

CENTRE FOR CORPORATE ACCOUNTABILITY
(Company Limited By Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

Company No. 3890661

Registered Charity No. 1105658

CENTRE FOR CORPORATE ACCOUNTABILITY
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FOR THE YEAR ENDED 31 MARCH 2006

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CENTRE FOR CORPORATE ACCOUNTABILITY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2006

The Trustees, who are the members of the Management Committee and are also Directors of the Charity for the purposes of the Companies Act, present their annual report and the audited Financial Statements for the year ended 31 March 2006.

Reference and Administrative Information

Directors and Trustees : S P Tombs
A A Jones
A Rehman
K Sunley (Resigned 4/04/05)
E R Tudway
M Martin (Resigned 10/11/05)
D Coles
L Christan
D Whyte
N Rasul
H Daley (Resigned 9/02/06)

Secretary : D I Bergman

Registered Office : Fourth Floor
197/199 City Road
London
EC1V 1JN

Bankers : Co-operative Bank plc
P O Box 101
1 Balloon Street
Manchester
M60 4EP

Auditors : Barcant Beardon LLP
Chartered Accountants
8 Blackstock Mews
Islington
London N4 2BT

Company Number : 3890661

Charity Number : 1105658

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 8 December 1999 and registered as a charity on 25 August 2004. The company was established under a Memorandum of Association, which set the objects and powers of the company and is governed under its Articles of Associations. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Members

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, every year at the Annual General Meeting, one third of directors must resign, though they are entitled to be re-elected at the same meeting

The Board of Directors is concerned to ensure that its Board of Directors is suitably diverse, has an appropriate spread of skills, and includes representation from families bereaved from work-related deaths. The current Board (as of March 2006) includes the following people: Steve Tombs (Chair), Richard Tudway (Treasurer), Louise Christian, Deborah Coles, Anne Jones, Najma Rasul, and David Whyte. The Board is intending to open up its recruitment processes through placing occasional advertisements in its newsletter.

Member Induction and Training

The Board ensures that all new Board members are provided with sufficient information to ensure that they are fully aware of the activities of the organisation, its financial position and the responsibilities they have as trustees.

Risk Management

The Board gives consideration to the risks, which the organisation is exposed. The Board has ensured the organisation has appropriate procedures in place to ensure high standards within its advice service. It has also developed other procedures to ensure that the Board is fully informed of documents or publications produced by the organisation, and has time to comment on them. The Board also has agreed financial controls to ensure that money within the organisation is used appropriately. The Board has recognised that the need for stringent financial controls is important in relation to the organisation's new activities in Bangladesh and is developing a new financial policy in relation to this.

As a small charity which is undertaking work that is not a 'popular' cause amongst charitable trusts, the CCA remains at risk in the future of not obtaining sufficient funding from trusts and other sources. The Board is particularly alert to this and the financial situation and funding options of the organisation is therefore discussed as an item at every Board meeting.

Organisational Structure

For most of this financial year (until February 2006), the CCA's activities were managed by its Chief Executive who managed an office manager, two caseworkers and two part-time workers (each employed one day a week). The Chief Executive was responsible for both the UK activities and an international programme that developed in this financial year. In February 2006, a new post of UK director was created with policy and management responsibility for the UK activities of the organisation. The international programme was then managed by the Chief Executive who continued to have overall managerial responsibility for the organisation.

Objectives and Activities

The objects for which the Company was established are set out in the Articles of Association as:

- a) to promote for the public benefit the sound administration of laws relating to health and safety and compliance in particular by the provision of advice and assistance to members of the public concerning such laws and their implementation; and
- b) to promote the health and safety of the public in particular by education of the public in relation to health and safety by promoting research.

Its main activities are as follows:

- **Provision of Advice:** The CCA runs a free and independent advice service for families bereaved from work-related activities on investigation and prosecution issues that arise from the death. It employs two caseworkers.

During this year, the following developments in our casework service took place.

- We obtained a legal services commission “quality mark”. A great deal of work had been undertaken to develop the policies and practices that would allow us to obtain this quality mark.
- This was the last year of formal relationship with the Public Law Project (PLP). In the final year the service had benefited from the following:
 - training for caseworkers on judicial review and the Human Rights Act, as well as on practical casework management and ethical/conflict issues;
 - external supervision by PLP solicitors of our case-files;
 - PLP solicitors accompanying staff or clients to complex casework meetings;
 - PLP solicitors evaluating all potential judicial reviews identified;
 - The provision of ad hoc legal advice.

This had been a two-year project in which the Public Law Project had been funded to provide the CCA, and other organisations, with advice on public law issues.

- As a result of funding from the City Parochial Trust, part of the time of one of the two caseworkers became dedicated to London based casework which involved him in doing a great deal of outreach work to local communities. In line with our equal opportunities policy, a key aim of the outreach work was to communicate with disadvantaged and/or minority groups to inform them about the advice service.
- Our service strategy and related policies were revised.
- A new policy on abusive clients was developed.
- The results of our feedback survey of clients, which started in December 2004, was evaluated and lessons and policy implications arising from this were considered.
- A decision was taken to suspend taking on injury cases in order to enable us to take on all death cases that presented themselves to us.

Objectives and Activities –(continued)

- **Casework policy work:** The CCA takes up policy issues that arise from casework. Some examples are set out below:
 - Following the implementation of the Freedom of Information Act (FOIA), a number of our cases illustrated the confusion over what information the HSE could release to a bereaved family without it being a FOIA request. We dealt with this in one specific case and elicited an apology for the client regarding the inappropriate handling of her request for information. As a wider policy implication, this matter was taken up more broadly with the HSE, who have agreed to review any case we feel has not been rightly assessed.
 - We contributed to a review by the Law Society of the practice of employers' solicitors sitting in on interviews of witnesses (employees) following a fatality at work in which their client might be implicated. We also encouraged several other parties to attend, who were unaware that the review was happening. Following this consultation, the Law Society incorporated a new practice rule on professional conduct for Solicitors noting that such conduct is a conflict of interest, allowing HSE inspectors to report individual solicitors who fail to act in accordance with this new rule.
 - We have raised with the Health and Safety Executive (HSE) issues relating to a continuing failure to provide families with written reasons why a decision has been taken not to prosecute.
 - As part of our extensive responses to the Government's draft Corporate Manslaughter Bill, we involved casework staff in evaluating the Bill by thinking about how current or previous cases might have been handled differently if the draft legislation had been law at the time. This was a useful strategy for analysing the adequacy of the Bill.
- **Monitoring of work-related deaths:** The CCA obtains information about workplace deaths through contacting coroners' courts, the media, the police and regulatory bodies. Information on these deaths are then put onto the CCA website. This work is carried out by two employees, each working one day a week.

As a result of funding from Network for Social Change the CCA has been able to ensure that the details of deaths on its website is updated regularly.

- **Advocacy work:** The CCA responds to Government consultation documents and other policy initiatives and pro-actively raises key policy matters with government bodies. This year this has included work on:
 - the need to change the law to impose safety responsibilities on directors. This was discussed at the HSC board in December 2005 and in March 2006.
 - work around the treasury-sponsored report by Philip Hampton on "reducing administrative burdens".
 - corporate manslaughter draft bill and consultation document
- **Research:** The CCA undertakes research on health and safety enforcement and criminal justice issues. This year this has included undertaking three pieces of international comparative research for the Health and Safety Executive – on directors responsibilities, state intervention strategies and sentencing.
- **Conference organisation:** The CCA organised three conferences. In June 2005 a conference in London considered the adequacy of the draft Corporate Manslaughter bill at which the Minister, Fiona MacTaggart MP spoke along with representatives of unions and private/public sector employers. The second one took place in Scotland in October 2005 and considered corporate manslaughter reform in Scotland. In March 2006, a further conference in London considered the future of safety regulation and enforcement in light of the Hampton report on reducing administrative burdens. The conference was addressed by Lord Hunt, the safety minister, and the HSE Deputy Director-General.
- **Bangladesh Programme:** The CCA has this year establishing a new programme in Bangladesh through the support of the Sigrid Rausing Trust. This will support local non-government organisations undertaking health and safety work in Bangladesh and will in particular consider the role of the state in enforcing existing health and safety law.

Achievements and Performance

The CCA achievements continue. Its advice service has consolidated and with PLP assistance providing even better advice to its client. Evaluations from clients continue to be very positive. The Conferences continue to be very popular and act as an important conduit of information on safety enforcement and corporate accountability to trade union safety representatives, academics, lawyers and other interested parties. Evaluation of the conferences by delegates remains good. The monitoring of work-related deaths in England and Wales has continued and additional work is being carried out to keep our website up-to-date with this information. The CCA has been successful in significant aspects of its policy work – in relation for example to the need for safety duties on directors. Obtaining research contracts from the Health and Safety Executive must also constitute a success – reflecting a view that the CCA is a source of solid and dependable research.

Financial Review

We started the year with £42,231 in Unrestricted Reserves. At the end of the year there was a balance of £31,377 in Unrestricted Reserves carried forward. There are additional Restricted Reserves of £54,281 carried forward to complete commitments on specified projects.

Principal Funding Sources

The principal funding sources during the year were the following:

- trusts including the Joseph Rowntree Charitable Trust, Nuffield Trust, City Parochial Foundation, Network for Social Change, Sigrid Rausing Trust.
- research contracts: HSE
- the organisation of conferences (sponsored by Rowley Ashworth and Thompsons Solicitors)
- membership (trade unions) and subscriptions

The CCA has a financial policy that requires, Directors/Trustees signatur for amounts over £500 and there must be two signatories (including the Directors/Trustees), from a list of authorised signatories, for amounts over £1,000.

The CCA does not currently have an investment policy.

Reserves Policy

The CCA has put aside just over £20,000 in a Special Reserve Bank Account, and is in the process of developing a more formal reserves policy.

Plans for Future Periods

The Charity plans to continue the activities outlined above subject to satisfactory funding arrangements.

Directors and Trustees

The following served as members of the Management Committee and as Trustees and Directors during the year:

S P Tombs	D Coles	A A Jones
L Christan	A Rehman	D Whyte
K Sunley (Resigned 4/04/05)	M Martin (Resigned 10/11/05)	N Rasul
H Daley (Resigned 9/02/06)	E R Tudway	

All members of the Management Committee retire at the annual general meeting but are eligible for re-election.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
CENTRE FOR CORPORATE ACCOUNTABILITY

We have audited the Financial Statements on pages 8 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 an auditors 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As described on page 6 the Directors (who also act as Trustees for the charitable activities of Centre For Corporate Accountability) are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the Financial Statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

Opinion

In our opinion the Financial Statements give a true and fair view of the charitable company's state of affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

8 Blackstock Mews
London N4 2BT

BARCANT BEARDON LLP
Chartered Accountants
and
Registered Auditors

CENTRE FOR CORPORATE ACCOUNTABILITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2006

Summary Income and Expenditure Account

	Notes	Restricted Funds £	Unrestricted Funds £	Total	
				2006 £	2005 £
<i>Incoming Resources</i>					
Incoming resources from generated funds					
Voluntary income					
Donations and other income		-	10,051	10,051	17,489
Bank interest		-	724	724	511
Incoming resources from charitable activities					
Grants	2	109,786	119,375	229,161	149,580
Conferences and other fee income		-	29,539	29,539	26,397
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Income		<u>109,786</u>	<u>159,689</u>	<u>269,475</u>	<u>193,977</u>
<i>Resources Expended</i>					
Charitable activities	3	57,505	165,972	223,477	171,393
Governance costs	3	-	4,571	4,571	3,608
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditure		<u>57,505</u>	<u>170,543</u>	<u>228,048</u>	<u>175,001</u>
<i>Net Incoming/Outgoing</i>					
Resources before transfers		52,281	(10,854)	41,427	18,976
Total funds brought forward		<u>2,000</u>	<u>42,231</u>	<u>44,231</u>	<u>25,255</u>
Total funds carried forward		<u><u>54,281</u></u>	<u><u>31,377</u></u>	<u><u>85,658</u></u>	<u><u>44,231</u></u>

Statement of Other Recognised Gains and Losses

The charity has no recognised gains or losses other than the surplus for the above two financial years.

Continuing Operations

None of the charity's activities were acquired or discontinued during the above two financial years.

The Notes on page 10 - 15 form part of these Financial Statements.

CENTRE FOR CORPORATE ACCOUNTABILITY

BALANCE SHEET

AS AT 31 MARCH 2006

	Notes	2006 £	2005 £
Fixed Assets	7	5,261	5,622
Current Assets			
Debtors	8	28,842	14,470
Cash at Bank and in Hand		66,738	28,770
		95,580	43,240
Creditors: amounts falling due within one year	9	(15,183)	(4,631)
Net Current Assets		80,397	38,609
Net Assets		85,658	44,231
Represented by:			
Restricted Funds	11	54,281	2,000
Unrestricted Funds	11	31,377	42,231
		85,658	44,231

The Financial Statements were approved by the Directors and Trustees on signed on its behalf.

2007 and

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Director and Trustee

The Notes on page 10 - 15 form part of these Financial Statements.

1.0 Accounting Policies

1.1 Basis of preparation of Accounts

The financial statements have been prepared in accordance with the historical cost convention and in accordance with the Companies Act 1985 and The Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005.

The charity has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement.

1.2 Fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures, Furniture & Equipment - 25% per annum on reducing balance

1.3 Fund Accounting

- Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose and are available as general funds.
- Designated funds are unrestricted funds earmarked by the Management Board for particular purposes.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

1.4 Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Income is only deferred when:
 - The donor specifies that the grant or donation must only be used in future accounting periods; or
 - The donor has imposed conditions which must be met before the charity has unconditional entitlement.
- Investment income is included when receivable.
- Income from charitable activities (including income received under contract or where entitlement to grant funding is subject to performance and specific deliverable conditions) is recognised as earned as the Charity earns the right to consideration by its performance. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- Income is deferred when:
 - Funding is received in advance of the commencement of the work being undertaken.

1.5 Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff costs by the time spent, floor areas, per capita or estimated usage.

2.0 Incoming Resources from Activities to further the Charity's Objects

	2006		2005
	Restricted	Unrestricted	Total
	£	£	£
The Sigrid Rausing Trust			
South Asia Programme	50,000	-	-
The Nuffield Foundation			
Work-related Investigation and Prosecution Handbook	26,536	-	29,343
City Parochial Foundation			
London Casework Officer	18,750	-	-
Network for Social Change			
Work-related Death Monitoring	12,500	-	-
Joseph Rowntree Charitable Trust			
Casework and associated policy work	-	57,375	97,687
Research Contracts	-	62,000	-
Other	2,000	-	22,550
	<u>109,786</u>	<u>119,375</u>	<u>149,580</u>

3.0 Total Resources Expended

	2006		2005
	Restricted	Unrestricted	Total
	£	£	£
Wages and salaries	47,142	87,507	86,780
Staff Pension Costs	2,369	4,353	4,241
Staff Training	-	254	441
Office Management Services	-	-	10,861
Volunteers	30	2,140	2,665
Recruitment Advertising	-	1,894	1,191
Rent and Service Charges	-	13,625	14,300
Meeting Room Hire	-	-	567
Rates	-	527	1,016
Insurance	-	1,804	1,957
Light and Heat	-	870	647
Office Supplies and Maintenance	-	4,746	5,143
Printing, Postage and Stationery	-	17,467	13,194
Telephone	-	4,739	4,565
Library and Subscriptions	-	1,403	1,517
Travel Expenses	-	4,384	3,876
Conferences	-	7,638	416
Database Development and Research Costs	-	7,382	12,665
Bangladesh Expenses	7,919	1,362	-
Legal and Professional	-	2,691	1,830
Audit	-	2,350	1,880
Promotional and other Activities	-	652	2,357
Sundry and Other Expenses	45	2,691	1,018
Depreciation	-	1,754	1,874
	<u>57,505</u>	<u>170,543</u>	<u>175,001</u>

4.0 Employees Remuneration

	2006	2005
	£	£
Wages and Salaries	127,619	79,659
Social Security Costs	9,130	7,121
	<u>136,749</u>	<u>86,780</u>

No employee earned more than £60,000 per annum (2005 - nil).

The average monthly number of staff employed by the company during the year was as follows:

Direct charitable work	<u>5</u>	<u>4.5</u>
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5.0 Trustees' Remuneration and Expenses

No remuneration was paid to Trustees in the year. A total of £627 was reimbursed to three Trustees for travel expenses incurred on behalf of the charity.

6.0 Net Incoming/(Outgoing) Resources for the Year

This is stated after Charging:	2006	2005
	£	£
Depreciation of Tangible Fixed Assets	1,754	1,874
Professional Fees		
- Audit	2,350	1,880
- Additional Professional Services	1,645	823
	<u> </u>	<u> </u>

7.0 Fixed Assets

		Fixture Fittings & Equipment
		£
Cost:		
At 1 April 2004		14,039
Additions		1,393
		<u> </u>
At 31 March 2005		15,432
		<u> </u>
Depreciation:		
At 1 April 2004		8,417
Charge for the Year		1,754
		<u> </u>
At 31 March 2005		10,171
		<u> </u>
Net Book Value:		
At 31 March 2005		5,261
		<u> </u>
At 31 March 2004		5,622
		<u> </u>

8.0 Debtors

	2006	2005
	£	£
Grant Receivable	17,698	3,187
Other Debtors and Prepayments	11,144	11,283
	<u> </u>	<u> </u>
	28,842	14,470
	<u> </u>	<u> </u>

CENTRE FOR CORPORATE ACCOUNTABILITY

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 MARCH 2006

9.0 Creditors: Amounts falling due Within One Year

	2006 £	2005 £
Taxation and Social Security	4,743	835
Other Creditors and Accruals	10,440	3,796
	<u>15,183</u>	<u>4,631</u>

10.0 Movement in Funds

	Balance 1.4.2005 £	Incoming Resources £	Outgoing Resources £	Transfers £	Balance 31.3.2006 £
Restricted Funds					
Work-related Investigation and Prosecution Handbook	-	26,536	(26,724)	-	(188)
South Asia Programme	-	50,000	(7,919)	-	42,081
London Casework Officer	-	18,750	(12,017)	-	6,733
Work-related Death Monitoring	2,000	14,500	(8,845)	-	5,655
	<u>2,000</u>	<u>109,786</u>	<u>(57,505)</u>	<u>-</u>	<u>54,281</u>
Total Restricted Fund	2,000	109,786	(57,505)	-	54,281
Unrestricted Funds					
General Funds	42,231	159,689	(170,543)	-	31,377
	<u>44,231</u>	<u>269,475</u>	<u>(228,048)</u>	<u>-</u>	<u>85,658</u>
Total Funds	<u>44,231</u>	<u>269,475</u>	<u>(228,048)</u>	<u>-</u>	<u>85,658</u>

11.0 Analysis of Net Assets Between Funds

	Restricted Funds £	Unrestricted Funds £	Total £
Fixed Assets			
Fixtures, Furniture and Equipment	-	5,261	5,261
	<u>-</u>	<u>5,261</u>	<u>5,261</u>
Net Current Assets	54,281	26,116	80,397
	<u>54,281</u>	<u>26,116</u>	<u>80,397</u>
Total	<u>54,281</u>	<u>31,377</u>	<u>85,658</u>

12.0 Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,722 (2005 - £4,241). No contributions were payable to the fund at the year end.

13 Financial Commitments

	Land and Buildings	
	2006	2005
	£	£
Expiry date:		
Between two and five years	11,750	12,750
	<u>11,750</u>	<u>12,750</u>

14 Auditors Ethical Standards

In common with many other charities' of our size and nature we use our auditors to assist with the preparation of the Financial Statements.