

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

Annual Report and Financial Statements

for the year ended 31 March 2021



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

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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
PRINCIPAL BANKERS	Lloyds Bank Plc 4 th 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 Esmee 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

Nexia Smith & Williamson

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	<u>134,882</u>	<u>130,409</u>

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	<u>282,148</u>	<u>78,634</u>
As at 31 March 2021	<u>282,148</u>	<u>78,634</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 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)
	<u>434,401</u>	<u>343,299</u>	<u>2,972,594</u>	<u>3,750,294</u>

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)
	<u>404,492</u>	<u>401,861</u>	<u>2,517,231</u>	<u>3,323,584</u>

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).