

AQUARIUS ACTION PROJECTS

England & Wales · Charity number 1014305

Details

Other names	AQUARIUS
Status	Registered
Legal form	Charitable company
Company number	02427100
Registered	1992-09-24
Register	View on the Charity Commission register

Contact

Address	Aquarius 236 Bristol Road Birmingham B5 7SL
Phone	01216228181
Email	headoffice@aquarius.org.uk
Website	www.aquarius.org.uk

Activities

Objects: 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 DISTRESS2. THE PREVENTION OF DRUG ABUSE, ALCOHOL MISUSE, GAMBLING AND OTHER BEHAVIOURAL PROBLEMS THROUGH THE PROVISION OF EDUCATION AND TRAINING FOR PROFESSIONALS AND VOLUNTEERS IN THOSE FIELDS3. THE ADVANCEMENT OF THE EDUCATION OF THE PUBLIC WITH REGARD TO THE DANGERS OF DRUG ABUSE, ALCOHOL MISUSE, GAMBLING ADDICTION AND OTHER BEHAVIOURAL PROBLEMS; AND4. 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

Activities: Aquarius works with individuals, families, carers and professionals around issues of alcohol misuse, drug misuse, gambling and other behavioural problems. We have services across the Midlands and the northern Home Counties. Our skilled practitioners and support workers offer education, training, outreach,

home visits, one to one & group work.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Bedford
- Birmingham City
- Buckinghamshire
- Coventry City
- Derby City
- Northamptonshire
- Solihull
- Telford & Wrekin
- Wolverhampton

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£8,574,194	£8,039,484	£6,416,825	204
2024-03-31	£6,407,404	£5,800,602	£5,882,115	163
2023-03-31	£6,283,463	£5,336,081	£5,275,313	153
2022-03-31	£5,705,928	£5,128,291	£4,327,931	145
2021-03-31	£5,655,866	£5,229,156	£3,750,294	148

Trustees

Name	Role	Appointed
Carolyn Ann Regan		2026-04-01
Danielle Oum		2023-05-30
Ian Malcolm MacQueen		2025-02-11

Accounts

Aquarius Action Projects
(Operating as Aquarius)
part of Waythrough Group

Annual Report

and Financial Statements

for the year ended 31 March 2025

aquarius

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

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BOARD MEMBERS AND ADVISERS

TRUSTEES

D Oum	Chair
M Etches	Vice Chair
J Riley	<i>(resigned 01 June 2024)</i>
E Herridge	<i>(appointed 29 July 2024)</i>
A J Lamb	
I MacQueen	<i>(appointed 11 Feb 2025)</i>
B Seth	<i>(appointed 1 June 2024, resigned 11 Feb 2025)</i>
N K Shough	
R Tunney	<i>(appointed 29 July 2024)</i>
A M Williams	

COMPANY SECRETARY

Andrew Whitley *(resigned 1 August 2025)*
June Riley *(joined 1 August 2025)*

PRINCIPAL STAFF

R McVey Head of Service

PRINCIPAL BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Bates, Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London
EC4R 1BE

INDEPENDENT AUDITOR

S&W Audit
Statutory Auditors
Chartered Accountants
45 Gresham Street
London
EC2V 7GB

REGISTERED OFFICE

236 Bristol Road
Birmingham
B5 7SL

COMPANY REGISTRATION

02427100

CHARITY NUMBER

1014305

WEBSITE

www.aquarius.org.uk

REPORT OF THE TRUSTEES

The Trustees present their annual report, which includes the directors' report and the audited financial statements for the year ended 31 March 2025. This report is prepared in accordance with the Charities Act 2011 and the Companies Act 2006. The report provides an overview of our progress over the last year as a charity that provides support to people affected by alcohol, drugs, and gambling.

Aquarius Action Projects (Aquarius) is a registered charity, with its own Board of Trustees, whilst being a wholly controlled subsidiary. On 1 June 2024, Richmond Fellowship merged with Humankind Charity to form a new enlarged group, named Waythrough, which became the new parent charity for Aquarius. Waythrough formally launched its new name, brand, and strategy on 1 October 2024.

This is a year that has seen the continued increase in investment in the substance misuse sector, emerging from the 10-year Drug Strategy 'From Harm to Hope' (published December 2021). This increased investment has enabled Aquarius to enhance the quantity and range of support provided to adults and young people in mitigating the harms associated with substance use. We also mobilised a significant new service on 1 April 2024, working in partnership with our clinical provider, NHS Inclusion, to provide Drug, Alcohol and Family services in Buckinghamshire. This has significantly increased the size of our business, but we have closely managed the mobilisation and delivery to ensure a quality service from the outset.

Our strongest resource is our workforce, who work consistently and flexibly 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 the best chance to succeed.

Our current reference and administrative information is set out on page 1 and forms part of this report. We conclude the year in a strong position, with a committed Board and senior team, underpinned by a solid financial and quality-driven foundation, remaining well-positioned to move the charity forward.

Aquarius has played an important role in delivering Waythrough's strategy, particularly in the Midlands, contributing to the substance use and gambling operating sectors of the Group. We are proud of our ambition to break down the barriers that stop people from getting the support they need to live a life they value.

STRATEGY AND BUSINESS MODEL

Aquarius is a predominantly 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.

We recognise that working with the people who use our services ensures maximum involvement in the support they receive and full collaboration in how our services are delivered. Co-production is central to breaking down the barriers that prevent people from accessing the support they need to live a life they value.

This report outlines how Aquarius delivers its strategic priorities, including our quality standards, innovations, financial performance, and co-production approach when designing a personal recovery journey alongside the person being supported.

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

- That people use substances or gamble 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 a 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 while operating in an environment where demand for its services has increased with the growth in service delivery as part of the National Drug Strategy.

The direction of Waythrough is outlined in its 2024-2026 'Bridging Strategy', which aims to meet the needs of the people we support, our staff, and local communities. We have made good progress in advancing our priorities and meeting our targets during this year. The Strategy looks to prioritise three strategic goals and two strategic enablers, namely:

Goal 1: Delivering Quality Services: Providing quality services that have people we support at the centre of everything we do

Goal 2: Developing Place-Based Support – Providing local service provision to enable holistic place-based support so that more people get the support they need

Goal 3: Coming Together: To bring together the newly merged charities to create our new foundations

Enabler 1: One Team: Support, develop and retain our workforce, building on a values-driven culture

Enabler 2: Future Fit: Build a robust and sustainable business model

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:

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

Our early intervention services include training, advice, and brief interventions designed to prevent and reduce harm. 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 six 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 coordinate and inform all agencies working with individuals about the progress and ongoing needs, ensuring there is a coordinated and planned approach
- Recovery 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 substance use is a significant factor

Where we work

Our adult alcohol and drug contracts in Wolverhampton, Telford and Wrekin, and Solihull are provided in partnership with statutory and voluntary sector agencies. This year saw the welcome addition of the service

in Buckinghamshire in partnership with NHS and voluntary sector partners. 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 needs.

We have provided a specialist family safeguarding service in Derby, providing support to whole families where there are concerns for children's wellbeing arising from parental substance use. We have also provided substance misuse services for young people in Birmingham, Wolverhampton, Telford and Wrekin, Solihull, 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 throughout the year (Note: NDTMS is the National Drug Treatment Monitoring System):

	2024-25 outcomes	2023-24 outcomes	2022-23 outcomes
NDTMS - Number of new presentations in year	3,370	2,914	2,450
NDTMS - Number of clients in treatment	5,624	4,996	4,608
NDTMS - Waiting times <3 weeks (%)	97%	98%	98%
NDTMS - % Treatment exits that were planned in year	74%	76%	68%
NDTMS - re-presentations <6 months	3.7%	3.2%	2.6%

Throughout the year, we have remained unwaveringly committed to maintaining the seamless delivery of core services. Our teams have made necessary route changes in response to the evolving needs of the individuals we support, while also making quality improvements wherever feasible to ensure uninterrupted assistance. Our client base for the year remained consistent with the previous year, with 22% being part of specific provisions for Young People.

Referral to treatment times within the 3-week tolerance was 97% and Planned exits also remained strong year-on-year. These key indicators benchmark well against peers through national data, notably on representations within 6 months (where the national average is 4%).

SATISFACTION

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

Our Young People's services are each led by Aquarius. We work closely to incorporate views into service improvements in these services, and in the past year, 98% (2024: 98%) were satisfied or very satisfied with the service they received, and 98% (2024: 92%) said they would recommend the service to others. We will continue to broaden the different ways of gathering feedback in these services as those accessing services tell us their preferred methods of contact and contribute to the co-production of our services.

We work closely with our service user representatives group ANCHOR (Aquarius Network Community - Home of Recovery) that has enhanced our approach to co-production over the last year by focusing on improvements in effective participation in decision making with ANCHOR representatives attending our Board meetings and the development of our STARS participation forums in our young people's services.

SAFEGUARDING

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

Board Directors have reviewed their safeguarding responsibilities and have a specific Quality and Safeguarding Committee to support the Board. This Committee exercises scrutiny, provides support for training and awareness and acts as a critical friend. The Committee is chaired by a senior independent safeguarding specialist and ensures that systems and processes are in place to safeguard vulnerable adults and children using Aquarius services, as well as supporting staff in fulfilling this vital element of their work.

As part of our process of continuous improvement we have delivered specific training at the appropriate level for all staff in the organisation, provided regular specialist supervision to operational staff, audited the safeguarding practice of our services, and ensured that 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 training, supervision, and guidance for the workforce, and to support liaising with safeguarding authorities when issues arise. All safeguarding incidents are appropriately referred to and worked through with our multi-agency partners. We ensure that incidents are properly reported (and recorded) internally to facilitate a thorough review, with actions taken to prevent the further escalation of safeguarding concerns. This is also the cornerstone of our lessons learned program.

In 2024-25, 97 new safeguarding referrals were recorded, with 80% of these 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 regularly reviewed to ensure clarity on reporting compliance and activity trends within and between services, both on a quarterly and yearly basis.

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

STAKEHOLDERS

This year has seen service delivery continue to adapt to the wide-ranging and complex needs of people impacted by alcohol, drugs, and gambling. We have increased the level of outreach delivery in the community through our services to bring more people into treatment and retain them, thereby achieving successful outcomes. We have also increased the provision of 'transitions' services for young people aged 18-25 years old to help support young people affected by alcohol and drugs at this crucial stage of early adulthood.

QUALITY CONTROL

Aquarius, as part of the Waythrough Group, follows an integrated performance and quality assurance system. This underpins our strategic objective to deliver high-quality services by continuously tracking our performance, delivery, and quality assurance at the individual service level. Our quality assurance program ensures quality, consistency, and continuous improvement across all service models. This ensures that we consistently put the people we support at the heart of everything we do, striving to meet their aspirations and expectations.

Our adult treatment services are delivered in partnership with NHS Trusts. As a result, our partners are subject to continual quality assessment and assurance through adherence to the Care Quality Commission's (CQC) Fundamental Standards of Care, and they are audited by the CQC to ensure compliance. This ensures that our services are Safe, Effective, Caring, Responsive, and Well Led. We also regularly audit and assess our Young People's services to ensure these quality standards are met.

Our Quality Assessment Framework ensures that local managers can continuously monitor the quality of service being provided. This framework 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 Quality and Safeguarding Committee brings together key personnel from the workforce to ensure that the overall standards and performance in each individual service are quality assured and tested, and a continuous improvement program is firmly in place.

FINANCIAL REVIEW

Aquarius recorded a surplus in the Statement of Financial Activities of £535k (2024: £607k surplus), achieved from a total income of £8,574k (2024: £6,407k).

The increase in Income reflects the increase in the outcomes achieved, enabled by a new contract with NHS Inclusion (the Midlands Partnership NHS Foundation Trust) for Buckinghamshire County Council, and expanded service provision with Birmingham City Council, Wolverhampton City Council (with NACRO) and the Gamble Aware consortium.

Alongside this growth, Aquarius revised its staffing salary scales to help reward the workforce, improve staff retention rates and to assure service delivery. Many individuals will have benefited from salary increases of between 5% to 15%. As a result of this investment in our workforce, operating surplus before overheads fell

by 3.7% to 17.8% compared to the previous year. A labour shortage remains a challenge within the sector, and building and retaining our skilled workforce continues to be a key focus for management and the Board.

To sustain service delivery, support costs increased by 28%, from £773.4k to £988.4k, with the strengthening of regional management capacity and a higher corporate support recharge from the parent organisation, Waythrough, in line with the scale and complexity of Aquarius' expanding contract portfolio.

The key areas of the balance sheet show an increase in total assets less liabilities, with the movement in fixed assets mostly attributed to further investment in properties for delivering community-based services. Cash balances were reduced by 20% to £3,845k compared to the prior year, due to the effects of the cost of living, a reduction in operating surplus, and property investment. There has also been an increase in the volume of contracts where invoicing takes place after the quarter following agreement with the Commissioners.

The overall financial position is reflected in the total charity funds, which increased by £534.7k to £6,416.8k (2024: £5,882.1k). This includes unrestricted funds of £5,275k (2024: £4,975k). The business will continue to use its reserves for future investments.

Aquarius is in a good financial position, and we have successfully increased our revenue, improved operational efficiency, and accumulated reserves to support future endeavours. This positive trend instils confidence in the prospects of our organisation.

The table below shows performance over the last 5 years.

Financial data in £000's	2025	2024	2023	2022	2021
Total income	8,574	6,407	6,283	5,706	5,656
Operating surplus (before overheads)*	1,523	1,380	1,809	1,401	1,317
Operating surplus before overheads (as % of turnover)	17.8%	21.5%	28.8%	24.6%	23.3%
Non-current assets	1,316	1,009	819	541	343
<u>Net current assets:</u>					
Cash	3,845	4,834	4,860	4,128	3,390
Other net current Assets/(Liabilities)	1,256	39	(403)	(341)	17
<u>Reserves:</u>					
Restricted	1,142	908	751	451	434
Unrestricted	5,275	4,975	4,524	3,877	3,316

* This represents turnover less operating expenditure before overheads.

RESERVES POLICY

The Charities Statement of Recommended Practice (SORP) guidance states that the charity must explain any policy it has for holding reserves and state the amounts of those reserves and why they are held. To this end Aquarius trustees have given due consideration to the minimum cash reserves needed. The charity's target minimum level of cash reserves can be expressed as a minimum figure to meet its payroll commitments for a period of 72 days. Currently, for Aquarius, this equates to £1m in the financial year 2024-25. Cash reserves are more than sufficient to meet its commitments.

VALUE FOR MONEY

The Trustees have collaborated with management on the Aquarius contribution to a group value-for-money initiative that has been in operation throughout the year.

The strands of this programme cover:

- more effective use of 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

- restructuring overheads to meet future needs and ensure full resourcing of frontline services

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 in the autumn each year.

In 2024-25, the senior team worked with the Board to review current and potential risk challenges alongside the proposed controls and management actions to be taken forward.

The year continued to feature challenges in recruitment and retention of staff that are being faced across the care sector and the economy at large. There was also a focus on ensuring we deliver on the priorities of the Drug Strategy to increase numbers in treatment, reduce crime, and reduce drug and alcohol related deaths, by providing effective but flexible services which support people to achieve their recovery goals. The work of our ANCHOR group, which comprises representatives of the people we support, greatly helps us conduct a reality check on our thinking as we respond to the environment and demand, thereby adapting our service provision accordingly.

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

The Aquarius Board has two assurance Committees made up of Trustees. One has an overview of Quality and Safeguarding, and the other of Finance, People, and Operations. These Committees improve the Board's ability to scrutinise activity and strategy and bolster the risk management framework. In the Finance, People, and Operations Committee, there are opportunities to undertake in-depth reviews of 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. Aquarius provides assurance on risks for the Audit and Risk Committee of the Group Board.

Aquarius also cross-checks the effectiveness of its processes and controls by utilising external accreditation bodies, as well as client and staff feedback. The general economic and social environment is currently presenting significant challenges; nonetheless, there are also some opportunities. The Drug Strategy has brought increased funding, and with funding markets remaining fiercely competitive, 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 have continued to affect the people we support and some elements of our workforce. 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 is built into our programmes as far as possible. The resilience of our staff has been remarkable, with staff turnover reducing over the last year. We continually assess market trends in employment and look to improve retention through workplace well-being, strong training and development opportunities, ensuring that equality, diversity and inclusion are celebrated and used to impact the services we provide in our communities. We believe all these initiatives make us an attractive employer. This risk is closely monitored and managed by management.

The Trustees have thoroughly reviewed the major risks and are satisfied that systems and procedures are in place to manage these. Our systems and procedures are supported by a robust set of policies and procedures that are continually reviewed for their suitability and effectiveness.

FINANCIAL RISK MANAGEMENT

Our primary financial risks stem from credit risk associated with our bank balances and liquidity risk from trade debtors. We manage credit risk by placing deposits only with institutions that possess high credit ratings. The majority of trade debtors are amounts due from public bodies in various forms, making credit risk insignificant. Therefore, no significant provision for bad debt has been made.

The Aquarius Board monitors cashflow forecasting. Aquarius maintains reasonable liquidity with sufficient cash to cover short-term commitments. There are currently no non-cash financial investments or loans, so there are no issues concerning covenants, gearing, or securitisation.

POST BALANCE SHEET EVENTS

Andrew Whitely, the company secretary, retired on 1 August 2025 and was replaced by June Riley. There are no further material post-balance sheet events to disclose.

LOOKING AHEAD

Aquarius's strategic priorities for the coming year focus our attention on the challenges and opportunities ahead. Our three main strategic priorities are centred on Identity, sustainable growth, and quality.

Identity: As an organisation, we will be clear about who we are, what we do, how we do it, and what makes us different.

Sustainability: We will ensure that the organisation achieves sustainable growth, enabling it to fulfil its mission.

Quality: We will guarantee the consistent delivery of quality services to the people we support, helping them achieve well-being and a life they value.

The National Drug Strategy has brought increased funding and, along with it, expectations for services to increase the number of people in treatment, reduce the rate of drug and alcohol-related deaths, and reduce drug-related crime. Aquarius, like other providers in the sector, will need to ensure that the increased funding leads to improved results in the priority areas outlined in the Strategy guidelines.

Despite the challenges of the last year, our overriding commitment is to continue to provide quality, evidence-based services that support individuals and families in overcoming the harms caused by alcohol, drugs, and gambling. We believe that our services are more important and 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 have invested in acquiring two properties as part of our 'Aquarius Homes' initiative. These were funded from our reserves to ensure that our resources are carefully applied to bring about wider benefits to our communities. Since the acquisition, the development of these properties has faced delays and is now planned to be online with 7 residents by summer 2025. This initiative will enable the young people to access the support we provide and achieve sustainable and settled accommodation in the community. The scheme will provide both social and financial returns on investment, helping to meet our goal of diversifying income streams.

There are changes in the way gambling services are funded and commissioned with the advent of commissioning through the NHS and Office for Health Improvement and Disparities (OHID) although Aquarius has a prime place in the development of a national gambling treatment and recovery system with a proven track record in the delivery of quality gambling services. As lead for the West Midlands and West Mercia for gambling, we will maintain a focus on our provision of gambling services as we enhance the support provided to people affected by the harms of gambling in this region.

OUR PEOPLE

The dedication and commitment of our workforce and volunteers over the past year have been invaluable. We extend our deepest gratitude to them for consistently going the extra mile. We take pride in the low sickness levels within our organisation, which have allowed most of our services to operate at full capacity. This is particularly significant for us as a charity that places great importance on the social value, we bring to the communities we serve.

Recruitment and retention have continued to be challenging across the health and social care sector this year. We have aligned our salaries with the market median to ensure a competitive pay and reward package. Additionally, we have been able to provide consolidated pay awards to our staff in the past year, maintaining an attractive compensation and benefits package.

As of March 31, 2025, we had a workforce of 204 (compared to 163 on March 31, 2024). We are also fortunate to have 35 volunteers working across our services, bringing a unique perspective based on their personal experiences as individuals who have received support within our services. To enhance our volunteer program and provide a quality experience for our volunteers, we have continued to invest in a Senior Volunteer Coordinator role dedicated to supporting volunteering across all Aquarius services.

Furthermore, we continue to have several university placements at Aquarius Services, specifically targeting relevant courses such as Counselling, Psychology, and Youth Work. This initiative provides a pipeline for new talent within Aquarius and assists in the recruitment of new staff members.

In collaboration with partners in the Waythrough Group, Aquarius actively works to prevent unintentional contributions to Modern Slavery. Our Group Statement in support of this cause is available on the Waythrough website.

ENVIRONMENT

The environmental impact of our organisation's activities and decision-making processes has become a fundamental consideration in our approach to service delivery and improvement programs. Recognising the significance of this issue to our stakeholders and the Board, we are dedicated to ensuring that our services are socially and environmentally responsible. We take this responsibility very seriously.

Throughout 2024-25, we have continued our project aimed at realising multiple benefits in the years to come. This project involves adopting new approaches to how we operate and deliver our services and gradually transitioning towards behaviours that align with long-term environmental sustainability.

We are implementing the following areas of focus:

- Establishing a network of sustainability champions across the organisation, providing them with a simple framework to follow, clear action plans, and defined outcomes to achieve.
- Harnessing the expertise and insights of the individuals we support to maximize our impact through co-production.
- Integrating environmentally sustainable practices and standards into all aspects of our work.
- Implementing quantifiable actions to save money and reduce carbon emissions.
- Encouraging effective collaboration within teams and fostering innovative solutions to sustainability challenges.
- Developing a framework to promote and reward behavioural and cultural change.
- Demonstrating our proactive and responsible approach as an employer by prioritizing workforce well-being and placing the individuals we support at the core of everything we do.

By embracing these initiatives, we aim to positively impact our environment and the communities we serve while exemplifying our role as a socially conscious and forward-thinking organisation.

SOCIAL VALUE

All of our services are evaluated based on the social value we add to our beneficiaries, their communities, and the wider community and national interest. This report reviews our activity for the year and outlines our future aspirations in terms of increasing opportunities and benefits for our communities. Above all, we reflect on our commitment to being a good employer that reflects its community, our efforts to be environmentally responsible through our environmental strategy, and our collaboration with commissioners to add social value through the services we provide in specific communities across the Midlands and beyond.

Delivering social value through our contracted services

We have delivered a total of 11 contracted addiction support services, with six large contracts delivering adult services and five services for young people. Our services are mostly based in the Midlands, with the addition of the Buckinghamshire service this year, which has extended our geographic footprint beyond 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, as set out below:

- 75% (2024, 75%) of people we have supported have reduced their drug/alcohol use after 12 weeks in treatment.
- 81% (2024, 84%) of people we have supported have reduced their drug/alcohol use upon successful exit from the service.
- 40% (2024, 40%) of people we have supported reported abstinence from drug/alcohol use upon successful exit from the service;
- 32% (2024, 34%) of people we supported reported improved or stabilised psychological health; and,
- 20% (2024, 24%) of people we supported reported improved or stabilised physical health;
- 28% (2024, 29%) 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 social and economic challenges.

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.

Delivering social value through our grant-funded programmes

We deliver several tailored, time-limited programmes that are individually funded by 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 resources to manage additional unmet needs 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, some on an ongoing basis, while others wish to support a particular time-limited initiative. This really enhances the work we do and improves the quality of life for those 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 services continue to provide innovation to meeting the organisation's mission whilst providing alternative income streams.

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 to stay in work despite concerns over substance use, gambling, and mental health. The service also ensures 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 operate from three locations - in Digbeth, and from premises in Selly Oak and the Jewellery Quarter in Birmingham as part of the Grounded wellbeing cafe premises in partnership with the Living Well Consortium. All sites have provided employment and support opportunities for disadvantaged young people who have experienced problems with substance misuse, mental ill health, homelessness and/or offending. In the year, 8 young people completed training placements with us including recognised qualifications in food hygiene and barista training providing hospitality employment opportunities and access to further education. The Evolve site in Digbeth also became a youth recovery hub this year providing 382 group activity sessions and 2919 interventions to help young people in their recovery from alcohol and drugs.

FUNDRAISING

Aquarius does not make unsolicited fundraising approaches amongst supporters or the 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 and is reflected in our policy and process documentation. Our workforce aims to be reflective of our communities and people we support and a summary of this is given in the table below. Our workforce also includes 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.

	<u>People we Support</u>	<u>Workforce</u>	<u>Board</u>
Gender:			
Male	59.2%	21.5%	50.0%
Female	40.8%	78.5%	50.0%
Ethnicity (self-defined)			
BAME	25.0%	37.3%	25.0%
White or unknown	75.0%	62.7%	75.0%
Disability (self-defined)			
Yes	15.4%	15.3%	Not currently available
No			
Lived experience of the services we provide			
Yes	n/a	12.4%	Not currently available
No	n/a		

Aquarius has an ambitious Equality, Diversity and Inclusion (EDI) Plan which is overseen by our Cultural Competence Change Group which is led by the workforce and has representatives from staff, volunteers, people who use the service, and leadership. We aim for a close alignment between our workforce diversity compared with the people we support. The Plan also aims to embed a broad range of cultural change to ensure we are fully meeting all of the needs of the communities we serve. Our ambition through the plan is to be an actively anti-discriminatory organisation where we embrace cultural identity as being fundamental to a person's recovery journey and their wellbeing.

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 Group policies for all 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 the parent (Waythrough).

Aquarius senior leadership, the Aquarius Board and each of its Committees are each charged with scrutiny of controls and assurances in place. In addition, the Audit and Risk Committee of the Waythrough Board has oversight of the group's risk profile ensuring that early warning systems are in place. 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.

INTERNAL CONTROLS ASSURANCES

The Trustees are responsible for obtaining the necessary controls and assurances from the senior management team and reviewing their effectiveness. Over the past year, the Trustees have brought a wide range of knowledge, skills, and experiences to the Board's deliberations, working with the senior team to ensure the Charity is both effective and safe.

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. Ongoing improvements are continuously being made to the Charity's effectiveness, ensuring that risk management and control are 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 also directors of Waythrough, and the quorum requires at least 1 Waythrough director to be present. All Trustee appointments require the approval of the sole member (Waythrough).

The Aquarius Board met 3 times in 2024-25 (6 in 2023-24) with an average attendance of 79% (80% in 2023-24). We welcomed new Board members in Bhakti Seth, Liz Herridge and Richard Tunney. Bhakti Seth stood down from the Board on 11 February 2025 as one of the 2 parent company nominated trustees due to work commitments and was replaced by Ian MacQueen. The Board is well equipped to face the challenges ahead with a diversity of skills, knowledge and approaches.

Trustees schedule development days to ensure they are fully equipped to fulfil their duties as Trustees and work effectively together. They also conduct visits to services to get the perspective of people who use our services and meet the frontline workforce to gain essential direct feedback on what is good about Aquarius and what could make it even better.

The Articles specify a nine-year limit to the length of time a Trustee can serve. At 1 April 2025, the average length of service amongst independent Trustees (i.e. the trustees other than the nominees from Waythrough) is 3.5 years. We are guided by Charities Commission code of Governance.

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. Usually, Trustees are also linked with a specific service to get closer to our work in a particular area, which can then be reflected in and shared across all board discussions and decisions.

A legal Framework Agreement between Waythrough and Aquarius sets out the delegations and assurances required between the Waythrough and Aquarius Boards. This agreement highlights specific areas where the Aquarius Trustees have responsibility for the overall leadership and governance of the organisation and to hold senior management to account. The Aquarius Head of Service has a formal reporting line to both the Aquarius Board Chair and the parent Group Executive Director of Operations.

Board meetings are minuted and the record is circulated to Trustees. The Aquarius 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. It comprises staff representatives and is chaired by the Head of Service. Aquarius also has a Network (ANCHOR) of representatives from the people we support across our services, that meet regularly to share experiences, contribute to the quality improvement programme and future research decisions. They contribute enthusiastically to reviewing the work of Aquarius on an ongoing basis and a nominated representative from each meeting attends the next Board meeting to feedback to support Trustees to respond to the needs of current and future users of services.

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 rediscover 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 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 considered 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 it delivers the standards of probity required by law and our regulator and appropriate to our position in the community. Aquarius, as part of the Waythrough Group, 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 Aquarius Board considers the best use of the Charity's identity, brand and profile and going forward will refresh our programme of services to provide 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 8 September 2025 and signed on its behalf

Danielle Oum

Danielle Oum (Sep 16, 2025 10:04:19 GMT+1)

Danielle Oum
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 2025 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 2025 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 1, 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, and the entity's policies and procedures regarding compliance. 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 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:

- FRS102 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; 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 a sample of manual journal entries, selected through applying specific risk assessments applied based on the Charitable Company's processes and controls surrounding annual 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.



Andrew Bond
Senior Statutory Auditor, for and on behalf of

S&W Audit
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
Date: 16/09/2025

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2025

		2025			2024		
Income and endowments from:	Note	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Donations and legacies		22,353	617	22,970	2,550	1,750	4,300
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	4	3,470,372	4,845,768	8,316,140	2,527,979	3,623,375	6,151,354
Other charitable activities	4	-	5,837	5,837	7,908	-	7,908
Investments		-	229,247	229,247	-	243,842	243,842
Total income		3,492,725	5,081,469	8,574,194	2,538,437	3,868,967	6,407,404
Expenditure on:							
Raising funds		326	29,821	30,147	347	19,219	19,566
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	5	3,235,263	4,728,441	7,963,704	2,381,166	3,329,874	5,711,040
Other expenditure	5	22,734	22,899	45,633	491	69,505	69,996
Total expenditure		3,258,323	4,781,161	8,039,484	2,382,004	3,418,598	5,800,602
Net income/ (expenditure)		234,402	300,308	534,710	156,433	450,369	606,802
Net movement in funds		234,402	300,308	534,710	156,433	450,369	606,802
Total funds brought forward		907,588	4,974,527	5,882,115	751,155	4,524,158	5,275,313
Total funds carried forward		1,141,990	5,274,835	6,416,825	907,588	4,974,527	5,882,115

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2025
COMPANY NUMBER 02427100

	Note	2025 £	2024 £
Non-current assets			
Property, plant and equipment	9	<u>1,316,269</u>	<u>1,009,346</u>
Current assets			
Debtors	10	2,393,410	1,373,811
Cash at bank and in hand		<u>3,844,585</u>	<u>4,834,058</u>
Total current assets		6,237,995	6,207,869
Current liabilities			
Creditors	11	<u>1,137,439</u>	<u>1,243,939</u>
Net current assets		<u>5,100,556</u>	<u>4,872,769</u>
Net assets	13	<u><u>6,416,825</u></u>	<u><u>5,882,115</u></u>
Funds			
Restricted funds	14	1,141,990	907,588
Unrestricted funds			
Designated Property funds	15	1,316,269	1,009,346
Unrestricted general funds		<u>3,958,566</u>	<u>3,965,181</u>
Total charity funds		<u><u>6,416,825</u></u>	<u><u>5,882,115</u></u>

Approved and authorised for issue by the 8 September 2025 and signed on their behalf by

Danielle Oum

[Danielle Oum \(Sep 16, 2025 10:04:19 GMT+1\)](#)

Danielle Oum
Chair

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2025

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. On 1 June 2024, Richmond Fellowship merged with the Humankind Charity to form a new enlarged group called Waythrough, which became the new parent company for Aquarius and remains so.

2. Accounting policies

Basis of preparation

The accounts are prepared under the Companies Act 2006 and the historical cost convention 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.

The parent company, (Richmond Fellowship) merged with the Humankind Charity on 1 June 2024 to form a new enlarged group which became the new parent company for Aquarius and no material adjustments arose within Aquarius as a result of the merger.

However, to ensure the assets of the existing Aquarius can meet all its obligations, the Board has considered the potential impacts from different adverse conditions such as 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.

On this basis, the Board has reasonable expectations that Aquarius has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the annual 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 because 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 all assets 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 and software	5-10 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 Statement of Financial Position 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

	2025			2024		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£	£	£	£	£	£
Local authorities	1,262,346	3,571,666	4,834,012	727,975	2,408,797	3,136,772
Government departments	-	-	-	-	-	-
Lottery funding	-	-	-	-	-	-
Other entities	2,208,026	1,274,102	3,482,128	1,800,004	1,214,578	3,014,583
Income from alcohol, drug and gambling activities	3,470,372	4,845,768	8,316,140	2,527,979	3,623,375	6,151,354
Other charitable activities	-	5,837	5,837	7,908	-	7,908
	3,470,372	4,851,605	8,321,977	2,535,887	3,623,375	6,159,262

5. Charitable expenditure

	2025			2024		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
	£	£	£	£	£	£
Charitable activities						
Staff costs	2,432,129	3,564,969	5,997,098	1,711,927	2,661,070	4,372,997
Other direct costs	356,288	590,745	947,033	265,096	290,687	555,783
Depreciation	13,331	17,758	31,089	8,261	478	8,739
Support costs	433,515	554,891	988,406	395,882	377,582	773,464
Bank charges and interest payable	-	78	78	-	57	57
Expenditure on alcohol, drug and gambling activities	3,235,263	4,728,441	7,963,704	2,381,166	3,329,874	5,711,040
Other charitable activities	22,734	22,899	45,633	491	69,505	69,996
	3,257,997	4,751,340	8,009,337	2,381,657	3,399,379	5,781,036

6. Support costs

	2025	2024
	£	£
Staff costs	408,957	276,011
Premises and other office costs	88,754	67,274
Computer costs	100,292	71,875
Equipment, maintenance and renewals	29,776	14,000
Governance costs	106,086	38,358
Service user costs	5,354	2,650
Other support costs	249,187	303,296
	988,406	773,464

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:	2025	2024
	£	£
Depreciation	51,418	38,929
Auditors' remuneration (excl.VAT)	22,050	20,832
Operating lease rentals	126,621	73,322

8. Staff costs and numbers

The costs were as follows:	2025	2024
	£	£
Salaries and wages	5,371,274	3,966,906
Social security costs	480,348	363,462
Pension contributions	298,227	230,538
	6,149,849	4,560,906

No Board Trustees received any remuneration. Reimbursed expenses in the year were £nil (2024; £nil). At 31 March 2025, D Oum and I MacQueen are the Waythrough Board nominees who are also trustees on the Aquarius Board. Waythrough is the parent company of Aquarius.

One individual was paid more than £60,000 in the year.

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

	2025	2024
	No	No
Alcohol, drug and gambling services	190	148
Support staff	14	14
	204	163

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

	2025	2024
	No	No
Alcohol, drug and gambling services	204	161
Support staff	13	14
	217	175

9. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and household equipment £	Computer equipment and software £	Total £
Cost:					
At 1 April 2024	909,866	370,940	26,933	416,431	1,724,170
Additions in year	70,128	-	7,086	53,508	130,722
Additions WIP	227,995	-	-	-	227,995
Disposals in year	-	(37,203)	(16,908)	(114,910)	(169,021)
At 31 March 2025	1,207,988	333,737	17,111	355,029	1,913,866
Depreciation:					
At 1 April 2024	(106,228)	(317,207)	(26,929)	(264,460)	(714,824)
Charge for the year	(5,093)	(3,606)	-	(42,719)	(51,418)
Disposals in year	-	37,203	16,908	114,534	168,645
At 31 March 2025	(111,321)	(283,610)	(10,021)	(192,645)	(597,597)
NET BOOK VALUE					
At 31 March 2025	1,096,668	50,127	7,090	162,384	1,316,269
At 1 April 2024	803,638	53,733	4	151,971	1,009,346

10. Debtors

	2025	2024
	£	£
Trade Debtors	1,459,705	1,022,669
Other debtors	1,823	2,379
Accrued Income	855,788	328,153
Prepayments	23,667	20,610
Amount due from Parent undertaking	52,427	-
	2,393,410	1,373,811

11. Creditors

	2025	2024
	£	£
Trade creditors	38,967	123,909
Taxation and social security	122,125	88,058
Other Creditors	57,097	31,585
Deferred income	814,100	965,747
Accruals	105,150	125,801
	1,137,439	1,335,100

12. Deferred income

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

	2025	2024
	£	£
As at 1 April 2024	965,747	622,210
Released in the year	(965,747)	(622,210)
Deferred in the year	814,100	965,747
As at 31 March 2025	814,100	965,747

13. Analysis of net assets between funds

As at 31 March 2025

	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	1,316,269	-	1,316,269
Current assets	1,141,990	-	5,152,742	6,294,732
Current liabilities	-	-	(1,194,176)	(1,194,176)
	1,141,990	1,316,269	3,958,566	6,416,825

As at 31 March 2024

	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	1,009,346	-	1,009,346
Current assets	907,588	-	5,300,281	6,207,869
Current liabilities	-	-	(1,335,100)	(1,335,100)
	907,588	1,009,346	3,965,181	5,882,115

14. Restricted funds

	At 1 April 2024 £	Incoming resources £	Outgoing resources £	At 31 March 2025 £
Alcohol & drug services	437,165	2,299,538	(2,185,937)	550,765
Gamcare (Adults & YP)	469,322	1,193,187	(1,072,051)	590,458
Drug Concern	1,101	-	(335)	766
	907,588	3,492,725	(3,258,323)	1,141,990
	At 1 April 2023 £	Incoming resources £	Outgoing resources £	At 31 March 2024 £
Alcohol & drug services	424,837	1,703,014	(1,690,686)	437,165
Gamcare (Adults & YP)	317,127	835,423	(683,228)	469,322
Drug Concern	9,191	-	(8,090)	1,101
	751,155	2,538,437	(2,382,004)	907,588

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 CONNECT (West Midlands), a former charity. This fund will be spent on work that supports carers and other affected by drug user 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 2024	Incoming resources	Outgoing resources	At 31 March 2025
	£	£	£	£
Property Fund	1,009,346	358,341	(51,418)	1,316,269
General fund	3,965,181	4,525,201	(4,531,816)	3,958,566
	<u>4,974,527</u>	<u>4,883,542</u>	<u>(4,583,234)</u>	<u>5,274,835</u>

	At 1 April 2023	Incoming resources	Outgoing resources	At 31 March 2024
	£	£	£	£
Property Fund	818,592	232,957	(42,203)	1,009,346
General fund	3,705,566	3,636,010	(3,376,395)	3,965,181
	<u>4,524,158</u>	<u>3,868,967</u>	<u>(3,418,598)</u>	<u>4,974,527</u>

Designated funds

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

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:

	2025	2024
	£	£
Within one year	118,669	12,328
Two to five years	291,433	160
More than five years	254,973	400
	<u>665,075</u>	<u>12,888</u>

17. Controlling party

Following the merger of Richmond Fellowship and Humankind Charity on 1 June 2024, the merged charity launched its new name, brand, and strategy on 1 October 2024, becoming the charity Waythrough.

At 31 March 2025, the ultimate and immediate parent undertaking and controlling party of Aquarius is Waythrough, a company incorporated under the Companies Act 2006 in England, number 01820492. Waythrough is a national provider of services relating to substance use, mental health and other related areas. Waythrough is a registered charity, number 515755. The parent has prepared full consolidated accounts, which incorporate Aquarius and these may be obtained from the Charity Commission website, Companies House website, or the parent's registered office, located at Inspiration House, Unit 22, Bowburn North Industrial Estate, Bowburn, Co Durham DH6 5PF.

The financial and operating policies of the charity are guided by Waythrough, and this control is exercised through Waythrough'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 £340,500 (2024; £324,500).
- Offset by charges to its parent of £54,615 (2024; £52,294) for services to support its parent's contracts.
- Leading to a net charge from its parent of £285,385 (2024; £272,206).

Accounts

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

Annual Report

and Financial Statements

for the year ended 31 March 2024

aquarius

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

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BOARD MEMBERS AND ADVISERS

TRUSTEES

D Carrington	(resigned 29 July 2024)
M Etches	(appointed 30 May 2023)
R A Goodby	(resigned 31 July 2023)
E Herridge	(appointed 29 July 2024)
A J Lamb	
F Mahmood	Vice Chair (acting Chair 1 April - 30 May 2024) (resigned 31 March 2024)
J M Riley	(resigned 1 June 2024)
D Oum	Chair (appointed 30 May 2023)
B Seth	(appointed 1 June 2024)
N K Shough	
R Tunney	(appointed 29 July 2024)
A M Williams	

PRINCIPAL STAFF

R McVey	-	Head of Service
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PRINCIPAL BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Bates, Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London
EC4R 1BE

INDEPENDENT AUDITOR

CLA Evelyn Partners
Statutory Auditors
Chartered Accountants
45 Gresham Street
London
EC2V 7GB

REGISTERED OFFICE

236 Bristol Road
Birmingham
B5 7SL

COMPANY REGISTRATION

02427100

CHARITY NUMBER

1014305

WEBSITE

www.aquarius.org.uk

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 2024. 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 a charity providing significant support to people impacted by alcohol, drugs, and gambling.

This is a year that has seen the continued increased investment in the substance misuse sector resulting from the 10-year Drug Strategy 'From Harm to Hope' (published December 2021). This increased investment has helped us to enhance the quantity and range of support provided to adults and young people in mitigating the harms from substance misuse.

Our strongest resource is our workforce who work consistently and flexibly 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 the best chance to succeed.

Aquarius Action Projects (Aquarius) is a registered charity, with its own Board of Trustees whilst being a wholly controlled subsidiary of Richmond Fellowship as part of the Recovery Focus Group. Richmond Fellowship merged with the Humankind Charity on 1 June 2024 to form a new enlarged group which became the new parent company for Aquarius. This new charity will be launching a new name, brand, and strategy on 1 October 2024.

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 but evolving Trustee Board and senior team under-pinned by a strong financial and quality driven base, in a good position to move the charity forward.

Aquarius has played a vital role in the delivery of the Recovery Focus Group's 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.

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.

We recognise working with the people who use our services ensures maximum involvement in the support they receive and full collaboration in how our services are run. Co-production is central to putting people at the heart of everything we do.

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

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

- That people use substances or gamble 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 with the growth in service delivery as part of the Drug Strategy.

The direction of Recovery Focus is set out in the group strategy entitled “Inspiring Individual Recovery” which aims to meet the needs of the people we support, staff and local communities. As a Group, the 2023-24 year was the first year of delivering this strategy and we have done well in moving our priorities forward and delivering on our targets. During the year, the Group has focussed on five strategic enablers, namely:

1. Quality Services: We'll deliver and develop quality services everyone can be proud of.
2. Working Together: We'll put people at the heart of everything we do.
3. Reach: We'll strengthen our presence and partnerships in the places we operate.
4. Sustainability: We'll ensure the sustainability of the Recovery Focus Group.
5. Impact: We'll ensure our services provide personal and social 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 to prevent and reduce harm. 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 six 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 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 have also provided young people's substance misuse services in Birmingham, Wolverhampton, Telford and Wrekin, Solihull, 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 throughout the year (Note: NDTMS is the National Drug Treatment Monitoring System):

	2023-24 outcomes	2022-23 outcomes	2021-22 outcomes
NDTMS - Number of new presentations in year	2,914	2,450	2,418
NDTMS - Number of clients in treatment	4,996	4,608	4,820
NDTMS - Waiting times <3 weeks (%)	98%	98%	99%
NDTMS - % Treatment exits that were planned in year	76%	68%	72%
NDTMS - re-presentations <6 months	3.2%	2.6%	1.6%

Throughout the year, senior leadership and the Trustees have remained unwaveringly committed to maintaining the seamless delivery of core services. They have made necessary route changes in response to the evolving needs of the individuals we support, while also making quality improvements wherever feasible to ensure uninterrupted assistance. Our client base for the year remained consistent with the previous year, with slightly over 20% being part of specific provisions for Young People.

Referral to treatment times within the 3-week tolerance was 98%, 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 in recent years. The positive/stabilised key recovery and health indicators remain encouraging despite the difficulties people have faced over the year, particularly regarding 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 6.7%).

SATISFACTION

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

Our Young People's services are each led by Aquarius. We work closely to incorporate views into service improvements in these services, and in the past year, 98% (2023: 97%) were satisfied or very satisfied with the service they received, and 92% (2023: 95%) said they would recommend the service to others. We will continue to broaden the different ways of gathering feedback in these services as those accessing services engage with us about their preferred methods of contact and contribute to the co-production of our services.

We have a standing 'Working Together' sub-committee that has enhanced our approach to co-production over the last year by focusing on improvements in effective participation in decision making by ANCHOR (Aquarius Network Community - Home of Recovery), representatives at Board and developing participation forums in all our young people's services.

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 Quality and Safeguarding Committee to support the Board. This Committee exercises scrutiny provides support for training and awareness and acts as a critical friend. The Committee is chaired by a senior independent safeguarding specialist and ensures that systems and processes are in place to safeguard vulnerable adults and children using Aquarius services, as well as supporting staff in fulfilling this vital element of their work.

To give the Board a clear line of sight, we have a Safeguarding Annual Action Plan that is instrumental in improving practice and awareness at Aquarius. 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,

audited the safeguarding practice of our services, and ensured that 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 training, supervision, and guidance for the workforce, and to support liaising with safeguarding authorities when issues arise. All safeguarding incidents are appropriately referred to and worked through with our multi-agency partners. We ensure that incidents are properly reported (and recorded) internally to facilitate a thorough review, with actions taken to prevent the further escalation of safeguarding concerns. This is also the cornerstone of our lessons learned program.

In 2023-24, 160 safeguarding referrals were recorded, with all but 10 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 regularly reviewed to ensure clarity on reporting compliance and activity trends within and between services, both on a quarterly and yearly basis.

We understand 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 to those individuals to enable appropriate engagement plans and multi-agency risk management plans to be put in place, allowing us to escalate concerns and ensure a preventative approach to safeguarding risk.

STAKEHOLDERS

This year has seen service delivery continue to adapt to the often wide-ranging and complex needs of people impacted by alcohol, drugs, and gambling. We have increased the level of outreach delivery in the community through our services to bring more people into treatment and retain them to achieve successful outcomes. We have also increased the provision of 'transitions' services for young people aged 18-25 years old to help support young people affected by alcohol and drugs at this crucial stage of early adulthood.

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 continuously tracking our performance delivery and quality assurance at the individual service level. Our quality assurance program brings quality, consistency, and continuous improvement to all services, across all service models. This ensures that we consistently put the people we support at the heart of everything we do and strive to 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 they are audited by the CQC to ensure compliance. This ensures that our services are Safe, Effective, Caring, Responsive, and Well Led. We also regularly audit and assess our Young People's services to ensure these quality standards are met.

Our Quality Assessment Framework ensures that local managers can continuously monitor the quality of service being provided. This framework 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 Quality and Safeguarding Committee along with our Working Together Sub Committee brings together key personnel from the workforce with people we support (or recently supported) to ensure that the overall standards and performance in each individual service are quality assured and tested, and a continuous improvement program is firmly in place.

FINANCIAL REVIEW

Aquarius recorded a surplus in the Statement of Financial Activities of £607k (£947k surplus in 2023), achieved from a total income of £6,407k (2023: £6,283k). Income remained relatively stable compared to prior but increases in staff cost and other associated direct cost kept pace with prior year growth meant operating surplus before overheads fell by 0.6% to 28.2% compared to the previous year.

Labour shortage remains a challenge within the sector and building and retaining our skilled workforce continues to be a focus for management and the Board. We worked closely with commissioners in the year to ensure service delivery was maintained in terms of both volume and quality, maximizing the number of beneficiaries we can help through each of our service contracts. Despite the resource constraints, we were able to maintain the volume and quality of treatments we provided through careful planning and the dedication of our staff.

Being a smaller service, managing overheads remains a concern. Although central overheads recharged by the parent increased for the first time in 7 years by 9% due to the impact of inflation and cost of living, the increase was manageable resulting in support service cost reducing by 10% as we continue to monitor our overheads to deliver value for our customers and clients.

The Group has continued to invest in our IT Systems, and we now have Cyber Essentials Plus accreditation.

The key areas of the balance sheet show an increase in total assets less liabilities, with the movement in fixed assets mostly attributed to the acquisition of a new property for delivering community-based services. Cash balances reduced by 1% to £4,834 compared to prior year despite the effects of cost of living, reduction in operating surplus and further investment on properties.

The overall financial position is reflected in the total charity funds, which increased by £607k to £5,882k (2023: £5,275k). This includes Unrestricted funds of £4,975k (2023: £4,524k).

We continue to devise strategies for recruiting and retaining skilled staff who are crucial to our ongoing service to the community, and each staff member has received a one-off cost-of-living payment this year.

Aquarius is in a good financial position, and we have successfully increased our revenue, improved operational efficiency, and accumulated reserves to support future endeavours. This positive trend instils confidence in the prospects of our organisation.

The table below shows performance over the last 5 years.

Financial data in £000's	2024	2023	2022	2021	2020
Total income	6,407	6,283	5,706	5,656	5,299
Operating surplus (before overheads) *	1,380	1,809	1,401	1,317	779
Operating surplus before overheads (as % of turnover) *	21.5%	28.8%	24.6%	23.3%	14.7%
Non-current assets	1,009	819	541	343	402
<u>Net current assets:</u>					
Cash	4,834	4,860	4,128	3,390	2,576
Other net current Assets/(Liabilities)	39	(403)	(341)	17	346
<u>Reserves:</u>					
Restricted	908	751	451	434	405
Unrestricted	4,975	4,524	3,877	3,316	2,919

* This represents turnover less operating expenditure before overheads.

VALUE FOR MONEY

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 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
- restructuring overheads to meet future needs and ensure full resourcing of frontline services

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 2023-24 the senior team worked with the Board to review current and potential risk challenges alongside the proposed controls, and management actions to be taken forward.

The year continued to feature challenges in recruitment and retention of staff that are being faced across the care sector and the economy at large. There was also a focus on ensuring we deliver on the priorities of the Drug Strategy to increase numbers in treatment, reduce crime, and reduce drug and alcohol related deaths, by providing effective but flexible services which support people to achieve their recovery goals. The work of our ANCHOR group which is made up of representatives of people we support, greatly 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 two advisory Committees made up of Trustees. One has an overview on Quality and Safeguarding and the other on Finance, People, 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, People, 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 also cross-checks the effectiveness of its processes and controls by using external accreditation bodies alongside both client and staff feedback. It also forms part of the internal audit work commissioned across the Recovery Focus Group and this year participated in two audits covering, separately, safeguarding and data management and reporting.

The general economic and social environment is currently presenting significant challenges, though nonetheless, there are some opportunities, too. The Drug Strategy has brought increased funding, and 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 have continued to hit the people we support and some elements of our workforce. 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 reviews their expectations 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 look to improve retention through workplace well-being, strong training and development opportunities, ensuring that equality, diversity and inclusion are celebrated and used to impact the services we provide in our communities. We believe all these initiatives make us an attractive employer. This risk continues to be closely monitored and managed by management.

The Trustees have extensively reviewed major risks and are satisfied that systems or procedures are established to manage these. Our systems and procedures are supported by a strong set of policies and procedures that are continually reviewed for fitness for purpose.

FINANCIAL RISK MANAGEMENT

Our primary financial risks stem from credit risk associated with our bank balances and liquidity risk from trade debtors. We manage credit risk by placing deposits only with institutions that possess high credit ratings. The majority of trade debtors are amounts due from public bodies in various forms, making credit risk insignificant. Therefore, no significant provision for bad debt has been made.

Cashflow forecasting is closely monitored by the Aquarius Board, and we maintain reasonable liquidity with sufficient cash to cover short-term commitments. Aquarius does not currently hold any non-cash financial investments or loans, so there are no issues concerning covenants, gearing, or securitisation.

POST BALANCE SHEET EVENTS

Dr Bhakti Seth joined the Aquarius Board as a parent charity nominated Non-Executive Director on 1 June 2024 replacing June Riley. Liz Herridge and Richard Tunney joined the Aquarius Board on 29 July 2024 and David Carrington resigned from the Board immediately following the Board meeting on 29 July 2024 after many years of service. We are indebted to David for his diligence as a trustee over the years.

On 1 June 2024, Richmond Fellowship merged with Humankind Charity to form a new charity, which is the new parent company for Aquarius. This new charity will launch a new name, brand, and strategy on 1 October

2024. Aquarius is a subsidiary of the newly merged organisation. In accordance with this change in control, the Aquarius Articles were changed effective from the same date. Shortly prior to the merger taking place, Richmond Fellowship and Aquarius agreed a new Framework Agreement to set out the parent and subsidiary relationship in practical terms. This Agreement was reached with the oversight of Humankind Charity and has transferred to the new parent charity. There will be a review of the parent and subsidiary company structure in the coming year to maximise the benefits and opportunities of the merger for Aquarius beneficiaries and key stakeholders.

LOOKING AHEAD

Aquarius Strategic Priorities for the next year focus our attention on the challenges and opportunities ahead. Our 3 key strategic priorities are around Identity, Sustainability, and Quality. Identity: As an organisation we will be clear about who we are, what we do, and how we do it; and what makes us different. Sustainability: We will ensure we achieve sustainable growth for the organisation to achieve our mission. Quality: We will ensure consistent delivery of quality services to the people we support so they can achieve wellbeing and a life they value.

The Drug Strategy has brought increased funding and, along with it, expectations for services to increase the number of people in treatment, reduce the rate of drug and alcohol-related deaths, and reduce drug-related crime. Aquarius, like other providers in the sector, will need to ensure that the increased funding leads to improved results in these priority areas set out by the Drug Strategy.

Despite the challenges of the last year, our overriding commitment is to continue to provide quality, evidence-based services that really support individuals and families in overcoming the harms caused by alcohol, drugs, and gambling. We believe that our services are more important and 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 have invested in acquiring 2 properties as part of our 'Aquarius Homes' initiative. These are being funded by our reserves to ensure that our resources are all being carefully applied to bring about wider benefits to our communities. Since acquisition, the development of these properties has faced delays and are now planned to be online with 7 residents towards the end of calendar year 2024. This initiative will enable the young people 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 continue to see increased funding into our gambling services in the coming financial year as Aquarius has a prime place in the development of a national gambling treatment and recovery system. As Regional Alliance Partner lead for the West Midlands and West Mercia for gambling, we will maintain a focus on our provision of gambling services as we enhance the support provided to people affected by the harms of gambling in this region.

We mobilised a significant new service on 1 April 2024 working in partnership with our clinical provider NHS Inclusion to provide Drug, Alcohol and Family services in Buckinghamshire. This will increase the size of our business significantly, but we have closely managed the mobilisation to ensure we 'hit the ground running'.

OUR PEOPLE

The dedication and commitment of our workforce and volunteers over the past year have been invaluable. We extend our deepest gratitude to them for consistently going the extra mile. We take pride in the low sickness levels within our organisation, which have allowed most of our services to operate at full capacity. This is particularly significant for us as a charity that places great importance on the social value, we bring to the communities we serve.

Recruitment and retention have continued to be challenging across the health and social care sector this year. We have aligned our salaries with the market median to ensure a competitive pay and reward package. Additionally, we have been able to provide consolidated and non-consolidated pay awards to our staff in the past year, maintaining an attractive compensation and benefits package.

As of March 31, 2024, we had a workforce of 163 (compared to 153 on March 31, 2023). We are also fortunate to have 31 volunteers working across our services, bringing a unique perspective based on their personal experiences as individuals who have received support within our services. To enhance our volunteer program and provide a quality experience for our volunteers, we have continued to invest in a Senior Volunteer Coordinator role dedicated to supporting volunteering across all Aquarius services.

Furthermore, we have increased the number of university placements at Aquarius services, specifically targeting relevant courses such as Counselling, Psychology, and Youth Work. This initiative provides a pipeline for new talent within Aquarius and assists in the recruitment of new staff members.

In collaboration with our partners in the Recovery Focus Group, Aquarius actively works to prevent unintentional contributions to Modern Slavery. Our Group Statement in support of this cause is available on the Recovery Focus website.

ENVIRONMENT

The environmental impact of our organisation's activities and decision-making processes has become a fundamental consideration in our approach to service delivery and improvement programs. Recognising the significance of this issue to our stakeholders and the Board, we are dedicated to ensuring that our services are socially and environmentally responsible. We take this responsibility very seriously.

Throughout 2023-24, we have continued our project aimed at realising multiple benefits in the years to come. This project involves adopting new approaches to how we operate and deliver our services and gradually transitioning towards behaviours that align with long-term environmental sustainability.

We are implementing the following areas of focus:

- Establishing a network of sustainability champions across the organisation, providing them with a simple framework to follow, clear action plans, and defined outcomes to achieve.
- Harnessing the expertise and insights of the individuals we support to maximize our impact through co-production.
- Integrating environmentally sustainable practices and standards into all aspects of our work.
- Implementing quantifiable actions to save money and reduce carbon emissions.
- Encouraging effective collaboration within teams and fostering innovative solutions to sustainability challenges.
- Developing a framework to promote and reward behavioural and cultural change.
- Demonstrating our proactive and responsible approach as an employer by prioritizing workforce well-being and placing the individuals we support at the core of everything we do.

By embracing these initiatives, we aim to positively impact our environment and the communities we serve while exemplifying our role as a socially conscious and forward-thinking organisation.

SOCIAL VALUE

All of our services are evaluated based on the social value we add to our beneficiaries, their communities, and the wider community and national interest. This report reviews our activity for the year and outlines our future aspirations in terms of increasing opportunities and benefits for our communities. Above all, we reflect on our commitment to being a good employer that reflects its community, our efforts to be environmentally responsible through our environmental strategy, and our collaboration with commissioners to add social value through the services we provide in specific communities across the Midlands.

Delivering social value through our contracted services

We have delivered a total of 10 contracted addiction support services, with 4 large contracts delivering adult services and 6 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, as set out below:

- 75% (2023, 76%) of people we have supported have reduced their drug/alcohol use after 12 weeks in treatment.
- 84% (2023, 82%) of people we have supported have reduced their drug/alcohol use upon successful exit from the service.
- 40% (2023, 37%) of people we have supported reported abstinence from drug/alcohol use upon successful exit from the service;
- 34% (2023, 36%) of people we supported reported improved or stabilised psychological health; and,
- 24% (2023, 22%) of people we supported reported improved or stabilised physical health;
- 29% (2023, 36%) 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 social and economic challenges.

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.

Delivering social value through our grant funded programmes

We deliver several tailored, time-limited programmes that are individually funded by 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 resources to manage additional unmet needs 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, some on an ongoing basis, while others wish to support a particular time-limited initiative. This really enhances the work we do and improves the quality of life for those 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 services continue to provide innovation to meeting the organisation's mission whilst providing alternative income streams.

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 to stay in work despite concerns over substance use, gambling, and mental health. The service also ensures 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 operate from two locations - in Digbeth and from new premises in Selly Oak as part of the Grounded wellbeing cafe premises in partnership with the Living Well Consortium. All sites have provided employment and support opportunities for disadvantaged young people who have experienced problems with substance misuse, mental ill health, homelessness and/or offending. In the year 5 young people completed training placements with us. On average each participant achieves 5 recognised qualifications. Of those completing the programme in 2023-24, 100% went on to further education or employment.

FUNDRAISING

Aquarius does not make unsolicited fundraising approaches amongst supporters or the 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 and is reflected in our policy and process documentation. Our workforce aims to be reflective of our communities and people we support and a summary of this is given in the table below. Our workforce also includes 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.

	<u>People we Support</u>	<u>Workforce</u>	<u>Board</u>
Gender:			
Male	62.0%	23.5%	50.0%
Female	37.6%	76.5%	50.0%
Ethnicity (self-defined)			
BAME	16.5%	12.5%	38.0%
White or unknown	75.8%	87.5%	62.0%
Disability (self-defined)			
Yes	25.5%	7.5%	Not currently available
No			
Lived experience of the services we provide			
Yes	n/a	12.5%	Not currently available
No	n/a		

The Recovery Focus Group has an ambitious Equality, Diversity and Inclusion (EDI) Plan which Aquarius is an integral part. We aim for a close alignment between our workforce diversity compared with the people we support. The Plan also aims to embed a broad range of cultural change to ensure we are fully meeting all of the needs of the communities we serve. The EDI strategic plan addresses 3 key areas of Leadership, Representation, and Impact and in this year has developed an Emerging Leaders Framework to support greater representation of the communities we serve across leadership roles, as well as engaging in a cultural competence consultation process to improve what and how we deliver more accessible and culturally appropriate services to all communities.

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 the parent (Richmond Fellowship).

Aquarius senior management, the Aquarius Board and each of its Committees are each charged with scrutiny of controls and assurances in place. In addition, the Audit and Assurance Committee of the Group Board has oversight of the group's risk profile ensuring that early warning systems are in place. Aquarius attends that Committee to assure the Committee in relation to assurances being 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.

INTERNAL CONTROLS ASSURANCES

The Trustees are responsible for obtaining the necessary controls assurances from the senior management team and reviewing their effectiveness. Over the past year, the Trustees have brought a wide range of knowledge, skills, and experiences into the Board's deliberations to work with the senior team to ensure the Charity is effective and safe.

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 6 times in 2023-24 (5, in 2022-23) with an average attendance of 80% (77% in 2022-23). The Board has managed recent changes well with the departure of Albert Fletcher on 31 March 2023 after more than 9 years as a Non-Executive Director and 6 years as Chair. We welcomed Danielle Oum as Chair on 30 May 2023 and Marc Etches joined the Board on the same date. We are indebted to Faisal Mahmood our long-standing Vice Chair for stepping up as acting Chair at the beginning of the year. Faisal stood down after significant length of service, on 31 March 2024. With the change of control outlined earlier in this report, on 1 June 2024, June Riley retired from the Board on 1 June 2024 and was replaced by Dr Bhakti Seth. The Board is well equipped to face the challenges ahead with a diversity of skills, knowledge and approaches. On 1 June 2024, women were in the majority on the Aquarius Board which reflects our workforce.

Trustees schedule development days to ensure they are fully equipped to fulfil their duties as Trustees and work effectively together as Trustees. They also conduct visits to operational services to get the perspective of people who use our services and the workforce to gain essential direct feedback on what is good about Aquarius and what could make it even better.

The Articles specify a nine-year limit to the length of time a Trustee can serve. As at 1 April 2024, the average length of service amongst independent Trustees (i.e., the trustees other than the nominees from RF) is currently around 3 years.

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. Usually, Trustees are also linked with a specific service to get closer to 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 Richmond Fellowship and Aquarius sets out the responsibilities that the parent delegates to the Aquarius Board. As of 1 April 2024, this was being refreshed to more accurately reflect the now mature relationship between parent and subsidiary. This new Framework Agreement was entered into prior to Richmond Fellowship's merger with Humankind Charity and therefore will transfer intact across to the new parent. This agreement highlights the specific areas where 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 has a formal reporting line to both the Aquarius Board Chair and the parent Group Chief Executive though this relationship will be reviewed once the new (post-merger) charity has been fully launched. The Head of Service, during the year, was part of the Group Leadership Team for Recovery Focus, the executive policy and strategy setting body for Recovery Focus. This body will be abolished once the merger integration is complete and so a new reporting relationship will be set-up to ensure the link into the parent and its activities is not lost.

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. It comprises staff and union representatives and is chaired by the Head of Service. Aquarius also has a Network (ANCHOR) of representatives from the people we support across our services, that meet regularly to share experiences, contribute to the quality improvement programme and future research decisions. They contribute enthusiastically to reviewing the work of Aquarius on an ongoing basis and a nominated representative from each meeting attends the next Board meeting to feedback to support Trustees to respond to the needs of current and future users of services.

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 29 July 2024 and signed on its behalf

Danielle Oum
Danielle Oum (Sep 9, 2024 14:07 GMT+1)

09/09/2024

Danielle Oum
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 MEMBER OF AQUARIUS ACTION PROJECTS

Opinion

We have audited the financial statements of Aquarius Action Projects (the 'charitable company') for the year ended 31 March 2024 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 2024 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 15, 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.



Andrew Bond

Senior Statutory Auditor, for and on behalf of

09/09/2024

CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG
9 September 2024

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2024

Income and endowments from:	Note	2024			2023		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Donations and legacies		2,550	1,750	4,300	3,114	2,889	6,003
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	4	2,527,979	3,623,375	6,151,354	1,899,291	4,283,147	6,182,438
Other charitable activities	4	7,908	-	7,908	-	9,500	9,500
Investments		-	243,842	243,842	-	85,522	85,522
Total income		2,538,437	3,868,967	6,407,404	1,902,405	4,381,058	6,283,463
Expenditure on:							
Raising funds		347	19,219	19,566	-	22,970	22,970
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	5	2,381,166	3,329,874	5,711,040	1,602,627	3,688,167	5,290,794
Other expenditure	5	491	69,505	69,996	-	22,317	22,317
Total expenditure		2,382,004	3,418,598	5,800,602	1,602,627	3,733,454	5,336,081
Net income/ (expenditure)		156,433	450,369	606,802	299,778	647,604	947,382
Net movement in funds		156,433	450,369	606,802	299,778	647,604	947,382
Total funds brought forward		751,155	4,524,158	5,275,313	451,377	3,876,554	4,327,931
Total funds carried forward		907,588	4,974,527	5,882,115	751,155	4,524,158	5,275,313

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2024

COMPANY NUMBER 02427100

	Note	2024 £	2023 £
Non-current assets			
Property, plant and equipment	9	1,009,346	818,592
Current assets			
Stock		-	2,187
Debtors	10	1,373,811	838,262
Cash at bank and in hand		4,834,058	4,860,211
Total current assets		6,207,869	5,700,660
Current liabilities			
Creditors	11	1,335,100	1,243,939
Net current assets		4,872,769	4,556,721
Net assets	13	5,882,115	5,275,313
Funds			
Restricted funds	14	907,588	751,155
Unrestricted funds			
Designated Property funds	15	1,009,346	819,592
Unrestricted general funds		3,965,181	3,705,566
Total charity funds		5,882,115	5,275,313

Approved and authorised for issue by the **29 July 2024** and signed on their behalf by

Danielle Oum
Danielle Oum (Sep 9, 2024 14:07 GMT+1)

09/09/2024

Danielle Oum
Chair

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2024

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.

The parent company, (Richmond Fellowship) merged with the Humankind Charity on 1 June 2024 to form a new enlarged group which became the new parent company for Aquarius and no material adjustments arose within Aquarius as a result of the merger.

However, to ensure the assets of the existing Aquarius can meet all its obligations, the Board has considered the potential impacts from different adverse conditions such as 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 £1 million to acquire two 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 in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the annual 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 because 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 all assets 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	5 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 Statement of Financial Position 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

	2024			2023		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Local authorities	727,975	2,408,797	3,136,772	900,444	3,052,382	3,952,826
Other entities	1,800,004	1,214,578	3,014,582	998,847	1,230,765	2,229,612
Income from alcohol, drug and gambling activities	2,527,979	3,623,375	6,151,354	1,899,291	4,283,147	6,182,438
Other Charitable activities	7,908		7,908	-	9,500	9,500
	2,535,887	3,623,375	6,159,262	1,899,291	4,292,647	6,191,938

5. Charitable expenditure

	2024			2023		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Staff costs	1,711,927	2,661,070	4,372,997	1,225,793	2,659,550	3,885,343
Other direct costs	265,096	290,687	555,783	117,047	399,093	516,140
Depreciation	8,261	478	8,739	7,898	19,640	27,538
Support costs	395,882	377,582	773,464	251,889	609,855	861,744
Bank charges and interest payable	-	57	57	-	29	29
Expenditure on alcohol, drug and gambling activities	2,381,166	3,329,874	5,711,040	1,602,627	3,688,167	5,290,794
Other Charitable activities	491	69,505	69,996	-	22,317	22,317
	2,381,657	3,399,379	5,781,036	1,602,627	3,710,484	5,313,111

6. Support costs

	2024	2023
	£	£
Staff costs	276,011	326,336
Premises and other office costs	67,274	61,655
Computer costs	71,875	86,862
Equipment, maintenance and renewals	14,000	1,044
Governance costs	38,358	58,567
Service user costs	2,650	4,944
Other support costs	303,296	322,336
	<u>773,464</u>	<u>861,744</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:	2024	2023
	£	£
Depreciation	38,929	41,571
Auditors' remuneration (excl.vat)	20,832	22,085
Operating lease rentals	<u>73,322</u>	<u>73,060</u>

8. Staff costs and numbers

The costs were as follows:

	2024	2023
	£	£
Salaries and wages	3,966,906	3,599,246
Social security costs	363,462	319,156
Pension contributions	230,538	202,316
Other staff costs	<u>278</u>	<u>278</u>
	<u>4,560,906</u>	<u>4,120,996</u>

No Board Trustees received any remuneration. Reimbursed expenses in the year were £nil (2023; £nil). During the year, D Oum and J M Riley were the Board director nominees of Richmond Fellowship, the ultimate parent company of Aquarius.

One individual was paid more than £60,000 in the year.

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

	2024	2023
	No	No
Alcohol, drug and gambling services	148	140
Support staff	<u>14</u>	<u>13</u>
	<u>163</u>	<u>153</u>

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

	2024	2023
	No	No
Alcohol, drug and gambling services	161	128
Support staff	14	12
	175	140

9. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and household equipment £	Computer equipment £	Total £
Cost:					
At 1 April 2023	719,128	369,651	26,933	378,741	1,494,453
Additions in year	-	1,289	-	40,930	42,219
Additions WIP*	190,738	-	-	-	190,738
Disposals in year	-	-	-	(3,240)	(3,240)
At 31 March 2024	909,866	370,940	26,933	416,431	1,724,170
Depreciation:					
At 1 April 2023	(103,187)	(313,601)	(25,823)	(233,250)	(675,861)
Charge for the year	(3,041)	(3,606)	(1,106)	(31,161)	(38,914)
Disposals in year	-	-	-	(49)	(49)
At 31 March 2024	(106,228)	(317,207)	(26,929)	(264,460)	(714,824)
NET BOOK VALUE					
At 31 March 2024	803,638	53,733	4	151,971	1,009,346
At 1 April 2023	615,941	56,050	1,110	145,491	818,592

10. Debtors

	2024 £	2023 £
Trade Debtors	1,022,669	745,491
Other debtors	2,379	3,488
Accrued Income	328,153	64,294
Prepayments	20,610	20,222
Amount due from Parent undertaking	-	4,767
	1,373,811	838,262

11. Creditors

	2024 £	2023 £
Trade creditors	123,909	156,391
Taxation and social security	88,058	88,189
Other Creditors	31,585	25,047
Deferred income	965,747	622,210
Accruals	125,801	340,568
Amount due to Parent undertaking	-	11,534
	1,335,100	1,243,939

12. Deferred income

	2024 £	2023 £
As at 1 April 2023	622,210	477,017
Released in the year	(622,210)	(477,017)
Deferred in the year	<u>965,747</u>	<u>622,210</u>
As at 31 March 2024	<u>965,747</u>	<u>622,210</u>

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 2024	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	1,009,346	-	1,009,346
Current assets	907,588	-	5,300,281	6,207,869
Current liabilities	-	-	(1,335,100)	(1,335,100)
	<u>907,588</u>	<u>1,009,346</u>	<u>3,965,181</u>	<u>5,882,115</u>

As at 31 March 2023	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	818,592	-	818,592
Current assets	751,155	-	4,949,505	5,700,660
Current liabilities	-	-	(1,243,939)	(1,243,939)
	<u>751,155</u>	<u>818,592</u>	<u>3,705,566</u>	<u>5,275,313</u>

14. Restricted funds

	At 1 April 2023 £	Incoming resources £	Outgoing resources £	At 31 March 2024 £
Alcohol & drug services	424,837	1,703,014	(1,690,686)	437,165
Gamcare (Adults & YP)	317,127	835,423	(683,228)	469,322
Drug Concern	9,191	-	(8,090)	1,101
	<u>751,155</u>	<u>2,538,437</u>	<u>(2,382,004)</u>	<u>907,588</u>

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	At 31 March 2023 £
Alcohol & drug services	202,384	1,233,901	(1,011,448)	424,837
Gamcare (Adults & YP)	198,371	668,503	(549,747)	317,127
Drug Concern	50,622	-	(41,431)	9,191
	<u>451,377</u>	<u>1,902,404</u>	<u>(1,602,626)</u>	<u>751,155</u>

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 CONNECT (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 2023	Incoming resources	Outgoing resources	At 31 March 2024
	£	£	£	£
Property Fund	818,592	232,957	(42,203)	1,009,346
General fund	3,705,566	3,636,010	(3,376,395)	3,965,181
	<u>4,524,158</u>	<u>3,868,967</u>	<u>(3,418,598)</u>	<u>4,974,527</u>

	At 1 April 2022	Incoming resources	Outgoing resources	At 31 March 2023
	£	£	£	£
Property Fund	541,410	316,859	(39,677)	818,592
General fund	3,335,144	4,064,199	(3,693,777)	3,705,566
	<u>3,876,554</u>	<u>4,381,058</u>	<u>(3,733,454)</u>	<u>4,524,158</u>

Designated funds

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

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:

	2024 £	2023 £
Within one year	12,328	44,804
Two to five years	160	160
More than five years	400	400
	<u>12,888</u>	<u>45,364</u>

17. Controlling party

For the year 2023/24, the ultimate and immediate parent undertaking and controlling party of the company is Richmond Fellowship, a company incorporated under the Companies Act 2006 in England, number 0662712. 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 has prepared 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 guided by Richmond Fellowship and this control is exercised through Richmond Fellowship's ability to appoint and remove Aquarius Trustees.

From 1 June 2024 the controlling party has transferred to Humankind Charity, a company incorporated under the Companies Act 2006 in England, number 01820492. Humankind Charity is a national provider of clinical and support services for people living with substance use problems and is a registered charity, number 515755. The registered office and further details for Humankind Charity may be obtained from the Charity Commission or the Companies House website.

18. Related party transactions

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

- Management charge from its parent of £324,500 (2023; £297,000).
- Offset by charges to its parent of £52,294 (2023; £34,871) for services to support its parent's contracts.
- Leading to a net charge from its parent of £272,206 (2023; £262,129).

Accounts

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

Annual Report

and Financial Statements

for the year ended 31 March 2023

aquarius

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

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BOARD MEMBERS AND ADVISERS

TRUSTEES

A Fletcher	Chair (<i>resigned 31 March 2023</i>)
D Carrington	
M Etches	(<i>appointed 30 May 2023</i>)
R A Goodby	(<i>resigned 31 July 2023</i>)
A J Lamb	
F Mahmood	Vice Chair
J Mole	(<i>resigned 6 December 2022</i>)
J M Riley	
D Oum	Chair Elect (<i>appointed 30 May 2023</i>)
N K Shough	
A M Williams	

PRINCIPAL STAFF

R McVey	-	Head of Service
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PRINCIPAL BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Bates, Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London
EC4R 1BE

INDEPENDENT AUDITOR

CLA Evelyn Partners
Statutory Auditors
Chartered Accountants
45 Gresham Street
London
EC2V 7GB

REGISTERED OFFICE

236 Bristol Road
Birmingham
B5 7SL

COMPANY REGISTRATION

02427100

CHARITY NUMBER

1014305

WEBSITE

www.aquarius.org.uk

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 2023. 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 a charity providing significant support to people impacted by alcohol, drugs, and gambling.

This is a year that has seen increased investment in the substance misuse sector resulting from the 10-year Drug Strategy 'From Harm to Hope' published in December 2021 which followed the recommendations laid out by the Dame Carol Black independent review of drugs part 1 in February 2020 and part 2 in July 2021. This increased investment will help us to incrementally grow the workforce and enhance the support provided to adults and young people to mitigate the harms from substance misuse.

Our strongest resource is our workforce who work consistently but flexibly 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. 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 and senior team under-pinned by a strong financial and quality driven base, in a good position to 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.

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.

We recognise working with the people who use our services ensures maximum involvement in the support they receive and full collaboration in how our services are run. Co-production is central to putting people at the heart of everything we do.

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

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

- That people use substances or gamble 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 focus on increasing the numbers of people in substance misuse treatment as part of the Drug Strategy.

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 2022-23 year was the third year of delivering this strategy and we have done well in moving our priorities forward and delivering on our targets. The Group’s 2023-26 Strategy entitled “**Inspiring Individual Recovery**” was published in May 2023 and will form the basis of strategic priorities for Aquarius from next year.

During the year, the Group’s priority objective is to strengthen the range and quality of its services - 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 to prevent and reduce harm. 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 six 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 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 have also provided 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 throughout the year (Note: NDTMS is the National Drug Treatment Monitoring System):

	2022-23 outcomes	2021-22 outcomes	2020-2021 outcomes
NDTMS - Number of new presentations in year	2,450	2,418	2,277
NDTMS - Number of clients in treatment	4,608	4,820	4,484
NDTMS - Waiting times <3 weeks (%)	98%	99%	99%
NDTMS - % Treatment exits that were planned in year	68%	72%	72%
NDTMS - re-presentations <6 months	2.6%	1.6%	3.6%

Throughout the year, senior leadership and the Trustees have remained unwaveringly committed to maintaining the seamless delivery of core services. They have made necessary route changes in response to the evolving needs of the individuals we support, while also making quality improvements wherever feasible to ensure uninterrupted assistance. Our client base for the year remained consistent with the previous year, with slightly over 20% being part of specific provisions for Young People.

Referral to treatment times within the 3-week tolerance was 98%, 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 despite the difficulties people have faced over the year, particularly regarding 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 6.5%).

SATISFACTION

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

Our Young People's services are each led by Aquarius. We work closely to incorporate views into service improvements in these services, and in the past year, 96% (2022: 97%) were satisfied or very satisfied with the service they received, and 95% (2022: 98%) said they would recommend the service to others. We will continue to broaden the different ways of gathering feedback in these services as those accessing services engage with us about their preferred methods of contact and contribute to the co-production of our services.

We have a standing 'Working Together' sub-committee that has enhanced our approach to co-production over the last year by focusing on improvements in 'Giving people a voice', involving people who use our services in all recruitment processes and ensuring the use of language around dependency and recovery is non-stigmatising for the people we support.

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 exercises scrutiny, provides support for training and awareness, and acts as a critical friend. The Committee is chaired by a senior independent safeguarding specialist and ensures that systems and processes are in place to safeguard vulnerable adults and children using Aquarius services, as well as supporting staff in fulfilling this vital element of their work.

To give the Board a clear line of sight, we have a Safeguarding Annual Action Plan that is instrumental in improving practice and awareness at Aquarius. 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,

audited the safeguarding practice of our services, and ensured that 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 training, supervision, and guidance for the workforce, and to support liaising with safeguarding authorities when issues arise. All safeguarding incidents are appropriately referred to and worked through with our multi-agency partners. We ensure that incidents are properly reported (and recorded) internally to facilitate a thorough review, with actions taken to prevent the further escalation of safeguarding concerns. This is also the cornerstone of our lessons learned program.

In 2022-23, 162 safeguarding referrals were recorded, with all but 12 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 regularly reviewed to ensure clarity on reporting compliance and activity trends within and between services, both on a quarterly and yearly basis.

We understand 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 to those individuals to enable appropriate engagement plans and multi-agency risk management plans to be put in place, allowing us to escalate concerns and ensure a preventative approach to safeguarding risk.

STAKEHOLDERS

This year has seen service delivery continue to adapt to the often wide-ranging and complex needs of people impacted by alcohol, drugs, and gambling. We have increased the level of outreach delivery in the community through our services to bring more people into treatment and retain them to achieve successful outcomes. We have also increased the provision of 'transitions' services for young people aged 18-25 years old to help support young people affected by alcohol and drugs at this crucial stage of early adulthood.

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 continuously tracking our performance delivery and quality assurance at the individual service level. Our quality assurance program brings quality, consistency, and continuous improvement to all services, across all service models. This ensures that we consistently put the people we support at the heart of everything we do and strive to 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 they are audited by the CQC to ensure compliance. This ensures that our services are Safe, Effective, Caring, Responsive, and Well Led. We also regularly audit and assess our Young People's services to ensure these quality standards are met.

Our Quality Assessment Framework ensures that local managers can continuously monitor the quality of service being provided. This framework 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 personnel from the workforce with people we support (or recently supported) to ensure that the overall standards and performance in each individual service are quality assured and tested, and a continuous improvement program is firmly in place.

FINANCIAL REVIEW

Aquarius recorded a surplus in the Statement of Financial Activities of £947k (£578k surplus in 2022), achieved from a total income of £6,283k (2022: £5,706k). The increase in income has enabled us to extend our offerings in drugs and alcohol support within the communities we serve. The operating surplus before overheads increased by 4% to 29% compared to the previous year, primarily due to a combination of growth efficiencies and vacancies within some services.

Labour shortage remains a challenge within the sector and building and retaining our skilled workforce continues to be a focus for management and the Board. We worked closely with commissioners in the year to ensure service delivery was maintained in terms of both volume and quality, maximizing the number of beneficiaries we can help through each of our service contracts. Despite the resource constraints, we were able to maintain the volume and quality of treatments we provided through careful planning and the dedication of our staff.

Being a smaller service, managing overheads remains a concern. Although central overheads have remained unchanged for 7 years, overheads are continuing to grow and will be managed. Increases in inflation will impact operating expenditure and surplus. We continue to review our overheads to deliver value for our customers and clients.

The Group has continued to invest in our IT Systems, and we now have Cyber Essentials Plus accreditation.

The key areas of the balance sheet show an increase in total assets less liabilities, with the movement in fixed assets mostly attributed to the acquisition of a new property for delivering community-based services. Cash balances increased year on year by 18%, mainly due to increased turnover, deferred income and sound cash management.

The overall financial position is reflected in the total charity funds, which increased by £947k to £5,275k (2022: £4,328k). This includes Unrestricted funds of £4,524k (2022: £3,877k).

We continue to devise strategies for recruiting and retaining skilled staff who are crucial to our ongoing service to the community, and each staff member has received a one-off cost-of-living payment this year.

Aquarius is in a good financial position, and we have successfully increased our revenue, improved operational efficiency, and accumulated reserves to support future endeavours. This positive trend instils confidence in the prospects of our organisation.

The table below shows performance over the last 5 years.

Financial data in £000's	2023	2022	2021	2020	2019
Total income	6,283	5,706	5,656	5,299	5,116
Operating surplus (before overheads) *	1,809	1,401	1,317	779	429
Operating surplus before overheads (as % of turnover) *	28.8%	24.6%	23.3%	14.7%	8.4%
Non-current assets	819	541	343	402	423
<u>Net current assets:</u>					
Cash	4,860	4,128	3,390	2,576	2,645
Other current (Liabilities)/Assets	(403)	(341)	17	346	477
<u>Reserves:</u>					
Restricted	751	451	434	405	426
Unrestricted	4,524	3,877	3,316	2,919	3,120

* This represents turnover less operating expenditure before overheads.

VALUE FOR MONEY

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 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
- restructuring overheads to meet future needs and ensure full resourcing of frontline services

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 2022-23 the senior team worked with the Board to review current and potential risk challenges alongside the proposed controls, and management actions to be taken forward.

The year continued to feature challenges in recruitment and retention of staff that are being faced across the care sector and the economy at large. There was also a focus on providing effective but flexible services which support people to achieve their recovery goals. This included delivering an increase in face-to-face appointments to supplement telephone or virtual appointments. This allows our services to be receptive to

the needs of the individual and choices about their best route to recovery. The work of our ANCHOR group (Aquarius Network Community-Home of Recovery), which is made up of representatives of people we support, greatly 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 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 Drug Strategy has brought increased funding and 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. This risk continues to be 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 primary financial risk stems from credit risk associated with our bank balances and liquidity risk from trade debtors. We manage credit risk by placing deposits only with institutions that possess high credit ratings. The majority of trade debtors consist of amounts due from public bodies in various forms, making credit risk insignificant. Therefore, no significant provision for bad debt has been made.

Cashflow forecasting is closely monitored by the Aquarius Board, and we maintain reasonable liquidity with sufficient cash to cover short-term commitments. Aquarius does not currently hold any non-cash financial investments or loans, so there are no issues concerning covenants, gearing, or securitization.

POST BALANCE SHEET EVENTS

Danielle Oum and Marc Etches joined the Aquarius Board as Non-Executive Directors both being appointed on 30 May 2023. Danielle will be Chair of the Board with effect from that date.

Raffaella Goodby resigned from the Board on 31 July 2023.

LOOKING AHEAD

The Drug Strategy has brought increased funding and along with it the expectations for services to increase the number of people in treatment and to reduce the rate of drug and alcohol related deaths and a reduction in drug related crime. Aquarius like other providers in the sector will need to ensure the increased funding leads to improved results in these priority areas set out by the Drug Strategy.

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 2 properties as part of our 'Aquarius Homes' initiative. These properties are planned to be online with 7 residents from the beginning of 2024. 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 see increased funding into our gambling services in the coming financial year as Aquarius takes up a prime place in the development of a burgeoning national gambling treatment and recovery system. As Regional Alliance Partner lead for the West Midlands and West Mercia for gambling we will have a renewed focus on our provision of gambling services as we enhance the support provided to people affected by the harms of gambling in this region.

OUR PEOPLE

The dedication and commitment of our workforce and volunteers over the past year have been invaluable. We extend our deepest gratitude to them for consistently going the extra mile. We take pride in the low sickness levels within our organisation, which have allowed the majority of our services to operate at full capacity. This is particularly significant for us as a charity that places great importance on the social value, we bring to the communities we serve.

Recruitment and retention have become increasingly challenging across the health and social care sector this year. To ensure a competitive pay and reward package, we have aligned our salaries with the market median. Additionally, we have been able to provide consolidated and non-consolidated pay awards to our staff in the past year, maintaining an attractive compensation and benefits package.

As of March 31, 2023, we had a workforce of 153 (compared to 158 on March 31, 2022). We are also fortunate to have 19 volunteers working across our services, bringing a unique perspective based on their personal experiences as individuals who have received support within our services. To enhance our volunteer program and provide a quality experience for our volunteers, we have invested in a Senior Volunteer Coordinator role dedicated to supporting volunteering across all Aquarius services.

Furthermore, we have appointed a Placements Officer to support an increased number of university placements at Aquarius services, specifically targeting relevant courses such as Counselling, Psychology, and Youth Work. This initiative aims to cultivate a pipeline for new talent within Aquarius and assist in the recruitment of new staff members.

Aquarius, in collaboration with our partners in the Recovery Focus Group, actively works to prevent unintentional contributions to Modern Slavery. Our Group Statement in support of this cause is available on the Recovery Focus website. (www.richmondfellowship.org.uk/about-us/anti-slavery-human-trafficking-policy/).

ENVIRONMENT

The environmental impact of our organisation's activities and decision-making processes has become a fundamental consideration in our approach to service delivery and improvement programs. Recognizing the significance of this issue to our stakeholders and the Board, we are dedicated to ensuring that our services are socially and environmentally responsible. We take this responsibility very seriously.

Throughout 2022-23, we have continued our project aimed at realizing multiple benefits in the years to come. This project involves adopting new approaches to how we operate and deliver our services, as well as gradually transitioning towards behaviours that align with long-term environmental sustainability.

We are implementing the following areas of focus:

- Establishing a network of sustainability champions across the organisation, providing them with a simple framework to follow, clear action plans, and defined outcomes to achieve.
- Harnessing the expertise and insights of the individuals we support to maximize our impact through co-production.
- Integrating environmentally sustainable practices and standards into all aspects of our work.
- Implementing quantifiable actions to save money and reduce carbon emissions.
- Encouraging effective collaboration within teams and fostering innovative solutions to sustainability challenges.

- Developing a framework to promote and reward behavioural and cultural change.
- Demonstrating our proactive and responsible approach as an employer by prioritizing workforce well-being and placing the individuals we support at the core of everything we do.

By embracing these initiatives, we aim to create a positive impact on both our environment and the communities we serve while exemplifying our role as a socially conscious and forward-thinking organisation.

SOCIAL VALUE

All of our services are evaluated based on the social value we add to our beneficiaries, their communities, and the wider community and national interest. This report reviews our activity for the year and outlines our future aspirations in terms of increasing opportunities and benefits for our communities. Above all, we reflect on our commitment to being a good employer that reflects its community, our efforts to be environmentally responsible through our environmental strategy, and our collaboration with commissioners to add social value through the services we provide in specific communities across the Midlands.

Delivering social value through our contracted services

We have delivered 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 as set out below:

- 76% (2022, 76%) of people we have supported have reduced their drug/alcohol use after 12 weeks in treatment;
- 82% (2022, 77%) of people we have supported have reduced their drug/alcohol use upon successful exit from the service;
- 37% (2022, 28%) of people we have supported reported abstinence from drug/alcohol use upon successful exit from the service;
- 34% (2022, 31%) of people we supported reported improved or stabilised psychological health; and,
- 35% (2022, 32%) 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 social and economic challenges.

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.

Delivering social value through our grant funded programmes

We deliver several 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 services continue to recover from the impact that the COVID pandemic had on our commercial enterprises.

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 from 2021 a new premises at the Commonwealth Games headquarters in Brindley Place. The Commonwealth Games ran across July and August 2022, the largest multi-sport event to be held in England for over 10 years and it was great that Aquarius could be part of these celebrations. 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. In the year we employed 9 young people through this programme, with 5 being paid a living wage, and 4 young people completing placements with us. On average each participant achieves 5 recognised qualifications. Of those completing the programme in 2022-23, 100% went on to further education or employment.

FUNDRAISING

Aquarius does not make unsolicited fundraising approaches amongst supporters or the 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. 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	62.0%	23.5%	50.0%
Female	37.6%	76.5%	50.0%
Ethnicity (self-defined)			
BAME	16.5%	12.5%	38.0%
White or unknown	75.8%	87.5%	62.0%
Disability (self-defined)			
Yes	25.5%	7.5%	Not currently available
No			
Lived experience of the services we provide			
Yes	n/a	12.5%	Not currently available
No	n/a		

The Recovery Focus Group has an ambitious Equality, Diversity and Inclusion (EDI) Plan which Aquarius is an integral part. We aim for a close alignment between our workforce diversity compared with the people we support. The Plan also aims to embed a broad range of cultural change to ensure we are fully meeting all of the needs of the communities we serve. We are implementing 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 provision 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 provide assurance for the workforce their voice will be heard.

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 Richmond Fellowship 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.

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 brought a wide range of knowledge, skills and experiences into the Board's deliberations to work with the senior team to ensure the Charity is effective and safe.

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 2022-23 (5 times in 2021-22) with the average attendance at 77% (82% in 2021-22). The Board has remained stable during 2022-23, though significant changes have occurred since 31 March 2023 with the departure of Albert Fletcher after more than 9 years as a Non-Executive Director and 6 years as Chair. We are incredibly appreciative for all Albert has done for Aquarius and we wish him well. A new Chair has been recruited to lead Aquarius through the next phase of its future and we welcomed Danielle Oum into this role on 30 May 2023. As at 1 June 2023, women, for the first time ever, made up the majority of the Aquarius Board. This is a great achievement and we now have an impressively wide base of skills and experience.

Trustees schedule development days to ensure they are fully equipped to fulfil their duties as Trustees and work effectively together as Trustees. They also conduct visits to operational services to get the perspective of people who use our services and the workforce to gain essential direct feedback on what is good about Aquarius and what could make it even better.

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 2 trustees, completing a full term in 2022-23. John Mole had been a valuable Trustee for 9 years and left the organisation after completing a full term in December 2022. We also bid a fond farewell to our chair Albert Fletcher who completed a full term on 31 March 2023. To this end we have now recruited a new chair to Aquarius Danielle Oum to lead the Board and a new Trustee, Marc Etches, to the Aquarius Board, both appointed on 30 May 2023. 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 get closer to 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 Richmond Fellowship 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 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 23/08/2023 and signed on its behalf


Faisal Mahmood (Aug 23, 2023 13:38 GMT+1)

Faisal Mahmood
Vice 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 MEMBER 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.


Andrew Bond (Aug 24, 2023 21:13 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
24/08/2023

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2023

Income and endowments from:	Note	2023			2022		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Donations and legacies		3,114	2,889	6,003	9,202	3,669	12,871
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>		1,899,291	4,283,147	6,182,438	1,451,064	4,221,675	5,672,739
Other charitable activities		-	9,500	9,500	-	16,263	16,263
Other operating Income		-	-	-	-	1,007	1,007
Investments		-	85,522	85,522	-	3,048	3,048
Total income		1,902,405	4,381,058	6,283,463	1,460,266	4,245,662	5,705,928
Expenditure on:							
Raising funds		-	22,970	22,970	-	51,090	51,090
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	5	1,602,627	3,688,167	5,290,794	1,443,290	3,633,911	5,077,201
Other expenditure	5	-	22,317	22,317	-	-	-
Total expenditure		1,602,627	3,733,454	5,336,081	1,443,290	3,685,001	5,128,291
Net income/ (expenditure)		299,778	647,604	947,382	16,976	560,661	577,637
Net movement in funds		299,778	647,604	947,382	16,976	560,661	577,637
Total funds brought forward		451,377	3,876,554	4,327,931	434,401	3,315,893	3,750,294
Total funds carried forward		751,155	4,524,158	5,275,313	451,377	3,876,554	4,327,931

STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2023

COMPANY NUMBER 02427100

	Note	2023 £	2022 £
Non-current assets			
Property, plant and equipment	9	818,592	541,410
Current assets			
Stock		2,187	2,025
Debtors	10	838,262	540,836
Cash at bank and in hand		4,860,211	4,127,856
Total current assets		5,700,660	4,670,717
Current liabilities			
Creditors	11	1,243,939	884,196
Net current assets		4,556,721	3,786,521
Net assets	13	5,275,313	4,327,931
Funds			
Restricted funds	14	751,155	451,377
Unrestricted funds			
Designated Property funds	15	343,299	343,299
Unrestricted general funds		4,180,859	3,533,255
Total charity funds		5,275,313	4,327,931

Approved and authorised for issue by the 23/08/2023 and signed on their behalf by

Faisal Mahmood
Faisal Mahmood (Aug 23, 2023 13:38 GMT+1)

Faisal Mahmood
Director

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2023

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 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 £1 million to acquire two 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 in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the annual 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 because 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 all assets 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	5 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 Statement of Financial Position 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

	2023			2022		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Local authorities	900,444	3,052,382	3,952,826	820,918	3,012,320	3,833,238
Other entities	998,847	1,230,765	2,229,612	639,348	1,214,031	1,853,379
Income from alcohol, drug and gambling activities	1,899,291	4,283,147	6,182,438	1,460,266	4,226,351	5,686,617
Other Charitable activities	-	9,500	9,500	-	16,263	16,263
	1,899,291	4,292,647	6,191,938	1,460,266	4,242,614	5,702,880

5. Charitable expenditure

Charitable activities	2023			2022		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Staff costs	1,225,793	2,659,550	3,885,343	1,087,789	2,617,177	3,704,966
Other direct costs	117,047	399,093	516,140	111,858	437,133	548,991
Depreciation	7,898	19,640	27,538	4,353	30,623	34,976
Support costs	251,889	609,855	861,744	239,290	548,944	788,234
Bank charges and interest payable	-	29	29	-	34	34
Expenditure on alcohol, drug and gambling activities	1,602,627	3,688,167	5,290,794	1,443,290	3,633,911	5,077,201
Other charitable activities	-	22,317	22,317	-	-	-
	1,602,627	3,710,484	5,313,111	1,443,290	3,633,911	5,077,201

6. Support costs

	2023 £	2022 £
Staff costs	326,336	376,605
Premises and other office costs	61,655	61,324
Computer costs	86,862	5,937
Equipment, maintenance and renewals	1,044	275
Governance costs	58,567	23,064
Service user costs	4,944	1,958
Other support costs	322,336	319,071
	861,744	788,234

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:	2023 £	2022 £
Depreciation	41,571	62,240
Auditors' remuneration	22,085	15,380
Operating lease rentals	73,060	104,666

8. Staff costs and numbers

The costs were as follows:

	2023	2022
	£	£
Salaries and wages	3,599,246	3,538,043
Social security costs	319,156	286,275
Pension contributions	202,316	205,261
Other staff costs	278	2,577
	<u>4,120,996</u>	<u>4,032,156</u>

No Board Trustees received any remuneration. Reimbursed expenses in the year were £45.40 (2022; £nil). A E J Fletcher and J M Riley are nominees of Richmond Fellowship, the ultimate parent company of Aquarius.

No individuals were paid more than £60,000 in the year..

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

	2023	2022
	No	No
Alcohol, drug and gambling services	140	146
Support staff	13	12
	<u>153</u>	<u>158</u>

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

	2023	2022
	No	No
Alcohol, drug and gambling services	128	134
Support staff	12	11
	<u>140</u>	<u>145</u>

9. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and household equipment £	Computer equipment £	Total £
Cost:					
At 1 April 2022	403,953	369,651	26,933	377,057	1,177,594
Additions in year	-	-	-	1,684	1,684
Additions WIP*	315,175	-	-	-	315,175
At 31 March 2023	719,128	369,651	26,933	378,741	1,494,453
Depreciation:					
At 1 April 2022	(100,146)	(309,995)	(21,502)	(204,541)	(636,184)
Charge for the year	(3,041)	(3,606)	(4,321)	(28,709)	(39,677)
At 31 March 2023	(103,187)	(313,601)	(25,823)	(233,250)	(675,861)
NET BOOK VALUE					
At 31 March 2023	615,941	56,050	1,110	145,491	818,592
At 1 April 2022	303,807	59,656	5,431	172,516	541,410

10. Debtors

Debtors

	2023 £	2022 £
Trade Debtors	745,491	457,652
Other debtors	3,488	570
Accrued Income	64,294	43,304
Prepayments	20,222	39,310
Group debtors	4,767	-
	838,262	540,836

11. Creditors

	2023 £	2022 £
Trade creditors	156,391	44,212
Taxation and social security	88,189	80,419
Other Creditors	25,047	25,073
Deferred income	622,210	477,017
Accruals	340,568	256,330
Group creditors	11,534	1,145
	1,243,939	884,196

12. Deferred income

	2023 £	2022 £
As at 1 April 2022	477,017	282,148
Released in the year	(477,017)	(282,148)
Deferred in the year	<u>622,610</u>	<u>477,017</u>
As at 31 March 2023	<u>622,610</u>	<u>477,017</u>

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 2023	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	818,592	-	818,592
Current assets	751,155	-	4,949,505	5,700,660
Current liabilities	<u>-</u>	<u>-</u>	<u>(1,243,939)</u>	<u>(1,243,939)</u>
	<u>751,155</u>	<u>818,592</u>	<u>3,705,566</u>	<u>5,275,313</u>

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	<u>-</u>	<u>-</u>	<u>(884,196)</u>	<u>(884,196)</u>
	<u>451,377</u>	<u>541,410</u>	<u>3,335,144</u>	<u>4,327,931</u>

14. Restricted funds

	At 1 April 2022 £	Incoming resources £	Outgoing resources £	At 31 March 2023 £
Alcohol & drug services	202,384	1,233,901	(1,011,448)	424,837
Gamcare (Adults & YP)	198,371	668,503	(549,747)	317,127
Drug Concern	50,622	-	(41,431)	9,191
	<u>451,377</u>	<u>1,902,404</u>	<u>(1,602,626)</u>	<u>751,155</u>

	At 1 April 2021 £	Incoming resources £	Outgoing resources £	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
	<u>434,401</u>	<u>1,460,266</u>	<u>(1,443,290)</u>	<u>451,377</u>

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 CONNECT (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 2022	Incoming resources	Outgoing resources	At 31 March 2023
	£	£	£	£
Property Fund	343,299	-	-	343,299
General fund	3,533,255	4,381,058	-3,733,454	4,180,859
	<u>3,876,554</u>	<u>4,381,058</u>	<u>-3,733,454</u>	<u>4,524,158</u>

	At 1 April 2020	Incoming resources	Outgoing resources	At 31 March 2022
	£	£	£	£
Property Fund	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>3,876,554</u>

Designated funds

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

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:

	2023	2022
	£	£
Within one year	44,804	46,991
Two to five years	160	160
More than five years	<u>400</u>	<u>400</u>
	<u>45,364</u>	<u>47,551</u>

17. Controlling party

The ultimate and immediate parent undertaking and controlling party of the company is Richmond Fellowship, a company incorporated under the Companies Act 2006 in England, number 00662712. 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 (2022; £297,000).
- Offset by charges to its parent of £34,871 (2022; £34,000) for services to support its parent's contracts.
- Leading to a net charge from its parent of £262,129 (2022; £263,000).

Accounts

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

A Fletcher - Chair
D Carrington
R A Goodby
A J Lamb
F Mahmood
J Mole
J M Riley
N K Shough
A M Williams

PRINCIPAL STAFF

R McVey - Head of Service

PRINCIPAL BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Bates, Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London
EC4R 1BE

INDEPENDENT AUDITOR

CLA Evelyn Partners (formerly Nexia Smith and Williamson)
Statutory Auditors
Chartered Accountants
45 Gresham Street
London
EC2V 7GB

REGISTERED OFFICE

236 Bristol Road
Birmingham
B5 7SL

COMPANY REGISTRATION

2427100

CHARITY NUMBER

1014305

WEBSITE

www.aquarius.org.uk

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
	1,443,290	3,633,911	5,077,201	1,579,895	3,643,128	5,223,023

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
	788,234	814,994

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	2021
	No	No
£60,000 to £70,000	-	-

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

	2022	2021
	No	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	2021
	No	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	<u>477,017</u>	<u>282,148</u>
As at 31 March 2022	<u>477,017</u>	<u>282,148</u>

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

As at 31 March 2021

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

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 CONNECT (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
	3,315,893	4,245,662	(3,685,001)	-	3,876,554

	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
	2,919,092	4,006,726	(3,647,859)	37,934	3,315,893

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
	47,551	43,856

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).

Accounts

Annual Report and Financial Statements

for the year ended 31 March 2021



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BOARD MEMBERS AND ADVISERS

TRUSTEES

A Fletcher	-	Chair
D Caren	-	resigned 8 September 2020
D Carrington		
R A Goodby	-	appointed 1 January 2021
A J Lamb	-	appointed 1 December 2020
F Mahmood		
J Marlow	-	resigned 7 August 2020
J Mole		
J M Riley	-	appointed 8 September 2020
N K Shough	-	appointed 1 December 2020
A M Williams	-	appointed 1 December 2020

PRINCIPAL STAFF

R McVey	-	Head of Service
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PRINCIPAL BANKERS

Lloyds Bank Plc
4th Floor
25 Gresham Street
London
EC2V 7HN

SOLICITORS

Bates, Wells & Braithwaite LLP (trading as Bates Wells)
10 Queen Street Place
London
EC4R 1BE

INDEPENDENT AUDITOR

Nexia Smith and Williamson
Statutory Auditors
Chartered Accountants
25 Moorgate
London
EC2R 6AY

REGISTERED OFFICE

236 Bristol Road
Birmingham
B5 7SL

COMPANY REGISTRATION

2427100

CHARITY NUMBER

1014305

WEBSITE

www.aquarius.org.uk

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 2021. 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 although at the time of writing we continue to be focused on the challenges relating to the COVID-19 pandemic and the uncertain environment that this has created. At the same time, we recognise that this presents us with opportunities for the future delivery of services which we are working hard to plan and roll out.

In continuing to provide the people we support with the vital services they need, we are enormously grateful to our staff, our delivery and commissioning partners and the people who use our services for flexibly and speedily adapting and working with us to allow support to be delivered safely but effectively. Never have services evolved to become so person-centred, so quickly and we are proud of everyone who has come together to make this happen.

Aquarius Action Projects (Aquarius) is a registered charity in its own right with its own Board of Trustees whilst also a wholly controlled subsidiary of Richmond Fellowship (RF). The Group is collectively known as Recovery Focus. Our current reference and administrative information is set out on page 1 and forms part of this report. We end the year in a much stronger position than we started it with a committed Trustee Board of 9 and a broader range of skills and expertise to move the charity forward.

Aquarius has an important role to play in the delivery of the Recovery Focus Group's three-year strategy and we have worked hard this year to make significant steps in doing this. In particular, Aquarius has made great strides forward notably in striving to put the people we support at the heart of everything we do. Never has this been more relevant than during the pandemic where support was vital to people but means of accessing different options for delivering that support varied widely.

In rising to the challenges of the pandemic we, in Aquarius, have seen how by coming together as part of a Group we can successfully combine our collective experience and expertise to inspire recovery. Close collaboration between partners has helped to make us responsive to people's individual aspirations and circumstances and continue to deliver their support in spite of 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. The group’s priority objective is to strengthen the range and quality of our service. To achieve that, the group focuses on five strategic enablers:

- 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 support
- Support for domestic abuse programmes where substance use has been a key factor
- 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 advice on cutting down drinking, 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 increasingly 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):

	2020-21 outcomes	2019-20 outcomes	2018-19 outcomes
NDTMS - Number of new presentations in year	2,277	2,586	3,135
NDTMS - Number of clients in treatment	4,484	4,689	5,141
NDTMS - Waiting times <3 weeks (%)	99%	95%	92%
NDTMS - % Treatment exits that were planned in year	72%	68%	67%
NDTMS – re-presentations	3.6%	2.6%	4.2%

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 improved again to 99% with significant improvements recorded in our young people's services. This is a considerable achievement.

Planned exits also improved year-on-year with a stronger performance across all services.

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. National averages for referral to treatment waiting times, planned treatment exits and re-presentations are 98%, 62% and 6.7% respectively. We are justly proud of the performance our staff have delivered in such difficult times.

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 95% (2020; 92%) were satisfied or very satisfied with the service they received and 99% (2020; 100%) said they would recommend the service to others. We will continue to work hard to broaden the different ways of giving feedback in these services as those accessing these service 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 or 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 really 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 safeguarding practice and awareness at Aquarius. During the year, as part of this plan we have disseminated practice guidance on providing support virtually through video calls, as well as delivering safeguarding training at the appropriate level for all staff in the organisation, ensuring 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.

This year has seen the development of new practice guidance on Safeguarding and COVID-19. This has been in response to the increasing number of safeguarding incidents resulting from COVID-19 from parental substance use, gambling, and domestic abuse whilst children have been at home more with parents and carers during the pandemic.

In 2020-21, 136 safeguarding referrals were recorded, with all but 8 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 impacted by the COVID-19 pandemic. This has led to service delivery needing to adapt. The majority of support has had to be provided virtually via telephone and video call. Face to face appointments have been prioritised to engage people new to substance misuse treatment and where there are people who are at high risk who would not engage virtually. 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.

The implementation of the new Quality Assessment Framework was delayed due to the pandemic but is now in place so that local managers can continuously monitor the quality of service being provided. This will be 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 new 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 £427k (£222k deficit in 2020) achieved from a turnover of £5,656k (2020; £5,299k). This result reflected the work over the past 18 months to re-structure core expenditure through new ways of working operationally, and by continually re-assessing overheads. Despite this being an unprecedented year with a lot of uncertainty due to the pandemic, the income held firm and contracts were retained. In addition, Aquarius received valuable financial assistance to help sustain quality services and manage various cost pressures arising from the pandemic. Particular gratitude was for the three pandemic related grants from the Esmée Fairbairn Foundation, Birmingham City Council and the Coronavirus Community Support Fund. This income allowed services to be delivered in new ways with new equipment, ensuring service continuity in extending service access to the most vulnerable. Services were also expanded for the Gamcare work in the year, enabling support to be continued for gambling, considered to be a hidden impact of the pandemic prevention measures.

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 offset by depreciation charged in the year. The cash balances remain strong, with an improved debt position. The stock reduction is due to the closure of the cafes (social enterprises) during the lockdown.

Overall, the total charity funds increased to £3,750k (2020; £3,324k) which includes Unrestricted funds of £2,972k (2020; £2,517k). The Treasury policy requires the business to hold a cash backed liquidity reserve of £1 million; this was met as at 31 March 2021.

The table below shows performance over the last 5 years.

Financial data in £000's	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Turnover	5,656	5,299	5,116	5,391	5,486
Operating surplus (before overheads)*	1,317	779	429	452	744
Operating surplus before overheads (as % of turnover)*	23.3%	15.0%	8.4%	8.4%	13.6%
Capital investment	16	48	282	25	59
<u>Net assets:</u>					
Cash	3,390	2,576	2,645	3,641	3,646
Other	360	748	900	79	318

(Note: 2017 turnover above excludes £1,849k arising on a group reorganisation)

* This represents turnover less operating expenditure and before overheads arising from support functions and headquarters costs.

VALUE FOR MONEY

As the COVID lockdown forced services to be delivered differently, 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 lockdown and there is an intention to continue to apply alternative ways of delivering accessible services. The cost base is expected to adjust accordingly although much of it will be cost neutral. 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 the further planned 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 2020/21 the senior team working with the Board, have looked to make the register more dynamic. The Aquarius Head of Service is also part of the Group Leadership Team which ensured that Aquarius' own needs as a charitable business were fully considered as part of the refresh process for the group. Business Continuity Plans have always been regularly updated but in 2020/21 have been more thoroughly tested than at any time previously as staff teams work tirelessly to adapt services to cope with the COVID-19 pandemic and the need to continue to engage people irrespective of going into or emerging from periods of lockdown.

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.

In the year Aquarius has significantly increased the involvement of service managers in the risk assessment and oversight process. This is part of a complete refresh in culturally embedding risk at all levels in the Charity. 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.

In addition, the group's new Internal Audit Team (RSM) have a wider brief to work with the group as partners to further improve our approach to risk over the next 3 years. Their findings in relation to the group's risk maturity have triggered a further set of actions to work on in further upgrading the group's approach to risk, assessment of its risk appetite and ensuring it is easier for end users on the frontline to pro-actively play a bigger role in delivering assurances to management and the Trustees.

During 2020/21 the Charity's risks have been significantly more dynamic, particularly around the need to respond across all areas of work in relation to **the COVID-19** pandemic. After a remarkable effort by local teams with the support of senior management, all services adjusted to new and evolving working arrangements. With the exception of our social enterprises, we have been able to continue giving direct support to almost all people using our services with this predominantly taking place by telephone and video calls. The lessons learned from these changes will inform our future delivery of services and the policies and processes which underpin them. To the credit of our delivery teams, many of our service performance metrics improved significantly, though a bigger challenge has emerged in being able to ensure levels of referrals from our usual partner agencies as many NHS routes to treatment have been impeded as both hospital and community services struggle to cope with the general impact of the pandemic. We believe there remains significant unmet demand and will be working with commissioners in 2021/22 to ensure these people can be supported.

As the repercussions of the pandemic emerge we must stay attuned to risk from the **general economic and social environment**. The national and global response to the pandemic will inevitably start to impact the economy and health of the nation. We are nonetheless positive that Dame Carol Black's independent review of drugs, which published the first phase of its findings in early 2020, may influence governments nationally and locally that there is a significant issue which needs to be tackled head on which might divert new resource into the sector. We await further announcements on this. In the meantime, commissioners continue to pursue, and we work constantly to improve, efficiency and effectiveness in everything we deliver while markets remain fiercely competitive. We hope that the work we are doing to re-structure our ways of working for the future will ensure we can meet the challenges that are presented by this risk.

During a period of significant change in working practices, we have remained ever conscious of the risks related to delivering **safe and effective services** to meet the recovery goals of the people we support, and the contracted needs of our commissioners. To ensure we are fully attuned to issues, we have increased our compliance oversight as we work towards a full rollout of documented Quality Self Assessments and expanded our feedback loops. We are continually re-evaluating our service pathways and processes and have re-doubled our focus on safeguarding related matters as the pressures from living with the pandemic increase strains on those we support. We are very focussed on our duty of care to the people we support, whilst ensuring they remain at the heart of everything we do. In support of this measure, the work of our staff council and ANCHOR group of people we support helps significantly in reality checking our thinking.

We remain close to our **people related risks** as whilst our workforce has stabilised considerably during the pandemic period, we are ever conscious of market pressures and the changes in people's expectation of work going forward. We will continue to benchmark against our peers to stay in touch with market trends. We have also been part of a group-wide initiative to focus on workforce well-being. The resilience of our

people at this time has been remarkable, but the strains do show from time to time and we must be there to play our part in ensuring our most valuable resource is well provided for. This is both in terms of current well-being but also in terms of planning for the future, what new provision will look like and how we deliver more personal development opportunities whilst also giving clear leadership. In no area is this more important than how we ensure Equality, Diversity and Inclusion is celebrated and used to impact the services we provide in our communities. We work hard to be responsive and sensitive to our communities, through the work we deliver.

The UK has now fully exited the EU and the country is responding to the new ways that this change has introduced. Aquarius has been fortunate to have been very minimally impacted to date by this transition but we stay close to the risk to ensure that this remains the case.

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

Aquarius minimises its exposure to risks arising from financial instruments by working closely with group partners to pool risk in this area.

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 and as such no significant provision for bad debt has been made. Nonetheless collection of debt remains challenging as was common amongst our peers across the sector even before the pandemic arose. Cash forecasting is closely monitored by Aquarius management and for now, Aquarius liquidity remains reasonable though the general uncertainty remains and so we must continue to be ever vigilant. Aquarius does not currently hold any non-cash financial investments.

Aquarius has no loan book and thereby no issues with covenants, gearing and securitisation. This is unlikely to change in the near future.

LOOKING AHEAD

Despite all of 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 after the past 12 months and we firmly believe everyone can make positive changes in their lives with the right support, encouragement and understanding.

In the coming year we will ensure greater participation of people who use our services in decision making via the strategic overview of our Working Together sub-committee which comprises representatives of our workforce, management and people who use our services.

We will be developing a pipeline that identifies key public health contracts for renewal that we will tender for whilst ensuring our social enterprises, Evolve and Aquarius Life, deliver both a financial and social return on investment to the organisation.

We are passionate about providing homes for young users of our services and so we plan to use our reserves to this aim. We aim to provide a housing model for young people who have been impacted by substance use but are able to live independently. This will be designed as a 'hub' of three properties in Birmingham with a total capital investment of £1m. Our plan is to purchase the properties, and then lease them to a housing provider who will provide us with housing management. This provision will house up to 9 young people and enable them to use the support we provide to achieve sustainable and settled accommodation in the community. The scheme will also provide both a social and financial return on our investment as well meet our goal to diversify our income stream.

Lastly, we will harvest the benefits of the flexible ways of working that have come from coping with the pandemic pressures. We aim to re-tailor our service delivery, making sure it is even more accessible, by permanently including remotely accessed services, making us more cost effective and sustainable for the future.

OUR PEOPLE

The Board and senior team cannot thank our workforce, peer mentors and volunteers enough for their "extra mile" contribution over the past year. Despite the health toll of the pandemic our sickness levels have been incredibly low and the innovation of our teams has led to almost all 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. Sadly, for part of the year our social enterprises were unable to operate and we had to access the government furlough scheme. We remained in regular contact with these staff throughout and as soon as it was safe to do so, we brought them back to re-start their service offer in a safe, new way of working.

But in overall terms our frameworks for pay and reward need to be further modernised. We will make such changes in close consultation with our dedicated workforce and we remain committed to aligning ourselves with the market median to offer an attractive pay and benefits package to our employees.

Our workforce at 31 March 2021 was 159 (compared to 172 on 31 March 2020). In addition we have 38 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 2020/21 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 work hard to evaluate 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 strong set of outcomes during this first period of review:

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

These new metrics give us an excellent base to target our interventions and other work to drive year on year improvement wherever possible and in the context of a challenging year for everyone, we feel our workforce have done a great job in delivering 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, Cycle to Work scheme, 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. In broadening our Young People's work we are supported by grants from the Co-op Foundation #IWill Fund, the Esmée Fairbairn Foundation, Children In Need, the CHK Foundation and the Harpur Trust.

Our Adult and Family services benefit from the generosity and support of grants from the Department of Health and Social Care, Forward Carers, National Lottery Community Fund (through their Coronavirus Community Support Fund) and the Perry Barr Constituency Neighbourhood Network Scheme.

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 2020/21 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 the Digbeth and Edgbaston areas of the City, providing 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.

The pandemic has significantly impacted Evolve and it has needed to remain closed for much of the last year. This has led to the difficult decision to close our premises in Edgbaston to assure the longer-term viability of the initiative. However, in the coming year we will be opening a new coffee shop based in the headquarters of the Commonwealth Games 2022 in the Birmingham City Centre.

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 a small amount of 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	64%	23%	56%
Female	36%	77%	44%
Ethnicity (self defined)			
BAME	17.0%	9.4%	33%
White or unknown	83.0%		
Disability (self defined)			
Yes	11.8%	6.3%	Not currently available
No			
Lived experience of the services we provide			
Yes	n/a	3.8%	Not currently available
No	n/a		

The Recovery Focus Group has an ambitious new Equality, Diversity and Inclusion Plan for 2021/22 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. A number of group policies now exist for 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 across the group. 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 has a seat on 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 particular 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 issues of EDI and about how we can renew our efforts to be an active anti discriminatory organisation. We have also received Investors in Diversity Accreditation as part of the group this year which included a staff survey on our approach to EDI. These efforts have led us to develop 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.

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 being 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 (8 in 2019/20). 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 (4 times in 2019/20) and average attendance improved to 90% over the year (75% in 2019/20). At 31 March 2021, women made up 44% of the Board. Sadly, Jean Marlow left the Board during the year and we thank Jean for her contributions. We conducted a significant market tested Trustee recruitment process in 2020/21 which has resulted in the appointment of Raffaella Goodby, Amanda Lamb, Nicholas Shough and Ashi Williams. This is a big boost to the Board and its activities. In addition, after 6 years of service, the parent director appointee, Derek Caren stood down from the Board. We are immensely grateful for his significant contributions. Derek has been replaced by June Riley who is bringing her extensive board level experience to the Board's work.

With a significantly new Board, Trustees will now look to scheduling development days in the coming year to ensure they are fully equipped to fulfil their duties as Trustees and work effectively together as Trustees. This is an excellent prospect for 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 people we support which meets regularly to share experiences, contribute to the quality improvement programme and future research decisions and on an on-going basis reviews the work of Aquarius. A representative of ANCHOR attends 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 Board and senior team are working together to look at more detailed benchmarking reviews, both internally and amongst peers, in the coming year.

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 less than 3 years with only one trustee is nearing the end of their full nine year 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. However, arising from the pandemic in 2020/21 this hasn't been possible in the past year, but it is hoped to re-instate such a programme as soon as it is safe to do so. 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 share across all board discussions and decisions.

A legal procedure agreement between RF and Aquarius sets out the responsibilities that the parent does and does not wish to delegate 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 are 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, regulator, 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 12 July 2021 and signed on its behalf

Albert Fletcher

Albert Fletcher (Sep 28, 2021 16:57 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 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position and the Notes to the Accounts, 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 2021 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

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 the 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.



Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Report of the Trustees 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 Report of the Trustees.

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 15, 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.

Jacqueline Oakes

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY
29/09/2021

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 March 2021

Income and endowments from:	Note	2021			2020		
		Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Donations and legacies		4,069	1,073	5,142	6,302	16,306	22,607
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	4	1,643,669	3,892,232	5,535,901	1,342,284	3,773,854	5,116,139
Other charitable activities	4	-	-	-	-	112,198	112,198
Other trading activities		-	4,924	4,924	-	35,115	35,115
Other operating Income		-	108,496	108,496	-	-	-
Investments		-	1,403	1,403	-	12,802	12,802
Total income		1,647,738	4,008,128	5,655,866	1,348,586	3,950,275	5,298,860
Expenditure on:							
Raising funds		-	6,133	6,133	-	32,271	32,271
Charitable activities							
<i>Alcohol, Drug and Gambling services</i>	5	1,579,895	3,641,842	5,221,737	1,369,723	4,118,487	5,488,210
Other expenditure	5	-	1,286	1,286	-	166	166
Total expenditure		1,579,895	3,649,261	5,229,156	1,369,723	4,150,924	5,520,647
Net income/ (expenditure)		67,843	358,867	426,710	(21,137)	(200,650)	(221,787)
Transfer between funds	14	(37,934)	37,934	-	-	-	-
Net movement in funds		29,909	396,801	426,710	(21,137)	(200,650)	(221,787)
Total funds brought forward		404,492	2,919,092	3,323,584	425,629	3,119,742	3,545,371
Total funds carried forward		434,401	3,315,893	3,750,294	404,492	2,919,092	3,323,584

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 2021

COMPANY NUMBER 02427100

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	9	343,299	401,861
Current assets			
Stock		943	3,287
Debtors	10	637,220	789,589
Investments		-	-
Cash at bank and in hand		3,389,852	2,575,919
Total current assets		4,028,015	3,368,795
Current liabilities			
Creditors	11	621,020	447,072
Net current assets		3,406,995	2,921,723
Net assets	13	3,750,294	3,323,584
Funds			
Restricted funds	14	434,401	404,492
Unrestricted funds	15		
Designated Property funds		343,299	401,861
Unrestricted general funds		2,972,594	2,517,231
Total charity funds		3,750,294	3,323,584

Approved and authorised for issue by the Trustees on 12 July 2021 and signed on their behalf by

Albert Fletcher

Albert Fletcher (Sep 28, 2021 16:57 GMT+1)

Albert Fletcher
Director

NOTES TO THE ACCOUNTS for the year ended 31 March 2021

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.

A scenario analysis was carried out looking at the potential financial impact of COVID-19 with a focus on income reduction from the Social Enterprises, and operating costs increases attributed to spends on PPE's and hygiene cleaning. Various risks were considered, with mitigations available to manage the impact on cashflow affecting the financial viability of the business. The assessment gave assurances that there was sufficient liquidity to meet the future short-term cash commitments.

In addition, the Board;

- introduced forecasting as part of the monthly reporting cycle
- introduced a twelve-month rolling cashflows forecast, which was regularly reviewed by Group Leadership Team and the Board.
- 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 equivalents, 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

All donations relate to alcohol, drug and gambling services.

	2021			2020		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Local authorities	811,726	3,594,844	4,406,570	792,318	3,659,473	4,451,791
Lottery funding	54,000	-	54,000	20,586	-	20,586
Other entities	777,943	297,388	1,075,331	529,380	114,381	643,761
Income from alcohol, drug and gambling activities	1,643,669	3,892,232	5,535,901	1,342,284	3,773,854	5,116,138
Other charitable activities	-	-	-	-	112,198	112,198
	1,643,669	3,892,232	5,535,901	1,342,284	3,886,052	5,228,336

5. Charitable expenditure

Charitable activities	2021			2020		
	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Staff costs	1,203,528	2,704,661	3,908,189	1,038,813	2,642,775	3,681,588
Other direct costs	114,325	359,471	473,796	169,444	620,453	789,897
Depreciation	5,446	18,904	24,350	3,745	12,269	16,014
Support costs	256,596	558,398	814,994	157,694	843,121	1,000,815
Bank charges and interest payable	-	408	408	27	(131)	(104)
Expenditure on alcohol, drug and gambling activities	1,579,895	3,641,842	5,221,737	1,369,723	4,118,487	5,488,210
Other charitable activities	-	1,286	1,286	-	166	166
	1,579,895	3,643,128	5,223,023	1,369,723	4,118,653	5,488,376

6. Support costs

	2021 £	2020 £
Staff costs	337,680	531,329
Premises and other office costs	53,436	76,001
Advertising and promotion	-	1,705
Computer costs	81,572	69,498
Equipment, maintenance and renewals	869	2,441
Governance costs	11,859	3,453
Service user costs	2,351	5,678
Other support costs	327,227	310,710
	814,994	1,000,815

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:	2021 £	2020 £
Depreciation	74,262	68,918
Auditors' remuneration	14,660	14,500
Operating lease rentals	134,882	130,409

8. Staff costs and numbers

The costs were as follows:

	2021	2020
	£	£
Salaries and wages	3,668,380	3,556,085
Redundancy costs	-	40,508
Social security costs	295,325	293,540
Pension contributions	211,491	210,755
Other staff costs	1,245	3,531
	<u>4,176,441</u>	<u>4,104,419</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 (2020; £nil). A E J Fletcher and JM 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:

	2021	2020
	No	No
£110,000 to £120,000	-	1

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

	2021	2020
	No	No
Alcohol, drug and gambling services	155	156
Support staff	10	9
	<u>165</u>	<u>165</u>

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

	2021	2020
	No	No
Alcohol, drug and gambling services	139	139
Support staff	9	8
	<u>148</u>	<u>147</u>

9. Tangible assets

	Freehold property £	Short leasehold property £	Fixtures, fittings and household equipment £	Computer equipment	Total £
Cost:					
At 1 April 2020	173,953	369,651	26,933	331,005	901,542
Additions in year	-	-	-	15,701	15,701
At 31 March 2021	173,953	369,651	26,933	346,706	917,243
Depreciation:					
At 1 April 2020	(94,064)	(305,222)	(10,244)	(90,151)	(499,681)
Charge for the year	(3,041)	(1,166)	(5,743)	(64,312)	(74,262)
At 31 March 2021	(97,105)	(306,388)	(15,987)	(154,463)	(573,943)
NET BOOK VALUE					
At 31 March 2021	76,848	63,263	10,945	192,243	343,299
At 31 March 2020	79,889	64,429	16,689	240,854	401,861

10. Debtors

	2021 £	2020 £
Trade Debtors	566,499	677,152
Other debtors	1,494	1,578
Accrued income	43,064	68,744
Prepayments	26,163	42,115
	637,220	789,589

11. Creditors

	2021 £	2020 £
Trade creditors		
Taxation and social security	19,661	126,454
Other Creditors	74,576	62,817
Deferred income	25,466	23,777
Accruals	282,148	78,634
Intercompany creditors	206,435	135,756
	12,734	19,634
	621,020	447,072

12. Deferred income

	2021 £	2020 £
As at 1 April 2020	78,634	85,770
Released in the year	(78,634)	(85,770)
Deferred in the year	282,148	78,634
As at 31 March 2021	282,148	78,634

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 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

As at 31 March 2020

	Restricted funds £	Unrestricted funds		Total funds £
		Designated £	General unrestricted £	
Tangible fixed assets	-	401,861	-	401,861
Current assets	404,492	-	2,964,303	3,368,795
Current liabilities	-	-	(447,072)	(447,072)
	404,492	401,861	2,517,231	3,323,584

14. Restricted funds

	At 1 April 2020 £	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

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2020 £
Alcohol & drug services	284,187	915,063	(978,956)	-	220,294
Gamcare (Adults & YP)	16,850	433,523	(390,767)	-	59,606
Drug Concern	124,592	-	-	-	124,592
	425,629	1,348,586	(1,369,723)	-	404,492

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. A transfer of £37.9k was carried out following a reclassification of funds.

Drug Concern

The reserve relates to the unexpended balance of the assets gifted to the charity by CONNECT (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 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>

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers and other £	At 31 March 2020 £
Designated funds					
Contingency fund	-	-	-	-	-
Property fund	423,171	-	-	(21,310)	401,861
	423,171	-	-	(21,310)	401,861
General fund	2,696,571	3,950,274	(4,150,924)	21,310	2,517,231
	<u>3,119,742</u>	<u>3,950,274</u>	<u>(4,150,924)</u>	<u>-</u>	<u>2,919,092</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:

	2021 £	2020 £
Within one year	42,304	59,945
Two to five years	1,112	6,826
More than five years	440	480
	<u>43,856</u>	<u>67,251</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 £296,000 (2020; £296,000).
- Offset by charges to its parent of £66,000 (2020; £160,000) for services to support its parent's contracts.
- Leading to a net charge from its parent of £230,000 (2020; £136,000).