

CHRYSLIS (CUMBRIA) LIMITED
Company Limited by Guarantee
FINANCIAL STATEMENTS
31 MARCH 2021

SAINT & CO

Chartered accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)

YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name Chrysalis (Cumbria) Limited

Charity registration number 1116125

Company registration number 05751140

Principal office and registered office Leaside
Longthwaite Road
Wigton
Cumbria
CA7 9JR

THE TRUSTEES

Mrs A G Wells
Mr J R Fearon
Mrs J Teasdale (Resigned 30 September 2020)
Mrs B H Earl
Mrs M A Drury
Mr D A Dodd
Mrs J A Kemp (Appointed 14 October 2020)

COMPANY SECRETARY Mrs M A Drury

AUDITOR Saint & Co
Chartered accountants & statutory auditor
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

BANKERS National Westminster
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CHRYSLIS (CUMBRIA) LIMITED

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

The trustees have pleasure in presenting their Annual Report covering the period 1st April 2020 to 31st March 2021.

The trustees are committed to applying best practice in governance commensurate with our charitable status and our principal activities. This report sets out our approach which is based on the Charity Commission Governance Code. The aim of the Code is to help charities and their trustees develop high standards of governance. Whilst the Code is neither a legal nor regulatory requirement, the trustees believe that we should aspire to comply where possible. Where we cannot presently comply with aspects of the Code these provide a tool for continuous improvement towards the highest standards.

Principle 1 - Organisational Purpose

The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably.

Chrysalis is an independent charity and company limited by guarantee. The charity is governed by a constitution as adopted on 1 June 1995, amended in October 1995 and further amended in July 1999. This is registered with the Charity Commission.

Objectives and activities

Our Mission Statement:

To be an agile local provider of choice, trusted by individuals to meet their needs and enrich their lives. We will provide excellent quality of care and support and we will ensure our financial stability. We will deliver these objectives by attracting and retaining a flexible and multi-skilled workforce.

Our strategic objectives are to:

- deliver excellent quality of care and support to be the local provider of choice trusted by individuals to meet their needs and enrich their lives
- to attract and retain a flexible and multi skilled workforce to ensure financial stability

Our Vision Statement:

To enrich and support the lives of individuals with disabilities.

In line with our delivery plan Chrysalis provides a range of person-centred activities within the community. We also have resource bases at Leaside in Wigton and at Westmoor in Carlisle.

Individuals engage in a range of supported activities including independent living skills, creative arts, employment training, sensory stimulation, computing, horticulture and photography to name but a few areas.

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YEAR ENDED 31 MARCH 2021

We have access to a range of community facilities across Cumbria which include swimming sessions and hydrotherapy, fell walking, sailing, bowling, accessible cycling and a range of outward-bound experiences, although we have had to curtail many of these activities due to the Covid-19 pandemic.

Likewise, our respite holidays for individuals has been suspended although we are keen to re-start these as soon as it is safe to do so.

All support is person-centred offering group, one-to-one and two-to-one activities dependent upon the needs of each individual and the activities undertaken.

During 2021 we aim to recommence our range of placement opportunities for nursing and social work students from a number of educational centres throughout the region. Whilst providing much appreciated support for Chrysalis, these placements also allow the students to gain valuable skills and experience which will assist with their future employability within the sector.

Principle 2 - Leadership

Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values.

In accordance with best practice the role of Chair and Chief Executive is not held by the same person. A Chief Executive Officer (CEO) is appointed by the trustees to provide leadership and direction. The CEO is supported by the Senior Management Team who are responsible for the day-to-day operations of the care and support provision, administration, finance, marketing, support and HR. The current Chief Executive Officer is Claire Doherty who has been with Chrysalis for 30 years. The present Chair is Gilda Wells who has held this position for over 10 years.

Structure, Governance and Management

A board of trustees who meet quarterly administer the charity and are responsible for overall management and control receiving reports from the Chief Executive Officer and associated governance sub-groups on a regular basis.

The following sub-groups have been established:

(a) Governance

The main aims of this group are:

- To ensure appropriate governance
- To ensure that we have systems and procedures in place to monitor and control the relevant legal framework.
- To ensure that our Risk Management Strategy is fit-for-purpose and that we have appropriate risk controls and mitigants in place.
- To ensure that we have robust procedures and systems of internal control in place

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

(b) Finance and General Purposes

The main aims of this group are:

- To control all matters relating to our finances
- To oversee all financial reporting and internal financial controls

(c) Staff & HR

The main aims of this group are:

- To oversee our HR practices
- To oversee our remuneration policies

(d) Marketing

The main aims of this group are:

- To ensure that we have a Marketing Strategy
- To ensure that we have written procedures in place to cover our marketing activities
- To ensure that our public relations activities are fit-for-purpose

(e) Client Service Delivery

The main aims of this group are:

- To provide an oversight into our current client services
- To examine potential future client services

(f) Remuneration

The main aims of this group are:

- To review the terms and conditions of employment of the Senior Management Team
- To review the performance objectives of the Senior Management Team
- To review overall remuneration package of the Senior Management Team

The overall objective of the Committee is to ensure that our Remuneration Policy attracts, retains and motivates the calibre of senior management required to fulfil our strategic objectives.

Principle 3 - Integrity

The board acts with integrity, adopting values and creating a culture which helps achieve the organisation's charitable purposes. The board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.

Our Values:

We will always treat people with dignity and respect.

We will ensure that our clients have choice and control over the service which we provide to them.

We will always act with integrity.

We will use both innovation and creativity to deliver our services.

We will ensure that our clients have maximum involvement with the services that we provide.

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YEAR ENDED 31 MARCH 2021

Related parties

Trustees' families are able to access our services in line with usual referral process but on a normal arms-length basis. Any conflicts of interest would be declared and remedied in relation to trustee matters.

Principle 4 - Decision Making, Risk and Control

The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored.

Risk management

The Board of Trustees have identified the major risks to which the charity is exposed, in particular those related to operations and finance and are confident they have established systems and procedures to manage those risks.

The major risks to our business have been identified as:

- Funding Risk – the risk that we are unable to meet client needs and/or to service our debts and obligations.
- Procedural Risk – the risk that personnel fail to follow correct procedures leading to possible harm to clients and to a damage to our reputation.
- Personnel risks – the risk that we can suffer detriment through staff absences, unfilled vacancies, inadequately trained staff, theft, fraud, etc.

Throughout the year the trustees review the Business Continuity Plan and Risk Register.

During 2021 a new Risk & Compliance Committee will be set up. This sub-committee will report to the main Board of Trustees. The committee will look at new and emerging risks; it will also measure how we are performing against current risks.

Quality assurance

The trustees can confirm that Chrysalis has continued to meet the standards required through all its' contractual obligations.

Chrysalis is proud that it has continued to meet the national standards of the Investors In People (IIP) award. The annual review was successful completed in January 2021. Due to the effects of the pandemic we will defer our next full review which was due in October 2021 until October 2022. A Strategic Review will be undertaken by IIP in the interim.

Principle 5 - Board Effectiveness

The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

The trustees act as directors of the organisation. The Board of Trustees meets regularly to review performance against long-term strategic and operational objectives. Details are contained in our Corporate Plan, Business Plan, Value Statement and the terms of reference of the various Board committees.

In addition, the Board of Trustees has general responsibilities to ensure that we:

- Operate within our Memorandum and Articles of Association
- Comply with appropriate legislation and regulations
- Have proper accounting records which are established, maintained, documented and audited.
- Have effective systems of control which are established, maintained and documented.

The Board of Trustees takes decisions on specific matters such as major investment and capital purchases. The Board also established and monitors the strategic objectives of the organisation. Decisions such as day-to-day expenditure are delegated to the Senior Management Team.

The trustees meet without the Chief Executive Officer present at least once a year. All directors meet without the Chair present at least once a year.

New trustees are recruited and appointed if they can show an understanding of the specialist nature of the support services provided by Chrysalis. New trustees are expected to attend induction training and involve themselves with the range of provisions through familiarising themselves with the workings of staff and individuals we support. During the year Julie Kemp was appointed as a trustee. Julie has worked in Human Resources and Organisational Development for over 30 years, she is presently managing workforce development and wellbeing for a local authority.

Our skills analysis has identified a potential to recruit a trustee with legal expertise and we will look to fill this gap in the near future.

We provide specific training sessions for the trustees. In addition, the trustees have taken a hands-on role when considering our compliance with the Charity Commission Governance Code.

Principle 6 - Diversity

The board's approach to diversity supports its effectiveness, leadership and decision making.

The trustees' approach to diversity supports our values. The term "diversity" includes the 9 protected characteristics contained within the Equality Act 2010 as well as different backgrounds, life experiences, career paths and diversity of thought.

Every trustee has an annual appraisal with the Chair. In addition, the Chair is provided with an appraisal by the Vice Chair. All appraisals include a discussion on diversity to ensure that the matter is covered properly.

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YEAR ENDED 31 MARCH 2021

Our recruitment process, including skills audits and recruitment adverts, complies with our diversity aspirations. In addition, Employee Handbook and our Equality & Diversity Policy follow best practice in this area.

Principle 7 - Openness and Accountability

The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

As part of our annual strategy review the trustees consider and approve our Stakeholder Analysis. Following the annual review, we aim to develop strategies and tactics to ensure that we have the proper communications with our stakeholders both in terms of quality and quantity.

Volunteers and students provide valuable additional support for our permanent staff in key activity areas. We had three active volunteers during the year in addition to the board. They supported with activities led by staff on a regular basis throughout the year giving many precious hours.

We also have a regular contribution of gardening from a local volunteer for which we are very grateful.

Corporate volunteering programmes have developed significantly in recent years and we now have four key corporate partners in support of their social responsibility agenda whilst providing much needed input for the organisation, we anticipate being able to re-engage with them in the near future.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

The trustees have great pleasure in presenting their Directors Report for the year ended 31 March 2021. Naturally our operations have been affected significantly by the global pandemic and the trustees wish to express their thanks to all clients, staff and supporters for their unwavering support during this difficult period.

Strategic Report

The following sections for achievements and performance and financial review form the strategic report of the charity.

Covid 19 Pandemic

At the start of the pandemic the Trustees and the CEO met on a weekly basis to discuss how we should react to the emerging crisis. In March 2020 the Cabinet Office issued a Procurement Policy Note (PPN): "Supplier Relief Due to Covid-19". This set out guidance for public bodies regarding their relationship with their suppliers. Public bodies were requested to continue to make contractual payments even where the service was disrupted or temporarily suspended. This was followed in April by PPN 04/20 which stated that contracting authorities should work in partnership with their suppliers to develop plans to exit these transitional arrangements. To ensure that these guidelines were put into effect the CEO held regular meetings with the Strategic Commissioning Team of Cumbria County Council and Cumbria Clinical Commissioning Group, to discuss our funding requirements. Naturally, the requirements of these PPNs put a huge financial strain on organisations such as Cumbria County Council. According to the National Audit Office central government have provided an extra £9.1bn to local authorities to cover additional "Covid-related" expenditure; whilst the same report estimates that actual cost to local authorities was £9.7bn. Whilst at times these negotiations were difficult, our CEO represented Chrysalis in a firm and professional manner. Likewise, it would be appropriate here to record our thanks to the senior management at Cumbria County Council for the constructive and helpful manner that they conducted these discussions.

Whilst we were receiving funding under these PPNs we were able to maintain all staff in their jobs at that time whilst utilising the furlough scheme. However, this sustainability funding was removed in July 21.

In this report last year, we envisaged the need to carry out a re-organisation of our structure to save money. This re-organisation became necessary in early 2021 and has now been completed.

Throughout the pandemic we have followed the quality assurance guidelines issued by all regulatory bodies, Public Health, Care Quality Commission (CQC), Health and Safety Executive (HSE). Most of our staff and clients have responded well to the vaccination process and most have had both vaccines. Staff are now undertaking COVID tests three times a week and individuals supported as appropriate.

In 2020 we took the decision to join the Association of Chief Executives of Voluntary Organisations. By joining we gain access to a range of resources and support.

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YEAR ENDED 31 MARCH 2021

Along with most organisations we struggled to maintain adequate supplies of Personal Protection Equipment (PPE) at the start of the pandemic. However, due to the excellent work of the Senior Management Team we always had supplies available. We are now able to access the PPE portal for our supported living requirements which is incredibly beneficial.

The Covid-19 pandemic has placed a great strain on all staff and senior management. The Trustees would like to record their thanks to all staff and management for their excellent performance during this difficult and unprecedented time.

Achievements and Performance

Naturally, the pandemic has had a huge impact on our financial performance however, due to prudent and effective management, and the utilisation of all available sustainability funding at the time we have recorded a creditable performance.

We continue to be well respected by individuals, families and commissioners and during the year we agreed a new contract with Cumbria Clinical Commissioning Group for 2020/1. The demand for our services fell dramatically during the year as clients and their families adhered to the lockdowns in the country and were understandably anxious about receiving elements of face-to-face support available.

During the year we were approached by two local hospitals to consider operating a café within their premises. Both of these opportunities are being given careful consideration by the Senior Management Team.

As our face-to-face operations were severely curtailed during the year we took part in a number of initiatives to reach out to our clients in their own homes. This included numerous Zoom activity session all through the week to keep everyone engaged and as active as possible. We also received funding from Borderway Finance Ltd which enabled us to provide afternoon teas to our clients in their own homes and it was great to be able to see everyone during the first lockdown.

In October 2020 the CEO gave a presentation to the Learning Disability England National Conference and in March 21 to the Scrutiny Advisory Board- Adults of Cumbria County Council These occasions provide an excellent platform to spread the word about the brilliant services provided by Chrysalis and the resilience shown during this challenging time.

Throughout the year the Senior Management Team have continued to liaise with Cumbria County Council Procurement Team. In particular we have entered submissions for: The Support and Accommodation Framework, and the Virtual Activities within Community activities framework for which we have been successful with both tenders.

As we have grown in recent years our back-office systems have struggled to keep up with the changes. We therefore acquired a new back-office IT system in 2020. This system, known as IPlanIt, will improve the efficiencies of our systems and procedures. The implementation will be completed during 2021.

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YEAR ENDED 31 MARCH 2021

As mentioned previously, due to the global pandemic we had to scale back many of our face-to-face services. However, thanks to the generosity of the Julia and Hans Rausing Charitable Trust we were able to develop our outreach services and we purchased a Rural Outreach Vehicle which means that we can now take our services to our clients anywhere within our operating area.



Funds from the grant were also utilised to help our digital agenda and as a result were also successful with the Governments Digital Lifeline appeal enabling us to provide 16 new tablets to some clients which helps us to keep in touch even when they cannot come to one of our premises.

Another generous donation came from the Joyce Wilkinson Fund operated by the Cumbria Community Foundation. With the help of this grant we have been able to erect garden shelters, gazebos and verandas at our premises. This is a great benefit as we can make better use of our outdoor spaces. The Covid Emergency Fund from the Cumbria Community Foundation also provided much needed immediate support in those early days, as well as generous donations of PPE and supplies from local businesses whilst the country reacted to the pandemic.

Our lottery scheme had been running for many years and during 2020 we decided to join the One Lottery Scheme operated by Gatherwell Ltd on behalf of Allerdale District Council. Details of how to join the scheme are available on our website.

A new Electronic Point of Sales (EPOS) system has been installed at our wholefood shop. The new system will make it easier for us to process payments and to keep track of our stock.

A new role of Senior Support Worker has been introduced to provide valuable support to our Service Leads.

Our new Marketing Committee have developed a Marketing Plan. The Plan will help us to increase our profile and show the world the great things that are happening here at Chrysalis. As part of this plan we have appointed an Agency to help with our profile.

We have continued our work to develop our unique sensory environment in the grounds of the Meeting Place to provide opportunity for learning all year round.

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YEAR ENDED 31 MARCH 2021

Our shop in Wigton: Chrysalis Wholefoods had to close during the early stages of the pandemic. Happily, we are now open again and all of the required safety measures are in place. The shop continues to be popular with people in Wigton and the surrounding area. The shop not only provides an additional income stream but it offers a unique work experience to clients.

During the year we commenced a project to refresh our website. This project will continue throughout the present financial year. Once completed Terms of Reference of all Trustee sub-committees will be published on the new website. In addition, the new Organisation & Control Manual will be completed thus providing a comprehensive record of our systems of control.

We were thrilled when, after much hard work, we were successfully awarded the Cyber Essentials plus Accreditation. This work was part of the National Cyber Security Centres' support for care providers, in collaboration with the national and local support programme: Better Security, Better Care. This means that we have met a nationally recognised standard for cyber security, which demonstrates that our systems and equipment meet a very high standard. The Trustees would like to record their thanks to everyone who helped us to achieve this accreditation, especially our expert volunteer Gary Richardson.

Events

Whilst our events were severely affected by the global pandemic we were still able to provide the following:

- On-line music workshops
- Festive gift boxes
- Virtual Christmas Party
- An on-line Disco
- Quiz Nights
- Afternoon teas at home
- Drop in Visits
- Regular telephone calls
- Increased newsletters



Chrysalis has been spreading some Christmas cheer across the county by sending out more than 80 festive gift boxes to the people we support. This was made possible by a generous donation from Mr Mike McCrickard.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

Staff

We encourage and support staff at all levels, by providing technical and professional education and development. Our objectives and the performance towards those objectives are communicated via regular staff and management meetings. During the year staff have continued to attend numerous courses, the majority of which were online to ensure that quality and safety of support were not impacted as a result of the pandemic

All members of staff have their individual contributions assessed as part of a structured performance appraisal process.

We are proud to provide a working environment which encourages equal access to training, promotion and career development among all of our staff regardless of their age, creed, gender, marital status or race.

All members of staff have been given information about the Care Workforce App and have been issued with the new CARE badge. This goes some way to recognise the tremendous work of the social care workforce as key players in the fight against Covid-19.

We appreciate our "Disability Confident" status which means that full and fair consideration is given to applications for employment from disabled persons. If employees become disabled they are encouraged to continue their employment, and arrangements are made for training and redeployment as appropriate so that employability is not impaired by virtue of that disablement.

Once again, our staff have continued to provide an excellent service to our clients, and the trustees would like to express their thanks to all of our staff for their dedication and loyalty, particularly during such challenges.

Our robust approach to the delivery of induction and the care certificate continues to ensure a solid platform for our future.

In January our Chief Executive, Claire Doherty, celebrated 30 years' service with Chrysalis and the trustees would like to record our thanks to Claire for her excellent contribution over the years. It is fair to say that Chrysalis would not be the successful organisation that it is today without Claire's direction and unwavering hard work.

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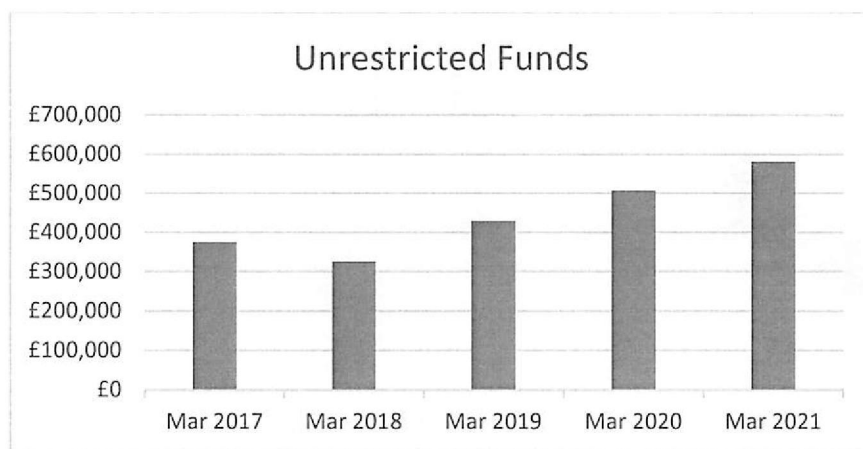
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

Financial Review

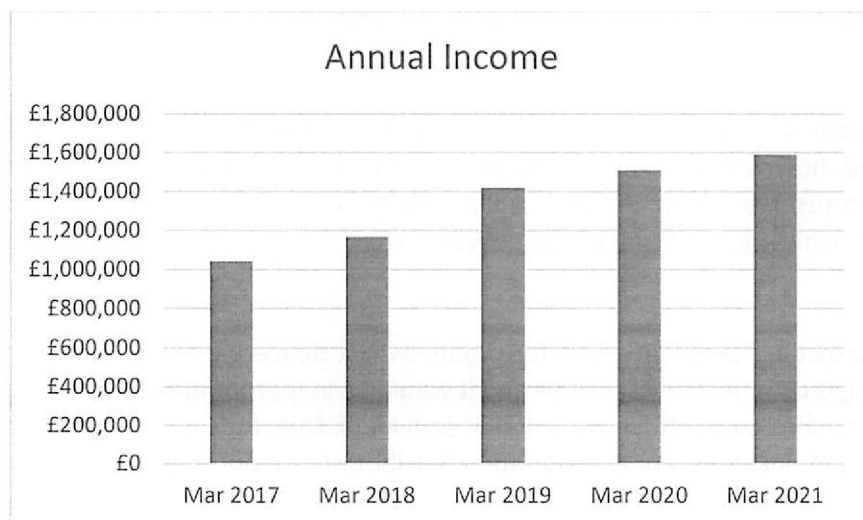
As a regional charity we do not set out to maximise our profit. Nevertheless, we must make sufficient profit to ensure the long-term viability of the business. As we do not have any external shareholders we do not need to provide dividends to owners, therefore all of our profits go into our reserves.

The statement of financial activities shows a surplus for the year of £82,559. Our balance sheet also demonstrates a healthy level of unrestricted funds of £580,128.



During the year we raised over £247,000 through government support, grants, fundraising and donations we are very grateful to all of our fundraisers, grantors and donors for their support.

The year's surplus, inclusive of grant income, demonstrates another successful year for Chrysalis.



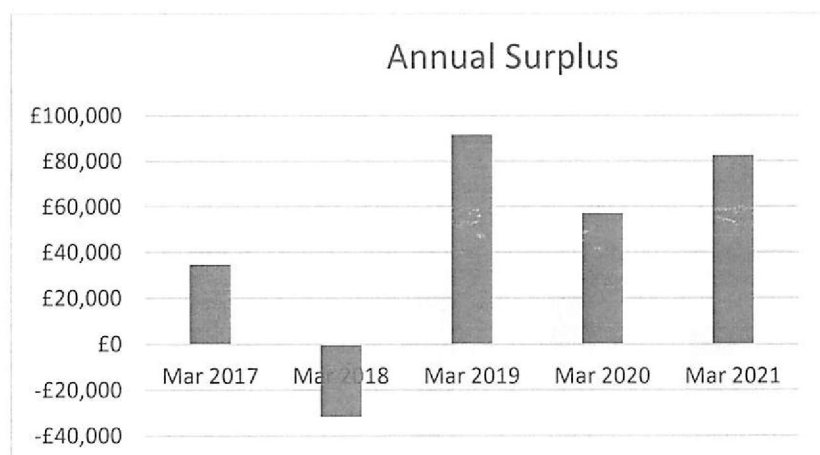
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YEAR ENDED 31 MARCH 2021

The annual surplus of £82,559 (£57,053 in 2020) represents 5.2% of our income (3.8% in 2020). During the financial year our income was £1,588,489 (£1,508,952 in 2020) which represents a 5.2% increase from the previous year. At the same time our total expenditure also increased by 3.7% to £1,505,930 (£1,451,419 in 2020).



Some of our contracts are linked to increases in the Consumer Prices Index (CPI) which was 0.7% in March 2021; and the National Living Wage which was increased by 2.2% in April 2021.

We have significant contracts with Cumbria County Council and Cumbria Clinical Commissioning Group. These contracts are underpinned by appropriate Service Level Agreements (SLAs). These SLAs define the quality of service provided by Chrysalis. The retention of these contracts demonstrates that both the County Council and the Clinical Commissioning Group have confidence in Chrysalis and in our commitment to quality. Chrysalis will therefore continue to be identified on the County Councils' Directory of Services.

As the nature of social care and pressure on budgets continues to increase Chrysalis is well placed to meet this changing demand, however we remain vigilant to the challenges of the sector and must ensure strong resources and reserves to enable us to adapt and overcome these challenges and we are as committed as ever to achieving our strategic objectives.

Pricing

Chrysalis is committed to providing excellent value for money whilst delivering exceptional service. Naturally our detailed pricing is commercially sensitive and it would be inappropriate to publish details here, however our pricing remains competitive with similar providers. Our rates reflect the specialist support that we provide and includes an appropriate contribution to our overheads and our infrastructure.

Each year the Senior Management Team review our pricing structure and provide appropriate recommendations to the Board of Trustees. Following consideration by the Trustees our rates are adjusted accordingly.

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YEAR ENDED 31 MARCH 2021

In recent years there has been an increased demand for providing flexible and individually tailored care packages. This trend is a positive development for Chrysalis as we can be more dynamic than some national providers, however we must ensure that we have adequate flexibility with the required staffing and that legal and contractual obligations are met.

Investment Powers and Policy

Chrysalis operates in accordance with the powers detailed within its Memorandum and Articles of Association.

Excess funds are invested with an emphasis on security rather than income-generation.

The trustees, having regard to the liquidity requirements of operating the organisation, have authorised available funds to be invested in an interest-bearing deposit account. In the present economic environment, the trustees believe that interest bearing deposit accounts are unlikely to provide an interest rate which will exceed the retail price index, this is entirely consistent with our emphasis of "security over returns".

Reserves policy

Our reserves policy is to maintain sufficient level of reserves to enable normal operating activities to continue over a period of time. In view of recent events the Trustees believe that we should take a more dynamic approach to our reserves and our revised policy sets targets for total expenditure and staff costs as well as utilising a specific minimum level. It is sensible to transition towards these new targets and details of the proposed transition period are set out below. Excluded from the reserves policy is income associated with donor restricted funds (earmarked income).

A risk assessment has been undertaken and the following has been determined using the risk identification approach:

- unrestricted income - medium risk
- restricted income - low risk
- expenditure - low risk

The following potential external major risks have been identified:

- change of government policy - statutory grants may be withdrawn
- Economic recession

The following table sets out the revised reserves policy for the current financial year together with our actual results:

Measure	Reserves Policy	Actual Result as at 31 March 2021
Absolute minimum reserves	£500,000	£580,128
4 Months staff costs	£480,924	4.8 months
4 months total expenditure	£501,976	4.6 months

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YEAR ENDED 31 MARCH 2021

This policy is reviewed by the board on a 6 monthly basis to reflect the changing needs of the organisation and following the latest review the Trustees have agreed that we should aspire to refine our reserves policy as follows:

Year Ending 31st March 2021

Our reserves are defined as our unrestricted funds less our tangible fixed assets. These defined reserves will meet at least two of the following measures:

An absolute minimum of £500,000

Sufficient to cover at least 4 months total staff costs

Sufficient to cover at least 4 months total expenditure

Year Ending 31st March 2023

Our reserves are defined as our unrestricted funds less our tangible fixed assets. These defined reserves will meet at least two of the following measures:

An absolute minimum of £550,000

Sufficient to cover at least 5 months total staff costs

Sufficient to cover at least 5 months total expenditure

Year Ending 31st March 2025

Our reserves are defined as our unrestricted funds less our tangible fixed assets. These defined reserves will meet at least two of the following measures:

An absolute minimum of £575,000

Sufficient to cover at least 6 months total staff costs

Sufficient to cover at least 6 months total expenditure

This Reserves Policy will be re-examined each year by the Finance Sub Committee at their January Meeting following a suitable paper being submitted by the Senior Management Team. Any changes to the Policy will be formally agreed by the Board of Trustees upon a suitable recommendation from the Finance Sub Committee.

Going Concern

The trustees consider it appropriate to adopt the going concern basis of accounting.

Plans for future periods

Our strategic plan identified the need to extend our provision of 24 hour supported living, this has been delayed due to the global pandemic, but it remains a goal.

The trustees have agreed to introduce a new Risk & Compliance Committee. This committee will consider emerging risks, current risks and our overall compliance framework.

The exploration of an additional social enterprise will be considered.

Support for individuals with additional and complex needs as part of the transforming care programme will be further considered.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

Additional works will be planned for The Meeting Place.

Additional trustees will be sought with specific skill sets as identified in our board skills gap analysis.

The Senior Management Team continue to create a series of Key Performance Indicators (KPIs). These KPIs will enable us to measure our progress and our performance against our medium and long-term strategic objectives.

Significant Events Since the Year End

There are no significant events to report.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

TRUSTEES' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 MARCH 2021

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 30 September 2021 and signed on behalf of the board of trustees by:



Mrs A G Wells
Trustee

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSLIS (CUMBRIA) LIMITED

YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Chrysalis (Cumbria) Limited (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity 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 charity'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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (CUMBRIA) LIMITED

(continued)

YEAR ENDED 31 MARCH 2021

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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.
-

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSLIS (CUMBRIA) LIMITED

(continued)

YEAR ENDED 31 MARCH 2021

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity 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 the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
 - we identified the laws and regulations applicable to the company through discussions with directors and other management;
 - we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
 - we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
 - identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
-

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSLIS (CUMBRIA) LIMITED

(continued)

YEAR ENDED 31 MARCH 2021

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- To address the risk of fraud through management bias and override of controls, we:
 - performed analytical procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
 - investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSLIS (CUMBRIA) LIMITED

(continued)

YEAR ENDED 31 MARCH 2021

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Farrer (Senior Statutory Auditor)

For and on behalf of

Saint & Co

Chartered accountants & statutory auditor

Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

6 December 2021

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2021

			2021		2020
		Unrestricted	Restricted	Total funds	Total funds
	Note	funds	funds		
		£	£	£	£
Income and endowments					
Donations and legacies	5	147,271	99,949	247,220	16,512
Charitable activities	6	1,318,745	–	1,318,745	1,450,871
Other trading activities	7	21,770	–	21,770	38,162
Investment income	8	739	–	739	2,279
Other income	9	15	–	15	1,128
Total income		1,488,540	99,949	1,588,489	1,508,952
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	10	(573)	–	(573)	(720)
Costs of other trading activities	11	(50,080)	–	(50,080)	(63,282)
Expenditure on charitable activities	12,13	(1,389,228)	(66,049)	(1,455,277)	(1,387,897)
Total expenditure		(1,439,881)	(66,049)	(1,505,930)	(1,451,899)
Net income		48,659	33,900	82,559	57,053
Transfers between funds		24,819	(24,819)	–	–
Net movement in funds		73,478	9,081	82,559	57,053
Reconciliation of funds					
Total funds brought forward		506,650	8,061	514,711	457,658
Total funds carried forward		580,128	17,142	597,270	514,711

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 27 to 42 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL POSITION****31 MARCH 2021**

	Note	2021 £	£	2020 £
FIXED ASSETS				
Tangible fixed assets	18		321,161	298,772
CURRENT ASSETS				
Stocks	19	7,164		5,659
Debtors	20	61,505		154,414
Cash at bank and in hand		494,853		192,078
		563,522		352,151
CREDITORS: amounts falling due within one year	21	(200,225)		(56,595)
NET CURRENT ASSETS			363,297	295,556
TOTAL ASSETS LESS CURRENT LIABILITIES			684,458	594,328
CREDITORS: amounts falling due after more than one year	22		(64,688)	(69,617)
PROVISIONS				
Other provisions	23		(22,500)	(10,000)
NET ASSETS			597,270	514,711
FUNDS OF THE CHARITY				
Restricted funds			17,142	8,061
Unrestricted funds			580,128	506,650
Total charity funds	26		597,270	514,711

These financial statements were approved by the board of trustees and authorised for issue on 14 October 2021, and are signed on behalf of the board by:



Mrs A G Wells
Trustee

Company registration number: 05751140
Charity registration number: 1116125

The notes on pages 27 to 42 form part of these financial statements.

CHRYSALIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF CASH FLOWS****YEAR ENDED 31 MARCH 2021**

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	82,559	57,053
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	31,855	19,259
Government grant income	(111,032)	–
Other interest receivable and similar income	(739)	(2,279)
Interest payable and similar charges	3,341	3,394
Accrued expenses/(income)	52,484	(10,543)
<i>Changes in:</i>		
Stocks	(1,505)	1,017
Trade and other debtors	92,909	(808)
Trade and other creditors	91,086	(4,458)
Provisions and employee benefits	12,500	–
Cash generated from operations	253,458	62,635
Interest paid	(3,341)	(3,394)
Interest received	739	2,279
Net cash from operating activities	250,856	61,520
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(54,244)	(24,731)
Net cash used in investing activities	(54,244)	(24,731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(4,869)	(4,438)
Government grant income	111,032	–
Net cash from/(used in) financing activities	106,163	(4,438)
NET INCREASE IN CASH AND CASH EQUIVALENTS	302,775	32,351
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	192,078	159,727
CASH AND CASH EQUIVALENTS AT END OF YEAR	494,853	192,078

The notes on pages 27 to 42 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Leaside, Longthwaite Road, Wigton, Cumbria, CA7 9JR.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 10% reducing balance on improvements; 1% straight line on original cost
Motor vehicles	- 20% reducing balance
Equipment	- 33% straight line for computer equipment; 15-25% other equipment

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

CHRYSLIS (CUMBRIA) LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in income or expenditure unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of financial activities in the period it arises, and is allocated to the appropriate expenditure heading.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

3. ACCOUNTING POLICIES *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital.

Every member promises, if the Charity is dissolved while he or she is a member or within twelve months after he or she ceases to be a member, to contribute such sum (not exceeding £10) as may be demanded of him or her towards the payment of the debts and liabilities of the Charity incurred before he or she ceases to be a member, and of the costs charges and expenses of winding up, and the adjustment of the rights of the contributories among themselves.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
DONATIONS			
Donations	2,376	—	2,376
GRANTS			
Grants receivable	33,863	99,949	133,812
Government grant income	111,032	—	111,032
	<u>147,271</u>	<u>99,949</u>	<u>247,220</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
Donations	8,312	—	8,312
GRANTS			
Grants receivable	—	8,200	8,200
Government grant income	—	—	—
	<u>8,312</u>	<u>8,200</u>	<u>16,512</u>

CHRYSLIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31 MARCH 2021****6. CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Social service contract and spot income	574,797	574,797	567,790	567,790
Private contracts/direct payments	43,598	43,598	293,046	293,046
NHS contracts	331,573	331,573	236,166	236,166
Centre activity income	21,678	21,678	25,828	25,828
Outreach activities and room hire	5,344	5,344	11,354	11,354
Churchrigg income	341,755	341,755	316,687	316,687
	<u>1,318,745</u>	<u>1,318,745</u>	<u>1,450,871</u>	<u>1,450,871</u>

The social service contract and spot income above includes £350,789 received for Covid-19 sustainability funding (2020: nil).

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Direct fundraising	779	779	3,575	3,575
Healthfood shop income	20,991	20,991	34,587	34,587
	<u>21,770</u>	<u>21,770</u>	<u>38,162</u>	<u>38,162</u>

8. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Bank interest	739	739	2,279	2,279

9. OTHER INCOME

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Other income	15	15	1,128	1,128

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

10. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Direct fundraising costs	573	573	720	720

11. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	Total Funds 2021	Unrestricted Funds	Total Funds 2020
	£	£	£	£
Shop costs - purchases	16,172	16,172	25,903	25,903
Shop costs - wages and salaries	16,263	16,263	23,950	23,950
Shop costs - overheads	17,645	17,645	13,429	13,429
	50,080	50,080	63,282	63,282

The shop is run as a social enterprise rather than a profit-making enterprise, providing an important learning and training facility for the members of Chrysalis.

12. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Social service contract and spot costs	689,586	11,703	701,289
Churchrigg	229,907	1,500	231,407
Centre activity costs	6,320	6,756	13,076
Outreach activities	19,558	378	19,936
Support costs	443,857	45,712	489,569
	1,389,228	66,049	1,455,277

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Social service contract and spot costs	753,804	2,256	756,060
Churchrigg	192,224	–	192,224
Centre activity costs	14,440	1,076	15,516
Outreach activities	28,517	–	28,517
Support costs	395,580	–	395,580
	1,384,565	3,332	1,387,897

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

13. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken		Total funds	Total fund
	directly	Support costs	2021	2020
	£	£	£	£
Social service contract and spot costs	701,289	465,766	1,167,055	1,132,138
Churchrigg	231,407	23,803	255,210	211,726
Centre activity costs	13,076	–	13,076	15,516
Outreach activities	19,936	–	19,936	28,517
	<u>965,708</u>	<u>489,569</u>	<u>1,455,277</u>	<u>1,387,897</u>

14. ANALYSIS OF SUPPORT COSTS

	Social service contracts	Churchrigg	Total 2021	Total 2020
	£	£	£	£
Staff costs	345,137	15,556	360,693	309,262
Communications and IT	10,524	1,971	12,495	9,199
General office	52,524	1,707	54,231	28,207
Finance costs	3,341	–	3,341	3,454
Governance costs	320	–	320	1,813
Legal and professional costs	19,780	3,844	23,624	20,799
Depreciation	31,130	725	31,855	19,259
Sundry costs	3,010	–	3,010	3,587
	<u>465,766</u>	<u>23,803</u>	<u>489,569</u>	<u>395,580</u>

15. NET INCOME

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	31,855	19,259
Fees payable for the audit of the financial statements	3,000	3,000
Fees payable to the auditor for other services	10,302	5,704
Interest payable on bank loans and overdrafts	3,341	3,394
Operating lease payments recognised as an expense	<u>18,968</u>	<u>19,600</u>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

16. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	1,075,878	1,111,550
Social security costs	56,955	59,827
Employer contributions to pension plans	17,108	17,357
	<u>1,149,941</u>	<u>1,188,734</u>

The average head count of employees during the year was 80 (2020: 88). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of centre staff	<u>80</u>	<u>88</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to the 5 (2020: 4) key management personnel for services provided to the charity was £167,988 (2020: £139,842).

17. TRUSTEE REMUNERATION AND EXPENSES

No Trustee received remuneration during the year (2020: none). The charity reimbursed an aggregate total of £50 expenses to one Trustee during the year (2020: £314 for two trustees).

Trustees made aggregate total donations of £195 (2020: £229) without conditions.

CHRYSLIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS *(continued)*****YEAR ENDED 31 MARCH 2021****18. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2020	399,149	24,340	131,689	555,178
Additions	–	15,000	39,244	54,244
At 31 March 2021	399,149	39,340	170,933	609,422
Depreciation				
At 1 April 2020	111,318	22,342	122,746	256,406
Charge for the year	13,410	3,400	15,045	31,855
At 31 March 2021	124,728	25,742	137,791	288,261
Carrying amount				
At 31 March 2021	274,421	13,598	33,142	321,161
At 31 March 2020	287,831	1,998	8,943	298,772

The freehold property and all fixed assets held at these properties are pledged as security for the NatWest loan. See note 22 for details.

19. STOCKS

	2021 £	2020 £
Raw materials and consumables	7,164	5,659

20. DEBTORS

	2021 £	2020 £
Trade debtors	23,577	90,720
Prepayments and accrued income	34,936	60,702
Other debtors	2,992	2,992
	61,505	154,414

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

21. CREDITORS: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	5,590	5,530
Trade creditors	106,694	14,566
Accruals and deferred income	74,193	21,709
Social security and other taxes	13,748	14,790
	<u>200,225</u>	<u>56,595</u>

22. CREDITORS: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>64,688</u>	<u>69,617</u>

Included within creditors: amounts falling due after more than one year is an amount of £40,697 (2020: £45,627) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The liabilities falling due after five years includes the long-term mortgage which expires in 2031. Repayments are made in equal monthly instalments and the interest rate charged is fixed for five years at 3.67% p.a. over base rate.

The bank loans and overdrafts due to NatWest Bank Plc are secured by a mortgage over the freehold property owned by the company and a fixed charge over all other fixed assets held at these properties. At 31 March 2021 the total amount secured was £70,278 (2020: £75,147).

23. PROVISIONS

	Building remedial works £
At 1 April 2020	10,000
Additions	<u>12,500</u>
At 31 March 2021	<u>22,500</u>

The building works provision relates to the expected costs required for remedial works to leased premises at the end of the lease. The timing and amount are uncertain because it is not known whether or not the lease will be renewed at its current expiry date in March 2023, and it is not known specifically what remedial works will be required.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

24. PENSIONS AND OTHER POST RETIREMENT BENEFITS

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £17,108 (2020: £17,357).

25. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in income from donations and legacies:		
Covid-19 government grants income	<u>111,032</u>	<u>—</u>

26. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	282,838	1,488,540	(1,439,881)	25,219	356,716
Contingency fund	208,457	—	—	—	208,457
Building fund	13,356	—	—	—	13,356
Minibus fund	1,999	—	—	(400)	1,599
	<u>506,650</u>	<u>1,488,540</u>	<u>(1,439,881)</u>	<u>24,819</u>	<u>580,128</u>

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
General funds	205,758	1,500,752	(1,448,567)	24,895	282,838
Contingency fund	208,457	—	—	—	208,457
Building fund	13,356	—	—	—	13,356
Minibus fund	2,499	—	—	(500)	1,999
	<u>430,070</u>	<u>1,500,752</u>	<u>(1,448,567)</u>	<u>24,395</u>	<u>506,650</u>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

26. ANALYSIS OF CHARITABLE FUNDS *(continued)*

The designated minibus fund was set up to match the annual depreciation charges on the asset and an annual transfer will be made from these funds to the general funds to cover that charge.

The transfer from the restricted grants fund to the general funds represents the spending of restricted grant funding on capital items.

Restricted funds

	At 1 April 2020	Income	Expenditure	Transfers	At 31 March 2021
	£	£	£	£	£
Restricted grants	466	99,949	(66,049)	(24,819)	9,547
Minibus fund	7,595	—	—	—	7,595
	<u>8,061</u>	<u>99,949</u>	<u>(66,049)</u>	<u>(24,819)</u>	<u>17,142</u>

	At 1 April 2019	Income	Expenditure	Transfers	At 31 March 2020
	£	£	£	£	£
Restricted grants	19,993	8,200	(3,332)	(24,395)	466
Minibus fund	7,595	—	—	—	7,595
	<u>27,588</u>	<u>8,200</u>	<u>(3,332)</u>	<u>(24,395)</u>	<u>8,061</u>

Restricted grants are those amounts received for specific projects that have not been spent by the year end.

The minibus fund is the amount raised for a new minibus.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	321,161	–	321,161
Current assets	546,380	17,142	563,522
Creditors less than 1 year	(200,225)	–	(200,225)
Creditors greater than 1 year	(64,688)	–	(64,688)
Provisions	(22,500)	–	(22,500)
Net assets	580,128	17,142	597,270

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	298,772	–	298,772
Current assets	344,090	8,061	352,151
Creditors less than 1 year	(56,595)	–	(56,595)
Creditors greater than 1 year	(69,617)	–	(69,617)
Provisions	(10,000)	–	(10,000)
Net assets	506,650	8,061	514,711

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	192,078	302,775	494,853
Debt due within one year	(5,530)	(60)	(5,590)
Debt due after one year	(69,617)	4,929	(64,688)
	116,931	307,644	424,575

29. OPERATING LEASE COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	16,426	19,600
Later than 1 year and not later than 5 years	16,178	29,033
	32,604	48,633

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2021

30. CONTINGENCIES

As at 31 March 2021 the charity had plans in place for a restructure to provide cost efficiencies in the wake of the Covid-19 pandemic. The costs arising from this amounted to £15,324, paid between June and September 2021. This was not recognised as a liability at 31 March 2021 because the plans had not been communicated to those involved at this point.

31. RELATED PARTIES

£425 was paid to trustee Mrs A G Wells for the supply of face masks for staff and for sale in the shop.

No other transactions with related parties were undertaken other than those with key management personnel and trustees as disclosed in the notes.