

CHRYSLIS (CUMBRIA) LIMITED
Company Limited by Guarantee
FINANCIAL STATEMENTS
31 MARCH 2022

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 2022

	PAGE
Trustees' annual report (incorporating the director's report)	1
Trustees' responsibilities statement	18
Independent auditor's report to the members	19
Statement of financial activities (including income and expenditure account)	24
Statement of financial position	25
Statement of cash flows	27
Notes to the financial statements	28

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 2022.

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 B H Earl
Mrs M A Drury
Mr D A Dodd
Mrs J A Kemp

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
92 English Street
Carlisle
Cumbria
CA3 8NF

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

The trustees have pleasure in presenting their Annual Report covering the period 1st April 2021 to 31st March 2022.

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

The trustees hold an Annual Strategy Meeting together with the CEO. During this meeting the trustees review our charitable purpose along with an appraisal of the external environment. The meeting will also review the effectiveness of our services and will ensure that we are providing a public benefit which is valued by our clients, their families and other stakeholders. The Annual Strategy Meeting will include a thorough examination of the environment to appraise and ensure our sustainability.

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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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.

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, whilst we had to curtail many of these activities due to the Covid-19 pandemic we are rebuilding this support and anticipate being able to resume to full capacity, these activities in the future.

Likewise our range of respite holidays for individuals was suspended and 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 2022 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 led 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 31 years. The present Chair is Gilda Wells who has held this position for over 11 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 trustees, as a whole, and individually, accept collective responsibility for ensuring that we maintain a clear set of aims and that our strategies/tactics are designed to achieve these aims.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 we have robust procedures and systems of internal control in place

(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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

(g) Risk & Compliance

This group was set up in April 2022, its main aims are:

- To monitor and review our governance arrangements, risk management, internal controls and our risk management framework;
- To ensure our compliance with charity law, company law and safeguarding procedures
- To regularly review our risk assessment process and determine the capability to identify and manage new risks.
- To approve and review our Risk Appetite.
- To approve and review our current Risk Matrix, risk exposures and future risk strategy.

Principle 3 - Integrity

The board acts with integrity, adopting values and creating a culture which help 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.

Trustees are aware of the need to act with integrity. An appraisal process is in place to emphasise the need to comply with our values.

Trustees and the Senior Management Team are focused on delivering our services for the public benefit and they ensure that this remains at the heart of all our actions.

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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

Delegation And Control

Trustees are aware that they have delegated various actions to the Senior Management Team, however, trustees are also aware that they remain accountable for the actions of the organisation.

An Organisation & Control Manual has been created which sets out those matters which are reserved for the Board of Trustees and those which have been delegated to management. Likewise, the main Board has delegated various matters to sub-committees. Each board sub-committee has comprehensive Terms of Reference and minutes are taken of all sub-committee meetings. The manual also sets out job descriptions for all senior positions and our strategy. The manual then provides details of the following areas:

- Trustees
- Finance
- Client Care Operations
- Human Resources
- Marketing
- Community Activities
- Supported Living
- Administration and Office Management

Each of these areas is then cross-referenced to the Charity Commission Code of Good Governance to ensure that we remain compliant in all operational areas.

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.

As mentioned above a new Risk & Compliance Committee has been set up. This sub-committee reports to the main Board of Trustees. The committee examines new and emerging risks; it also measures 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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

Chrysalis is proud that it has continued to meet the national standards of the Investors In People (IIP) award. The annual review was successfully completed in January 2021. Due to the effects of the pandemic we decided to defer our next full review which was due in October 2021; this will now be completed in October 2022.

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.

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, regulations and safeguarding provisions.
- 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.

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.

An appraisal process has been introduced for all trustees. It is recognised that this process is a new venture for Chrysalis and changes will be made during the year to ensure that the process is effective.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

Principle 6 – Equality, Diversity and Inclusion

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.

All effort will be expended to ensure that any obstacles to participation will be reduced and, if possible, overcome. We aim to ensure that everyone can assist with our charitable purposes.

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.

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.

Trustees and the Senior Management Team are constantly looking for ways to increase engagement from clients, their families and other stakeholders.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

The trustees have great pleasure in presenting their Directors Report for the year ended 31 March 2022. Once again our operations have been affected significantly by the global pandemic as we move towards a gradual return to normality. 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 financial year weekly meetings were being held with the Strategic Commissioning Team of Cumbria County Council; as restrictions were lifted the meetings became every fortnight and then less frequently.

During the year the Government announced the Workforce Sustainability Fund. This £7m was designed to help organisations such as Chrysalis to recover from the pandemic. We agreed to help with the publicity to launch the scheme however getting access to funds from the scheme has proved to be extremely difficult. Eventually we managed to receive a small amount of money from the scheme and the trustees would like to extend our thanks to our CEO without whose tenacity we would have received no support from the scheme.

The Government sustainability funding was removed in July 2021. Because of this we recorded a substantial loss during the financial year as the Council restrictions remained in place for individuals to only attend one location and due to the vulnerability of individuals supported there has been a slower return to Business as usual as individuals and their families gain confidence about return.

Throughout the pandemic we followed the quality assurance guidelines issued by all regulatory bodies, Public Health, Care Quality Commission (CQC), Health and Safety Executive (HSE). Official guidance for staff regarding the vaccination process was changed during the year. Likewise, the guidance for testing was amended during the year.

Throughout the financial year we maintained a minimum of three months stock of personal protective equipment (PPE).

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 our strong reserves we have been able to cope with the financial loss incurred during the year.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

We are proud of the excellent relationship that we have built-up with our clients, families and commissioners. The demand for our services has increased and we instigated a phased return of clients during the year. This process has been challenging as we needed to match the number of clients with the number of available carers.

As we re-introduced our face-to-face operations we also maintained our 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.

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 care IT system in 2020. This system, known as IPlanIt, will improve the efficiencies of our systems and procedures.

Happy Healthy Home is a set of resources we created available to individuals and staff with funding from skills for care. The learning programme has been developed primarily for individuals in Supported living and we plan additional rollout in the coming months across all services.

Our new "One Lottery" has grown well during the year. The scheme is run with Allerdale District Council. Details of how to join the scheme are available on our website. We are delighted that a number of our members have won prizes during the year.

A new Electronic Point Of Sales (EPOS) system was installed at our wholefood shop. The new system will make it easier for us to process payments, keep track of our stock and provide a platform for future e-commerce options.

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.

Our shop in Wigton: Chrysalis Wholefoods 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.

Work commenced to extend the capacity of the Churchrigg premises by converting the upper floor. This extra capacity will be a great benefit as we have a constant waiting list of potential clients for this service.

Throughout the year all care providers have struggled to recruit and retain sufficient staff. In response to this crisis Cumbria County Council and the local care providers launched the "Proud To Care" campaign. This recruitment campaign produced some good results during the initial phase, however, demand is once again falling.

During the year we were invited to respond to the local government reorganisation plans. Naturally, this will have a significant impact on our operations and we look forward to working with the new Cumberland Council.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

The Government produced a White Paper on its Levelling-Up Agenda. This was considered by the trustees and whilst a number of opportunities were identified, it is also fair to say that there are a number of missed opportunities too.

Events

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

- On-line music workshops
- Festive gift boxes
- Virtual Christmas Party
- Online discos
- Quiz Nights
- Drop in Visits
- Regular telephone calls
- Increased newsletters

We arranged to trip to The John Peel Theatre in Wigton to see their pantomime: "The Pie-Eyed Piper of Wigton". The event had been dubbed as "Cheer Up February" and certainly all of our clients enjoyed the event.



Our new Marketing Committee organised a trip to Carlisle United for their last game of the season. The Club were very welcoming and our clients enjoyed the day out – Carlisle even won! Thanks go to Andrew Gordon of Cumberland Building Society for his help organising the event.

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 is communicated via regular staff and management meetings.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 are proud of our Investors In People accreditation and this has been extended. Our next review is due in October 2022.

During the year we carried out a reorganisation of the Senior Management Team. The new team will provide a more dynamic approach to the future challenges facing the sector.

We appreciate our "Disability Confident" status which means that full and fair consideration is given to applications for employment from disabled persons.

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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

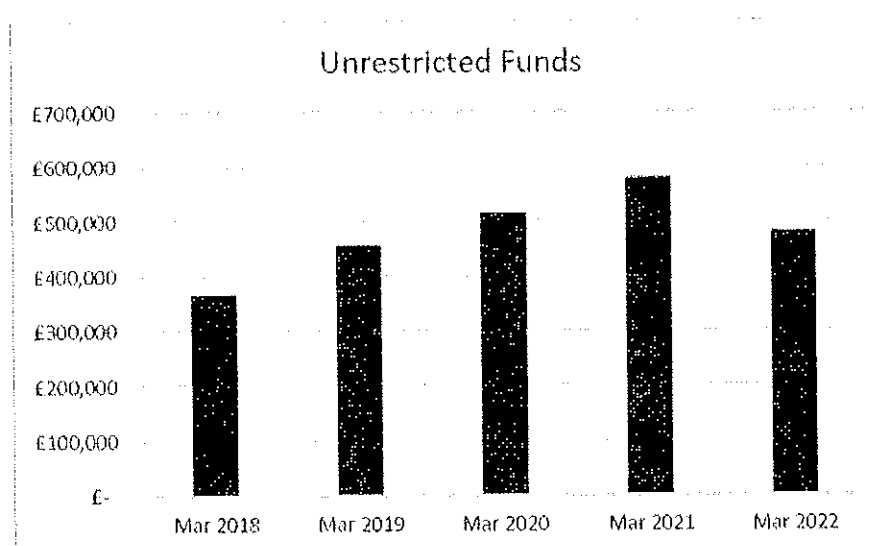
YEAR ENDED 31 MARCH 2022

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 (page 24) shows a loss for the year of £108,679. It is important to take a longer-term view here and if we look at our financial performance over the two years of the pandemic, we see that the loss was approximately £1,000 a month, or £26,120 in total.

In the past we have emphasised the importance of having healthy reserves as these are needed in times of crisis. The value of these reserves is now clearly demonstrated by our ability to absorb the loss in this financial year. So after this loss our balance sheet still shows a healthy level of unrestricted funds of £480,530.



During the year the amount that we raised through government support, grants, fundraising and donations fell dramatically from £247,220 to £96,612. This is a reflection of the withdrawal of support from the Government to our sector.

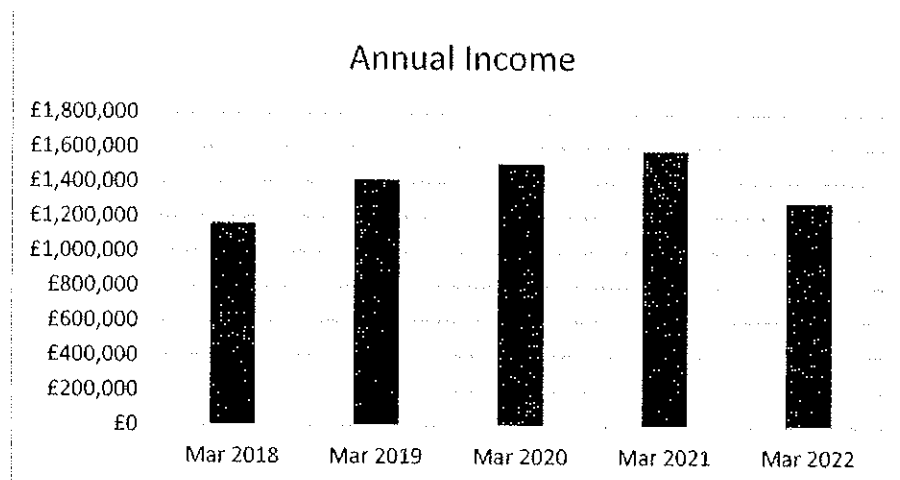
The year's loss is therefore a reflection of the challenging year however the trustees and senior management are confident that we will be able to return surplus in the near future.

CHRYSLIS (CUMBRIA) LIMITED

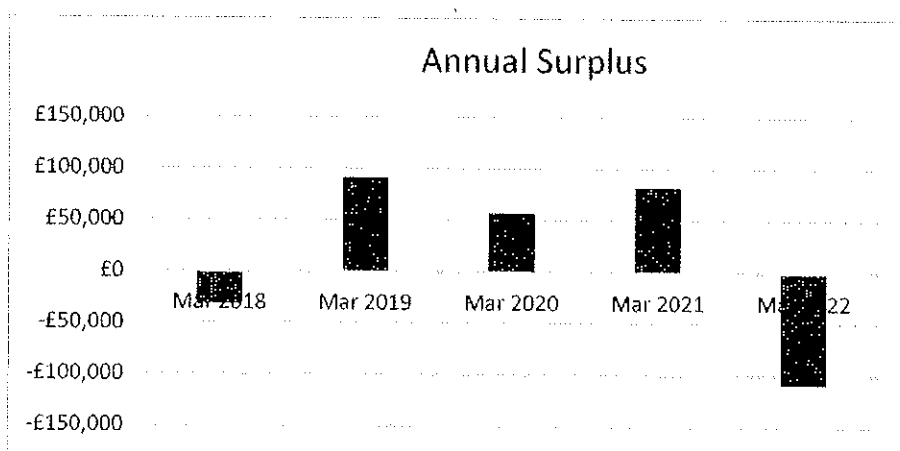
COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022



The annual loss of -£108,679 (2021: £82,559 surplus) represents 8.4% of our income (2021: 5.2%). During the financial year our income was £1,288,872 (2021: £1,588,489) which represents an 18.8% decrease from the previous year. At the same time our total expenditure decreased by 7.2% to £1,397,551 (2021: £1,505,930). This smaller decrease in expenditure reflects the fact that certain fixed costs cannot be flexed to the same level as the decrease in revenue.



Some of our contracts are linked to increases in the Consumer Prices Index (CPI) which was 7.0% in March 2022; and the National Living Wage which was increased by 6.6% in April 2022.

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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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. Some of the contracts we hold 'cap' the hourly rate that is able to be charged, this has an impact on the resource available.

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 whilst maintaining excellent quality.

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 a sufficient level of reserves to enable normal operating activities to continue over a period of 4 months rising to 6 months by 31st March 2025. This policy is in place should a shortfall in income occur and take account potential risks and contingencies that may arise from time to time. Excluded from the reserves policy is income associated with donor restricted funds (earmarked income) together with funds which can only be realised by the disposal of a fixed asset.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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

To meet our current reserves objective of up to 4 months normal operating activities we require a minimum level of £465,848. We currently have £480,530 available which represents 4.1 months. This shows that we are still meeting our reserves policy even after the loss has reduced our unrestricted funds.

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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

Going Concern

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

Plans for future periods

Our main focus for the financial year 2022/3 will be to complete the phased return of our clients and to complete our adjustment to the "new normality".

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 exploration of an additional social enterprise will be considered.

Support for individuals with additional and complex needs will be further considered.

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

CHRYSLIS (CUMBRIA) LIMITED
COMPANY LIMITED BY GUARANTEE
TRUSTEES' RESPONSIBILITIES STATEMENT
YEAR ENDED 31 MARCH 2022

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 8th July 2022 and signed on behalf of the board of trustees by:


Mrs A G Wells
Trustee, Chair

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

OPINION

We have audited the financial statements of Chrysalis (Cumbria) Limited (the 'charity') for the year ended 31 March 2022 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 2022 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.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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.
-

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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

12 September, 2022

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	18,725	77,887	96,612	247,220
Charitable activities	6	1,163,944	–	1,163,944	1,318,745
Other trading activities	7	25,656	–	25,656	21,770
Investment income	8	625	–	625	739
Other income	9	2,035	–	2,035	15
Total income		<u>1,210,985</u>	<u>77,887</u>	<u>1,288,872</u>	<u>1,588,489</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	10	(70)	–	(70)	(573)
Costs of other trading activities	11	(51,794)	–	(51,794)	(50,080)
Expenditure on charitable activities	12,13	(1,258,719)	(86,968)	(1,345,687)	(1,455,277)
Total expenditure		<u>(1,310,583)</u>	<u>(86,968)</u>	<u>(1,397,551)</u>	<u>(1,505,930)</u>
Net (expenditure)/Income and net movement in funds		<u>(99,598)</u>	<u>(9,081)</u>	<u>(108,679)</u>	<u>82,559</u>
Reconciliation of funds					
Total funds brought forward		580,128	17,142	597,270	514,711
Total funds carried forward		<u>480,530</u>	<u>8,061</u>	<u>488,591</u>	<u>597,270</u>

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 28 to 43 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL POSITION****31 MARCH 2022**

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	18	298,988	321,161
CURRENT ASSETS			
Stocks	19	9,529	7,164
Debtors	20	98,495	61,505
Cash at bank and in hand		230,685	494,853
		<u>338,709</u>	<u>563,522</u>
CREDITORS: amounts falling due within one year	21	<u>(66,707)</u>	<u>(200,225)</u>
NET CURRENT ASSETS		<u>272,002</u>	<u>363,297</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>570,990</u>	<u>684,458</u>
CREDITORS: amounts falling due after more than one year	22	(59,899)	(64,688)
PROVISIONS			
Other provisions	23	<u>(22,500)</u>	<u>(22,500)</u>
NET ASSETS		<u>488,591</u>	<u>597,270</u>
FUNDS OF THE CHARITY			
Restricted funds		8,061	17,142
Unrestricted funds		480,530	580,128
Total charity funds	26	<u>488,591</u>	<u>597,270</u>

The statement of financial position
continues on the following page.

The notes on pages 28 to 43 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL POSITION *(continued)*

31 MARCH 2022

These financial statements were approved by the board of trustees and authorised for issue on 4 July 2022, 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 28 to 43 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED**COMPANY LIMITED BY GUARANTEE****STATEMENT OF CASH FLOWS****YEAR ENDED 31 MARCH 2022**

	2022	2021
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (expenditure)/income	(108,679)	82,559
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	30,033	31,855
Government grant income	(6,019)	(111,032)
Other interest receivable and similar income	(625)	(739)
Interest payable and similar charges	3,172	3,341
Accrued (income)/expenses	(58,476)	52,484
<i>Changes in:</i>		
Stocks	(2,365)	(1,505)
Trade and other debtors	(36,990)	92,909
Trade and other creditors	(74,792)	91,086
Provisions and employee benefits	–	12,500
Cash generated from operations	(254,741)	253,458
Interest paid	(3,172)	(3,341)
Interest received	625	739
Net cash (used in)/from operating activities	(257,288)	250,856
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(7,860)	(54,244)
Net cash used in investing activities	(7,860)	(54,244)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(5,039)	(4,869)
Government grant income	6,019	111,032
Net cash from financing activities	980	106,163
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(264,168)	302,775
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	494,853	192,078
CASH AND CASH EQUIVALENTS AT END OF YEAR	230,685	494,853

The notes on pages 28 to 43 form part of these financial statements.

CHRYSLIS (CUMBRIA) LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022

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 2022

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 2022

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 2022

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 2022

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 2022

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 2022 £
DONATIONS			
Donations	2,206	–	2,206
GRANTS			
Grants receivable	10,500	77,887	88,387
Government grant income	6,019	–	6,019
	<u>18,725</u>	<u>77,887</u>	<u>96,612</u>
	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>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Social service contract and spot income	507,372	507,372	574,797	574,797
Private contracts/direct payments	64,645	64,645	43,598	43,598
NHS contracts	257,410	257,410	331,573	331,573
Centre activity income	26,494	26,494	21,678	21,678
Outreach activities and room hire	10,507	10,507	5,344	5,344
Churchrigg income	297,516	297,516	341,755	341,755
	<u>1,163,944</u>	<u>1,163,944</u>	<u>1,318,745</u>	<u>1,318,745</u>

The social service contract and spot income above includes £86,196 received for Covid-19 sustainability funding (2021: £350,789).

7. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Direct fundraising	1,909	1,909	779	779
Healthfood shop income	23,747	23,747	20,991	20,991
	<u>25,656</u>	<u>25,656</u>	<u>21,770</u>	<u>21,770</u>

8. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest	625	625	739	739

9. OTHER INCOME

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income	2,035	2,035	15	15

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

10. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Direct fundraising costs	<u>70</u>	<u>70</u>	<u>573</u>	<u>573</u>

11. COSTS OF OTHER TRADING ACTIVITIES

	Unrestricted Funds	Total Funds 2022	Unrestricted Funds	Total Funds 2021
	£	£	£	£
Shop costs - purchases	17,149	17,149	16,172	16,172
Shop costs - wages and salaries	19,544	19,544	16,263	16,263
Shop costs - overheads	15,101	15,101	17,645	17,645
	<u>51,794</u>	<u>51,794</u>	<u>50,080</u>	<u>50,080</u>

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 2022
	£	£	£
Social service contract and spot costs	584,337	61,347	645,684
Churchrigg	207,393	8,700	216,093
Centre activity costs	6,944	908	7,852
Outreach activities	24,349	—	24,349
Support costs	435,696	16,013	451,709
	<u>1,258,719</u>	<u>86,968</u>	<u>1,345,687</u>

	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	6,319	6,756	13,076
Outreach activities	19,559	378	19,936
Support costs	443,857	45,712	489,569
	<u>1,389,228</u>	<u>66,049</u>	<u>1,455,277</u>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

13. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken		Total funds	Total fund
	directly	Support costs	2022	2021
	£	£	£	£
Social service contract and spot costs	645,684	427,011	1,072,695	1,167,055
Churchrigg	216,093	24,698	240,791	255,210
Centre activity costs	7,852	–	7,852	13,076
Outreach activities	24,349	–	24,349	19,936
	<u>893,978</u>	<u>451,709</u>	<u>1,345,687</u>	<u>1,455,277</u>

14. ANALYSIS OF SUPPORT COSTS

	Social service contracts	Churchrigg	Total 2022	Total 2021
	£	£	£	£
Staff costs	309,275	16,425	325,700	360,693
Communications and IT	9,713	1,989	11,702	12,495
General office	39,637	2,449	42,086	54,231
Finance costs	3,172	–	3,172	3,341
Governance costs	368	–	368	320
Legal and professional costs	15,591	3,835	19,426	23,624
Depreciation	30,033	–	30,033	31,855
Sundry costs	19,222	–	19,222	3,010
	<u>427,011</u>	<u>24,698</u>	<u>451,709</u>	<u>489,569</u>

15. NET (EXPENDITURE)/INCOME

Net (expenditure)/income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	30,033	31,855
Fees payable for the audit of the financial statements	3,000	3,000
Fees payable to the auditor for other services	6,980	10,302
Interest payable on bank loans and overdrafts	3,172	3,341
Operating lease payments recognised as an expense	<u>21,093</u>	<u>18,968</u>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

16. STAFF COSTS

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

	2022	2021
	£	£
Wages and salaries	1,024,671	1,075,878
Social security costs	63,958	56,955
Employer contributions to pension plans	18,130	17,108
	<u>1,106,759</u>	<u>1,149,941</u>

The average head count of employees during the year was 64 (2021: 80). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of centre staff	<u>64</u>	<u>80</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

During the year the charity paid a total of £15,324 for redundancy payments following a staff restructure. There were no further amounts outstanding at the year end.

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 7 (2021: 5) key management personnel (including those who left during the year) for services provided to the charity was £175,436 (2021: £167,988).

17. TRUSTEE REMUNERATION AND EXPENSES

No Trustee received remuneration during the year (2021: none). There were no Trustee expenses reimbursed during the year by the charity (2021: £50 for one trustee).

Trustees made aggregate total donations of £124 (2021: £195) without conditions.

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

18. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 April 2021	399,149	39,340	170,933	609,422
Additions	—	—	7,860	7,860
At 31 March 2022	399,149	39,340	178,793	617,282
Depreciation				
At 1 April 2021	124,728	25,742	137,791	288,261
Charge for the year	12,264	2,723	15,046	30,033
At 31 March 2022	136,992	28,465	152,837	318,294
Carrying amount				
At 31 March 2022	262,157	10,875	25,956	298,988
At 31 March 2021	274,421	13,598	33,142	321,161

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

	2022 £	2021 £
Raw materials and consumables	9,529	7,164

20. DEBTORS

	2022 £	2021 £
Trade debtors	22,385	23,577
Prepayments and accrued income	73,118	34,936
Other debtors	2,992	2,992
	98,495	61,505

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

21. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	5,340	5,590
Trade creditors	17,435	106,694
Accruals and deferred income	15,717	74,193
Social security and other taxes	28,215	13,748
	<u>66,707</u>	<u>200,225</u>

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

	2022	2021
	£	£
Bank loans and overdrafts	<u>59,899</u>	<u>64,688</u>

Included within creditors: amounts falling due after more than one year is an amount of £36,409 (2021: £40,697) 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 until January 2025.

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 2022 the total amount secured was £65,239 (2021: £70,278).

23. PROVISIONS

	Building remedial works £
At 1 April 2021 and 31 March 2022.	<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 2022

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 £18,130 (2021: £17,108).

25. GOVERNMENT GRANTS

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

	2022	2021
	£	£
Recognised in income from donations and legacies:		
Covid-19 government support grants	<u>6,019</u>	<u>111,032</u>

26. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 April 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
General funds	356,716	1,210,985	(1,310,583)	320	257,438
Contingency fund	208,457	—	—	—	208,457
Building fund	13,356	—	—	—	13,356
Minibus fund	1,599	—	—	(320)	1,279
	<u>580,128</u>	<u>1,210,985</u>	<u>(1,310,583)</u>	<u>—</u>	<u>480,530</u>

	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>

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

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 2021	Income	Expenditure	Transfers	At 31 March 2022
	£	£	£	£	£
Restricted grants	9,547	77,887	(86,968)	–	466
Minibus fund	7,595	–	–	–	7,595
	<u>17,142</u>	<u>77,887</u>	<u>(86,968)</u>	<u>–</u>	<u>8,061</u>

	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>

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 2022

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	298,988	–	298,988
Current assets	330,648	8,061	338,709
Creditors less than 1 year	(66,707)	–	(66,707)
Creditors greater than 1 year	(59,899)	–	(59,899)
Provisions	(22,500)	–	(22,500)
Net assets	480,530	8,061	488,591

	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

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	494,853	(264,168)	230,685
Debt due within one year	(5,590)	250	(5,340)
Debt due after one year	(64,688)	4,789	(59,899)
	424,575	(259,129)	165,446

29. OPERATING LEASE COMMITMENTS

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

	2022 £	2021 £
Not later than 1 year	21,393	16,426
Later than 1 year and not later than 5 years	11,119	16,178
	32,512	32,604

CHRYSLIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

30. RELATED PARTIES

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

