

Aquarius Action Projects
(Operating as Aquarius)
part of Recovery Focus

Annual Report and Financial Statements

for the year ended 31 March 2022

aquarius

Company Number **2427100**
Charity Number **1014305**



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BOARD MEMBERS AND ADVISERS

TRUSTEES

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COMPANY REGISTRATION

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CHARITY NUMBER

1014305

WEBSITE

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REPORT OF THE TRUSTEES

The Trustees present their annual report, including the directors' report, and the audited financial statements for the year ended 31 March 2022. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006. The report provides a picture of our progress over the last year as we have progressively moved to managing life and the delivery of our services whilst remaining cautious of the COVID-19 pandemic and the blended approach to service delivery that has now come into force. The repercussions of the pandemic have been felt in our sector and that brings with it new challenges but we are at the same time hoping that it will also bring new responses from commissioners and government to build stronger services and responses to substance use and gambling, going forward.

Our strongest resource, as ever, is our workforce who work consistently but flexibly to manage new ways to deliver better quality services. Staff working with delivery partners and commissioners can proudly demonstrate that services being delivered are truly person-centred giving everyone's recovery opportunities the best chance to succeed.

Whilst part of the Recovery Focus Group of charities, Aquarius Action Projects (Aquarius) is a registered charity in its own right, with its own Board of Trustees whilst being a wholly controlled subsidiary of Richmond Fellowship (RF). Our current reference and administrative information is set out on page 1 and forms part of this report. We end the year in a strong place with a committed Trustee Board of 9 and a committed team and strong financial and quality driven base, move the charity forward.

Aquarius plays a vital role in the delivery of the Recovery Focus Group's three-year strategy managing the substance use and gambling operating sectors delivered by the Group. We are proud of our ambition to put the people we support at the heart of everything we do. This has positioned us well during the pandemic as we adapt to deliver our personalised services in a way that best suits the individual.

The pandemic has also revealed the importance of how we can be stronger together as part of a Group. Close collaboration between partners has helped maintain a consistent level of services despite the many obstacles and challenges we faced.

STRATEGY AND BUSINESS MODEL

Aquarius is a Midlands based charity that has over 40 years' experience supporting individuals, families, organisations, and communities to overcome the physical, emotional, and psychological harms caused by alcohol, drugs and gambling.

Aquarius recognises that alcohol, drug and gambling use does not just affect individuals. The consequences of these behaviours also have a great impact on families, friends and loved ones and Aquarius prides itself on delivering services that offer support to all those affected.

This report sets out how Aquarius delivers its strategic priorities, covering quality standards, innovations, financial performance, and the co-producing approach when designing a personal recovery journey alongside them.

Aquarius follows cognitive behavioural approaches and methodologies which centre around the following concepts:

- That people use substances and carry out certain behaviours to cope with a variety of problems
- That people are capable of change
- With the right support, at the right time, people can change their behaviours and find alternative ways in which to cope with their problems

The recovery ethos is at the heart of the services Aquarius provides and drives the commitment to work alongside the people being supported to discover meaningful use of time, fulfilling relationships, suitable homes and the opportunity to contribute to local communities as the means to long-term sustainable change.

In developing and delivering services, the Aquarius vision is to support individuals and families to overcome the harms caused by alcohol, drugs and gambling by:

- listening and responding to the needs of people who use our services
- providing innovative and high-quality services
- being effective
- improving our services and their delivery
- working to promote change and understanding

Aquarius continues to deliver high quality services whilst operating in an environment which has seen the demand for its services increase. This is expected to continue due to the personal setbacks many being supported face and endure during these incredibly difficult times.

The direction of Recovery Focus is set out in the group strategy entitled "Growing Stronger Together" which aims to meet the needs of the people we support, staff and local communities. As a Group, the 2021/22 year was the second year of delivering this strategy and despite the considerable changes in circumstance that have prevailed compared to when the Strategy was written, we have done well in moving our priorities forward and delivering on our targets.

The group's priority objective is to strengthen the range and quality of its service - to achieve that, the group is focussed on five strategic enablers, namely:

- Put people at the heart of everything we do
- Build an effective and motivated workforce
- Secure and maintain stable finances
- Develop an efficient and effective infrastructure
- Build our evidence and demonstrate our impact

OUR ACTIVITIES AND SERVICES

Using evidence to shape recovery

Throughout its history, Aquarius has used evidence-based research to inform service design to support a change in the behaviours leading to the problematic use of drugs, alcohol and gambling.

The support we offer

Aquarius provides the following services:

- Early intervention drug and alcohol treatment, education, advice and support
- Gambling treatment, education, advice and support
- Drug, alcohol and gambling preventative support
- Carer and family support and peer support networks
- Young people direct support
- Social enterprises and support in business corporations

Our early intervention services consist of training, advice and brief interventions for people with complex needs. Early intervention comprises a combination of the following services:

- Alcohol, drug and gambling awareness training to professionals, agencies and community groups
- Information on our website, including self-help materials
- Advice and information at health events, festivals and targeted promotional events
- Screening and brief advice and/or extended brief interventions (up to 6 sessions of structured support and help accessing other services as necessary)
- Sharing information on alcohol and drugs, advice on reducing use, supplemented by relaxation and self-esteem groups
- Family support: advice and support for families affected by someone's drug, alcohol or gambling use
- Brief advice for those arrested for alcohol related offences
- Education and rehabilitation through our DRIVE course for those convicted of drink driving
- Support and advice for young people
- Engagement with diverse ethnic communities, building knowledge, capacity and information

Our complex needs services include a range of provisions, including:

- Comprehensive assessment and care planning using a case management approach
- Assessment and referral for detoxification and residential rehabilitation
- A structured 12-week programme of interventions and one to one support
- Healthcare reviews to co-ordinate and inform all agencies working with individuals about the progress and ongoing needs ensuring there is a co-ordinated and planned approach
- Aftercare support and groups including Relapse prevention, plus self-help and mutual aid groups (which incorporate activity groups such as gardening, walking and art)
- Intensive Family Support for families where there are child protection concerns and alcohol is a significant factor

Where we work

Our adult alcohol and drug contracts in Wolverhampton, Telford and Wrekin, Solihull and Derby are all provided in partnership with statutory and voluntary sector agencies. The knowledge and expertise of our partners ensure a strong clinical governance framework across a range of treatment options, all with a strong recovery focus to meet individual need.

We continue to provide young people's substance misuse services in Birmingham, Wolverhampton, Telford and Wrekin, Solihull, Oxfordshire, Northamptonshire and Bedfordshire. The needs of young people continue

to be complex with increasing numbers affected in some way by coercive control, criminal and sexual exploitation, mental health, suicide risk and gambling.

REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

Our outcomes

We aim for the people we support to leave the service in a planned way demonstrating the quality of our engagement with them wherever possible. This table is a snapshot of some of the key indicators that we, as Trustees, monitor through the year (Note: NDTMS is the National Drug Treatment Monitoring System):

	2021-22 outcomes	2020-21 outcomes	2019-20 outcomes
NDTMS - Number of new presentations in year	2,418	2,277	2,586
NDTMS - Number of clients in treatment	4,820	4,484	4,689
NDTMS - Waiting times <3 weeks (%)	99%	99%	95%
NDTMS - % Treatment exits that were planned in year	72%	72%	68%
NDTMS – re-presentations	1.6%	3.6%	2.6%

Senior management and the Trustees have kept a relentless focus on keeping core service delivery on track, additionally making delivery route changes according to the needs of the people we support whilst also making quality adjustments wherever possible to be assured of continuity of support. Our client base in the year was similar to last year with just over 20% being part of specific provision for Young People.

Referral to treatment times within the 3-week tolerance remained at 99% with further improvements recorded in our young people's services. Planned exits also remained strong year-on-year against the national context of gradual deterioration in this indicator. The positive / stabilised key recovery and health indicators remain encouraging in spite of the difficulties people have faced over the year, particularly around physical health and social networks.

These key indicators benchmark well against peers through national data, notably on re-presentations within 6 months (where the national average is 6.4%).

SATISFACTION

People who use our services continue to provide essential local feedback on how our services are being received. Response summaries are sense checked against other feedback channels and benchmarked internally and across peers. Our adult services are all provided in partnership with a clinical partner which closely reviews satisfaction overall with the treatment and support services provided.

Our Young People's services are each led by Aquarius. We work closely around feeding views into service improvements in these services and in the past year 97% (2021; 95%) were satisfied or very satisfied with the service they received and 98% (2021; 99%) said they would recommend the service to others. We will continue to work hard to broaden the differing ways of giving feedback in these services as those accessing services engage with us about how they would prefer to be contacted and feed into the co-production of what we deliver.

We have a standing 'Working Together' sub-committee and will be working to further enhance our approach to co-production over the coming year. We will be working on improvements in 'Giving people a voice', involving people who use our services in all recruitment and by using apprenticeship schemes to increase the number of staff we have with lived experience.

SAFEGUARDING

At Aquarius, safeguarding is 'everyone's business' and we take our responsibility very seriously. We have safeguarding leads at service, senior management and board levels.

Board directors have reviewed their safeguarding responsibilities and have a specific Safeguarding Sub-Committee to support the Board. This Committee is there to exercise diligence, support training and awareness and to act as a critical friend. The Committee is chaired by a senior independent safeguarding specialist and ensures systems and processes are in place to safeguard vulnerable adults and children using Aquarius services and support the enabling of staff to fulfil this vital element of their work.

To give the Board a clear line of sight, we have a Safeguarding Annual Action Plan which is instrumental in the improvement of practice and awareness at Aquarius. During the year, as part of this plan we have delivered specific training at the appropriate level for all staff in the organisation, provided regular specialist

supervision to operational staff, ensured the safeguarding practice of our services is regularly audited, and ensuring lessons learned from serious incidents are shared across the organisation.

We continue to employ a Safeguarding Lead Practitioner, who is a registered Social Worker, to lead on training, supervision and guidance for the workforce, and support in liaising with safeguarding authorities when issues arise. All safeguarding incidents are appropriately referred to and worked through with our multi-agency partners. We ensure incidents are appropriately reported (and recorded) internally to facilitate a proper review and with actions taken to prevent the further escalation of safeguarding concerns. This is also the cornerstone of our lessons learned programme.

In 2021-22, 161 safeguarding referrals were recorded, with all but 9 relating to young people and therefore referred to the relevant child safeguarding authority. We ensure that all incidents are properly recorded, reviewed and investigated and that lessons learned are shared across the organisation. Safeguarding data is reviewed regularly to ensure we are clear on reporting compliance and activity trends within and between services (between quarters and years) across the organisation.

We know that our business brings people we support into our services who are at high risk of physical, mental health and related issues and who also struggle to engage with attendance at services. We provide tailored information for our services on those individuals to enable appropriate engagement plans and multi-agency risk management plans to be put in place, such that we can escalate concerns and ensure a preventative approach to safeguarding risk.

STAKEHOLDERS

This year has seen service delivery continue to be impacted by the COVID-19 pandemic. This has led to service delivery needing to adapt with a blended approach combining face to face appointments and virtual delivery via telephone and video call. The number of people being referred into treatment has been impacted and we have tracked referral and treatment numbers on a weekly basis during the pandemic to ensure we are providing the optimum service to people who need our support during the pandemic.

QUALITY CONTROL

Aquarius, as part of the Recovery Focus Group, follows an integrated performance and quality assurance system. This underpins our strategic objective to deliver high quality services by continuous tracking of our performance delivery and quality assurance at individual service level. Our quality assurance programme brings quality, consistency and continuous improvement into all services, across all service models. This gives us a basis for measuring these improvements to ensure that we consistently put people we support at the heart of everything we do and strive to always meet their aspirations and expectations.

Our adult treatment services are delivered in partnership with NHS Trusts so our partners are subject to continual quality assessment and assurance through adherence to the Care Quality Commission's (CQC) Fundamental Standards of care and are CQC audited to ensure compliance. This ensures that our services are Safe, Effective, Caring, Responsive, and Well Led. In turn we ensure that our young people's services are regularly audited and assessed to ensure these quality standards are met in these services too.

Our Quality Assessment Framework ensures that local managers can continuously monitor the quality of service being provided. This is co-produced with the people who use our services. Co-production is delivered with a common organisational approach, but with local flexibility to ensure that it meets the needs of the people supported within each of our individual services. Our Working Together Committee brings together key workforce personnel with people we support (or recently supported) to ensure the overall standards and the performance in each individual service, is quality assured and tested and a continuous improvement programme is firmly in place.

FINANCIAL REVIEW

Aquarius recorded a surplus in the Statement of Financial Activities of £578k (£427k surplus in 2021) achieved from a Total income of £5,706k (2021; £5,656k). This builds on the major restructure of pay and reward which took place and separately, the new operational ways of working arising from the pandemic and continually re-assessing overheads. As labour markets tighten, the challenge of building and retaining our skilled workforce is very much a focus for management and the Board alike but we worked closely with commissioners again in the year to ensure that not only was service delivery being maintained (in both volume and quality terms) but that ease of referral has been gradually restored to ensure we are maximising the number of beneficiaries we are able to help through each of our service contracts. Particular gratitude is extended to a number of funders in 2021/22 whose generous support allowed us to broaden our reach. Those of particular note are: the Esmée Fairbairn Foundation, Sport England (Active Ageing Fund), Barclays (100x100 fund), Children In Need, the Co-op Foundation (#iWill fund) and the Harpur Trust, a longstanding benefactor to our work in Bedfordshire.

The key areas of the balance sheet show an increase in total assets less liabilities, with the fixed asset movement being attributed to the acquisition of computer equipment and new property for use in delivering community-based service. The increase in stock reflects increase in activity of our cafes (social enterprises) as the effects of the Covid -19 abates. Cash balances remain strong, mainly due to increased turnover and sound cash management, seeing debtor balances reduced by 15% compared to the previous year.

Overall, the total charity funds increased to £4,328k (2021; £3,750k) which includes Unrestricted funds of £3,877k (2020; £3,316k). The table below shows performance over the last 5 years.

Financial data in £000's	2022	2021	2020	2019	2018
Total income	5,706	5,656	5,299	5,116	5,391
Operating surplus (before overheads) *	1,401	1,317	779	429	452
Operating surplus before overheads (as % of turnover) *	24.5%	23.3%	15.0%	8.4%	8.4%
Non-current assets	541	343	402	423	173
<u>Net current assets:</u>					
Cash	4,128	3,390	2,576	2,645	1,391
Other current (Liabilities)/Assets	(341)	17	346	477	2,156
<u>Reserves:</u>					
Restricted	451	434	405	426	508
Unrestricted	3,877	3,316	2,919	3,120	3,212

* This represents turnover less operating expenditure before overheads.

VALUE FOR MONEY

As service delivery has adapted to being delivered differently during the pandemic, some overhead costs were temporarily reduced during the year – cost reductions were from travel, use of sub-contractors to provide service augmentation, and face-to-face training, which was instead conducted on-line. Lessons were learned during the pandemic and there is an intention to continue to apply alternative ways of delivering accessible services. The cost base is expected to adjust accordingly. Over the medium term, there is an expectation that more operating efficiencies will be possible as the business looks for savings. This is particularly so when combined with other value for money initiatives, such as procurement efficiencies.

The Trustees have worked with management on the Aquarius contribution to a group value for money initiative that has operated throughout the year.

The strands of this programme cover:

- more effective use of ('sweating') our assets
- prioritising investment to maximise both social and financial returns
- further streamlining group-wide procurement
- better ways of working and further streamlining of spans of control
- reshaping overheads to meet future needs and to ensure frontline services are fully resourced

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees are responsible for agreeing a risk management strategy for the organisation and the risk register is reviewed quarterly. The Board also adopts the annually revised Group Risk Management Policy during the autumn each year.

In 2021/22 the senior team built on the work with the Board in the previous year to create a more dynamic risk framework. Current and potential risk challenges are now reviewed alongside the proposed controls, and management actions to be taken forward.

The first part of the year was still largely pre-occupied with the risks relating to delivering safe and effective services for people we support through whichever mechanism works best for that person. Agile working arising from pandemic management in 2020/21 is now being embedded into delivery models to ensure that risk testing for safe and effective service delivery remains on-going. The work of our ANCHOR group, which is made up of representatives of people we support, significantly helps us to carry out a reality check of our thinking, as we respond to the environment, and to demand, by adapting our service provision accordingly.

Senior management frequently review both significant and local risks with service managers at regular Business and Performance meetings to develop effective management and mitigation plans. All proposals for new services or innovations are similarly risk assessed.

The Aquarius Board has introduced two advisory Committees made up of Board members. One has an overview on Safeguarding and the other on Finance and Operations. These Committees bring additional knowledge and expertise to the scrutiny of the Board and bolsters up the risk management framework. In the Finance and Operations Committee there are opportunities to undertake deep dive reviews on key contracts, financial performance, and performance against commissioner expectations.

All emerging and significant risks have a management lead and an exposure assessment in cases where some services are likely to be more significantly impacted than others. These reflections are then summarised and presented to the Aquarius Board. After each Board meeting, the Head of Service then, in turn, summarises the reflections of the Board for the Audit and Assurance Committee of the Group Board. Aquarius participates in the Internal Audit programme for the Group.

The **general economic and social environment** is currently presenting significant challenges though nonetheless some opportunities, too. The independent review for the Government by Dame Carol Black has started to bring new funding into our services which is excellent news, not least in the wake of the emergence from the pandemic where people's lives have been directly affected by the use of alcohol, drugs or gambling, as part of a response to the challenges presented at the time. Notwithstanding this new funding markets remain fiercely competitive, so we continue to drive value for money initiatives and review how we work with our delivery partners to deliver services that achieve the best outcomes.

Cost of living pressures are also now starting to really hit both the people we support and some elements of our workforce alike. We remain close to staff through our Staff Council and other consultation initiatives to ensure that whatever we can do to help and support people in these difficult times, is built into our programmes, as far as possible. This pressure has added to our **people related risks** as our workforce review their expectation of work going forward. The resilience of our staff has been remarkable, but staff turnover has been rising, which is a common trend when compared to our peers in the same sector. We continually assess market trends in employment, and we look to improve retention through workplace well-being, strong training and development opportunities; ensuring that equality, diversity and inclusion is celebrated and used to impact the services we provide in our communities. We believe all these initiatives make us an attractive employer, but with the desire for change and the wider economic pressures, some staff are choosing now is the time to move on. This risk is being closely monitored and managed by management.

The Trustees have given detailed consideration to major risks and are satisfied that systems or procedures are established in order to manage those risks and they are supported by a strong set of policies and procedures which are continually reviewed for fitness for purpose.

FINANCIAL RISK MANAGEMENT

Our most significant financial risk is the credit risk from our bank balances and liquidity risk from trade debtors. Credit risk from banks is managed by placing deposits only with institutions with high credit ratings. The majority of trade debtors by value are due from public bodies in one form or another and therefore credit risk is not considered to be significant, as such no significant provision for bad debt has been made.

Cashflow forecasting is closely monitored by the Aquarius Board, and liquidity is considered as being reasonable with sufficient cash to cover all of our short-term commitments. Aquarius does not currently hold any non-cash financial investments, and holds no loans, there are therefore no issues with covenants, gearing or securitisation.

POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose.

LOOKING AHEAD

The new Drug Strategy launched in December 2021 brings with it the promise of significant increases in funding for the substance service sector and the opportunity through the strategy to increase the numbers of people we support, reduce alcohol and drug related deaths, reduce crime related to alcohol and drugs and provide further development of our workforce. Where our services receive extra funding, we will work to ensure this is used to optimal effect to assist the people we support to achieve sustainable change and fulfilling lives.

Despite the challenges of the last year, it is our overriding commitment to continue to provide quality and evidence-based services that really support individuals and families to overcome the harms caused by alcohol, drugs and gambling. We believe that our services are more important and more urgently needed than ever and we firmly believe everyone can make positive changes in their lives with the right support, encouragement and understanding.

We are passionate about providing homes for young users of our services and we have invested in the acquisition of a property to launch our 'Aquarius Homes' initiative. We plan to acquire a further two properties

which in total will house up to 9 young people. This initiative will enable them to access the support we provide and achieve sustainable and settled accommodation in the community. The scheme will provide a social and financial return on investment and will meet our goal to diversify income streams.

We will have a renewed focus on our provision of gambling services with 2 new contracts coming online. The gambling Education Hub will prevent and reduce gambling harms among young people through early intervention and prevention and will bring all gambling education and prevention services for young people in England together as a network. The Professionals Support service will reduce gambling harm by ensuring professionals are provided the training and support to identify and support gamblers.

OUR PEOPLE

The Board and senior team cannot thank our workforce and volunteers enough for their “extra mile” contribution over the past year. Despite the health toll of the pandemic, our sickness levels have remained incredibly low and the innovation of our teams has led to the majority of our services continuing to operate at full strength. This has been vital to us as a charity which prides itself on the added social value we bring in the communities we serve.

Recruitment and retention is now increasingly challenging across the health and social care sector this year. To provide a competitive pay and reward package, our framework for pay and reward was revised this financial year in consultation with our workforce. This led to a new pay scheme being launched in August 2021 based on the market median for each role. 62% of our workforce benefitted from this new pay structure. We also provided the opportunity for staff on TUPE terms and conditions to transfer across to the new pay scheme.

Our workforce at 31 March 2022 was 158 (compared to 159 on 31 March 2021). In addition, we have 31 volunteers across our services who are a unique resource for people supported within the services and the delivery teams by bringing the unique perspective of their own experiences, often as an individual having received support within the same service. The past year has been challenging in terms of being able to fully utilise the skills and enthusiasm of our volunteers or expand the programme to any great extent. It does however remain a core objective to do this going forward.

Aquarius, in common with its Recovery Focus Group partners, believes in pro-actively working to ensure we do not inadvertently contribute in any way to Modern Slavery. Our group statement in support of taking important measures is available on the Recovery Focus website.

ENVIRONMENT

The environmental impact of the Charity’s behaviours and decisions is now an integral part of how we approach our delivery and improvement programmes. This is a key priority for our stakeholders and our Board as we seek to make the services we deliver socially and environmentally responsible – a duty which the Charity takes very seriously.

During 2021/22 we have begun a new project which aims to realise multiple benefits over the coming years. Some changes require a new approach for how we operate and deliver our services – others reflect a more gradual migration towards behaviours compatible with long-term environmental sustainability.

The areas we are initially looking at include the following:

- building a network of sustainability champions across the Charity and developing a simple framework for them to follow, clear actions to work on and outcomes to achieve;
- harnessing the expertise amongst people we support to deliver greater impact using co-production;
- embedding environmentally sustainable practices and standards into all areas of our work;
- saving money and reducing carbon emissions through implementing quantifiable actions;
- getting teams working together more effectively and encouraging them to think of innovative solutions to sustainability issues;
- devising a framework to encourage, enable and reward behaviour and culture change;
- reflecting the charity as a pro-active, responsible employer by supporting workforce well-being and putting the people we support at the heart of everything we do.

SOCIAL VALUE

All of our services are evaluated for the social value that we add both to our beneficiaries, their communities but also the wider community and national interest. We believe this has never been more true (nor, in recent years, more recognised) than it has been in the past 12 months and we welcome the wider interest in both our work and the activities of the sector more generally in delivering effective services to tackle substance use and gambling. This report reviewed our activity for the year and our future aspirations in terms of increasing opportunities in, and benefits for, our communities. Above, we have reflected on how we work to be a good

employer that reflects its community and how we are working to be green and sustainable by following our environmental strategy. By working with commissioners, we also seek to add social value through the services we provide in specific communities across the Midlands.

Delivering social value through our contracted services

We deliver a total of 11 contracted addiction support services with 4 large contracts delivering adult services and a further 7 services for young people. All of our services are based in the Midlands. Our services secure wider social, economic and environmental benefits for local communities by improving public health and addressing inequalities to improve people's lives.

As part of our monitoring framework, the metrics set nationally around life improvements for the people we support, we adjusted in the year to give us a new focus. We believe we have delivered a good set of outcomes for the year:

- 76% (2021, 73%) of people we have supported have reduced their drug/alcohol use after 12 weeks in treatment;
- 77% (2021, 80%) of people we have supported have reduced their drug/alcohol use upon successful exit from the service;
- 28% (2021, 39%) of people we have supported reported abstinence from drug/alcohol use upon successful exit from the service;
- 31% (2021, 34%) of people we supported reported improved or stabilised psychological health; and,
- 32% (2021, 37%) of people we supported reported improved or stabilised quality of life.

Tracking these metrics gives us a clear line of sight over our targeted work with an aim to secure year on year improvements whilst acknowledging the context of a challenging year both socially and economically. We feel, nonetheless, that our workforce has delivered well against our charitable purpose.

Our apprenticeship programme has also provided the opportunity for many of our existing staff to gain recognised qualifications.

We offer a Workplace Wellbeing Charter and a range of provisions including employee assistance, and workplace wellbeing training for all staff including a COVID-19 resilience programme for staff to assist with the increased stress brought on by the pandemic for our employees. This has been an incredibly valued resource over the past year as people seek to manage both the personal and workplace impact of the pandemic.

Delivering social value through our grant funded programmes

We deliver a number of tailored time-limited programmes that are individually funded from charitable grant funding organisations. These are an important part of our business as they allow us to extend our offer more widely, either in terms of additional resource to manage additional unmet need or to innovate and try new solutions for emerging or complex problems.

We are enormously grateful therefore to our grant funding partners who support our work through large or small grants with some on an on-going basis whilst others wish to support a particular time limited initiative. It really enhances the work we do and improves the quality of life for those who we work with.

Our grants programme is helping us to give greater support to those people and families we work with to tackle many issues that connect closely to alcohol and other substance use and gambling, including loneliness and social isolation, nutrition, physical well-being and work experience.

Delivering social value through our social enterprises

The two pillars of our commercial enterprises are Aquarius Life and Evolve – both have been significantly impacted in 2021/22 due to the pandemic but these services are now fully re-established (albeit delivered in new ways) and are planning for a renewed year of activity ahead.

Aquarius Life is our commercial service that offers practical support packages to businesses to improve the health and well-being of their people. It provides training to young people in school, college and apprenticeship environments, plus adult professionals in safeguarding, teachers, employees of various businesses and healthcare professionals, delivering 1:1 support and advice. This has included a range of training courses delivered on substance use, gambling, mental health, and safeguarding.

Aquarius Life particularly helps businesses adopt a preventative approach, assisting students to stay in learning and employees stay in work despite concerns over substance use, gambling and mental health. The service also ensures a greater awareness of these issues through its training programme to ensure professionals are better able to help people change where these issues are present.

Evolve has been providing a coffee shop and conference space in Birmingham since 2017. We have operated from two locations in Birmingham city centre, in Digbeth and a new premises at the Commonwealth Games headquarters in Brindley Place launched in May 2021. Both sites provide employment and support opportunities for disadvantaged young people who have experienced problems with substance misuse, mental ill health, homelessness and/or offending. We aim to employ more than a dozen young people through this programme who are paid a living wage. On average each participant achieves 5 recognised qualifications and out of those completing the programme to date, 86% have gained employment.

FUNDRAISING

Aquarius does not make unsolicited fundraising approaches amongst supporters or the general public. Occasionally, of their own volition, people who have had contact with Aquarius services choose to engage in a sponsored activity and donate their proceeds. When approached in advance, we support such gestures by providing branded materials to support the event. With the pressures on our social enterprise services in the year, we have looked at ways to attract additional funds to support the work done there, but this did not involve targeted fundraising materials.

As such, Aquarius does not participate in any voluntary regulation schemes for fundraising, does not use commercial participators or professional fundraisers, has no specific fundraising policies or targets, received no complaints regarding fundraising in the year and did not actively monitor individuals who independently raised funds for the Charity.

SERVICE QUALITY, EQUALITY and DIVERSITY

Our commitment to equality, diversity and inclusion issues is central to our values as well as our policy and process documentation. In particular, our workforce aims to be reflective of our communities and people we support but also seeks to include a significant number of individuals with lived experience of substance use. Peer-to-peer support and volunteering by people with lived experience is increasingly part of our service offering and has been proven very effective where used. Here is the current position.

	People we Support	Workforce	Board
Gender:			
Male	63%	23%	56%
Female	37%	77%	44%
Ethnicity (self-defined)			
BAME	16.6%	15.5%	33%
White or unknown	83.4%	84.5%	67%
Disability (self-defined)			
Yes			
No	13.1%	1.9%	Not currently available
Lived experience of the services we provide			
Yes	n/a	1.90%	Not currently available
No	n/a		

The Recovery Focus Group has an ambitious new Equality, Diversity and Inclusion Plan for 2022/23 and beyond of which Aquarius will form an integral part. We hope that by the end of coming year, there will be a closer alignment between our workforce diversity compared with the people we support. Importantly however, the Plan aims to embed a broad range of cultural change in the future to ensure we are fully meeting all of the needs of the communities we serve.

Performance, quality, and financial indicators allow management to monitor the key business and financial activities, risks, statutory responsibilities, progress towards corporate objectives and to identify matters requiring further intervention. Technology is used to support this responsibility alongside effective policies and procedures which are regularly reviewed. Most policies in place are now group policies for all Recovery Focus Group partners covering areas including risk management, information governance, whistleblowing, anti-slavery, anti-bribery, and anti-fraud. group-wide Codes of Conduct are in place for staff, senior management and non-executive directors delivering consistency of behaviour and expectation. Many more policies reflect a common framework across the group but with adjustments for differing service models being in place (such as policies on the safeguarding of adults and children). Financial control procedures are standard for the group as financial management and control is delivered by RF for all group partners.

Aquarius senior management, Board and a Board Finance and Operations sub-committee are each charged with scrutiny of controls assurances in place. In addition, the Audit and Assurance Committee of the RF Board has on-going oversight of the group-wide risk profile to ensure early warning systems are in place. Aquarius attends that committee which also has independent members to ensure that adequate assurances are in place across the whole group and are not focussed on any one partner within the group. Aquarius regularly reviews its forecasts to reflect significant changes to the business. Where margins or returns are under threat, outline plans are drawn up to make sure any negative effects can be mitigated, and investments maximise their return.

Aquarius as part of the Recovery Focus Group has refocussed its efforts on Equality, Diversity, and Inclusion (EDI) this year. We have engaged in a comprehensive dialogue with our workforce about EDI issues and about how we can renew our efforts to be an active anti discriminatory organisation. We have begun implementing new work streams that will ensure we address EDI in the workplace, in our recruitment practices and in our approach to career progression and development. This has included the launch of our Dignity Advisor Network with representatives across the workforce to ensure support for staff around inclusion, and Inclusion Community Groups for LGBTQ+, Black and Asian Minority Ethnic groups, Disability, Lived Experience and Wellbeing, providing staff forums to further promote inclusion across the organisation. These Inclusion Communities are at various stages of development but are welcomed by the workforce as a recognition for their voice to be heard.

INTERNAL CONTROLS ASSURANCES

The Trustees are responsible for obtaining the necessary controls assurances from the senior management team and reviewing their effectiveness. In the year the Trustees have expanded the Board to bring a wider range of knowledge, skills and experiences into the Board's deliberations to further enhance how the Board can work with the senior team to ensure the Charity is effective and safe. However, the Trustees also recognise that such internal controls systems, notably during a period of uncertainty and significant, swift change, can provide only reasonable, not absolute, assurance against material misstatement or loss.

The Trustees are clear that they have ultimate responsibility for ensuring that systems of controls and risk management are culturally embedded and fit for purpose in the business environments within which we operate. On-going improvements are continuously being made to the Charity's effectiveness ensuring that risk management and control is systematic, continuous and regularly refreshed. The Trustees are also fully committed to:

- Maintaining competence and integrity and establishing and clearly communicating values
- Ensuring an environment of control consciousness and responsibility for managers and employees through written codes of conduct, formal standards of discipline and performance appraisal
- Establishing quality assurance systems supported by appropriate, accessible procedures
- Reviewing reporting systems to improve monitoring compliance
- Ensuring risk management is robust and embedded throughout
- Ensuring delegations are in place to limit levels of risk
- Financial reporting that is compliant with generally accepted accounting practices and standards.

STRUCTURE AND GOVERNANCE

OBJECTIVES AND ACTIVITIES

We are a company limited by guarantee, incorporated on 27 September 1989 and a Charity, registered on 24 September 1992. The objects for which the Charity is established, are set out in the Articles of Association and are specifically restricted to the following:

1. The relief of poverty sickness and distress amongst:
 - persons who are suffering from drug abuse, alcohol misuse, gambling addiction or other behavioural problems; and
 - the families and dependants of such persons who are in conditions of hardship and distress
2. The prevention of drug abuse, alcohol misuse, gambling and other behavioural problems through the provision of education and training for professionals and volunteers working in those fields
3. The advancement of the education of the public with regard to the dangers of drug abuse, alcohol misuse, gambling addiction and other behavioural problems
4. To promote social inclusion for the public benefit by preventing people becoming socially excluded, particularly due to substance misuse or gambling, relieving the needs of those people who are socially excluded and assisting them to integrate into society

For the purposes of the above “socially excluded” means being excluded from society or parts of society, as a result of one or more of the following factors: unemployment; financial hardship; youth or old age; ill health (physical or mental); substance abuse or dependency including alcohol and drugs; addiction to gambling and other behavioural problems; discrimination on the grounds of sex, race, disability, ethnic origin, religion, belief, creed, sexual orientation or gender reassignment; poor education or skills attainment; relationship and family breakdown; poor housing (that is housing that does not meet basic habitable standards); or crime (either as a victim of crime or as an offender rehabilitating into society).

REGULATION AND COMPLIANCE

The Trustees of the Charity (who comprise the Board of Directors under Company Law) meet regularly. The Board may comprise up to 9 Trustees. No less than two Trustees must be directors of RF and the quorum requires at least 1 RF director to be present. All Trustee appointments require the approval of the sole member (Richmond Fellowship).

The Aquarius Board met 5 times in 2021/22 (5 times in 2020/21) with the average attendance at 82% (90% in 2020/21). The Board has remained stable throughout the year and as at 31 March 2022, women made up 44% of the Board.

With a relatively new Board, Trustees look at scheduling development days to ensure they are fully equipped to fulfil their duties as Trustees and work effectively together as Trustees. This still remains challenging in the post-pandemic world but strong internal relationships are forming and these will serve us well in the future.

Board meetings are minuted and the record is circulated to Trustees and more widely within the Charity. Our Head of Service, Richard McVey attends all Board meetings with members of his senior team to report on their proposals for future strategic direction, strengthening the Charity's governance and the management of the day-to-day operations of the Charity under delegation from the Board.

Aquarius has a Staff Council which is the consultative vehicle for the whole organisation and comprises staff and union representatives and is chaired by the Head of Service. Aquarius also has a Network (ANCHOR) of representatives of people we support that meet regularly to share experiences, contributes to the quality improvement programme and future research decisions, and reviews the work of Aquarius on an on-going basis. Representatives of ANCHOR attend each meeting of the Board working with Trustees to respond to the needs of current and future users of services. Aquarius cross-checks the effectiveness of its processes and controls by using external accreditation bodies alongside both client and staff feedback.

The Articles specify a nine-year limit to the length of time a Trustee can serve. The average length of service amongst independent Trustees (i.e., the trustees other than the nominees from RF), is currently just over 3 years with only one trustee towards the end of their full term. Appointments across the group are made under an agreed skills matrix matched against the challenges facing the Aquarius Board. Appointments of Aquarius Trustees are made by a nomination panel of the Board, but any recommendation is required to be made to both the Aquarius Board and the Board of Richmond Fellowship, as the parent with sole authority to make Trustee appointments.

The Head of Service oversees an induction process for new Trustees. On-going training and development is also provided as required. As a minimum, Trustee induction consists of meetings with the Chair, the Head of Service and a review of key group and company documents which form the Aquarius constitution. As part of induction, service visits are normally arranged and meeting with people supported by Aquarius services is a critical part of the role. Usually, Trustees are also linked with a specific service to gain a greater understanding of our work in a particular area, which can then be reflected in and shared across all board discussions and decisions.

A legal procedure agreement between RF and Aquarius sets out the responsibilities that the parent delegates to the Aquarius Board. Other than as specifically highlighted within that agreement, the Trustees have responsibility for the overall leadership and governance of the organisation and to hold senior management to account. The Aquarius Head of Service additionally has a formal reporting line to the Group Chief Executive at RF and forms part of the Group Leadership Team, the executive policy and strategy setting body for Recovery Focus.

STATEMENT ON PUBLIC BENEFIT

The purpose of the Charity is laid out in the objects above. Prospective users of services across the group are usually referred to the provider organisation by themselves, a healthcare professional or other multi-agency partner. Many of the services provided, including day care, are provided free of charge at the point of delivery. The Trustees consider the need to deliver public benefit in their decision-making and this is a key determinant in the Charity's bidding for new business and investments. The Trustees consider that all activities provide public benefit.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit' which is set out below as a reminder.

Principle 1 - There must be an identifiable benefit or benefits

Aquarius aims to overcome the harms caused by alcohol, drugs and gambling. This is achieved through the provision of: extensive advice and information; services that offer group support and one to one support for the drinker/user and for their families and friends and training and promotional activities to the wider public and to a wide range of agencies.

The focus is to prevent people developing problematic addictive behaviour and to support people to reduce or abstain from alcohol, drugs and gambling.

These interventions enable people to: lead healthier lives with the reduction of the use of primary care and hospital services; maintain or re-discover positive relationships with family and friends; maintain or return to employment and maintain their accommodation and become positive and participating citizens.

Principle 2 - Benefit must be to the public, or a section of the public

All of the services provided by Aquarius are accessible to the public and provided in a range of settings including own premises, primary care, hospitals, family centres and neighbourhood centres.

Services make significant efforts to ensure that the diverse needs of the communities seeking help are taken into account and Aquarius aims always to provide culturally appropriate and sensitive services.

STATEMENT OF ACCOUNTABILITY

The Trustees accept the obligation to account for their actions in an open manner to people who use our services and other stakeholders, regulators, commissioners and the wider public. The Board also accepts the obligation to ensure they deliver the standards of probity required by law and our regulator and appropriate to our position in the community. Aquarius, as part of Recovery Focus, seeks to achieve a high level of corporate social responsibility subject to its overriding duty to fulfil its charitable objects and to use its charitable resources for that purpose.

In addition to putting people who use our services at the centre of everything we do, the Board considers best use of the Charity's identity, brand and profile, with a programme of digital development planned for the year ahead and more readily available information for our commissioners and other stakeholders.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Board confirms that, in fulfilling their duties as directors, they have each taken all the necessary steps in order to make themselves aware of any information relevant to the audit and to establish that the auditor is made aware of that information and, so far as each trustee is aware, there is no relevant audit information which has not been brought to the attention of the auditor.

Approved by the Board on 4 August 2022 and signed on its behalf

Albert Fletcher

Albert Fletcher (Aug 4, 2022 19:04 GMT+1)

Albert Fletcher
Chair, Board of Trustees

STATEMENT OF THE RESPONSIBILITIES OF THE TRUSTEES IN RESPECT OF THE ACCOUNTS

The Trustees (who are also directors of Aquarius for the purposes of company law) are responsible for preparing the Trustees' report and the accounts in accordance with applicable law, regulations and associated guidance and good practice.

Company law requires the Board of Trustees to prepare accounts financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Under company law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the surplus or deficit for that period.

In preparing these accounts, the Board of Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business

The Board's Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain all transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Companies Act 2006 and have due regard to Charity Commission guidance. They are also responsible for safeguarding the assets of the Charity and by taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AQUARIUS ACTION PROJECTS

Opinion

We have audited the financial statements of Aquarius Action Projects (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2022 and of its income and expenditure 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Trustees' Annual Report, which incorporates the Directors' Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of responsibilities of the Trustees set out on page 14, the trustees (who are also directors of the charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Charitable Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to

compliance with relevant laws and regulations. We also drew on our existing understanding of the Charitable Company's industry and regulation.

We understand that the Charitable Company complies with the framework through:

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;
- A risk assessment framework and register that includes regular review and scrutiny by the Board;
- Regular safeguarding and health and safety reviews; and
- The Board's close oversight through regular Board meetings and compliance reporting.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Charitable Company's ability to conduct operations and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Charitable Company:

- FRS 102 and the requirements of the Companies Act 2006, in respect of the preparation and presentation of the financial statements;
- Safeguarding, including health and safety and Care Quality Commission regulations; and
- Charity law and regulation.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Making enquiries of management as to the risks of non-compliance and any instances thereof;
- Reviewing internal audit reports and correspondence between regulators and the Charitable Company; and
- Reading minutes of Board meetings to identify any indicators of known or suspected non-compliance with significant laws and regulations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Charitable Company's processes and controls surrounding manual journal entries; and
- Substantive work on revenue transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited
CLA Evelyn Partners Limited (Aug 4, 2022 22:07 GMT+1)

Andrew Bond
Senior Statutory Auditor, for and on behalf of

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
4 August 2022

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2022

Income and endowments from:	Note	2022			2021		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Donations and legacies		9,202	3,669	12,871	4,069	1,073	5,142
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>		1,451,064	4,221,675	5,672,739	1,643,669	3,892,232	5,535,901
Other charitable activities		-	16,263	16,263	-	-	-
Other trading activities		-	-	-	-	4,924	4,924
Other operating Income		-	1,007	1,007	-	108,496	108,496
Investments		-	3,048	3,048	-	1,403	1,403
Total income		1,460,266	4,245,662	5,705,928	1,647,738	4,008,128	5,655,866
Expenditure on:							
Raising funds		-	51,090	51,090	-	6,133	6,133
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	5	1,443,290	3,633,911	5,077,201	1,579,895	3,641,842	5,221,737
Other expenditure	5	-	-	-	-	1,286	1,286
Total expenditure		1,443,290	3,685,001	5,128,291	1,579,895	3,649,261	5,229,156
Net income/ (expenditure)		16,976	560,661	577,637	67,843	358,867	426,710
Transfer between funds	14	-	-	-	(37,934)	37,934	-
Net movement in funds		16,976	560,661	577,637	29,909	396,801	426,710
Total funds brought forward		434,401	3,315,893	3,750,294	404,492	2,919,092	3,323,584
Total funds carried forward		451,377	3,876,554	4,327,931	434,401	3,315,893	3,750,294

Other operating income relates to income received from the government to fund staff in our trading activities who were furloughed as a result of the COVID-19 lockdown.

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2022

COMPANY NUMBER 02427100

	Note	2022 £	2021 £
Non-current assets			
Property, plant and equipment	9	541,410	343,299
Current assets			
Stock		2,025	943
Debtors	10	540,836	637,220
Cash at bank and in hand		4,127,856	3,389,852
Total current assets		4,670,717	4,028,015
Current liabilities			
Creditors	11	884,196	621,020
Net current assets		3,786,521	3,406,995
Net assets	13	4,327,931	3,750,294
Funds			
Restricted funds	14	451,377	434,401
Unrestricted funds			
Designated Property funds	15	343,299	343,299
Unrestricted general funds		3,533,255	2,972,594
Total charity funds		4,327,931	3,750,294

Approved and authorised for issue by the 4 August 2022 and signed on their behalf by

Albert Fletcher

Albert Fletcher (Aug 4, 2022 19:04 GMT+1)

Albert Fletcher
Director

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2022

1. Status

Aquarius Action Projects ("Aquarius") is incorporated as a private company limited by guarantee under the Companies Act 2006 in England, number 02427100. It is also a registered charity, number 1014305. Its registered office is 236 Bristol Road, Birmingham, B5.7SL.

In the event of Aquarius being wound up, the liability in respect of the guarantee is limited to £1 per member. On 1 April 2015, The Richmond Fellowship, a charitable company registered in England, became Aquarius' sole member and has remained so subsequently.

2. Accounting policies

Basis of preparation

The accounts are prepared under the Companies Act 2006 and the historical cost convention as modified by the revaluation of certain assets in accordance with the Charity's accounting policies, and in accordance with applicable United Kingdom Generally Accepted Accounting Practice including "The Financial Reporting Standard in the United Kingdom and the Republic of Ireland" ("FRS 102") and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with FRS 102 (effective 1 January 2019) ("SORP").

The charity is a public benefit entity, as defined by FRS 102.

The accounting policies have been applied consistently from the prior year.

Going concern

The financial statements have been prepared on the going concern basis which the directors consider to be appropriate for the following reasons.

Aquarius board has considered the potential impacts from different adverse conditions such as Covid-19, increased cost of living and fluctuations in revenue as well as options for mitigating them as part of the annual budgeting cycle. To ensure we can continue operating in the immediate term, we carried out scenario testing on these conditions looking at income reduction from our Social Enterprises, changes in grant conditions, potential movement in operating costs affecting staff and other operating expenditures. In making these assessments, we also considered the mitigations available to manage the potential impact on cashflow affecting the financial viability of the business. Financial forecasts were regularly presented to the Board which included these scenarios and mitigations. The assessment demonstrated the financial impact could be managed within the approved budget and gave assurance we had sufficient liquidity to manage the financial risks. In addition, the Board is regularly updated with our performance against expectations by

- detailed forecasting as part of the monthly reporting cycle
- twelve-month forward rolling cashflows forecast
- applied a 'golden rule' where cash reserves must remain within a minimum uncommitted cash reserves of £1 million.

Aquarius has no loan commitments or operates within restrictive financial covenants.

Aquarius's business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report with a detailed focus disclosed within the 'Looking Ahead' section which includes the investment of £1m to acquire three properties to house vulnerable young people. This is set to produce a return on investment whilst enabling us to fulfil our mission.

On this basis, the Board has reasonable expectations that Aquarius has adequate resources to continue the operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Disclosure exemptions for qualifying entities under FRS 102

Aquarius is a qualifying entity as defined by FRS 102 and, as such, has taken advantage of the following available exemptions:

- the exemption from preparing a statement of cash flows
- the exemption from providing certain information relating to financial instruments.

Donations

Donations to the Charity are included in full in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be reliably

measured. In the case of grants which are in the nature of donations, entitlement is usually evidenced by way of a formal offer document; for other donations, the charity usually becomes entitled to the income on receipt of the funds.

Income from charitable activities

Income from charitable activities comprises contractual payments from Government, income from performance related grants and income from the provision of services. Such income is measured at the fair value of the income received or receivable and is recognised in the Statement of Financial Activities as the services are provided.

Government grants

Government grants are accounted for using the performance model and are recognised when there is reasonable assurance that the Charity will receive the grant and be able to comply with the terms of the grant. Any grants which are received but are not recognised are disclosed as liabilities.

Donated assets and services

Donated assets and services which would otherwise have been purchased are included at the estimated expenditure which has been avoided as a result of the gift. Other donated assets and services are recognised at the fair value of the asset or service received.

Income from other trading activities

Income from other trading activities is measured at the fair value of the income received or receivable and is recognised in the Statement of Financial Activities as the services are provided.

Expenditure

Expenditure is recognised in the period in which it is incurred and is allocated to the particular activity when the cost relates directly to that activity. Such expenditure includes any attributable VAT which cannot be recovered. Expenditure includes the value of any donated goods and services.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the employee service is received.

Defined contribution pension plan

The Charity operates a defined contribution plans for certain employees, whereby the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. The contributions are recognised as an expense in the period to which they relate. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Charity in independently administered funds.

Redundancy payments

Redundancy and similar costs are recognised when the relevant employees have been informed that a redundancy programme has commenced.

Taxation

The Society's activities are charitable and therefore not liable to tax, to the extent that any surpluses are applied to the charitable objects.

Property, plant and equipment

Property plant and equipment is stated at cost, less accumulated depreciation and any recognised impairment loss.

Depreciation is charged on major components so as to write down the cost of the components to their estimated residual value on a straight-line basis over their estimated useful lives as follows:

Freehold property	100 years
Short leasehold property	life of lease
Fixtures, fitting and household equipment	4 years

Computer equipment	3-4 years
Computer software	10 years

Subsequent expenditure which relates to the enhancement of individual assets which results in incremental future benefits is capitalised and the carrying amount of the replaced parts of the relevant asset is derecognised.

Any other expenditure incurred in respect of repairs is charged to the Statement of Financial Activities.

Impairment of property, plant and equipment

For the purposes of impairment assessments, items of property, plant and equipment are grouped together into services, each service including all the assets used to provide that service referred to cash generating units.

At each Statement of Financial Position date, services are assessed to determine if there are indicators that the assets relating to that service may be impaired in value; if there are such indicators of impairment, then a comparison of the asset's carrying value to its recoverable amount is undertaken. Any excess is over the recoverable amount is recognised as an impairment loss and charged as expenditure in the Statement of Financial Activities; the carrying value is reduced appropriately.

The recoverable amount of services' assets is the higher of their fair value less costs to sell and their value in use. Value in use for assets which are used to fulfil the social purpose for which they were acquired is based on the depreciated replacement cost of the assets.

When an impairment loss is subsequently reversed, the carrying amount of the assets is increased to the revised estimate of their recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalent, includes cash in hand and bank deposits and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Charity becomes a party to the contractual provisions of the instrument.

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Trade and other debtors and trade and other creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Charity will not be able to collect all amounts due.

Cash and cash equivalents and longer-term bank deposits are classified as basic financial instruments and are initially recognised at their transaction price and subsequently at amortised cost.

3. Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make judgements and estimates that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Statement of Financial Position date and the reported amounts of revenues and expenses during the reporting period.

(a) Critical judgements

In preparing the financial statements, the following judgements which have, or could have, a material impact on the financial statements were made:

Property impairments

Value in use is based on either future cash flows or, for assets held for their service potential, depreciated replacement cost. The assessment of whether an asset is held for its service potential is a matter of judgement and in making that judgement the Board considers the current use of the asset and the expected future use of the asset. If the asset is unable to be let in its current condition or is not being used for a social purpose, either now or in the foreseeable future, it is assessed as not being held for its service potential.

Value in use for assets held for their service potential are assessed as the depreciated replacement cost which is the lower of (a) the cost of purchasing an equivalent property on the open market; and (b) the land cost plus the rebuilding cost of the structure and components.

Income

The nature of certain funding arrangements requires judgement to assess whether the funding receivable under those arrangements is contractual, arises from a performance related grant or is in the nature of a donation, and whether the income is restricted or not.

(b) Key accounting estimates and assumptions

Estimation of revenue

Income from the provision of services is recognised as the services are provided. In most cases, the services are provided in accordance with the funding agreement, but in a minority of cases, the funder may contend that the services haven't been fully provided and retrospectively demand that a proportion of the invoiced income be refunded. Estimates are therefore necessary as to the extent to which invoiced income may be repayable.

Useful lives

Depreciation of assets is calculated based on the cost and the estimated useful lives of the assets.

Impairments of properties

The cost of purchasing an equivalent property on the open market is estimated based on the sales prices for similar properties in or near the same location.

The rebuilding cost of structures and components is based on the current build costs obtained from market data (being primarily construction indices) applied to the relevant building size and type.

Debtors

Provision is made for debtors which are not expected to be recovered. This is an estimate based on objective evidence from past experience, the current level and age profile of the debtors and the circumstances relating to a particular debt.

(c) Carrying values

The carrying amount of the assets and liabilities affected by the above estimates are set out in the following notes.

4. Income from charitable activities

	2022			2021		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Local authorities	820,918	3,012,320	3,833,238	811,726	3,594,844	4,406,570
Lottery funding	-	-	-	54,000	-	54,000
Other entities	639,348	1,214,031	1,853,379	777,943	297,388	1,075,331
Income from alcohol, drug and gambling activities	1,460,266	4,226,351	5,686,617	1,643,669	3,892,232	5,535,901
Other Charitable activities	-	16,263	16,263	=	-	-
	<u>1,460,266</u>	<u>4,242,614</u>	<u>5,702,880</u>	<u>1,643,669</u>	<u>3,892,232</u>	<u>5,535,901</u>

5. Charitable expenditure

Charitable activities	2022			2021		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£	£	£	£	£	£
Staff costs	1,087,789	2,617,177	3,704,966	1,203,528	2,704,661	3,908,189
Other direct costs	111,858	437,133	549,991	114,325	359,471	473,796
Depreciation	4,353	30,623	34,976	5,446	18,904	24,350
Support costs	239,290	548,944	788,234	256,596	558,398	814,994
Bank charges and interest payable	-	34	34	-	408	408
Expenditure on alcohol, drug and gambling activities	1,443,290	3,633,911	5,077,201	1,579,895	3,641,842	5,221,737
Other charitable activities	-	-	-	-	1,286	1,286
	<u>1,443,290</u>	<u>3,633,911</u>	<u>5,077,201</u>	<u>1,579,895</u>	<u>3,643,128</u>	<u>5,223,023</u>

6. Support costs

	2022	2021
	£	£
Staff costs	376,605	337,680
Premises and other office costs	61,324	53,436
Computer costs	5,937	81,572
Equipment, maintenance and renewals	275	869
Governance costs	23,064	11,859
Service user costs	1,958	2,351
Other support costs	319,071	327,227
	<u>788,234</u>	<u>814,994</u>

All support costs relate to the provision of services for the alleviation of problems caused by alcohol, drug and / or and gambling.

7. Net outgoing resources for the year

This is stated after charging:	2022	2021
	£	£
Depreciation	62,240	74,262
Auditors' remuneration	15,380	14,660
Operating lease rentals	104,666	134,882

8. Staff costs and numbers

The costs were as follows:

	2022 £	2021 £
Salaries and wages	3,538,043	3,668,380
Social security costs	286,275	295,325
Pension contributions	205,261	211,491
Other staff costs	2,577	1,245
	<u>4,032,156</u>	<u>4,176,441</u>

Directors' emoluments during the year were met by Richmond Fellowship. Included within the operating costs is a management charge from Richmond Fellowship which includes a share of the salary costs of the directors. Other administration services are provided by Richmond Fellowship and these are recharged to Aquarius. Details of the director's emoluments are disclosed in the financial statements of Richmond Fellowship.

No member of the Board or any Trustees received any remuneration. Reimbursed expenses in the year; £nil (2021; £nil). A E J Fletcher and J M Riley are nominees of Richmond Fellowship, the ultimate parent company of Aquarius.

The total number of staff receiving remuneration (excluding pension scheme contributions) in the given bands is as follows:

	2022 No	2021 No
£60,000 to £70,000	-	-

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

	2022 No	2021 No
Alcohol, drug and gambling services	146	155
Support staff	12	10
	<u>158</u>	<u>165</u>

The average number of full-time equivalent employees during the year was as follows:

	2022 No	2021 No
Alcohol, drug and gambling services	134	139
Support staff	11	9
	<u>145</u>	<u>148</u>

9. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and household equipment £	Computer equipment £	Total £
Cost:					
At 1 April 2021	173,953	369,651	26,933	346,706	917,243
Additions in year	-	-	-	30,351	30,351
Additions WIP*	230,000	-	-	-	230,000
At 31 March 2022	403,953	369,651	26,933	377,057	1,177,594
Depreciation:					
At 1 April 2021	(97,105)	(306,388)	(15,987)	(154,464)	(573,944)
Charge for the year	(3,041)	(3,607)	(5,515)	(50,077)	(62,240)
At 31 March 2022	(100,146)	(309,995)	(21,502)	(204,541)	(636,184)
NET BOOK VALUE					
At 31 March 2022	303,807	59,656	5,431	172,516	541,410
At 1 April 2021	76,848	63,263	10,946	192,242	343,299

*Freehold Work in progress (WIP) includes a property acquired to house vulnerable young people. The property is unoccupied as it awaits completion of minor alteration works required to make it suitable for intended use.

10. Debtors

Debtors

	2022 £	2021 £
Trade Debtors	457,652	566,499
Other debtors	570	1,494
Accrued Income	43,304	43,064
Prepayments	39,310	26,163
	540,836	637,220

11. Creditors

	2022 £	2021 £
Trade creditors	44,212	19,661
Taxation and social security	80,419	74,576
Other Creditors	25,073	25,466
Deferred income	477,017	282,148
Accruals	256,330	206,435
Group creditors	1,145	12,734
	884,196	621,020

12. Deferred income

	2022 £	2021 £
As at 1 April 2021	282,148	78,634
Released in the year	(282,148)	(78,634)
Deferred in the year	477,017	282,148
As at 31 March 2022	477,017	282,148

Deferred income relates to fees in advance and income from performance-related grants which relate to services delivered after the year end.

13. Analysis of net assets between funds

As at 31 March 2022

	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	541,410	-	541,410
Current assets	451,377	-	4,219,340	4,670,717
Current liabilities	-	-	(884,196)	(884,196)
	451,377	541,410	3,335,144	4,327,931

As at 31 March 2021

	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	343,299	-	343,299
Current assets	434,401	-	3,593,614	4,028,015
Current liabilities	-	-	(621,020)	(621,020)
	434,401	343,299	2,972,594	3,750,294

14. Restricted funds

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2022 £
Alcohol & drug services	172,656	927,484	(897,756)	-	202,384
Gamcare (Adults & YP)	139,024	532,782	(473,435)	-	198,371
Drug Concern	122,721	-	(72,099)	-	50,622
	434,401	1,460,266	(1,443,290)	-	451,377

	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2021 £
Alcohol & drug services	220,294	973,275	(982,979)	(37,934)	172,656
Gamcare (Adults & YP)	59,606	674,463	(595,045)	-	139,024
Drug Concern	124,592	-	(1,871)	-	122,721
	404,492	1,647,738	(1,579,895)	(37,934)	434,401

Restricted funds are funds received for specific purposes either in providing services in a specific area or relating to a specific project.

Alcohol and drugs services

Aquarius receives funding for the provision of alcohol and drug services from a number of sources. These are in response to open tenders and funding applications. Where the funding agreements restrict the use of resultant surpluses, the accumulated surpluses, after the charging of agreed overheads, are shown as restricted.

Drug Concern

The reserve relates to the unexpended balance of the assets gifted to the charity by CONNÉCT (West Midlands), a former charity. This fund will be spent on work that supports carers and the affected others of drug users and a plan will be drawn up to do this.

Gamcare

These grants related to the provision of services to support those affected by gambling and, separately, a Youth Outreach Programme in the Midlands.

15. Unrestricted funds

	At 1 April 2021 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2022 £
Designated funds					
Property fund	343,299	-	-	-	343,299
	343,299	-	-	-	343,299
General fund	2,972,594	4,245,662	(3,685,001)	-	3,533,255
	<u>3,315,893</u>	<u>4,245,662</u>	<u>(3,685,001)</u>	<u>-</u>	<u>3,876,554</u>
	At 1 April 2020 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2021 £
Designated funds					
Property fund	401,861	-	-	(58,562)	343,299
	401,861	-	-	(58,562)	343,299
General fund	2,517,231	4,006,726	(3,647,859)	96,496	2,972,594
	<u>2,919,092</u>	<u>4,006,726</u>	<u>(3,647,859)</u>	<u>37,934</u>	<u>3,315,893</u>

Designated funds

Designated funds are unrestricted funds which the Board has designated for a specific purpose.

Contingency fund

This was undesignated in the prior year and the funds transferred back to the General fund.

Property fund

This fund represents the net book value of property plant and equipment owned by the Charity.

General fund

The general unrestricted funds represent the accumulated surpluses generated by the charity since inception, to the extent that they are not represented by other reserves.

16. Operating lease commitments

The charity is expected to make the following future minimum lease payments under non cancellation operating leases:

	2022 £	2021 £
Within one year	46,991	42,304
Two to five years	160	1,112
More than five years	400	440
	<u>47,551</u>	<u>43,856</u>

17. Controlling party

The ultimate and immediate parent undertaking and controlling party of the company is The Richmond Fellowship, a company incorporated under the Companies Act 2006 in England, number 00662712. The Richmond Fellowship is a national provider of care and rehabilitation for people living with mental health problems and is a registered charity, number 200453. The parent prepares full consolidated accounts which incorporate Aquarius Action Projects, and may be obtained from the Charity Commission website, Companies House website or the parent's registered office, which is 80 Holloway Road, London, N7 8JG.

The financial and operating policies of the charity are directed by Richmond Fellowship and this control is exercised through Richmond Fellowship's ability to appoint and remove Aquarius Trustees.

18. Related party transactions

The Charity had the following related party transactions with its parent:

- Management charge from its parent of £297,000 (2021; £296,000).
- Offset by charges to its parent of £34,000 (2021; £66,000) for services to support its parent's contracts.
- Leading to a net charge from its parent of £263,000 (2021; £230,000).