alan Greene, Lisa Hindle, Sophie Smith, Darren Smith and, Jane Tomlin for their years of service. The Board extends particular gratitude to former Chair Jenny Talbot OBE, under whose excellent leadership the charity has prospered.

The Board warmly welcomes new Chair Richard Atkinson and new trustees Ian Blackie and Professor Gisli Gudjonsson. The Board is currently seeking a further new trustee to maintain NAAN's strategic link with policing.

Organisational structure

The management of the charity is the responsibility of the Board. Major decisions on policy and expenditure are made by the Board. Day to day decision-making is delegated to the Chief Executive Chris Bath, who was appointed by the Board in March 2013.

Risk management

A full detailed review of the risk strategy was conducted by the Treasurer and Chief Executive. This has been reviewed by the trustees, who are satisfied that it is sound. The major risks to which the charity is exposed have been considered, with particular focus on events that would seriously impede the operations of the charity.

Controls are in place to mitigate the identified risks. The following is a summary.

NAAN's Treasurer is a qualified chartered accountant. There is a written procedure for financial record keeping which is conducted using Sage. On a monthly basis accounts are reconciled, cash flow and budget are monitored. Management accounts are reviewed by the Board quarterly. Payroll is calculated by an external company. NAAN has dual authorisation for all cheques and internet bank payments. External accountants are used to support the preparation of annual accounts.

To preserve NAAN's reputation, the charity exercises great care to ensure that communications are factually accurate and in line with organisational policy.

Roles and responsibilities are clearly defined by the Board in writing and reviewed annually. Rules for the appointment and retirement of Board members are clearly defined in the governing document. New trustees sign a formal agreement covering conflicts of interest.

Data is held within the secure Office 365 architecture, ensuring constant backups. Where required, hard copies of information are stored in secure storage units. NAAN complies with data protection law and is registered with the ICO.

Satisfactory insurance policies are in place and are reviewed annually.

The primary risk to the charity remains loss of income both through AA scheme consolidation and reliance on a Home Office grant which is agreed annually. This risk is mitigated somewhat via the reserves policy. NAAN continues to seek: a multi-year funding agreement, charitable funding for appropriate activities, opportunities for earned income and an equitable membership fees structure given increasing consolidation.

Objectives & Activities

The charity adheres to the Charity Commission's guidance on public benefit when reviewing aims and objectives in planning future activities. In particular, the Board considers how planned activities will contribute to the aims and objectives they have set.

Charitable Objects

The charity aims to benefit the public by achieving the objectives as set out in its constitution. These are:

- a) To promote the care of children and young people under 17 years and the care of people of any age who are vulnerable as a result of mental disorder or learning disability and who are detained for questioning at a police station by the provision of support and guidance for, and the promotion of best practice amongst appropriate adult services.
- b) To promote or assist in the promotion of, the sound administration of the criminal justice system by the provision of support and guidance for, and the promotion of best practice amongst appropriate adult services.

Vision

Every child and mentally vulnerable adult detained or interviewed by police has their rights and welfare safeguarded effectively by an appropriate adult.

Mission

To gather, develop and share knowledge, skills and standards that inform, inspire and support effective appropriate adult policy and practice.

Strategic Objectives

1. *Improve practice:* More children and vulnerable adults are safeguarded by effective appropriate adults operating to national standards.
2. *Improve policy:* National and local policy development and implementation enable appropriate adults to be effective.
3. *Improve ourselves:* NAAN is a more effective, efficient and sustainable organisation.

Activities

NAAN seeks to achieve its objectives through:-

Professional Development

- Providing professional development for scheme co-ordinators and appropriate adults
- Providing a range of training options
- Providing support to members in delivering their own training to appropriate adults

National Standards

- Setting and developing national standards for appropriate adult schemes
- Promoting and supporting the adoption of national standards by providers and commissioners

Information, Advice & Guidance

- Providing a national web-based resource for scheme co-ordinators, commissioners and appropriate adults, including for parents who fulfil the role without training
- Providing regular updates on effective practice, evidence, legislation and policy
- Providing support for engagement between appropriate adult schemes and commissioners (e.g. local authorities, health, police forces, Police and Crime Commissioners, Youth Offending Services) that will improve the quality, range and delivery of appropriate adult services

Raising Awareness

- Providing an online gateway to assist potential appropriate adult volunteers find a local scheme to support
- Articles, conference presentations, networking, the website and social media
- Running and contributing to events

Influencing Policy

- Listening to, and consulting with, appropriate adult schemes
- Working with central and local government departments, police forces, the Youth Justice Board, inspectorates, charities and other stakeholders towards improving policy, guidelines and legislation.

Achievement & Performance

Charitable Activities

Effective Practice

Our objectives

-
- To increase the **knowledge and skills** of scheme co-ordinators and appropriate adults
 - To increase the number of appropriate adult schemes operating within **national standards** that are robust, evidence-based and embedded within inspection and other relevant frameworks
 - To increase the number of people connecting with local appropriate adult **volunteering opportunities**
-

Membership

At the year end, the network had 113 members, with **16 new organisations joining**.

Publicity surrounding *There to Help* generated increased awareness. We submitted an article which was published in the Association of YOT Managers newsletter, encouraging increased awareness and prioritisation of AA schemes by YOT managers. We also began a process of identifying youth offending team areas in which we had no member for children's AA services. We were unable to complete the project during the year due to staffing levels. This is unfortunate as three YOTs applied for membership due to our initial efforts.

NAAN's membership continues to consist mainly of charities, youth offending teams and adult social care. However, the diversity of the membership is increasing and now includes: -

- community safety teams
- emergency duty teams
- forensic adolescent mental health units
- NHS Foundation Trusts
- medical services providers
- residential special schools
- children's homes
- private sector organisations
- police forces
- police and crime commissioners.

In addition, we are pleased to have within the membership: -

- Northern Ireland AA service
- Isle of Man Government
- Childline Gibraltar

Despite these additional members, the net membership increase was only one. Increasing financial pressures on public services were a key driver for this, with schemes closing, at risk, or unable to secure the budget for even NAAN's small annual membership fee. Other schemes were impacted the increasing consolidation trend. This continues to represent a challenge for NAAN in terms of income, because membership fees are levied on a per-organisation basis, not per area basis.

Membership

▲ 1%

National Standards

NAAN holds the [National Standards](#) for appropriate adult schemes. These are embedded within the Youth Justice Board's [National Standards for Youth Justice](#). By securing a place on the Expert Reference Group for HM Inspectorates of Constabulary and Prisons, NAAN secured significantly increased emphasis on AAs in the newly published [Expectations for Police Custody](#) (the criteria for assessing the treatment of and conditions for detainees in police custody).

Professional Development Days

"This is always an excellent, informative day"

"Great day, good networking opportunity, great speakers... really enjoyed our PDD"

Three PDDs were run during the year. Each NAAN member can book up to two free places per event, enabling coordinators to offer AAs and other colleagues the chance to attend.

PDDs support the development of effective practice by increasing knowledge and skills.

We have historically achieved this through guest speakers and workshop leaders. During this year we innovated by adopting the [Open Space Technology](#) approach during the afternoon sessions. In this model there is no initial agenda as it is defined dynamically by the attendees themselves. Positive feedback has led to us adopting this approach for future PDDs.

The eventbrite.co.uk platform was used for effective and efficient event organisation and management. Surveymonkey.co.uk was used to capture and analyse delegate feedback for the planning of future events.

Derby (April 2015)

- The Bradley Report: next steps
Rt. Hon. Lord Bradley PC
- The welfare of vulnerable people in police custody- findings of the thematic inspection
Heather Hurford, HMIC Lead Inspector
- There to Help - The Home Secretary's Commission on appropriate adults for mentally vulnerable adults: findings and recommendations
Chris Bath, NAAN Chief Executive
- Attendance: 44
- Overall feedback: **96% satisfied** (4% neutral)
- 76% said they would be doing things differently as a result of the event

London (October 2015) including AGM

- Appropriate adults and the IPCC
Tom Milsom – Associate Commissioner, Independent Police Complaints Commission
- Open space (*facilitated by Chris Bath*)
- Attendance: 54
- Overall feedback: **100% satisfied**
- 100% said they would be doing things differently as a result of the event.

Bristol (January 2016)

- Traumatic brain injuries and the justice system
Peter McCabe – Chief Executive, Headway, the brain injury association
- Effective participation in the courts and the police station
Miranda Bevan, London School of Economics (formerly Law Commission)
- Open space (*facilitated by Chris Bath*)
- Attendance: 32
- Overall feedback: **100% satisfied**
- 62.5% said they would be doing things differently as a result of the event

PDD attendance ▲ 3%

PDD satisfaction ▲ 2%

Training

National training pack

NAAN members continued to have access to our 7-module training pack developed by leading AA trainers, including professionally produced videos. All **resources are available online** for NAAN members to access.

This encourages wider adoption of effective practice by building the capacity of local schemes to train their own appropriate adults. This approach **increases sustainability** and reduces costs by removing the need for local schemes to 'reinvent the wheel' or repeatedly use external training when they recruit new appropriate adults.

We established a training pack working group (Chief Executive and three trustees with experience developing and delivering AA training). The group reviewed the pack, identified all current inaccuracies and began the process of planning alignment with the national accredited qualification.

A number of NAAN members indicated the **urgent need for a revised pack**, primarily due to changes in legislation in relation to 17 year olds. Regrettably, we were unable to complete the revision process during the year as planned due to low staffing levels.

Appropriate adult intensive course

Schemes with new co-ordinators, or without a dedicated co-ordinator, often need additional support. We provide direct AA training, usually over one to two days. Given the short time frame, this alone does not satisfy national standards. However, we aim to optimise the balance between information provision and interactive learning while building sustainability for the future. This year training was delivered to: -

- Croydon Voluntary Action
- Milton Keynes Council
- Anglesey Council
- Hounslow YOT
- Gwynedd YOT
- Gwynedd Council

Direct training ▲ 50%

“Gave a very in-depth understanding for a new AA, equipping me with the skills and empowering me with the confidence to complete the role.”

“It was really enjoyable. The course gave full information on issues and wider view of the police and the law.”

“Very good course and well delivered.”

National Accredited Qualification

Due to staffing levels we were unable to progress our plans to promote and facilitate uptake of the new AA qualification.

The completion of the national training pack revisions is an important prerequisite. Aligning the content of the pack with the demands of the qualification will make it as clear and easy as possible for scheme co-ordinators. They will then have the materials required to deliver the training necessary for learners to meet the qualification's learning outcomes.

This objective remains an important part of our strategy. Subject to being able to secure an additional member of staff as planned, this will be a priority objective for next year.

Member Support & Advice

Our advice to individual AA schemes provided them with a source of knowledge across AA practice, including on:

Reducing child detention

- Understanding thresholds and challenging police decisions to refuse bail for a detained child
- Driving improvements in local authority accommodation transfers under PACE 1984 s.38(6) (e.g. eligible types of arrest, inclusion of 17 year olds, areas with effective strategies)
- Developing 24-hour AA scheme coverage for children / maintaining it in light of cuts to Emergency Duty Team provision
- Protocols on enabling police to interview a child late at night and understanding the requirement for rest periods.

Improving support for adults who are mentally vulnerable

- Advice on securing service under threat of closure due to local authority funding cuts
- Encouraging local authorities to fund new AA services
- Effective engagement with liaison and diversion teams
- Issues with understaffed street triage teams and nurses/paramedics with no training on mental vulnerability

Service design

- Requests for AAs outside the scope of PACE (e.g. at court, immigration cases, age assessments for asylum seekers)
- Switching models of delivery (e.g. between voluntary and paid AAs)
- Example Service Level Agreements with police forces
- Best practice on recording forms
- Possibility of providing telephone support at point of charge.

Recruiting and supporting AAs

- Example interview questions for potential AAs
- Advice on 'debriefing' AAs as part of supervision and mentoring
- Acceptability of applications from 'back office' police employees
- Training and shadowing
- Support protocols in serious cases.

Working with other professionals

- How to deal with duty solicitors only delivering legal advice over the phone
- How to deal with solicitors' 'work to rule' protest against legal aid cuts
- How and when to use an AA's power to request legal advisor when it has been declined by a vulnerable suspect
- How to handle disagreements between AAs and doctors over fitness to interview.

PACE compliance

- Developing procedures in response to increasing use of voluntary interviews (AAs getting no information, limited facilities for private consultation)
- Legality of strip search of 17-year-old female without an AA
- Advice on potential complaint against police by AA
- Guidance on the way rights and entitlements are dealt with across the country.

“Thanks for your quick response, the information you gave is very useful.”

“Thanks very much for such a thorough and speedy reply. It is really helpful.”

“Brilliant. I’m so glad I checked with you.”

“Thank you very much for your response, I can now ensure that I am giving the right advice when training AAs.”

“Perfect! This is really helpful, thanks.”

Email update service

Our e-update service helped to ensure scheme co-ordinators had the latest information both from within and outside the network, to support their practice. This year we provided updates on: -

Changes in policy and legislation

- Policing & Crime Bill
- Commencement of Criminal Justice and Courts Act
- New national police strategy on children & young people
- Courts closures following HMCTS consultation
- Revised statutory guidance has been published (Working Together to Safeguard Children).

Award-winning AA practice

- Young Lives Foundation (Kent) AA scheme wins Queen's Award for Voluntary Service.
- AA from CCP (Gloucestershire) wins Community Service Award for 21 years' voluntary service.

New reports, reviews and consultations

- New IPCC report: deaths in custody and mental health
- Law Commission: Unfitness to plead
- Lammy review: racial bias in the CJS
- Consultation: College of Policing mental health module
- Consultation: HMIC Expectations
- Consultation: qualifications for police.

New Resources

- YJB Self-Assessment Tool for YOTs to benchmark against thematic inspection recommendations
- Free children's mental health training for YOTs via YJILS
- New training film (North Yorkshire YJS) covering custody features parent AA
- A new monitoring guide for places where children are deprived of liberty
- Guidelines on the investigation, cautioning and charging of knife crime.

Commissioning and funding opportunities

- Tender for Hampshire, Southampton, Portsmouth & Isle of Wight
- Charitable funding opportunity for voluntary sector AA providers.

Relevant media

- Home Secretary's commission finds mentally vulnerable at risk of miscarriages of justice
- Mental health crisis takes increasing share of police time
- Fixing UK's mental health problems will need both police and health
- Child arrests down
- Vulnerable missing children exploited by gangs
- Joint enterprise 'put right' by Supreme Court
- New 'sexting' guidelines tell police to avoid 'draconian' prosecutions that could harm teenagers' futures"
- The Met: Policing London (new documentary series)
- Home Secretary exploring new powers for PCCs.

Effective Practice Resources

For AA Schemes

The Member Resources section of the NAAN website acts as a repository for information useful to AA schemes, including: -

The **Research Hub** provides a breakdown of relevant findings and recommendations from research and policy reports relating to appropriate adults.

Online access to NAAN's **Training Resources** including videos, allowing members, new and old, to have access whenever and wherever they need it.

The **Development Templates** provide documents designed to aid the development of AA schemes, such as a budget calculator, and accompanying guides.

The **Event Archive** makes available the expert speaker presentations from our Professional Development Days.

In addition, this year we added an **E-updates Archive**, that allows members to access all previous updates in one place.

This year we launched an online **Forum** to enable AA schemes to exchange best practice, resources and discuss key issues. Topics raised include developing 24/7 services and support at charge and bail. However, development is at an early stage and promotion is required to build up usage.

We updated our **guidance on Local Authority Accommodation transfers**, including changes brought about by the Criminal Justice and Courts Act 2015.

Our **practice guidance webpages** gained new links to resources produced by the Youth Justice Board including: -

- National Protocol for Case Responsibility (covering children arrested out of area)
- Thematic inspection self-assessment toolkit

Guidance for AAs on pre-charge bail was drafted. However, given significant changes to pre-charge bail are to be made through the Policing and Crime Bill, publication has been postponed. In addition, a consultation suggested that the guidance could helpfully be extended to include post-charge bail.

Website users | 24,181
| ▲ 48%

Pages viewed | 92,800
| ▲ 42%

For the Public

In addition to our work supporting our members, we increasingly used our website to improve the availability of information for others, including: -

- Children
- Vulnerable adults
- Parents, family members and others asked to fulfil the appropriate adult role without training
- Professionals likely to come into contact with appropriate adults or children or mentally vulnerable adults who may need one.

This year we developed **guidance for people who feel they were mistreated by police**. This was in response to high number of enquiries following the launch of There to Help, our report commissioned by Home Secretary Theresa May.

We developed a web resource on **vulnerability identification schemes**. This catalogues the different mental vulnerability ID cards recognised by different police forces and how to obtain them. The resource is intended to increase identification of the need for an AA.

We also improved our **detailed guidance for parents and other untrained AAs**. We continue to work to secure the support of the Home Office and Youth Justice Board for the document, so that it becomes official guidance. Plans to link to the guidance from the College of Policing's Authorised Professional Practice website unfortunately stalled due to a change of personnel.

Effective practice | ▲ 48%
page views | 14,440

“I find being an appropriate adult very interesting and rewarding and never come away from a shift without having learnt something.”

Our website continues to provide a national gateway for members of the public to volunteer with their local AA scheme.

Our **information for prospective volunteers** received significant updates. The resource now includes: -

- A video from Leeds YOS featuring volunteer AAs talking about the role
- Quotes from volunteer AAs
- Answers to key questions about entry requirements, training provision, expenses, volunteer rights and how to find a scheme to volunteer with.

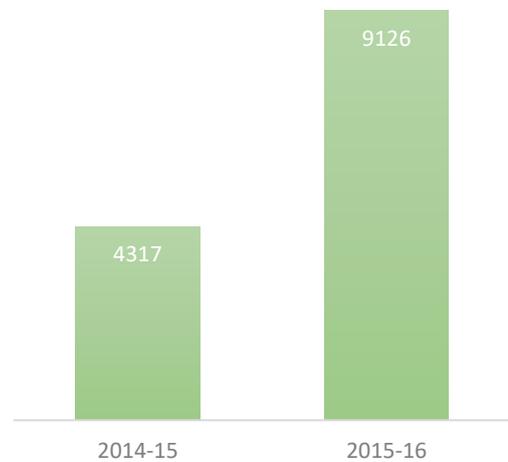
Usage of the information more than doubled compared to last year, as shown below.

Page Views: Becoming an AA



Following our annual member renewal process, which collects updated data on schemes, we updated the **Network Map**. The interactive map allows users to identify schemes within their local area, check whether they accept volunteers and access contact information for the scheme.

Page Views: Network Map



The growth in usage was greatly supported by the significant national media coverage of our *There to Help* report in August, with over 2000 page views during the week of the launch.

From September 2015, when we started recording, we assisted 57 prospective volunteers by email, helping them to get in touch with the right scheme.

The lack of schemes in some areas is a frustration for some prospective volunteers. We wish to maximise the potential for volunteering by securing provision for adults in all areas of England and Wales and by increasing the number of schemes for children that are within the NAAN network.

“I’ve found I haven’t had to advertise for volunteers, they are just coming to me now.” – AA scheme leader

Effective Policy

Our objectives

- To increase **awareness and understanding** of the appropriate adult role amongst key stakeholders
 - To maintain, within legislation, policy and practice, the **powers of an appropriate adult** that are required for effective practice
 - To increase awareness of, and compliance with, recent and new legislative changes that require appropriate adult **support for 17-year-old children**, including securing release of the funding necessary to support the changes
 - To increase awareness of, and support for, the recommendations of the **Home Secretary's Commission** on appropriate adults for mentally vulnerable adults
-

Tweets ▼ 48%
Followers ▲ 38%
Impressions | 102,000
| ▲ 176%

Home Secretary's commission:

There to Help

There to Help

The highlight of this year's policy work was the public launch of *There to Help*.

Preparation and publication

The report was commissioned by the Home Secretary and completed between January and March 2015. Having been submitted to the Home Secretary at that time, it took some time before we had clearance to make the report public, although it was not changed in any way. The full report was published in August 2015.

In preparation, a database of media contacts was established with the support of the Prison Reform Trust. A press release was developed focusing on the potential 235,000 times a year in which vulnerable adults were being detained and interviewed without an AA. We collaborated with the Home Office, National Police Chiefs Council and Met Police press offices to encourage supporting comments in the media.

Media response

The issue was the [lead item across the BBC](#), television, radio, web and mobile app. NAAN Chief Executive Chris Bath and Manchester AA volunteer Nuala Chapman appeared on the BBC Breakfast show and Radio5 Live, with Chris later appearing on Radio 4's Today programme, the BBC News Channel and pre-recorded pieces on Radio 1 Newsbeat and Radio 2's Chris Evans Breakfast Show.

Amy Byrne (City & Hackney Mind AA Scheme) provided valuable support by agreeing to appear on the Victoria Derbyshire show on BBC 2.

The issue stimulated a national discussion at the local level, with Deputy Chair Grev Wallington providing interviews to 12 local BBC radio stations. A number of NAAN member organisations were also invited to speak to provide the local dimension.

The Guardian ran a [Comment is Free](#) article by Chris Bath and their own [news story](#), as well as referencing NAAN later in the year in an article on US [police violence against disabled people](#).

Home Secretary's Response

Theresa May responded extremely positively including with the following: -

"The status quo is clearly not acceptable and I was concerned to read that a number of vulnerable adults...do not receive the support of an appropriate adult. Considered in the light of the purpose of appropriate adults – to safeguard the welfare and rights of mentally vulnerable adults and demystify the custody setting so that they understand what is happening to them – the priority must be to act to ensure that vulnerable people are provided the support they are entitled to.

"I have asked my officials to take forward work on examining the recommendations and implementation options. A special working group, which will report to the PACE Strategy Board, will be established in the Summer.

"Given NAAN's expertise and responsibility for supporting appropriate adults nationally, I would therefore be grateful if NAAN would work with my officials and be a key contributor to this group, advising on membership and options for tackling the complexity of this issue.

"Thank you...for your continued dedication to ensure fair and humane treatment for both vulnerable adults and children when they are particularly vulnerable - in trouble and in police custody."

Home Office Working Group

We worked with Home Office officials to develop the membership and draft terms of reference for the new working group.

Group membership includes: Rt. Hon. The Lord Keith Bradley PC; Professor Gisli Guðjónsson CBE, Martyn Underhill (Dorset PCC and national PCC lead for mental health), NAAN Chief Executive Chris Bath, plus; representation from the Ministry of Justice, Welsh Government, National Police Chief's Council, Association of Police and Crime Commissioners, Local Government Association, Association of Directors of Adult Social Services, Care not Custody Coalition and the NAAN membership.

The group met for the first time in December 2015, with a second meeting scheduled for

April 2016.

Dissemination & Engagement

We engaged with a wide range of national stakeholders via our memberships of the **Bradley Report Group** and the **Care Not Custody Coalition**.

In Parliament, we were grateful for the continued support of our President, **Lord Patel of Bradford**. In addition, the important engagement of **Lord Bradley**, author of the Bradley Report (2009). In addition to being a member of the project advisory board, Lord Bradley provided positive media comments and maintained regular contact. We also discussed findings and recommendations with **Lord Toby Harris** (Chair of the Independent Advisory Panel on Deaths in Custody). Finally, we were invited to speak to the **All Party Parliamentary Group for Dyslexia and Specific Learning Difficulties**.

Other national engagements included with: the **Ministry of Justice's** Victim and Criminal Proceedings Policy Team in relation to a review of support for vulnerable users across the courts; the Head of Health & Justice, Armed Forces and Public Health, **NHS England** who leads Liaison and Diversion; the **Police and Crime Commissioner for Dorset**, who acts on behalf of PCCs at the national lead for mental health; and speaking at the **Public Policy Exchange** event "Safeguarding Vulnerable Persons During Detention: Preventing Deaths in Police Custody".

In the London area, we met with London **Mayor's Office for Policing and Crime** to discuss the report, HMIC inspection findings and AA provision for adults. We also engaged with the **Metropolitan Police**, both as a member of the 'Operation Incan' (deaths in custody) group and in meetings with officers who have been given strategic responsibility for the issue of AAs. Finally, we were invited to present on the report to the **NHS England London-led Health in the Justice System Co-commissioning group**.

We gave lecture in the **Northumberland, Tyne and Wear NHS** Psychiatric Lecture Series 2015 and engaged with the **Scottish Appropriate Adult Network** regarding discussions with their Government on a national AA service.

Government

We continued to work closely with colleagues in the **Home Office** Police Integrity and Powers Unit across a range of issues relating to children, vulnerable adults and policing – with a focus on the role of the appropriate adult. This was conducted via membership of the **PACE Strategy Board**, various working groups and through direct meetings.

We continued to raise the issue of the **funds for extending AAs to 17-year-olds**.

We highlighted that the Home Office's '**Easy Read**' version of a suspect's rights and entitlements was now out of date. The Home Office is now encouraging the development of a replacement by Hertfordshire Police.

As a leading member of the PACE Strategy Board working group on **local authority transfers**, we contributed to efforts to improve compliance with the legal requirement to transfer children from cells once as soon as they have been charged. Although the transfer is not the responsibility of AAs, they have a responsibility for ensuring rights. Key issues for the working group included: -

- Improving recording of quantitative and qualitative data
- Improving inspection and monitoring
- Making 'PACE certificates' effective in driving improvements
- The statutory ability of police to charging local authorities where a transfer is not made
- The development of a concordat and the encouragement of signatories.

In light of plans to amend PACE via the Police and Crime Bill, we produced a written submission for the Home Office on issues with the **use of live link video conferencing for interviews and reviews of detention with vulnerable suspects**. We arranged for officials to meet AAs to discuss concerns.

We met with Home Office Technical Standards on the issue of **cell design for children** raised by the APPG for Children. We

proposed the use of in-cell video screens.

In addition to engaging with the **Ministry of Justice** regarding *There to Help*, we raised the issue of AAs for children with Charlie Taylor who is leading a review of youth justice. We later met with the **Charlie Taylor Review** team for more detailed discussions, highlighting the need to protect the statutory duty of youth offending teams to provide AAs for children, irrespective of any other changes that are planned.

We also contributed to the **Offender Policy Team** (ALBs and VCS, Prison, Probation and Youth Justice Policy Directorate) in their review of the governance of independent monitoring boards.

Policing

In addition to engagement with policing via the PACE Strategy Board and in the dissemination of *There to Help*, we were honoured to be selected as Charity of the Year for the **Police Federation** National Custody Seminar & Exhibition 2015. NAAN Trustee Darren Smith staffed the free exhibition space provided, while Chris Bath gave a speech on current challenges and changes relating to the detention of children and vulnerable adults.

Inspectorates, Regulators and Monitors

Care Quality Commission

The CQC invited NAAN to join their police custody suites healthcare services stakeholder group. This group is of renewed importance due to healthcare commissioning no longer moving from Police and Crime Commissioners to NHS England. Deputy Chair Grev Wallington represented NAAN. This allowed us to raise a number of issues, including healthcare professionals' level of knowledge of the thresholds for AA eligibility, clarity over responsibilities for decision-making, and appreciation of the potential of AAs given the longer period they spend with vulnerable people.

HM Inspectorates

NAAN remained a member of the HMI Constabulary & HMI Prisons Expectations Expert Reference Group. NAAN had significant input via its membership. The Expectations were published and included significantly greater coverage on AAs.

Independent Police Complaints Commission

We began a process of positive engagement with the IPCC. Its interest in appropriate adults has been growing, having repeatedly found them to be a relevant factor in investigations. They are receiving an increasing number of complaints from detained people regarding the lack of an AA and indeed from AAs concerned about the treatment of detained people. The IPCC expressed an interest in learning more and we agreed to contribute to each other's professional development programme. We shared our National Standards to inform the expectations of IPCC investigators. Tom Milsom, Associate Commissioner, presented at a NAAN Professional Development Day.

Independent Custody Visiting Association

During the year ICVA recruited a new Chief Executive, Katie Kempen. We held a number of bilateral meetings as well as being in regular contact by email and phone. In addition to sharing information on policy, practice and governance, we discussed opportunities for future collaboration including the potential for joint events and sharing policy meetings with senior stakeholders. NAAN trustee Mike Sampson (Peterborough YOT AA Scheme) presented on the role of the AA and *There to Help* at the Eastern Region ICV conference.

Academics

NAAN seeks to encourage the development of a rigorous academic evidence base and to connect the work of academics, policy-makers and practitioners to ensure the implementation of the most effective approaches.

Last year we supported a funding proposal by Tricia Jessiman (**University of Bristol**) for **research into the role of adult social services in AA provision**. This year her funding was approved by the School for Social Care Research (part of the NHS National Institute for Health Research) and the project gained approval from the Association of Directors of Adult Social Care. NAAN is a member of the project advisory board and provided practical support in accessing AA scheme leaders for the purposes of a national survey. Stage 1 of the research (mapping via surveys) was completed.

Stage 2 will focus on a small number of case studies seeking to highlight best practice in terms of social care's involvement in funding and delivery. We expect this research, which focuses on adult social services, to be an important input into the work of the Home Office working group arising from *There to Help*.

We also engaged with Melissa Girling of **Newcastle University**, a Research Fellow also funded by the NHS National Institute for Health Research. Her research focuses on **young people who are vulnerable to mental health problems in youth justice** using experience-based co-design methodology.

We met with Miranda Bevan to discuss both her work on the **Law Commission's fitness to plead report** and her new research at **London School of Economics** on **effective participation by children at the police station**

Finally, we met with Dr Tim Bateman of the **Children's Commissioner for England** which is considering a research project relating to AAs, with a focus on **the time children spend in police detention**.

In addition, we provided information to a number of researchers and students.

Voluntary Sector

NAAN remains a member of the **Standing Committee for Youth Justice**, the **Criminal Justice Alliance** and **Clinks**. During the year we also met with Shauneen Lambe, Executive Director of **Just for Kids Law** and Peter McCabe, Chief Executive of **Headway** (the brain injury association).

Assisting Non-Members

Although NAAN does not explicitly provide an information service for organisations outside of the network, this year saw further increases in the volume of queries we handled. This appears to be driven by increasing awareness about (a) vulnerability in the justice system and wider public services, (b) the AA role and (c) NAAN as an organisation.

Service Users and Families

The publication of *There to Help* led to an influx of queries, complaints about police practice and requests for support. These included cases where: -

- vulnerable individuals currently or previously in custody are not/did not receive AA support
- claims of breaches of PACE and torture by police
- people requesting an AA for interviews and meetings, such as with the benefits office or with their own solicitors
- a person fearing they would be 'sectioned' soon and wanting advice and help to develop a plan of action
- a partner had been asked to submit a CV to the judge in the case of her partner who was a self-litigant with mental health issues.

In addition, we received requests for advice from caseworkers from other services which were supporting vulnerable people who were going through the justice system, such as on how to undo a miscarriage of justice.

As reported above, in response to these queries we created a new information resource on how to complain about mistreatment by police.

Potential Commissioners

We received an increased number of queries from potential commissioners of AA services, including local authorities, mental health, and police and crime commissioners. These ranged from queries about the direction of travel following *There to Help*, to more specific requests for assistance with tender specifications, cost benchmarks and market testing.

Police

Police questions included: -

- direct requests for help sourcing an AA
- queries about opportunities for the development of new schemes following *There to Help*
- requests for permission to hand out our resources in custody
- a range of PACE and AA practice queries.

Providers of other services

A significant number of queries were received from healthcare professionals, seeking clarification in whether, and on how they should act as an AA for a patient, including guidance on minimum training requirements.

We also responded to enquiries regarding information to support AA awareness-raising or training for foster parents.

In light of the *There to Help*, which raised awareness of the lack of provision for adults, we also dealt with queries from providers of other services regarding opportunities to expand into AA services. This included advocacy services and well as providers of services protecting the welfare of vulnerable adults who are admitted to hospitals.

Furthermore, there was an apparent trend of 'appropriate adult' support being requested in contexts outside the Police and Criminal Evidence (PACE) Act. This included: social workers looking for support for children at court; requests for guidance for airport chaplains acting as 'responsible adults' for the Border Force; and local authorities seeking 'appropriate adults' to assist with 'Merton compliant age assessments'. On the last point, due to the number of enquires made of NAAN and its members, we engaged with the Office of the Children's Champion (Borders & Immigration). Age assessments are a local authority function related to decisions over services provided to an unaccompanied asylum seeker who may be a child. Recent guidance from Association of Directors of Children's Services recommends the use of an 'appropriate adult' but the role is clearly different and is currently outside NAAN's current remit. █

Investment policy and performance

The Board has decided that at present, funds should continue to be retained in Banks and Building Societies. Any change in such banking arrangements should be agreed by the Board. As far as possible, funds will be retained in interest bearing accounts.

Financial Review

Reserves policy

The Board has agreed to maintain free reserves of at least six months operating costs. This should enable the organisation to meet any outstanding liabilities in the event of expected funding being lost or reduced.

Approved by order of the board of trustees on and signed on its behalf by:

.....
Trustee

I report on the accounts for the year ended 31 March 2016 set out on pages nineteen to twenty-four.

Respective responsibilities of trustees and examiner

The charity's trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is required.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under Section 145 of the 2011 Act
- to follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act); and
- to state whether particular matters have come to my attention.

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view ' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - to keep accounting records in accordance with Section 386 and 387 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of Sections 394 and 395 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Nicholas Hume
Calcutt Matthews
Chartered Accountants
19 North Street
Ashford
Kent
TN24 8LF

Date:

	Notes	31.3.16 Unrestricted fund £	31.3.15 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		75,000	75,000
Activities for generating funds	2	26,662	29,563
Investment income	3	<u>203</u>	<u>174</u>
Total incoming resources		101,865	104,737
RESOURCES EXPENDED			
Charitable activities			
Professional Development		29,607	37,359
Member Support		29,606	38,564
Policy & Standards		23,614	20,487
Governance costs		<u>4,564</u>	<u>4,588</u>
Total resources expended		87,391	100,998
NET INCOMING/(OUTGOING) RESOURCES		14,474	3,739
RECONCILIATION OF FUNDS			
Total funds brought forward		103,114	99,375
TOTAL FUNDS CARRIED FORWARD		<u>117,588</u>	<u>103,114</u>

	Notes	£	31.3.16 Unrestricted fund £	31.3.15 Total funds £
FIXED ASSETS				
Tangible assets	7		-	-
CURRENT ASSETS				
Debtors	8		8,250	620
Cash at bank and in hand			<u>124,481</u>	<u>116,172</u>
			132,731	116,792
CREDITORS				
Amounts falling due within one year	9		(15,143)	(13,678)
			<u>117,588</u>	<u>103,114</u>
NET CURRENT ASSETS				
			<u>117,588</u>	<u>103,114</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			117,588	103,114
			<u>117,588</u>	<u>103,114</u>
NET ASSETS				
			<u>117,588</u>	<u>103,114</u>
FUNDS	10			
Unrestricted funds			<u>117,588</u>	<u>103,114</u>
TOTAL FUNDS			<u>117,588</u>	<u>103,114</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2015. The members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 March 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
Trustee

These notes form part of the financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirement.

Tangible fixed assets

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

Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. ACTIVITIES FOR GENERATING FUNDS

	31.3.16	31.3.15
	£	£
Training and training material	6,048	5,964
Membership subscriptions	15,576	13,700
Other income	157	132
Home Secretary's Commission	<u>4,881</u>	<u>9,767</u>
	<u>26,662</u>	<u>29,563</u>

3. INVESTMENT INCOME

	31.3.16	31.3.15
	£	£
Deposit account interest	<u>203</u>	<u>174</u>

4. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.16	31.3.15
	£	£
Independent examiner's fee	1,884	1,680
Depreciation - owned assets	<u>-</u>	<u>10</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2015 nor for the year ended 31 March 2014.

Trustees' expenses

	31.3.16	31.3.15
	£	£
Trustees' expenses	<u>2,552</u>	<u>2,707</u>

6. STAFF COSTS

	31.3.16	31.3.15
	£	£
Wages and salaries	61,643	70,775
Social security costs	5,014	5,570
Other pension costs	<u>4,859</u>	<u>5,733</u>
	<u>71,516</u>	<u>82,078</u>

The average monthly number of employees during the year was as follows:

	31.3.16	31.3.15
Charitable activities	<u>1</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2015 and 31 March 2016	<u>287</u>	<u>2,420</u>	<u>2,707</u>
DEPRECIATION			
At 1 April 2015 and 31 March 2016	<u>287</u>	<u>2,420</u>	<u>2,707</u>
NET BOOK VALUE			
At 31 March 2016	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2015	<u>-</u>	<u>-</u>	<u>-</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade debtors	8,250	620
Other debtors	—	—
	<u>8250</u>	<u>620</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16	31.3.15
	£	£
Trade creditors	83	20
Other creditors	60	264
Accruals and deferred income	12,300	7,253
Accrued expenses	<u>2,700</u>	<u>6,141</u>
	<u>15,143</u>	<u>13,678</u>

Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £4,859 (2015 - £5,732).

10. MOVEMENT IN FUNDS

	At 1.4.15	Net movement in funds	At 31.3.16
	£	£	£
Unrestricted funds			
General fund	103,114	14,474	117,588
	—	—	—
TOTAL FUNDS	<u>103,114</u>	<u>14,474</u>	<u>117,588</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	101,865	(87,391)	14,474
	—	—	—
TOTAL FUNDS	<u>101,865</u>	<u>(87,391)</u>	<u>14,474</u>

	31.3.16	31.3.15
	£	£
INCOMING RESOURCES		
Voluntary income		
Grants	75,000	75,000
Activities for generating funds		
Training and training material	6,048	5,964
Membership subscriptions	15,576	13,700
Other income	157	132
Home Secretary Commission	<u>4,881</u>	<u>9,767</u>
	26,662	29,563
Investment income		
Deposit account interest	<u>203</u>	<u>174</u>
Total incoming resources	101,865	104,737

	31.3.16	31.3.15
	£	£
RESOURCES EXPENDED		
Charitable activities		
Wages	61,643	70,775
Social security	5,014	5,570
Pensions	4,859	5,733
Travel and subsistence	339	598
Training, Events and Groups	5,498	6,047
Staff training	<u>-</u>	<u>-</u>
	77,353	88,723
Governance costs		
Trustees' expenses	2,552	2,707
Legal and professional fees	128	189
Independent examiner's fee	<u>1,884</u>	<u>1,680</u>
	4,564	4,576
Support costs		
Information Technology		
Premises	2,384	5,149
Communications and IT	1,574	1,211
Printing and stationery	776	767
Travel and subsistence	70	233
Sundries	670	329
Depreciation of tangible fixed assets	<u>-</u>	<u>10</u>
	5,474	7,699
	<u>87,391</u>	<u>100,998</u>
Total resources expended	87,391	100,998
	<u>14,474</u>	<u>3,739</u>
Net income/(expenditure)	<u>14,474</u>	<u>3,739</u>

This page does not form part of the statutory financial statements