

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

# **Annual Report and Financial Statements**

for the year ended 31 March 2023



# **aquarius**

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

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## BOARD MEMBERS AND ADVISERS

|                      |   |  |
|----------------------|---|--|
| TRUSTEES             | A Fletcher  | Chair ( <i>resigned 31 March 2023</i> )      |
|                      | D Carrington  |  |
|                      | M Etches  | ( <i>appointed 30 May 2023</i> )             |
|                      | R A Goodby  | ( <i>resigned 31 July 2023</i> )             |
|                      | A J Lamb  |  |
|                      | F Mahmood   | Vice Chair                                   |
|                      | J Mole  | ( <i>resigned 6 December 2022</i> )          |
|                      | J M Riley   |  |
|                      | D Oum   | Chair Elect ( <i>appointed 30 May 2023</i> ) |
|                      | N K Shough  |  |
|                      | A M Williams  |  |
| PRINCIPAL STAFF      | R McVey   | - Head of Service                            |
| PRINCIPAL BANKERS    | Lloyds Bank Plc<br>4 <sup>th</sup> Floor<br>25 Gresham Street<br>London<br>EC2V 7HN                           |  |
| SOLICITORS           | Bates, Wells & Braithwaite LLP (trading as Bates Wells)<br>10 Queen Street Place<br>London<br>EC4R 1BE        |  |
| INDEPENDENT AUDITOR  | CLA Evelyn Partners<br>Statutory Auditors<br>Chartered Accountants<br>45 Gresham Street<br>London<br>EC2V 7GB |  |
| REGISTERED OFFICE    | 236 Bristol Road<br>Birmingham<br>B5 7SL  |  |
| COMPANY REGISTRATION | 02427100  |  |
| CHARITY NUMBER       | 1014305   |  |
| WEBSITE              | <a href="http://www.aquarius.org.uk">www.aquarius.org.uk</a>  |  |

## **REPORT OF THE TRUSTEES**

The Trustees present their annual report, including the directors' report, and the audited financial statements for the year ended 31 March 2023. This report is prepared in compliance with the Charities Act 2011 and the Companies Act 2006. The report provides a picture of our progress over the last year as a charity providing significant support to people impacted by alcohol, drugs, and gambling.

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

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

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

Aquarius plays a vital role in the delivery of the Recovery Focus Group's three-year strategy managing the substance use and gambling operating sectors delivered by the Group. We are proud of our ambition to put the people we support at the heart of everything we do.

## **STRATEGY AND BUSINESS MODEL**

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

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

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

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

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

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

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

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

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

Aquarius continues to deliver high quality services whilst operating in an environment which has seen the demand for its services increase. This is expected to continue due to the focus on increasing the numbers of people in substance misuse treatment as part of the Drug Strategy.

The direction of Recovery Focus is set out in the group strategy entitled “**Growing Stronger Together**” which aims to meet the needs of the people we support, staff and local communities. As a Group, the 2022-23 year was the third year of delivering this strategy and we have done well in moving our priorities forward and delivering on our targets. The Group’s 2023-26 Strategy entitled “**Inspiring Individual Recovery**” was published in May 2023 and will form the basis of strategic priorities for Aquarius from next year.

During the year, the Group’s priority objective is to strengthen the range and quality of its services - to achieve that, the Group is focussed on five strategic enablers, namely:

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

## **OUR ACTIVITIES AND SERVICES**

### **Using evidence to shape recovery**

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

### **The support we offer**

Aquarius provides the following services:

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

Our early intervention services consist of training, advice and brief interventions to prevent and reduce harm. Early intervention comprises a combination of the following services:

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

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

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

### **Where we work**

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

We have also provided young people’s substance misuse services in Birmingham, Wolverhampton, Telford and Wrekin, Solihull, Oxfordshire, Northamptonshire and Bedfordshire. The needs of young people continue

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

## REVIEW OF THE YEAR AND KEY PERFORMANCE INDICATORS

### Our outcomes

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

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

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

Referral to treatment times within the 3-week tolerance was 98%, with further improvements recorded in our Young People's services. Planned exits also remained strong year-on-year against the national context of gradual deterioration in this indicator. The positive/stabilised key recovery and health indicators remain encouraging despite the difficulties people have faced over the year, particularly regarding physical health and social networks.

These key indicators benchmark well against peers through national data, notably on re-presentations within 6 months (where the national average is 6.5%).

### SATISFACTION

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

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

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

### SAFEGUARDING

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

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

To give the Board a clear line of sight, we have a Safeguarding Annual Action Plan that is instrumental in improving practice and awareness at Aquarius. As part of this plan, we have delivered specific training at the appropriate level for all staff in the organisation, provided regular specialist supervision to operational staff,

audited the safeguarding practice of our services, and ensured that lessons learned from serious incidents are shared across the organisation.

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

In 2022-23, 162 safeguarding referrals were recorded, with all but 12 relating to young people and therefore referred to the relevant child safeguarding authority. We ensure that all incidents are properly recorded, reviewed, and investigated, and that lessons learned are shared across the organisation. Safeguarding data is regularly reviewed to ensure clarity on reporting compliance and activity trends within and between services, both on a quarterly and yearly basis.

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

## **STAKEHOLDERS**

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

## **QUALITY CONTROL**

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

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

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

## **FINANCIAL REVIEW**

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

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

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

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

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

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

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

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

The table below shows performance over the last 5 years.

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

\* This represents turnover less operating expenditure before overheads.

## VALUE FOR MONEY

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

The strands of this programme cover:

- more effective use of our assets
- prioritising investment to maximise both social and financial returns
- further streamlining group-wide procurement
- better ways of working and further streamlining of spans of control
- restructuring overheads to meet future needs and ensure full resourcing of frontline services

## PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

the needs of the individual and choices about their best route to recovery. The work of our ANCHOR group (Aquarius Network Community-Home of Recovery), which is made up of representatives of people we support, greatly helps us to carry out a reality check of our thinking, as we respond to the environment, and to demand, by adapting our service provision accordingly.

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

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

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

The general economic and social environment is currently presenting significant challenges though nonetheless some opportunities, too. The Drug Strategy has brought increased funding and funding markets remain fiercely competitive, so we continue to drive value for money initiatives and review how we work with our delivery partners to deliver services that achieve the best outcomes.

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

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

## **FINANCIAL RISK MANAGEMENT**

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

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

## **POST BALANCE SHEET EVENTS**

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

Raffaella Goodby resigned from the Board on 31 July 2023.

## **LOOKING AHEAD**

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

Despite the challenges of the last year, it is our overriding commitment to continue to provide quality and evidence-based services that really support individuals and families to overcome the harms caused by alcohol, drugs and gambling. We believe that our services are more important and more urgently needed than ever

and we firmly believe everyone can make positive changes in their lives with the right support, encouragement and understanding.

We are passionate about providing homes for young users of our services and we have invested in the acquisition of 2 properties as part of our 'Aquarius Homes' initiative. These properties are planned to be online with 7 residents from the beginning of 2024. This initiative will enable them to access the support we provide and achieve sustainable and settled accommodation in the community. The scheme will provide a social and financial return on investment and will meet our goal to diversify income streams.

We will see increased funding into our gambling services in the coming financial year as Aquarius takes up a prime place in the development of a burgeoning national gambling treatment and recovery system. As Regional Alliance Partner lead for the West Midlands and West Mercia for gambling we will have a renewed focus on our provision of gambling services as we enhance the support provided to people affected by the harms of gambling in this region.

## **OUR PEOPLE**

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

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

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

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

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

## **ENVIRONMENT**

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

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

We are implementing the following areas of focus:

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

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

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

## **SOCIAL VALUE**

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

### **Delivering social value through our contracted services**

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

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

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

Tracking these metrics gives us a clear line of sight over our targeted work with an aim to secure year on year improvements whilst acknowledging the context of social and economic challenges.

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

We offer a Workplace Wellbeing Charter and a range of provisions including employee assistance, and workplace wellbeing training for all staff.

### **Delivering social value through our grant funded programmes**

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

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

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

### **Delivering social value through our social enterprises**

The two pillars of our commercial enterprises are Aquarius Life and Evolve. Both services continue to recover from the impact that the COVID pandemic had on our commercial enterprises.

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

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

**Evolve** has been providing a coffee shop and conference space in Birmingham since 2017. We have operated from two locations in Birmingham city centre, in Digbeth and from 2021 a new premises at the Commonwealth Games headquarters in Brindley Place. The Commonwealth Games ran across July and August 2022, the largest multi-sport event to be held in England for over 10 years and it was great that Aquarius could be part of these celebrations. Both sites provide employment and support opportunities for disadvantaged young people who have experienced problems with substance misuse, mental ill health, homelessness and/or offending. In the year we employed 9 young people through this programme, with 5 being paid a living wage, and 4 young people completing placements with us. On average each participant achieves 5 recognised qualifications. Of those completing the programme in 2022-23, 100% went on to further education or employment.

## FUNDRAISING

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

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

## SERVICE QUALITY, EQUALITY and DIVERSITY

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

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

The Recovery Focus Group has an ambitious Equality, Diversity and Inclusion (EDI) Plan which Aquarius is an integral part. We aim for a close alignment between our workforce diversity compared with the people we support. The Plan also aims to embed a broad range of cultural change to ensure we are fully meeting all of the needs of the communities we serve. We are implementing work streams that will ensure we address EDI in the workplace, in our recruitment practices and in our approach to career progression and development. This has included the provision of our Dignity Advisor Network with representatives across the workforce to ensure support for staff around inclusion, and Inclusion Community Groups for LGBTQ+, Black and Asian Minority Ethnic groups, Disability, Lived Experience and Wellbeing, providing staff forums to further promote

inclusion across the organisation. These Inclusion Communities provide assurance for the workforce their voice will be heard.

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

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

## **INTERNAL CONTROLS ASSURANCES**

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

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

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

## **STRUCTURE AND GOVERNANCE**

### **OBJECTIVES AND ACTIVITIES**

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

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

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

## **REGULATION AND COMPLIANCE**

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

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

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

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

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

The Articles specify a nine-year limit to the length of time a Trustee can serve. The average length of service amongst independent Trustees (i.e., the trustees other than the nominees from RF), is currently just over 3 years with only 2 trustees, completing a full term in 2022-23. John Mole had been a valuable Trustee for 9 years and left the organisation after completing a full term in December 2022. We also bid a fond farewell to our chair Albert Fletcher who completed a full term on 31 March 2023. To this end we have now recruited a new chair to Aquarius Danielle Oum to lead the Board and a new Trustee, Marc Etches, to the Aquarius Board, both appointed on 30 May 2023. Appointments across the Group are made under an agreed skills matrix matched against the challenges facing the Aquarius Board. Appointments of Aquarius Trustees are made by a nomination panel of the Board, but any recommendation is required to be made to both the Aquarius Board and the Board of Richmond Fellowship, as the parent with sole authority to make Trustee appointments.

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

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

## **STATEMENT ON PUBLIC BENEFIT**

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

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

### **Principle 1 - There must be an identifiable benefit or benefits**

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

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

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

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

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

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

## **STATEMENT OF ACCOUNTABILITY**

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

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

## **DISCLOSURE OF INFORMATION TO THE AUDITOR**

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

**Approved by the Board on 23/08/2023 and signed on its behalf**

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

**Faisal Mahmood**  
**Vice Chair, Board of Trustees**

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

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

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

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

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF AQUARIUS ACTION PROJECTS**

**Opinion**

We have audited the financial statements of Aquarius Action Projects (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the Statement of responsibilities of the Trustees set out on page 14, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We obtained a general understanding of the Charitable Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We obtained an understanding of the entity's policies and procedures in relation to compliance with relevant laws and regulations. We also drew on our existing understanding of the Charitable Company's industry and regulation.

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

- Updating operating procedures, manuals and internal controls as legal and regulatory requirements change;
- A programme of internal audit performed by an independent firm of internal auditors;

- A risk assessment framework and register that includes regular review and scrutiny by the Board;
- Regular safeguarding and health and safety reviews; and
- The Board's close oversight through regular Board meetings and compliance reporting.

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

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

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

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

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

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


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

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

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

#### **Use of our report**

**This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.**

  
Andrew Bond (Aug 24, 2023 21:13 GMT+1)

Andrew Bond

Senior Statutory Auditor, for and on behalf of

**CLA Evelyn Partners Limited**  
Statutory Auditor  
Chartered Accountants

45 Gresham Street  
London  
EC2V 7BG  
24/08/2023

**STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 MARCH 2023**

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

**STATEMENT OF FINANCIAL POSITION as at 31 MARCH 2023**

**COMPANY NUMBER 02427100**

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

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

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

**Faisal Mahmood**  
Director

## **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2023**

### **1. Status**

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

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

### **2. Accounting policies**

#### **Basis of preparation**

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

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

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

#### **Going concern**

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

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

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

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

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

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

#### **Disclosure exemptions for qualifying entities under FRS 102**

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

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

### **Donations**

Donations to the Charity are included in full in the Statement of Financial Activities when the charity has entitlement to the funds, it is probable that the income will be received, and the amount can be reliably measured. In the case of grants which are in the nature of donations, entitlement is usually evidenced by way of a formal offer document; for other donations, the charity usually becomes entitled to the income on receipt of the funds.

### **Income from charitable activities**

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

### **Government grants**

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

### **Donated assets and services**

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

### **Income from other trading activities**

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

### **Expenditure**

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

### **Operating leases**

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

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

### **Employee benefits**

#### Short term benefits

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

#### Defined contribution pension plan

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

#### Redundancy payments

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

### **Taxation**

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

### **Property, plant and equipment**

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

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

|   |               |
|---|---------------|
| Freehold property                         | 100 years     |
| Short leasehold property                  | life of lease |
| Fixtures, fitting and household equipment | 4 years       |
| Computer equipment                        | 5 years       |
| Computer software                         | 10 years      |

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

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

#### **Impairment of property, plant and equipment**

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

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

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

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

#### **Cash and cash equivalents**

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

#### **Financial instruments**

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

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

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

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

### **3. Key sources of estimation uncertainty and judgements**

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

#### **(a) Critical judgements**

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

##### *Property impairments*

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

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

*Income*

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

**(b) Key accounting estimates and assumptions**

*Estimation of revenue*

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

*Useful lives*

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

*Impairments of properties*

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

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

*Debtors*

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

**(c) Carrying values**

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

**4. Income from charitable activities**

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

**5. Charitable expenditure**

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

**6. Support costs**

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

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

**7. Net outgoing resources for the year**

| This is stated after charging: | 2023<br>£ | 2022<br>£ |
|--------------------------------|-----------|-----------|
| Depreciation                   | 41,571    | 62,240    |
| Auditors' remuneration         | 22,085    | 15,380    |
| Operating lease rentals        | 73,060    | 104,666   |

**8. Staff costs and numbers**

The costs were as follows:

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

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

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

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

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

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

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

## 9. Tangible assets

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

## 10. Debtors

### Debtors

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

## 11. Creditors

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

## 12. Deferred income

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

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

## 13. Analysis of net assets between funds

### As at 31 March 2023

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

### As at 31 March 2022

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

**14. Restricted funds**

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

|                         | <b>At 1 April<br/>2021<br/>£</b> | <b>Incoming<br/>resources<br/>£</b> | <b>Outgoing<br/>resources<br/>£</b> | <b>At 31<br/>March 2022<br/>£</b> |
|-------------------------|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Alcohol & drug services | 172,656                          | 927,484                             | (897,756)                           | 202,384                           |
| Gamcare (Adults & YP)   | 139,024                          | 532,782                             | (473,435)                           | 198,371                           |
| Drug Concern            | 122,721                          | -                                   | (72,099)                            | 50,622                            |
|                         | <u>434,401</u>                   | <u>1,460,266</u>                    | <u>(1,443,290)</u>                  | <u>451,377</u>                    |

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

**Alcohol and drugs services**

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

**Drug Concern**

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

**Gamcare**

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

# 15. Unrestricted funds

|               | At 1 April<br>2022 | Incoming<br>resources | Outgoing<br>resources | At 31<br>March<br>2023 |
|---------------|--------------------|-----------------------|-----------------------|------------------------|
|               | £                  | £                     | £                     | £                      |
| Property Fund | 343,299            | -                     | -                     | 343,299                |
| General fund  | 3,533,255          | 4,381,058             | -3,733,454            | 4,180,859              |
|               | <u>3,876,554</u>   | <u>4,381,058</u>      | <u>-3,733,454</u>     | <u>4,524,158</u>       |

|               | At 1 April<br>2020 | Incoming<br>resources | Outgoing<br>resources | At 31<br>March<br>2022 |
|---------------|--------------------|-----------------------|-----------------------|------------------------|
|               | £                  | £                     | £                     | £                      |
| Property Fund | 343,299            | -                     | -                     | 343,299                |
| General fund  | 2,972,594          | 4,245,662             | -3,685,001            | 3,533,255              |
|               | <u>3,315,893</u>   | <u>4,245,662</u>      | <u>-3,685,001</u>     | <u>3,876,554</u>       |

## Designated funds

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

### Property fund

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

### General fund

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

# 16. Operating lease commitments

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

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

### **17. Controlling party**

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

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

### **18. Related party transactions**

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

- Management charge from its parent of £297,000 (2022; £297,000).
- Offset by charges to its parent of £34,871 (2022; £34,000) for services to support its parent's contracts.
- Leading to a net charge from its parent of £262,129 (2022; £263,000).