

CHRYSALIS (CUMBRIA) LTD

England & Wales · Charity number 1116125

Details

Status Registered

Legal form Charitable company

Company number [05751140](#)

Registered 2006-09-14

Register [View on the Charity Commission register](#)

Contact

Address Chrysalis
Leaside
Longthwaite Road
Wigton
CA7 9JR

Phone 01697344751

Email info@chrysalis-cumbria.co.uk

Website www.chrysalis-cumbria.co.uk

Activities

Objects: The relief of those in need for the public benefit by reason of youth, age, ill-health, disability, financial hardship or other disadvantage, particularly but not exclusively by the provision of care, support and accommodation to such persons

Activities: Chrysalis' vision is to enrich and support the lives of individuals with disabilities. Person-centred support provided, flexibly meeting individual needs. Community Activities include: Independent living, The arts, Horticulture, Swimming, Employment support, Holidays, Outdoor activities. Our Wholefood shop provides skills for employment and engagement. 24hr supported living opportunities.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** General Charitable Purposes, Education/training, Disability, The Prevention Or Relief Of Poverty, Amateur Sport, Economic/community Development/employment, Recreation
- **Who:** People With Disabilities, Other Defined Groups

Geography

- **Area of benefit:** CUMBRIA.
- Cumbria

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£2,087,389	£2,034,718	£559,728	76
2024-03-31	£1,829,806	£1,756,224	£507,057	74
2023-03-31	£1,408,092	£1,463,208	£433,475	69
2022-03-31	£1,288,872	£1,397,551	£488,591	64
2021-03-31	£1,588,489	£1,505,930	£597,270	80

Trustees

Name	Role	Appointed
Barbara Helen Earl	Chair	2016-10-06
David Alan Dodd		2019-12-09
JOSEPH RAYMOND FEARON		
Margaret Alice Drury		2017-07-14
Stephen Walker		2023-07-12

CHRYSALIS (CUMBRIA) LTD

England & Wales - Charity number 1116125

Accounts

Charity registration number 1116125 (England and Wales)

Company registration number 05751140

CHRYSALIS (CUMBRIA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

CHRYSALIS (CUMBRIA) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs B H Earl Mr J R Fearon Mrs M A Drury Mr D A Dodd Mr S Walker
Secretary	Mrs M A Drury
Chief executive officer	Mrs C Doherty
Charity number	1116125
Company number	05751140
Principal office and registered office	Leaside Longthwaite Road Wigton Cumbria United Kingdom CA7 9JR
Auditor	Saint & Co Chartered Accountants Sterling House Wavell Drive Rosehill Carlisle Cumbria CA1 2SA
Bankers	National Westminster 92 English Street Carlisle Cumbria CA3 8NF

CHRYSALIS (CUMBRIA) LIMITED

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CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

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 we will provide an appropriate explanation.

In 2024 The Charity Commission established a Steering Group to take a wider look at the Code, exploring its content, structure, applicability to different sizes of charity, the use of language and user-friendliness of the framework. An updated version of the Code will be issued during 2025 and we will set up a Working Group to ensure that we continue to comply with the Code, where appropriate.

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 and September 2024. This is registered with the Charity Commission.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Objectives and activities

The trustees hold an Annual Strategy Meeting together with the Senior Management Team. 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

VISION – 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 and The Meeting Place 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.

Our Wholefood Shop enterprise continues to offer opportunities for individuals to increase skills and confidence in a supported placement to develop future employability whilst providing a great offer for the local community.

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.

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.

Our range of placement opportunities for health and social care, nursing and social work students from a number of educational centres throughout the region was once again a popular service. 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.

The provision of support for individuals in their own homes has continued to develop during the year and our 24/7 Supported Living is now provided across three locations in North Cumbria.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

During the year we completed a complex project to provide supported living to an existing client in Carlisle. This involved purchasing a property which is now reflected in our Balance Sheet. The client and their family are now delighted with the outcome and this may provide a template for future supported living projects which are in great demand in our operating area. We are grateful to everyone who assisted with this project.

During the year an Extraordinary General Meeting was held to amend our Objectives. This amendment was required to facilitate the Supported Living Project in Carlisle.

We are grateful to Carlisle Window Systems who replaced all the windows at our Westmoor site. The new windows are fantastic and as well as looking good, they will also help with our energy bills.

Once again, we produced a Chrysalis calendar. The 2025 calendar features photos taken by staff, supporters, clients and their families. A competition was held to select the photos for each month, this was a really difficult decision as there were so many excellent entries.

During the year work commenced to update our website and our marketing material. This has been possible thanks to a grant of £5,000 from Bedrock Digital. We are looking forward to launching the new website during 2025.

Cumberland Council carried out a quality audit of our supported living provision. We were pleased with the partnership approach to this work with the Council and were delighted with the final report which was a great reflection of the excellent work carried out by all the staff teams.

As part of our process to continually maintain and refresh our buildings we installed new doors at The Meeting Place. The doors were finished sympathetically in accordance with their heritage status. We are grateful to the Joyce Wilkinson Trust for their financial support with this project.

We have further embraced technology with the introduction of VR Headsets to enable people to experience a wide range of experiences and develop immersive learning experiences.

The Annual Trustee Strategy Day was held in Wigton. This year, as part of our Equality, Diversity and Inclusion (EDI) aspirations several people we support attended the meeting to tell us how it feels to be supported by Chrysalis.

Individuals gave great feedback and good insight into how areas of support can be improved. The trustees are grateful to the individuals who had obviously undertaken a great deal of preparation and to Vicky for her support. Going forward the trustees would like to repeat, and indeed, extend this initiative to ensure that all stakeholders are empowered to shape our future provision.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

The trustees are pleased to report that we continued to trade profitably during the year. Whilst we do not aim to maximise profits, we need to make sufficient profit to allow us to continue to develop our services and to continue to pay at least the National Living Wage to all staff. The profit is added to our reserves to ensure that we continue to meet our Reserves Policy.

We have continued our work to develop our unique sensory environment in the grounds of the Meeting Place to provide opportunities 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.

Events

Once again, we were delighted to hold a number of our popular events during the year. Among the highlights were the following:

- Music workshops
- Shows at The John Peel Theatre Christmas Party
- Easter concert
- Chrysalis Has Got Talent
- Quiz Nights
- Trips to Blackpool and Beamish
- Guest appearances by Hand Vibes
- Tree planting with Cumbria Rivers Trust
- Sailing Windermere with Blackwell Sailing
- The development of our Employability Course

We received a number of donations from local businesses and individuals which helped towards the costs of putting on these events.

The annual craft fair at Greenhill was successful and also raised over £1,200 which was fantastic.



CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Staff

We are proud to confirm that all staff are paid the Real Living Wage in accordance with the Living Wage Foundation along with our Employee Assistance Programme (EAP) which ensures that all staff have full and free access to 24-hour support and a range of enhanced benefits.

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, many of which have continued to be presented online or via a blended learning approach.

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.

We continue to provide a robust approach to the delivery of all Learning and Development from induction and care certificate, to specific skills such as project management, to enhanced qualifications up to Masters Level ensures a culture of lifelong learning across the organisation.

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 our staff for their dedication and loyalty shown throughout the year.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Financial review

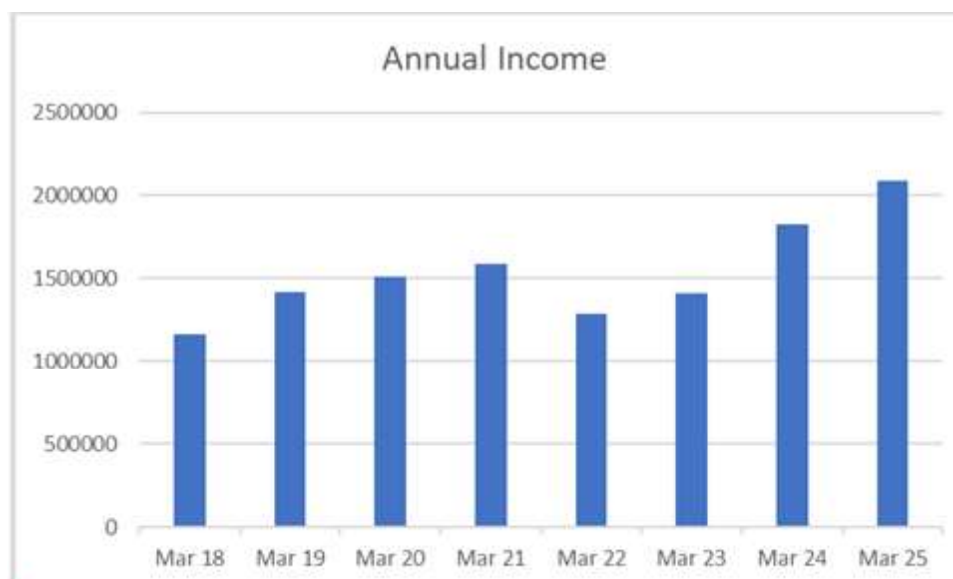
This year the main aim was to consolidate and concentrate on the fundamentals of the organisation however, we always need to be open and react to opportunities as and when they arise. An opportunity arose to provide much needed additional support to an existing client by way of Supported Living Services. Extensive research and viability studies of the opportunity took place and we were pleased to open a further Supported Living provision within the city of Carlisle in November 2024.

Whilst we are a not for profit regional charity, our aim is to make sufficient profit to ensure the longevity of the organisation and we believed that this opportunity would extend our Supported Living Service provision and broaden our asset holding and investment status supported by Natwest Bank. All profits achieved go into our reserves for the purpose of operating the organisation and to safeguard its future. The organisation does not have external shareholders and therefore there are no dividends to be paid out.

Over the last year our revenue increased by £257,465 to £2,087,389 which is a 14% increase. We recorded a net profit of £52,671 which represents 2.52% of turnover (2024 £70,505 3.86%). We maintained our commitment to paying the National Living Wage rates set by the Living Wage Foundation as a minimum to all staff from day one of employment. As of April 2024, we saw increases in these rates of approximately 10% which, when added to the increase in the number of staff required to deliver support including the new service provision, meant that we saw an increase in our expenditure of £278,401 (15.8%).

We continue to be largely funded by contracts held with the ICB and local authorities of Cumberland Council and Westmorland and Furness Council and we believe these relationships are well established and we are seen as key partners with all parties.

The current contract for the Provision of Day Opportunities for Adults for Cumberland Council was due to expire in April 2025 and works were completed to once again tender for the ongoing opportunity with new pricing (taking into account changes to the National Insurance obligations as set by the current Government), we are pleased to announce that once again we have been successful and accepted for this framework which provides further security and stability for the organisation going forwards.



CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025



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 for any tender submissions.

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 dynamic in responding to identified need, 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 may not 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 has been developed to substantiate the level of reserves that should be maintained to ensure long-term financial sustainability. The term “Reserves” is used to describe the part of the organisations’ income funds that are freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds.

Having a reserves policy helps inform the way in which we as an organisation can manage our cash, liquid assets and debt. It will assist when planning and explaining our approach to stakeholders, it will contribute significantly in the Board’s ability to balance the needs of current and future beneficiaries and provide stakeholders the assurance that the organisation is well managed and that it has, where appropriate, a strategy for building up reserves.

Without a reserves policy, the Board cannot be confident that their reserves level matches the organisations needs at the time i.e. the organisation could be holding reserves that are too high or too low for its needs.

The reserves policy has been set by conducting and reviewing the following: -

- Discussions within the Senior Management Team, Treasurer and members of the Finance Sub Committee.
- Analysis of cash flow;
- Analysis of existing funds and reserves;
- Review of future income streams with an assessment of their reliability;
- Review of any committed expenditure;
- Examination of past trends;
- Examining the likely changes in the main source of income;
- Assessment of the risks facing the organisation including the dependence on the main source of income and the likely effect on the beneficiaries
- Forecasting future levels of income (considering the reliability of each source of income, and the prospects of new sources);
- Forecasting expenditure in future years (considering any planned future project expenditure and or committed expenditure

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

<p style="text-align: center;">Reserves Policy Measure 2 - 4 Months Rolling Staff Costs 2 - 4 Months Rolling Total Expenditure</p>
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At the end of March 2025, the general unrestricted reserves including designated funds amounted to £551.805. This equated to 4.04 Months of rolling staff costs and 3.25 Months of rolling total expenditure. The general unrestricted funds excluding designated funds amounted to £312,173 this still allows 2.28 months coverage of staff costs however only covers 1.84 months of total expenditure rather than a full 2 months, both the SMT and Board of Trustees are comfortable as designated funds can be undesignated at any given time by the Board of Trustees.

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.

Structure, governance and management

Principle 2 - Leadership

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

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs B H Earl

Mr J R Fearon

Mrs M A Drury

Mr D A Dodd

Mr S Walker

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

In accordance with our Constitution Rule 25 Ray Fearon and Margaret Drury will retire at the Annual General Meeting and being eligible, seek re-election. The Chair has carried out an appraisal meeting with both Ray and Margaret and can confirm that their performance continues to be effective and they continue to demonstrate commitment to the charity.

In accordance with best practice an annual meeting without the Chair is carried out and a separate meeting without the Chief Executive is also carried out.

During the year the trustees instructed a Board Effectiveness Review to be carried out. This formal process was undertaken by Rob Cairns BA (Hons) FCIB MCMI. Rob is an experienced Chairperson with a demonstrated history within social enterprise, business planning and financial services. He is also Deputy Lieutenant of Cumbria. The report looked at the 7 areas covered by the Governance Code and we were awarded a mark of "approaching 4 out of 5" which was an excellent result. A number of recommendations were provided and these will be driven forward by the Chair of Trustees. The trustees and senior management team would like to thank Rob Cairns for the professional manner with which the review was conducted; his observations and recommendations will provide a great pathway for us in the coming year.

Helen Earl



Helen originally from Mayport has a background in education, originally teaching. Helen became Strategic Manager for Behaviour Support and her expertise centres around Communication Of Government Strategy. Helen is Chair of Allerdale Multiple Sclerosis Society, a school Governor and currently Chair Of Trustees for Chrysalis whilst forming part of the Governance, Remuneration, Finance, and Nominations committees. Helen's hobbies include craft work, sewing, reading, outdoor activities amongst many others.

Ray Fearon



Ray was born and bred in Wigton, he has spent his entire career in horticulture, first as a Horticultural Advisory Officer in the Ministry of Agriculture and then in commercial horticulture. Ray's son became a member of Chrysalis in 1990 when it was still known as Smile. Ray's hobbies include mountaineering, walking and singing with Dalston Male Voice Choir. Ray is currently part of the Marketing and Client Service Delivery committees.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Margaret Drury



Margaret recently retired from her position as an inspector for the Care Quality Commission having worked in the Adult Social Care Directorate for over 15 years. Margaret has a Degree in Social Sciences and the Arts and has completed two Post Graduate Certificates in Dementia Care. Margaret's interests are reading, classical and choral music, she is an active member of her local Methodist church, and has recently taken up horse riding. Margaret is a member of the Client Service Delivery and Risk & Compliance committee.

David Dodd



David lives with his wife Carol in Brampton, he has a son and two step-daughters. David joined the Board in 2019 and is presently Chairman of the Finance Committee, the Risk & Compliance Committee, the Marketing Committee and the Remuneration Committee. He was formerly Chief Executive of a regional building society and has an MBA from the Open Business School.

Stephen Walker



Stephen, originally from the North East, has lived in Cumbria for 30 years. He recently retired from his work as a registered social worker. He was also involved in social work education, working with students out on placement. Stephen runs a monthly whisky club in Cockermouth and is heavily involved in the Campaign for Real Ale. Stephen is currently involved in the Finance, HR & Staffing, Remuneration and Clients Service Delivery committees.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

The attendance of trustees at the numerous Board and sub-committee meetings is set out below. Against each trustee's name is shown the number of meetings which the trustee was present as a member and in brackets the number of such meetings that the trustee was eligible to attend. All trustees are unpaid volunteers and so naturally they may have other commitments which prevent them from achieving 100% attendance. The Nominations sub-committee did not meet during the year.

	Helen Earl (Chair)	Margaret Drury	Ray Fearon	David Dodd	Stephen Walker
Board	5 (7)	7 (7)	7 (7)	7 (7)	5 (7)
Finance Committee	4 (5)			5 (5)	4 (5)
Risk & Compliance Committee	2 (2)	1 (2)	1 (2)	2 (2)	2 (2)
Nominations Committee					
Remuneration Committee	1 (1)			1 (1)	
Client Service Delivery Committee		2(2)	2(2)		2(2)
Governance Committee	2 (2)			2 (2)	
Marketing Committee			2 (2)	2 (2)	
Staff & HR				4 (4)	4 (4)
Internal Audit Committee	1 (1)			1 (1)	1(1)

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 34 years. The present Chair is Helen Earl who was elected to this position in March 2023 having been a trustee since 2016.

The members of the Senior Management Team are:

Claire Doherty – Chief Executive Officer



The current Chief Executive Officer is Claire Doherty who has been with Chrysalis since 1991. She commenced her employment as a part time, then full time, support worker. She worked her way up the organisation to become Services Manager and then CEO, she holds an MA in professional Practice from Lancaster University. Claire also represents the third sector as one of the two Keswick & Solway representatives on the Integrated Care Communities Leadership Board for Keswick and Solway and is a Co-opted member of the Fells and Solway Community Panel with Cumberland Council. Claire has an excellent reputation in the sector and is highly valued by the Board of Trustees.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Shelley Clarke – Finance Manager



Shelley Clarke who has been in place since 2022. She has the following qualifications: Business Administration Level 1 & 2, AAT Level 4 Accounting Technician and IBT2 Integrated Business Technology. Shelley has been able to develop the role of Finance Manager and has become an integral part of our strategic planning team. The job was widened from Finance Manager to Business & Finance Manager to recognise Shelley's contribution throughout the organisation.

Emma Jackson – HR Manager



Emma lives with her family in Wigton. She has been in post since 2023. Emma has previous experience working in an HR Department and recently became a Chartered Member of the Chartered Institute of Personnel Development.

Julie Harrison - Operations Manager



Julie joined Chrysalis in 2024 as Deputy Operations Manager and was appointed Operations Manager in 2025. Julie has previously worked for Carlisle Mencap, as OFSTED Registered Manager, the Brain Injury Rehabilitation Trust and Cumbria County Council. She has a BA in Education with QTS from St Martin's College and studied Mandarin at Peking University, Level 5 in Leadership and management and will be taking up Registered Manager status with CQC with us.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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.

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
- To monitor our compliance with the Charity Governance Code for larger charities.

(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

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

(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.

(g) Risk & Compliance

The main aims of this group 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 current Risk Matrix, risk exposures and future risk strategy
- To approve and review our Risk Appetite, the overview of which is set out under Principle 4

(h) Internal Audit

The main aims of this group are:

- To oversee the organisation's relationship with the external auditors.
- To assess the effectiveness of the external audit process.
- To review the external auditor's report prior to this being submitted to the Board of Trustees
- To review the Annual Report & Accounts and recommend these for approval, where appropriate, to the Board of Trustees.

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 emphasize 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.

The recent Board Effectiveness Review stated "The Board appeared to work collaboratively with all information being shared - it certainly appeared to act with integrity with an inclusive and open culture".

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

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 refers to the 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, and are confident they have established systems and procedures to manage those risks.

The Risk & Compliance 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. All other sub-committees produce regular risk reports which are submitted to the Risk & Compliance Committee.

A Risk Register is maintained showing all the risks identified by each sub-committee. Each risk is described and measured.

A Recovery & Resolution Plan has been prepared setting out how the trustees and senior management team would respond in the event of any of the major risks overwhelming our mitigating actions.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Risk Appetite Overview

The Risk Appetite of Chrysalis (Cumbria) Ltd sets out the levels and types of risks which we are prepared to accept and tolerate. It must be acknowledged that it is neither possible nor desirable to get rid of all risks, the purpose of our risk processes is to manage and mitigate risk. The management may include transferring that risk for instance by the use of insurance.

Chrysalis operates within a low overall risk range. Our lowest risk appetite relates to the Operational area, specifically the safety and safeguarding of our clients.

We also have a low risk appetite in areas of Financial operations. We aim to maintain sufficient liquid assets to cover at least two months of our total expenditure. In addition, we have developed a comprehensive Reserves Policy and we will maintain reserves within the levels stipulated by the Reserves Policy.

We have a marginally higher risk appetite towards our Regulatory & Compliance responsibilities. As a small organisation we recognise that we have finite resources which means that senior managers will have responsibilities for both operational and compliance matters. In larger organisations these responsibilities would be split between different personnel. Likewise, our trustees are all non-paid volunteers which limits the time that we can expect them to devote to the Charity.

We have a similar risk appetite towards Governance issues. We will apply “best practice” rules where possible and where these are compatible with our culture and values. We will use the “comply or explain” approach to the Charity Governance Code for Large Charities; where we do not comply with a requirement we will fully explain our rationale.

We have a slightly higher risk appetite when considering External issues. We have to acknowledge that we may be reactive here rather than proactive. Some external issues will be more important to us and therefore our risk appetite will be less for these issues especially if these issues have an immediate detrimental effect on our operations.

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 held this year demonstrated that we continued to meet the high standards required, we were delighted with this result.

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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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.

The Charity Governance Code recommends that trustees are appointed for an agreed time, normally 9 years unless the Charity's constitution states otherwise. Our Memorandum does not stipulate an agreed time. However, our Memorandum does state that one third of our trustees shall retire in rotation each year and this is covered in page 3 of this report.

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.

A formal appraisal process has been introduced for all trustees.

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.

We welcome applications from all groups of society to join our board of trustees. A pro-active approach will be taken here to recruit new trustees.

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 acting 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Relationship with related parties

The trustees hold an Annual Strategy Day each year. This year a number of clients were invited to come along to the meeting to give their views. The clients were able to say what was good about the service as well as what could be improved. In addition, they were able to ask trustees about their roles. The trustees and the senior management team intend to use this as a platform to increase inclusion in the future.

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.

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

Directors Report

The trustees have great pleasure in presenting their Directors' Report for the year ended 31 March 2025. We are delighted to report that the charity has expanded its services with a record number of staff being employed in the local area. During this period of expansion we have maintained our high standard of client service.

Strategic Report

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

Community Panels

The new Cumberland Council Community Panels are working well. Chrysalis is part of the Fells and Solway Panel and during the year we successfully applied for funding to assist with our new Activity Development position. Our CEO is also a co-opted member of the panel.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Cumbria Integrated Care Board (ICB)

A Memorandum of Understanding was agreed with the ICB. We continue to have concerns regarding funding by the ICB as the rates being paid by the ICB are not keeping pace with increases in the National Living Wage. The Chief Executive has maintained our links with Voluntary Organisation Network North East (VONNE) to assist us with our relationship with the ICB.

The Chief Executive continues to represent Chrysalis and to provide our input which allows us to influence the decision makers and have an important seat at the table of the Leadership team within Keswick and Solway ICC.

Statement of trustees' responsibilities

The trustees, who are also the directors of Chrysalis (Cumbria) Limited for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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

In accordance with the company's articles, a resolution proposing that Saint & Co Chartered Accountants be reappointed as auditor of the company will be put at a General Meeting.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

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Mrs B H Earl

trustee

Date:

CHRYSALIS (CUMBRIA) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRYSALIS (CUMBRIA) LIMITED

Opinion

We have audited the financial statements of Chrysalis (Cumbria) Limited (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 directors' report included within the trustees' report.

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

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

CHRYSALIS (CUMBRIA) LIMITED

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which 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.

CHRYSALIS (CUMBRIA) LIMITED

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

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

CHRYSALIS (CUMBRIA) LIMITED

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

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

Date:

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

	Unrestricted funds 2025 Notes	Restricted funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Total 2024	
	£	£	£	£	£	£	
Income and endowments from:							
Donations and legacies	3	4,327	51,700	56,027	8,683	3,700	12,383
Charitable activities	4	1,989,239	-	1,989,239	1,776,944	-	1,776,944
Other trading activities	5	33,486	-	33,486	34,777	-	34,777
Investments	6	6,444	-	6,444	5,156	-	5,156
Other income	7	2,193	-	2,193	546	-	546
Total income		<u>2,035,689</u>	<u>51,700</u>	<u>2,087,389</u>	<u>1,826,106</u>	<u>3,700</u>	<u>1,829,806</u>
Expenditure on:							
Raising funds	8	69,053	-	69,053	66,875	-	66,875
Charitable activities	9	1,920,665	45,000	1,965,665	1,689,349	-	1,689,349
Total expenditure		<u>1,989,718</u>	<u>45,000</u>	<u>2,034,718</u>	<u>1,756,224</u>	<u>-</u>	<u>1,756,224</u>
Net income		45,971	6,700	52,671	69,882	3,700	73,582
Transfers between funds		10,072	(10,072)	-	-	-	-
Net movement in funds	11	56,043	(3,372)	52,671	69,882	3,700	73,582
Reconciliation of funds:							
Fund balances at 1 April 2024		495,762	11,295	507,057	425,880	7,595	433,475
Fund balances at 31 March 2025		<u>551,805</u>	<u>7,923</u>	<u>559,728</u>	<u>495,762</u>	<u>11,295</u>	<u>507,057</u>

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

CHRYSALIS (CUMBRIA) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		472,556		258,355
Current assets					
Stocks	15	15,659		16,056	
Debtors	16	146,540		123,923	
Cash at bank and in hand		274,740		263,193	
		<u>436,939</u>		<u>403,172</u>	
Creditors: amounts falling due within one year	18	<u>(99,160)</u>		<u>(83,281)</u>	
Net current assets			<u>337,779</u>		<u>319,891</u>
Total assets less current liabilities			810,335		578,246
Creditors: amounts falling due after more than one year	19		(228,107)		(48,689)
Provision for other liabilities	20		<u>(22,500)</u>		<u>(22,500)</u>
Net assets			<u>559,728</u>		<u>507,057</u>
The funds of the charity					
Restricted income funds	22		7,923		11,295
Unrestricted funds	23		<u>551,805</u>		<u>495,762</u>
			<u>559,728</u>		<u>507,057</u>

The financial statements were approved by the trustees on

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Mrs B H Earl
trustee

Company registration number 05751140 (England and Wales)

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	27		55,812		69,279
Investing activities					
Purchase of tangible fixed assets		(237,167)		(3,357)	
Investment income received		6,444		5,156	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from investing activities			(230,723)		1,799
Financing activities					
Repayment of bank loans		186,458		(5,581)	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			186,458		(5,581)
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			11,547		65,497
Cash and cash equivalents at beginning of year			263,193		197,696
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			274,740		263,193
			<u> </u>		<u> </u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Chrysalis (Cumbria) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Leaside, Longthwaite Road, Wigton, Cumbria, CA7 9JR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Prior impairments are also reviewed for possible reversal at each reporting date.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Termination payments

Redundancy and termination costs are recognised as an expense and a liability once the Charity is committed to terminate the employment of an employee or group of employees before their normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Charity is considered to be committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHRYSALIS (CUMBRIA) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

3 Donations and legacies

	Unrestricted funds general 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £
Donations and gifts	4,327	-	4,327	7,683	-	7,683
Grants	-	51,700	51,700	1,000	3,700	4,700
	<u>4,327</u>	<u>51,700</u>	<u>56,027</u>	<u>8,683</u>	<u>3,700</u>	<u>12,383</u>
Grants receivable for core activities						
Other grants receivable	-	26,700	26,700	1,000	3,700	4,700
Forbes charitable foundation	-	25,000	25,000	-	-	-
	<u>-</u>	<u>51,700</u>	<u>51,700</u>	<u>1,000</u>	<u>3,700</u>	<u>4,700</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Social service contracts		
Social service contract and spot income	689,653	714,373
Private contracts/direct payments	94,940	111,029
NHS contracts	608,311	398,352
Centre activity income	10,667	20,423
Outreach activities	4,313	10,385
Supported living		
Social service contract and spot income	577,495	522,382
Charitable rental income	3,860	-
	<u>1,989,239</u>	<u>1,776,944</u>

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	1,582	2,214
Shop income	31,904	32,563
Other trading activities	<u>33,486</u>	<u>34,777</u>

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>6,444</u>	<u>5,156</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Other income

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Other income	2,193	546

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising and publicity		
Seeking donations, grants and legacies	1,305	682
Trading costs		
Operating charity shops	17,330	17,434
Other trading activities	27,837	24,969
Staff costs	22,581	23,790
	67,748	66,193
Total costs	69,053	66,875

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.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Expenditure on charitable activities

	Social service contracts	Supported living	Total	Social service contracts	Supported living	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Direct costs						
Staff costs	756,377	571,170	1,327,547	766,351	379,517	1,145,868
Rent	13,599	-	13,599	13,501	-	13,501
Rates & water	4,972	-	4,972	4,997	-	4,997
Light & heat	26,398	-	26,398	16,744	-	16,744
Repairs & maintenance	16,970	114	17,084	14,924	157	15,081
Insurance	19,480	-	19,480	15,857	-	15,857
Cleaning & refuse	14,444	100	14,544	11,429	-	11,429
Staff travel & subsistence	2,122	22	2,144	1,323	34	1,357
Equipment & maintenance	4,786	1,368	6,154	3,784	1,285	5,069
Minibus expenses	4,565	-	4,565	2,679	-	2,679
Bad debts	2,570	-	2,570	(655)	-	(655)
General expenses	6,073	428	6,501	4,283	(316)	3,967
Staff training & recruitment	37,891	1,178	39,069	21,568	280	21,848
Activity costs	7,309	1,293	8,602	6,059	1,079	7,138
Outreach activities	15,017	-	15,017	18,853	-	18,853
	<u>932,573</u>	<u>575,673</u>	<u>1,508,246</u>	<u>901,697</u>	<u>382,036</u>	<u>1,283,733</u>
Share of support and governance costs (see note 10)						
Support	429,570	26,609	456,179	370,959	34,419	405,378
Governance	1,240	-	1,240	238	-	238
	<u>1,363,383</u>	<u>602,282</u>	<u>1,965,665</u>	<u>1,272,894</u>	<u>416,455</u>	<u>1,689,349</u>
Analysis by fund						
Unrestricted funds	1,318,383	602,282	1,920,665	1,272,894	416,455	1,689,349
Restricted funds	45,000	-	45,000	-	-	-
	<u>1,363,383</u>	<u>602,282</u>	<u>1,965,665</u>	<u>1,272,894</u>	<u>416,455</u>	<u>1,689,349</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Support costs allocated to activities

	2025	2024
	£	£
Staff costs	318,147	302,531
Depreciation	22,966	20,485
Legal & professional fees	38,121	24,590
Communications & IT	17,631	17,025
General office costs	44,255	31,882
Finance costs	6,940	2,628
Sundry costs	8,119	6,237
Governance costs	1,240	238
	457,419	405,616
	457,419	405,616
Analysed between:		
Social service contracts	430,810	371,197
Supported living	26,609	34,419
	457,419	405,616
	457,419	405,616

11 Net movement in funds

	2025	2024
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	4,115	3,250
Fees payable to the company's auditor for other services	6,547	6,305
Depreciation of owned tangible fixed assets	22,966	20,485
Operating lease payments recognised as an expense	21,393	21,393
	457,419	405,616
	457,419	405,616

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2024: none). One trustee had expenses reimbursed during the year by the charity of £338 for travel (2024: £213 to one trustee for travel expenses).

Trustees made aggregate total donations to the charity of £388 (2024: £213) without conditions.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

13 Employees

The average monthly number of employees during the year was:

	2025	2024
	Number	Number
Centre staff	76	74

Employment costs

	2025	2024
	£	£
Wages and salaries	1,526,036	1,355,328
Social security costs	112,193	91,396
Other pension costs	30,046	25,465
	<u>1,668,275</u>	<u>1,472,189</u>

There were no employees whose annual remuneration was more than £60,000.

Remuneration of 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 remuneration of key management personnel is as follows:

	2025	2024
	£	£
Aggregate compensation	<u>198,236</u>	<u>183,564</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Tangible fixed assets

	Freehold land and buildings	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2024	399,149	187,110	39,340	625,599
Additions	211,655	25,512	-	237,167
Disposals	-	(368)	-	(368)
At 31 March 2025	610,804	212,254	39,340	862,398
Depreciation and impairment				
At 1 April 2024	158,548	176,311	32,385	367,244
Depreciation charged in the year	10,374	11,198	1,394	22,966
Eliminated in respect of disposals	-	(368)	-	(368)
At 31 March 2025	168,922	187,141	33,779	389,842
Carrying amount				
At 31 March 2025	441,882	25,113	5,561	472,556
At 31 March 2024	240,601	10,799	6,955	258,355

The freehold property and all fixed assets held at these properties are pledged as security for the NatWest loan. See note 17 for details.

15 Stocks

	2025	2024
	£	£
Finished goods and goods for resale	15,659	16,056

16 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Trade debtors	75,103	62,212
Other debtors	2,992	3,142
Prepayments and accrued income	68,445	58,569
	146,540	123,923

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Loans and overdrafts

	2025	2024
	£	£
Bank loans	240,781	54,323
	<u> </u>	<u> </u>
Payable within one year	12,674	5,634
Payable after one year	228,107	48,689
	<u> </u>	<u> </u>
Amounts included above which fall due after five years:		
Payable by instalments	164,183	23,819
	<u> </u>	<u> </u>

The bank loans due to NatWest Bank Plc are secured by three legal charges over the freehold properties owned by the organisation including a fixed charge over all other fixed assets held at these properties. At 31 March 2025 the total amount secured was £240,781 (2024: £54,323).

The liabilities falling due after five years comprises two long-term mortgages that expire in 2031 and 2039. For the first mortgage, repayments are made in equal monthly instalments and the interest rate charged was fixed for five years at 4.59% until January 2025, then 3.67% over base rate. For the second mortgage, repayments are made in equal monthly instalments and the interest rate charged is fixed for three years at 6.93% until November 2027, then 2.30% over base rate.

18 Creditors: amounts falling due within one year

	Notes	2025	2024
		£	£
Bank loans	17	12,674	5,634
Other taxation and social security		24,783	21,155
Trade creditors		22,651	19,090
Accruals and deferred income		39,052	37,402
		<u> </u>	<u> </u>
		99,160	83,281
		<u> </u>	<u> </u>

19 Creditors: amounts falling due after more than one year

	Notes	2025	2024
		£	£
Bank loans	17	228,107	48,689
		<u> </u>	<u> </u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

20 Provisions for liabilities	2025 £	2024 £
Building remedial works	22,500	22,500
Movements on provisions:		
		Building remedial works £
At 1 April 2024 and 31 March 2025		22,500

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 2026, and it is not known specifically what remedial works will be required.

21 Retirement benefit schemes	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	30,046	25,465

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Restricted grants	3,700	51,700	(45,000)	(10,072)	328
Minibus fund	7,595	-	-	-	7,595
	11,295	51,700	(45,000)	(10,072)	7,923

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

22 Restricted funds (Continued)

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Restricted grants	-	3,700	-	-	3,700
Minibus fund	7,595	-	-	-	7,595
	<u>7,595</u>	<u>3,700</u>	<u>-</u>	<u>-</u>	<u>11,295</u>

Restricted grants are those amounts received for specific projects that have not been spent by the year end. Transfers to unrestricted funds represent the amount of restricted funds spent in the year on capital assets, and so the restriction on spending has been satisfied.

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

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Contingency fund	208,457	-	-	-	208,457
Building fund	13,356	-	-	-	13,356
Minibus depreciation fund	819	-	(164)	-	655
New minibus fund	7,000	-	-	-	7,000
TMP garden flooring fund	5,000	-	-	-	5,000
Website fund	5,000	-	-	-	5,000
General funds	256,130	2,035,689	(1,989,554)	10,072	312,337
	<u>495,762</u>	<u>2,035,689</u>	<u>(1,989,718)</u>	<u>10,072</u>	<u>551,805</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

23 Unrestricted funds (Continued)

Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Contingency fund	208,457	-	-	-	208,457
Building fund	13,356	-	-	-	13,356
Minibus depreciation fund	1,023	-	-	(204)	819
New minibus fund	-	-	-	7,000	7,000
TMP garden flooring fund	-	-	-	5,000	5,000
Website fund	-	-	-	5,000	5,000
General funds	203,044	1,826,106	(1,756,224)	(16,796)	256,130
	<u>425,880</u>	<u>1,826,106</u>	<u>(1,756,224)</u>	<u>-</u>	<u>495,762</u>

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

A total of £17,000 was transferred from general funds to designated funds in 2024 to go towards a new minibus, new garden flooring at The Meeting Place, and a new website.

24 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	472,556	-	472,556
Current assets/(liabilities)	329,856	7,923	337,779
Long term liabilities	(228,107)	-	(228,107)
Provisions	(22,500)	-	(22,500)
	<u>551,805</u>	<u>7,923</u>	<u>559,728</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	258,355	-	258,355
Current assets/(liabilities)	308,596	11,295	319,891
Long term liabilities	(48,689)	-	(48,689)
Provisions	(22,500)	-	(22,500)
	<u>495,762</u>	<u>11,295</u>	<u>507,057</u>

25 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	20,500	16,726
Between two and five years	2,333	13,500
	<u>22,833</u>	<u>30,226</u>

Lessor

The charity owns a property that is let out to a social landlord and used as supported living accommodation. The lease term is 10 years from November 2024 and the lessee does not have an option to purchase the property at the expiry of the lease period. Rental income received during the year was £3,860 (2024: £nil).

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

26 Related party transactions

Transactions with related parties

A child of one of the trustees is a resident at Churchrigg. Income for the year amounted to £52,022 (2024: £49,726), with £4,013 owed to the charity at 31 March 2025 (2024: £3,657).

27 Cash generated from operations	2025	2024
	£	£
Surplus for the year	52,671	73,582
Adjustments for:		
Investment income recognised in statement of financial activities	(6,444)	(5,156)
Depreciation and impairment of tangible fixed assets	22,966	20,485
Movements in working capital:		
Decrease/(increase) in stocks	397	(4,473)
(Increase) in debtors	(22,617)	(41,665)
Increase in creditors	8,839	26,506
Cash generated from operations	<u>55,812</u>	<u>69,279</u>

28 Analysis of changes in net funds

	At 1 April 2024	Cash flows	At 31 March 2025
	£	£	£
Cash at bank and in hand	263,193	11,547	274,740
Loans falling due within one year	(5,634)	(7,040)	(12,674)
Loans falling due after more than one year	(48,689)	(179,418)	(228,107)
	<u>208,870</u>	<u>(174,911)</u>	<u>33,959</u>

CHRYSALIS (CUMBRIA) LTD

England & Wales - Charity number 1116125

Accounts

Charity registration number 1116125

Company registration number 05751140 (England and Wales)

CHRYSALIS (CUMBRIA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CHRYSALIS (CUMBRIA) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs B H Earl Mr J R Fearon Mrs M A Drury Mr D A Dodd Mr S Walker
Secretary	Mrs M A Drury
Chief executive officer	Mrs C Doherty
Charity number	1116125
Company number	05751140
Principal office and registered office	Leaside Longthwaite Road Wigton Cumbria United Kingdom CA7 9JR
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

CHRYSALIS (CUMBRIA) LIMITED

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CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

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 we will provide an appropriate explanation.

The Code was recently updated and we established a Working Group to review the revised version of the Code. This Working Group was led by David Dodd and presented its' findings to the Board of Trustees.

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 Senior Management Team. 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

VISION – to enrich and support the lives of individuals with disabilities

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

In line with our delivery plan Chrysalis provides a range of person-centred activities within the community. We also have resource bases at Leaside and The Meeting Place 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.

Our Wholefood Shop enterprise continues to offer opportunities for individuals to increase skills and confidence in a supported placement to develop future employability whilst providing a great offer for the local community.

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.

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 2023 we recommenced our range of placement opportunities for health and social care, 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs B H Earl

Mr J R Fearon

Mrs M A Drury

Mr D A Dodd

Mr S Walker

In accordance with our Constitution Rule 25 Helen Earl will retire at the Annual General Meeting and being eligible, seeks re-election. The other trustees can confirm that an annual meeting without the Chair is carried out and at this meeting they confirmed that Helen's performance continues to be effective and she continues to demonstrate commitment to her demanding role within the charity.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Helen Earl



Helen originally from Mayport has a background in education, originally teaching. Helen became Strategic Manager for Behaviour Support and her expertise centres around Communication Of Government Strategy. Helen is Chair of Allerdale Multiple Sclerosis Society, a school Governor and currently Chair Of Trustees for Chrysalis whilst forming part of the Governance, Remuneration, Finance, and Nominations committees. Helen's hobbies include craft work, sewing, reading, outdoor activities amongst many others.

Ray Fearon



Ray was born and bred in Wigton, he has spent his entire career in horticulture, first as a Horticultural Advisory Officer in the Ministry of Agriculture and then in commercial horticulture. Ray's son became a member of Chrysalis in 1990 when it was still known as Smile. Ray's hobbies include mountaineering, walking and singing with Dalston Male Voice Choir. Ray is currently part of the Marketing and Client Service Delivery committees.

Margaret Drury



Margaret recently retired from her position as an inspector for the Care Quality Commission having worked in the Adult Social Care Directorate for over 15 years. Margaret has a Degree in Social Sciences and the Arts and has completed two Post Graduate Certificates in Dementia Care. Margaret's interests are reading, classical and choral music, she is an active member of her local Methodist church, and has recently taken up horse riding. Margaret is a member of the Client Service Delivery and Risk & Compliance committee.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

David Dodd



David lives with his wife Carol in Brampton, he has a son and two step-daughters. David joined the Board in 2019 and is presently Chairman of the Finance Committee, the Risk & Compliance Committee, the Marketing Committee and the Remuneration Committee. He was formerly Chief Executive of a regional building society and has an MBA from the Open Business School.

Stephen Walker



Stephen, originally from the North East, has lived in Cumbria for 30 years, he is a registered social worker and is currently involved in social work education; working with students out on placement. When not involved in social work Stephen is a tour guide at the Lakes Distillery, he runs a monthly whisky club in Cockermouth and is heavily involved in the Campaign for Real Ale. Stephen is currently involved in the Finance, HR & Staffing and Clients Service Delivery committees.

The attendance of trustees at the numerous Board and sub-committee meetings is set out below. Against each trustee's name is shown the number of meetings which the trustee was present as a member and in brackets the number of such meetings that the trustee was eligible to attend. All trustees are unpaid volunteers and so naturally they may have other commitments which prevent them from achieving 100% attendance. The Nominations sub-committee did not meet during the year.

	Helen Earl (Chair)	Margaret Drury	Ray Fearon	David Dodd	Stephen Walker
Board	5 (5)	5 (5)	4 (5)	4 (5)	5 (5)
Finance Committee	3 (5)			5 (5)	4 (4)
Risk & Compliance Committee	3 (3)	1 (3)	2 (3)	3 (3)	2 (3)
Nominations Committee					
Remuneration Committee	2 (2)			2 (2)	
Client Service Delivery Committee		3(3)	3(3)		
Governance Committee	1 (1)			1 (1)	
Marketing Committee			2 (2)	2 (2)	
Staff & HR				4 (4)	3 (3)

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

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 33 years. The present Chair is Helen Earl who was elected to this position in March 2023 having been a trustee since 2016.

The members of the Senior Management Team are:

Claire Doherty – Chief Executive Officer Shelley Clarke – Finance Manager



Emma Jackson - HR Manager



Rachel Chebbi – Operations Manager



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.

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
- To monitor our compliance with the Charity Governance Code for larger charities.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

(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.

(g) Risk & Compliance

The main aims of this group 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 current Risk Matrix, risk exposures and future risk strategy
- To approve and review our Risk Appetite, the overview of which is set out under Principle 4

(h) Internal Audit

The main aims of this group are:

- To oversee the organisation's relationship with the external auditors.
- To assess the effectiveness of the external audit process.
- To review the external auditor's report prior to this being submitted to the Board of Trustees
- To review the Annual Report & Accounts and recommend these for approval, where appropriate, to the Board of Trustees.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 emphasize 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.

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 refers to the 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Risk management

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

The Risk & Compliance 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. All other sub-committees produce regular risk reports which are submitted to the Risk & Compliance Committee.

A Risk Register is maintained showing all the risks identified by each sub-committee. Each risk is described and measured.

Risk Appetite Overview

The Risk Appetite of Chrysalis (Cumbria) Ltd sets out the levels and types of risks which we are prepared to accept and tolerate. It must be acknowledged that it is neither possible nor desirable to get rid of all risks, the purpose of our risk processes is to manage and mitigate risk. The management may include transferring that risk for instance by the use of insurance.

Chrysalis operates within a low overall risk range. Our lowest risk appetite relates to the Operational area, specifically the safety and safeguarding of our clients.

We also have a low risk appetite in areas of Financial operations. We aim to maintain sufficient liquid assets to cover at least one month of our operating costs. In addition, we have developed a comprehensive Reserves Policy and we will maintain reserves within the levels stipulated by the Reserves Policy.

We have a marginally higher risk appetite towards our Regulatory & Compliance responsibilities. As a small organisation we recognise that we have finite resources which means that senior managers will have responsibilities for both operational and compliance matters. In larger organisations these responsibilities would be split between different personnel. Likewise, our trustees are all non-paid volunteers which limits the time that we can expect them to devote to the Charity.

We have a similar risk appetite towards Governance issues. We will apply "best practice" rules where possible and where these are compatible with our culture and values. We will use the "comply or explain" approach to the Charity Governance Code for Large Charities; where we do not comply with a requirement we will fully explain our rationale.

We have a slightly higher risk appetite when considering External issues. We have to acknowledge that we may be reactive here rather than proactive. Some external issues will be more important to us and therefore our risk appetite will be less for these issues especially if these issues have an immediate detrimental effect on our operations.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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. A full review was carried out in 2023 and we were delighted that the assessor considered that we continue to meet the high standards required.

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.

The Charity Governance Code recommends that trustees are appointed for an agreed time, normally 9 years unless the Charity's constitution states otherwise. Our Memorandum does not stipulate an agreed time. However, our Memorandum does state that one third of our trustees shall retire in rotation each year and this is covered in page 3 of this report.

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.

A formal appraisal process has been introduced for all trustees.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

We welcome applications from all groups of society to join our board of trustees. A pro-active approach will be taken here to recruit new trustees.

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 acting 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.

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

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Directors Report

The trustees have great pleasure in presenting their Directors' Report for the year ended 31 March 2024. We are delighted to report that the charity has returned to profit and we have begun the process of rebuilding our reserves whilst maintaining our high standard of client service.

Strategic Report

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

Community Panels

New Community Panels have been set up by Cumberland Council. Chrysalis is part of the Fells and Solway Panel and we are able to apply to the Panel for funding, where appropriate. Ideally, we would like to have representation on this Panel.

Cumbria Integrated Care Board (ICB)

A Memorandum of Understanding is being agreed with the ICB. We have held a number of meetings with an ICB Director to discuss the rates being paid by the ICB as the rate paid is not keeping pace with increases in the National Living Wage.

The Chief Executive has maintained our links with Voluntary Organisation Network North East (VONNE) to assist us with our relationship with the ICB.

Following our successful application to be a third sector representative for the Integrated Care Community (ICC) the Chief Executive continues to represent Chrysalis and to provide our input which allows us to influence the decision makers and have an important seat at the table of the Leadership team within Keswick and Solway ICC.

Achievements and performance

We were delighted to commence our service at The Loft at Churchrigg. We are grateful to the owners for the excellent development of this extra facility, the clients have settled well into their new home and we hope they have a long a happy time there.

Following a number of discussions with the Forbes Charitable Foundation we were successful in our application for a grant to fund a new position within the organization. This post will enable us to further develop our wholefood shop, our holiday provision and our outreach service.

A great deal of work has taken place in an attempt to extend our Supported Living provision. This project is still in the early stages. It is hoped to be able to complete the project during 2024 and, if successful, this may be replicated in the future.

The trustees are proud to report that during the year the organization returned to profit. This has allowed us to ensure that we continue to pay at least the National Living Wage to all staff and we have been able to look at ways of growing the business. In addition, we have added to our reserves. We took a deliberate decision not to add too much to our reserves as this allowed us to place greater emphasis on staff and business development.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Our new “One Lottery” continues to work well. In addition to providing a small income for the organisation we have had a number of lucky winners throughout the year.

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.

Events

Once again we were delighted to hold a number of our popular events during the year. Among the highlights were the following:

- Music workshops
- Attendance at the Wigton Pantomime
- Christmas Party
- Easter concert
- Stars In Their Eyes
- Quiz Nights
- Guest appearances by Hand Vibes
- Keppleway outward bound activities
- Return to Sailing in Windermere

We received a donation of £500 from a local business which helped towards the costs of putting on these events.

The annual craft fair at Greenhill was successful and also raised over £1000 which was fantastic.



CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024



Staff

We are proud to confirm that all staff are paid the Real Living Wage in accordance with the Living Wage Foundation along with our Employee Assistance Programme (EAP) which ensures that all staff have full and free access to 24 hour support and a range of enhanced benefits.

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, many of which have continued to be presented online or via a blended learning approach.

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.

We continue to provide a robust approach to the delivery of all Learning and Development from induction and care certificate, to specific skills such as project management, to enhanced qualifications up to Masters Level ensures a culture of lifelong learning across the organisation.

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 shown throughout the year.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

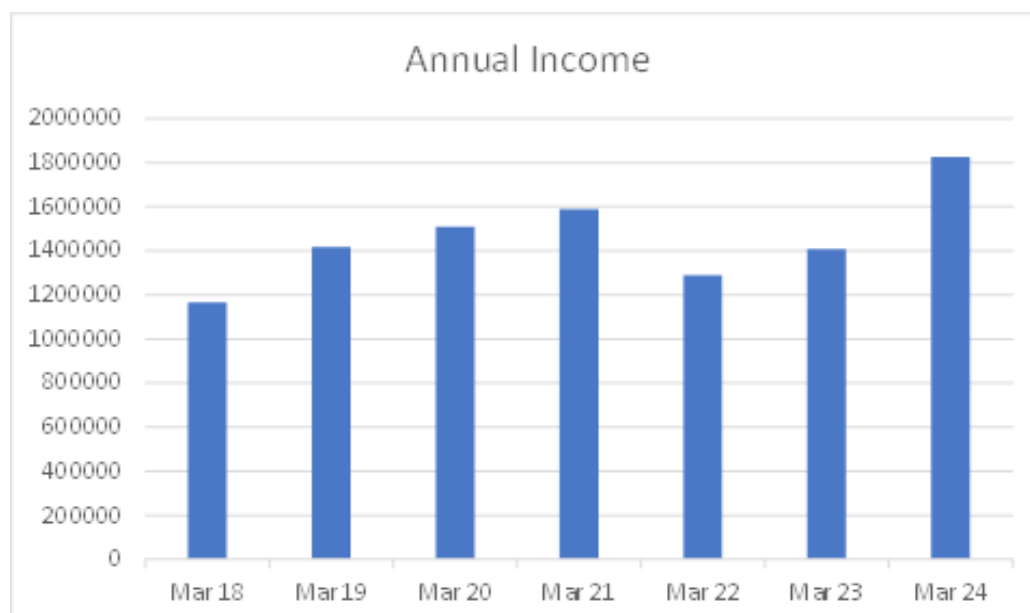
As a not for profit regional charity our aim is to make sufficient profit to ensure longevity of the organisation and not to maximise our profit. All profits will go into our reserves for the purposes of operating the organisation and to safeguard its future. The organization does not have any external shareholders and therefore there are no dividends to be paid out.

The organisation over the last year has seen vast improvements financially as we recover from the pandemic and establish a new norm. One strategic aim was to rebuild the reserves that had been heavily impacted during the pandemic and this has been achieved in this last year with a profit of £73,582, 4.02% of total income (2023: loss of £55,116 at -3.91%). The income achieved in the year now exceeds pre-pandemic levels.

Within the year and under new contractual requirements the organisation switched from paying the National Minimum Wage to paying in accordance with the rates set by the Living Wage foundation which are approximately 5% higher. This was a huge change to the organization given that increases in the National Minimum Wage to commence April 2023 were already approximately 10% but we feel this is a huge benefit for staff and one that will aid stability in our staffing levels.

As mentioned new contracts with both the ICB and local authority were granted within the year once again securing funding and again longevity for the organisation.

Overall the year has been financially rewarding and this strengthens the strategic business plan for the forthcoming years, the Trustees and Senior Management Team are confident that with good management the outlook remains positive.



CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024



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 for any tender submissions. Some of the contracts we hold 'cap' the hourly rate that is able to be charged, as a fixed price, 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 dynamic in responding to identified need, 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 may not provide an interest rate which will exceed the retail price index, this is entirely consistent with our emphasis of "security over returns".

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Reserves Policy

Our reserves policy has been developed to substantiate the level of reserves that should be maintained to ensure long-term financial sustainability. The term “Reserves” is used to describe the part of the organisations’ income funds that are freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds.

Having a reserves policy helps inform the way in which we as an organisation can manage our cash, liquid assets and debt. It will assist when planning and explaining our approach to stakeholders, it will contribute significantly in the Board’s ability to balance the needs of current and future beneficiaries and provide stakeholders the assurance that the organisation is well managed and that it has, where appropriate, a strategy for building up reserves.

Without a reserves policy, the Board cannot be confident that their reserves level matches the organisations needs at the time i.e. the organisation could be holding reserves that are too high or too low for its needs.

The reserves policy has been set by conducting and reviewing the following: -

- Discussions within the Senior Management Team, Treasurer and members of the Finance Sub Committee.
- Analysis of cash flow;
- Analysis of existing funds and reserves;
- Review of future income streams with an assessment of their reliability;
- Review of any committed expenditure;
- Examination of past trends;
- Examining the likely changes in the main source of income;
- Assessment of the risks facing the organisation including the dependence on the main source of income and the likely effect on the beneficiaries
- Forecasting future levels of income (considering the reliability of each source of income, and the prospects of new sources);
- Forecasting expenditure in future years (considering any planned future project expenditure and or committed expenditure

<p style="text-align: center;">Reserves Policy Measure 2 - 4 Months Rolling Staff Costs 2 - 4 Months Rolling Total Expenditure</p>
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signed

funds and £256,130 excluding designated funds.

This therefore means that for the year ending 31st March 2024 we fully met our reserves policy.

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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Chrysalis (Cumbria) Limited for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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

In accordance with the company's articles, a resolution proposing that Saint & Co be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

.....
Mrs B H Earl
trustee

10 July 2024

CHRYSALIS (CUMBRIA) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRYSALIS (CUMBRIA) LIMITED

Opinion

We have audited the financial statements of Chrysalis (Cumbria) Limited (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

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 contained within the annual report. 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.

CHRYSALIS (CUMBRIA) LIMITED

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

CHRYSALIS (CUMBRIA) LIMITED

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

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.

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.

CHRYSALIS (CUMBRIA) LIMITED

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

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Stuart Farrer (Senior Statutory Auditor)
for and on behalf of Saint & Co

.....

Chartered Accountants
Statutory Auditor

Chartered Accountants & Statutory
Auditor
Sterling House
Wavell Drive, Rosehill
Carlisle
Cumbria
CA1 2SA

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
	Notes						
Income and endowments from:							
Donations and legacies	3	8,683	3,700	12,383	10,093	-	10,093
Charitable activities	4	1,776,944	-	1,776,944	1,366,964	-	1,366,964
Other trading activities	5	34,777	-	34,777	28,974	-	28,974
Investments	6	5,156	-	5,156	1,917	-	1,917
Other income	7	546	-	546	144	-	144
Total income		<u>1,826,106</u>	<u>3,700</u>	<u>1,829,806</u>	<u>1,408,092</u>	<u>-</u>	<u>1,408,092</u>
Expenditure on:							
Raising funds	8	66,875	-	66,875	54,645	-	54,645
Charitable activities	9	1,689,349	-	1,689,349	1,408,563	-	1,408,563
Total expenditure		<u>1,756,224</u>	<u>-</u>	<u>1,756,224</u>	<u>1,463,208</u>	<u>-</u>	<u>1,463,208</u>
Net income/(expenditure)		69,882	3,700	73,582	(55,116)	-	(55,116)
Transfers between funds		-	-	-	466	(466)	-
Net movement in funds	11	69,882	3,700	73,582	(54,650)	(466)	(55,116)
Reconciliation of funds:							
Fund balances at 1 April 2023		425,880	7,595	433,475	480,530	8,061	488,591
Fund balances at 31 March 2024		<u>495,762</u>	<u>11,295</u>	<u>507,057</u>	<u>425,880</u>	<u>7,595</u>	<u>433,475</u>

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

CHRYSALIS (CUMBRIA) LIMITED

BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	14		258,355		275,484
Current assets					
Stocks	15	16,056		11,583	
Debtors	16	123,923		82,258	
Cash at bank and in hand		263,193		197,696	
			<u>403,172</u>		<u>291,537</u>
Creditors: amounts falling due within one year	18	(83,281)		(56,722)	
Net current assets			<u>319,891</u>		<u>234,815</u>
Total assets less current liabilities			<u>578,246</u>		<u>510,299</u>
Creditors: amounts falling due after more than one year	19		(48,689)		(54,324)
Provisions for liabilities	20		(22,500)		(22,500)
Net assets excluding pension liability			<u>507,057</u>		<u>433,475</u>
Net assets			<u><u>507,057</u></u>		<u><u>433,475</u></u>
The funds of the charity					
Restricted income funds	22		11,295		7,595
Unrestricted funds			495,762		425,880
			<u>507,057</u>		<u>433,475</u>

The financial statements were approved by the trustees on 10 July 2024.

.....
Mrs B H Earl
trustee

Company registration number 05751140 (England and Wales)

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	27		69,279		(24,610)
Investing activities					
Purchase of tangible fixed assets		(3,357)		(4,961)	
Investment income received		5,156		1,917	
Net cash generated from/(used in) investing activities					
			1,799		(3,044)
Financing activities					
Repayment of bank loans		(5,581)		(5,335)	
Net cash used in financing activities					
			(5,581)		(5,335)
Net increase/(decrease) in cash and cash equivalents					
			65,497		(32,989)
Cash and cash equivalents at beginning of year					
			197,696		230,685
Cash and cash equivalents at end of year					
			263,193		197,696

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Chrysalis (Cumbria) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Leaside, Longthwaite Road, Wigton, Cumbria, CA7 9JR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Prior impairments are also reviewed for possible reversal at each reporting date.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/ (expenditure) in the period in which it arises.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Termination payments

Redundancy and termination costs are recognised as an expense and a liability once the Charity is committed to terminate the employment of an employee or group of employees before their normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. The Charity is considered to be committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies

	Unrestricted funds general 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds general 2023 £
Donations and gifts	7,683	-	7,683	2,943
Grants	1,000	3,700	4,700	7,150
	<u>8,683</u>	<u>3,700</u>	<u>12,383</u>	<u>10,093</u>
Grants receivable for core activities				
Grants receivable	1,000	3,700	4,700	7,150
	<u>1,000</u>	<u>3,700</u>	<u>4,700</u>	<u>7,150</u>

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Social service contracts		
Social service contract and spot income	714,373	612,813
Private contracts/direct payments	111,029	101,164
NHS contracts	398,352	305,065
Centre activity income	20,423	28,344
Outreach activities	10,385	11,544
Churchrigg		
Social service contract and spot income	522,382	304,611
NHS contracts	-	3,423
	<u>1,776,944</u>	<u>1,366,964</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Direct fundraising	2,214	3,635
Healthfood shop income	32,563	25,339
	<u> </u>	<u> </u>
Other trading activities	34,777	28,974
	<u> </u>	<u> </u>

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Interest receivable	5,156	1,917
	<u> </u>	<u> </u>

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	546	144
	<u> </u>	<u> </u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Expenditure on raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Fundraising and publicity		
Seeking donations, grants and legacies	682	646
	<hr/>	<hr/>
Trading costs		
Shop costs - overheads	17,434	15,717
Shop costs - purchases	24,969	21,843
Staff costs	23,790	16,439
	<hr/>	<hr/>
	66,193	53,999
	<hr/>	<hr/>
Total costs	66,875	54,645
	<hr/> <hr/>	<hr/> <hr/>

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.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9 Expenditure on charitable activities

	Social service contracts	Churchrigg	Total	Social service contracts	Churchrigg	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Direct costs						
Staff costs	766,351	379,517	1,145,868	647,192	230,430	877,622
Rent	13,501	-	13,501	13,499	-	13,499
Rates & water	4,997	-	4,997	4,601	-	4,601
Light & heat	16,744	-	16,744	15,839	-	15,839
Repairs & maintenance	14,924	157	15,081	8,883	-	8,883
Insurance	15,857	-	15,857	13,639	546	14,185
Cleaning & refuse	11,429	-	11,429	13,377	-	13,377
Staff travel & subsistence	1,323	34	1,357	619	56	675
Equipment & maintenance	3,784	1,285	5,069	3,868	104	3,972
Minibus expenses	2,679	-	2,679	2,473	-	2,473
Bad debts	(655)	-	(655)	1,023	-	1,023
General expenses	4,283	(316)	3,967	6,012	-	6,012
Staff training & recruitment	21,568	280	21,848	9,691	6,135	15,826
Activity costs	6,059	1,079	7,138	5,461	73	5,534
Outreach activities	18,853	-	18,853	22,350	-	22,350
	<u>901,697</u>	<u>382,036</u>	<u>1,283,733</u>	<u>768,527</u>	<u>237,344</u>	<u>1,005,871</u>
Share of support and governance costs (see note 10)						
Support	370,959	34,419	405,378	387,843	14,649	402,492
Governance	238	-	238	200	-	200
	<u>1,272,894</u>	<u>416,455</u>	<u>1,689,349</u>	<u>1,156,570</u>	<u>251,993</u>	<u>1,408,563</u>
Analysis by fund						
Unrestricted funds	<u>1,272,894</u>	<u>416,455</u>	<u>1,689,349</u>	<u>1,156,570</u>	<u>251,993</u>	<u>1,408,563</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Support costs allocated to activities	2024	2023
	£	£
Staff costs	302,531	294,372
Depreciation	20,485	28,465
Legal & professional fees	24,590	19,723
Communications & IT	17,025	13,089
General office costs	31,882	31,976
Finance costs	2,628	2,875
Sundry costs	6,237	11,992
Governance costs	238	200
	<u>405,616</u>	<u>402,692</u>
Analysed between:		
Social service contracts	371,197	388,043
Churchrigg	34,419	14,649
	<u>405,616</u>	<u>402,692</u>
11 Net movement in funds	2024	2023
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,250	3,100
Fees payable to the company's auditor for other services	6,305	6,500
Depreciation of owned tangible fixed assets	20,485	28,465
Operating lease payments recognised as an expense	21,393	21,393
	<u>31,433</u>	<u>59,458</u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2023: none). One trustee had travel expenses totalling £213 reimbursed during the year by the charity (2023: 188).

Trustees made aggregate total donations of £213 (2023: £188) without conditions.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Centre staff	74	69

Employment costs	2024	2023
	£	£
Wages and salaries	1,355,328	1,099,629
Social security costs	91,396	69,710
Other pension costs	25,465	19,094
	<u>1,472,189</u>	<u>1,188,433</u>

Termination payments totalling £5,359 were recognised in the reporting period for a payment in lieu of notice and unused holiday entitlements.

There were no employees whose annual remuneration was more than £60,000.

Remuneration of 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 remuneration of key management personnel is as follows:

	2024	2023
	£	£
Aggregate compensation	<u>183,564</u>	<u>177,460</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

14 Tangible fixed assets

	Freehold land and buildings	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	399,149	183,753	39,340	622,242
Additions	-	3,357	-	3,357
At 31 March 2024	399,149	187,110	39,340	625,599
Depreciation and impairment				
At 1 April 2023	148,236	167,880	30,643	346,759
Depreciation charged in the year	10,312	8,431	1,742	20,485
At 31 March 2024	158,548	176,311	32,385	367,244
Carrying amount				
At 31 March 2024	240,601	10,799	6,955	258,355
At 31 March 2023	250,913	15,874	8,697	275,484

The freehold property and all fixed assets held at these properties are pledged as security for the NatWest loan. See note 17 for details.

15 Stocks

	2024	2023
	£	£
Finished goods and goods for resale	16,056	11,583

16 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	62,212	33,850
Other debtors	3,142	2,992
Prepayments and accrued income	58,569	45,416
	123,923	82,258

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

17 Loans and overdrafts

	2024	2023
	£	£
Bank loans	54,323	59,904
Payable within one year	5,634	5,580
Payable after one year	48,689	54,324
Amounts included above which fall due after five years:		
Payable by instalments	(23,819)	(31,084)

The bank loans due to NatWest Bank Plc are secured by a mortgage over the freehold property owned by the organisation and a fixed charge over all other fixed assets held at these properties. At 31 March 2024 the total amount secured was £54,323 (2023: £59,904).

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 4.59% until January 2025, then 3.67% over base rate unless otherwise agreed.

18 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	17	5,634	5,580
Other taxation and social security		21,155	16,864
Trade creditors		19,090	13,728
Accruals and deferred income		37,402	20,550
		83,281	56,722

19 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans	17	48,689	54,324

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

20 Provisions for liabilities	2024 £	2023 £
Building remedial works	22,500	22,500
	<u>22,500</u>	<u>22,500</u>
Movements on provisions:		Building remedial works £
At 1 April 2023 and 31 March 2024		22,500
		<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 2026, and it is not known specifically what remedial works will be required.

21 Retirement benefit schemes	2024 £	2023 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	25,465	19,094
	<u>25,465</u>	<u>19,094</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Transfers £	At 31 March 2024 £
Restricted grants	-	3,700	-	3,700
Minibus fund	7,595	-	-	7,595
	<u>7,595</u>	<u>3,700</u>	<u>-</u>	<u>11,295</u>
	<u>7,595</u>	<u>3,700</u>	<u>-</u>	<u>11,295</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds (Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Transfers £	At 31 March 2023 £
Restricted grants	466	-	(466)	-
Minibus fund	7,595	-	-	7,595
	<u>8,061</u>	<u>-</u>	<u>(466)</u>	<u>7,595</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.

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Contingency fund	208,457	-	-	-	208,457
Building fund	13,356	-	-	-	13,356
Minibus depreciation fund	1,023	-	-	(204)	819
New minibus fund	-	-	-	7,000	7,000
TMP garden flooring fund	-	-	-	5,000	5,000
Website fund	-	-	-	5,000	5,000
General funds	203,044	1,826,106	(1,756,224)	(16,796)	256,130
	<u>425,880</u>	<u>1,826,106</u>	<u>(1,756,224)</u>	<u>-</u>	<u>495,762</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Unrestricted funds (Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Contingency fund	208,457	-	-	-	208,457
Building fund	13,356	-	-	-	13,356
Minibus fund	1,279	-	-	(256)	1,023
General funds	257,438	1,408,092	(1,463,208)	722	203,044
	<u>480,530</u>	<u>1,408,092</u>	<u>(1,463,208)</u>	<u>466</u>	<u>425,880</u>

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

A total of £17,000 has been transferred from general funds to designated funds this year to go towards a new minibus, new garden flooring at The Meeting Place, and a new website.

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	258,355	-	258,355
Current assets/(liabilities)	308,596	11,295	319,891
Long term liabilities	(48,689)	-	(48,689)
Provisions	(22,500)	-	(22,500)
	<u>495,762</u>	<u>11,295</u>	<u>507,057</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds (Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	275,484	-	275,484
Current assets/(liabilities)	227,220	7,595	234,815
Long term liabilities	(54,324)	-	(54,324)
Provisions	(22,500)	-	(22,500)
	<u>425,880</u>	<u>7,595</u>	<u>433,475</u>

25 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	16,726	21,393
Between two and five years	13,500	9,976
	<u>30,226</u>	<u>31,369</u>

26 Related party transactions

Transactions with related parties

A child of one of the trustees is a resident at Churchrigg. Income for the year amounted to £49,726, with £3,657 owed to the charity at 31 March 2024.

One of the trustees, David Dodd, made a contribution of £899 to the charity towards staff training costs.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

27	Cash generated from operations	2024	2023
		£	£
	Surplus/(deficit) for the year	73,582	(55,116)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(5,156)	(1,917)
	Depreciation and impairment of tangible fixed assets	20,485	28,465
	Movements in working capital:		
	(Increase) in stocks	(4,473)	(2,054)
	(Increase)/decrease in debtors	(41,665)	16,237
	Increase/(decrease) in creditors	26,506	(10,225)
	Cash generated from/(absorbed by) operations	<u>69,279</u>	<u>(24,610)</u>
28	Analysis of changes in net funds		
		At 1 April 2023	Cash flows
		£	At 31 March 2024
			£
	Cash at bank and in hand	197,696	65,497
	Loans falling due within one year	(5,580)	(54)
	Loans falling due after more than one year	(54,324)	5,635
		<u>137,792</u>	<u>71,078</u>
		<u><u>137,792</u></u>	<u><u>71,078</u></u>
			<u><u>208,870</u></u>

CHRYSALIS (CUMBRIA) LTD

England & Wales - Charity number 1116125

Accounts

Charity registration number 1116125

Company registration number 05751140 (England and Wales)

CHRYSALIS (CUMBRIA) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CHRYSALIS (CUMBRIA) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs B H Earl Mr J R Fearon Mrs M A Drury Mr D A Dodd Mr S Walker	(Appointed 10 March 2023)
Secretary	Mrs M A Drury	
Chief executive officer	Mrs C Doherty	
Charity number	1116125	
Company number	05751140	
Principal office and registered office	Leaside Longthwaite Road Wigton Cumbria United Kingdom CA7 9JR	
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	

CHRYSALIS (CUMBRIA) LIMITED

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CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: 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)" (effective 1 January 2019).

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 we will provide an appropriate explanation.

The Code was recently updated and we established a Working Group to review the revised version of the Code. This Working Group was led by David Dodd and presented its findings to the Board of Trustees.

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 Senior Management Team. 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

VISION – 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 and The Meeting Place 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.

Our Wholefood Shop enterprise continues to offer opportunities for individuals to increase skills and confidence in a supported placement to develop future employability whilst providing a great offer for the local community.

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 are now able to resume these activities to full capacity.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Likewise, our range of respite holidays for individuals was suspended and we are keen to re-start these during 2023.

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 2023 we aim to recommence our range of placement opportunities for health and social care, 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mrs B H Earl

Mr J R Fearon

Mrs M A Drury

Mr D A Dodd

Mr S Walker

(Appointed 10 March 2023)

Mrs A G Wells

(Resigned 27 February 2023)

Mrs J A Kemp

(Resigned 14 July 2022)

In accordance with our Constitution Rule 25 David Dodd will retire at the Annual General Meeting and being eligible, seeks re-election. Stephen Walker joined the Board of Trustees on 10th March 2023 and being eligible, offers himself for election. The Chair can confirm that a formal performance evaluation has been undertaken, that their performance continues to be effective and they continue to demonstrate commitment to their roles.

Helen Earl



Helen originally from Mayport has a background in education, originally teaching. Helen became Strategic Manager for Behaviour Support and her expertise centres around Communication Of Government Strategy. Helen is Chair of Allerdale Multiple Sclerosis Society, a school Governor and currently Chair Of Trustees for Chrysalis whilst forming part of the Governance, Remuneration, Finance, and Nominations committees. Helen's hobbies include craft work, sewing, reading, outdoor activities amongst many others.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Ray Fearon



Ray was born and bred in Wigton, he has spent his entire career in horticulture, first as a Horticultural Advisory Officer in the Ministry of Agriculture and then in commercial horticulture. Ray's son became a member of Chrysalis In 1990 when it was still known as Smile. Ray's hobbies include mountaineering, walking and singing with Dalston Male Voice Choir. Ray is currently part of the Marketing and Client Service Delivery committees.

Margaret Drury



Margaret recently retired from her position as an inspector for the Care Quality Commission having worked in the Adult Social Care Directorate for over 15 years. Margaret has a Degree in Social Sciences and the Arts and has completed two Post Graduate Certificates in Dementia Care. Margaret's interests are reading, classical and choral music, she is an active member of her local Methodist church, and has recently taken up horse riding. Margaret is a member of the Client Service Delivery and Risk & Compliance committee.

David Dodd



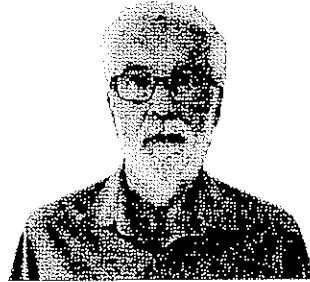
David lives with his wife Carol in Brampton, he has a son and two step-daughters. David joined the Board in 2019 and is presently Chairman of the Finance Committee, the Risk & Compliance Committee, the Marketing Committee and the Remuneration Committee. He was formerly Chief Executive of a regional building society and has an MBA from the Open Business School.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Stephen Walker



Stephen, originally from the North East, has lived in Cumbria for 30 years, he is a registered social worker and is currently involved in social work education; working with students out on placement. When not involved in social work Stephen is a tour guide at the Lakes Distillery, he runs a monthly whisky club in Cockermouth and is heavily involved in the Campaign for Real Ale. Stephen is currently involved in the Finance, HR & Staffing and Clients Service Delivery committees.

During the year the following meetings were held. The numbers in brackets show the number of meetings attended:

	Gilda Wells (resigned)	Helen Earl (Chairperson)	Margaret Drury	Ray Fearon	David Dodd	Stephen Walker
Board	4 (4)	5 (4)	5 (5)	5 (3)	5 (4)	1 (1)
Finance Committee	5 (5)	5 (3)			5 (5)	
Risk & Compliance Committee	3 (2)		1(1)		3 (3)	
Nominations Committee			1(1)		1(1)	
Remuneration Committee	2 (2)				2 (2)	
Client Service Delivery Committee	3(3)		3(3)	3(3)		
Governance Committee	1 (1)	1 (0)			1 (1)	
Marketing Committee				2 (2)	2 (2)	
Staff & HR	4 (4)				4 (3)	

Structure, governance and management

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 32 years. The present Chair is Helen Earl who was elected to this position in March 2023 having been a trustee since 2016.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The members of the Senior Management Team are:

Claire Doherty – Chief Executive Officer

Shelley Clarke – Finance Manager



Emma Jackson – HR Manager



Rachel Chebbi – Operations Manager



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.

During the year Gilda Wells retired from the Board after many years of faithful service. The Board would like to express their thanks to Gilda for her dedicated service to our organisation. To mark her retirement a commemoration event was held at Leaside and Hand Vibz gave a special performance.

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
- To monitor our compliance with the Charity Governance Code for larger charities.

(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

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

(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.

(g) Risk & Compliance

The main aims of this group 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 current Risk Matrix, risk exposures and future risk strategy.
- To approve and review our Risk Appetite, the overview of which is set out under Principle 4.

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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

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 refers to the 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, and are confident they have established systems and procedures to manage those risks.

The Risk & Compliance 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. All other sub-committees produce regular risk reports which are submitted to the Risk & Compliance Committee.

A Risk Register is maintained showing all the risks identified by each sub-committee. Each risk is described and measured.

Risk Appetite Overview

The Risk Appetite of Chrysalis (Cumbria) Ltd sets out the levels and types of risks which we are prepared to accept and tolerate. It must be acknowledged that it is neither possible nor desirable to get rid of all risks, the purpose of our risk processes is to manage and mitigate risk. The management may include transferring that risk for instance by the use of insurance.

Chrysalis operates within a low overall risk range. Our lowest risk appetite relates to the Operational area, specifically the safety and safeguarding of our clients.

We also have a low risk appetite in areas of Financial operations. We aim to maintain sufficient liquid assets to cover at least one month of our operating costs. In addition, we have developed a comprehensive Reserves Policy and we will maintain reserves within the levels stipulated by the Reserves Policy.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We have a marginally higher risk appetite towards our Regulatory & Compliance responsibilities. As a small organisation we recognise that we have finite resources which means that senior managers will have responsibilities for both operational and compliance matters. In larger organisations these responsibilities would be split between different personnel. Likewise, our trustees are all non-paid volunteers which limits the time that we can expect them to devote to the Charity.

We have a similar risk appetite towards Governance issues. We will apply "best practice" rules where possible and where these are compatible with our culture and values. We will use the "comply or explain" approach to the Charity Governance Code for Large Charities; where we do not comply with a requirement we will fully explain our rationale.

We have a slightly higher risk appetite when considering External issues. We have to acknowledge that we may be reactive here rather than proactive. Some external issues will be more important to us and therefore our risk appetite will be less for these issues especially if these issues have an immediate detrimental effect on our operations.

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 successfully completed in January 2021. Due to the effects of the pandemic we decided to defer our full review which was due in October 2021; however, we have successfully completed an interim review in 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.

The Charity Governance Code recommends that trustees are appointed for an agreed time, normally 9 years unless the Charity's constitution states otherwise. Our Memorandum does not stipulate an agreed time. However, our Memorandum does state that one third of our trustees shall retire in rotation each year and this is covered in page 3 of this report.

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.

A formal appraisal process has been introduced for all trustees. It is recognised that formalising this process is new and as such, changes will be made during the year to ensure that the process is effective.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

The Governance Working Group was appointed by the trustees to explore ways to enhance the diversity of our trustees and we welcome applications from all groups of society to join our board of trustees. A pro-active approach will be taken here to recruit new trustees.

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.

Directors Report

The trustees have great pleasure in presenting their Directors Report for the year ended 31 March 2023. 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Strategic Report

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

Local Government Re-organisation

The shadow councils have operated throughout the year. This has been challenging as new members of staff were taking over roles which are crucial to our operations. We have been proactive in reaching out to the senior staff within the Health & Adult Care sector.

The local council provide a great deal of our income through Adult Social Care. We regularly need to re-tender for the provision of support for individuals who are funded through Adult Social Care. During the year the tender process was subject to a number of delays and this had a negative impact on our business, especially on our staff and our ability to plan. Hopefully now that the two new councils are in place these delays will not be repeated.

NHS Re-Organisation

The Clinical Commissioning Groups (CCG) which were created in 2012 were replaced on 1 July 2022. The CCGs in our areas became the North East and North Cumbria Integrated Care Board (NENC ICB). As part of these changes a number of new bodies were established:

- Integrated Care System (ICS) – this is the geographical area – in our case the North East and North Cumbria - in which health and care organisations (including third sector, public health and community groups) work together through the following bodies:
 - Integrated Care Board (ICB) – the statutory NHS organisation that replaces the 8 CCGs currently in the North East and North Cumbria area. They are responsible for planning and delivering healthcare.
 - Integrated Care Partnership (ICP) – this is a joint committee of the ICB and the 13 local authorities responsible for developing an Integrated Care Strategy.

There will be four 'sub regional ICPs' underneath this larger board. In North Cumbria this will be the North Cumbria Health and Care Partnership.

Health and Wellbeing Board (HWBBs) – this is a statutory sub-committee of each local authority responsible for developing a Joint Strategic Needs Assessment (JSNA) for their local area, and a Joint Health Wellbeing Strategy.

The Chief Executive developed our links with Voluntary Organisation Network North East (VONNE) to assist us through the NHS re-organisation.

We successfully applied to be a third sector representative for the Integrated Care Community (ICC). The Chief Executive will provide our input which allows us to influence the decision makers and have an important seat at the table of the Leadership team within Keswick and Solway ICC.

Achievements and Performance

During the year the owners of Churchrigg undertook a significant project to redevelop the upper floor of the building. We have liaised closely with the owners throughout this project which will provide greatly needed extra accommodation.

We have developed a new partnership with B&Q through their neighbourly programme for both grants and plants. Among other things B&Q have provided carpets for The Meeting Place and this has been a great improvement.

A phased return to "business-as-usual" gathered momentum during the year. It was pleasing to see so many clients return to us. 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. This process has continued to be challenging as we needed to match the number of clients with the number of available support staff.

Last year we mentioned our new care and support back-office system. We have continued to get to know the system throughout the year and we hope to squeeze more efficiencies from the system in the future.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Our new "One Lottery" continues to work well. In addition to providing a small income for the organisation we have had a number of lucky winners throughout the year.

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.

Events

It was a relief to be able to recommence our popular events during the year. Among the highlights were the following:

- Music workshops
- Appearance at the Wigton Hospital Open Day
- Christmas Party
- Quiz Nights
- Guest appearances by Hand Vibes
- Keppleway outward bound activities
- Return to Sailing in Windermere

We were asked to attend the annual Potato Day at Caldbeck in February. This was very successful and we received a cheque for £750 as our share of proceeds from the day.

A full return to the annual craft fair at Greenhill also raised over a fantastic £1009.20

A fun filled bingo evening was held last summer with over £711.60 raised.



CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023



Staff

As part of our review of the terms and conditions of our staff and a successful tendering process for Community Activities within both of the new Council areas, we were pleased to be able to ensure that all staff are now paid the Real Living Wage in accordance with the Living Wage Foundation.

We have also enhanced our Employee assistance programme (EAP) to ensure all staff have full and free access to 24hr support and a range of enhanced benefits.

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, many of which have continued to be presented online or via a blended learning approach.

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.

During the year we appointed a new HR Manager to join the Senior Management Team. Emma Jackson lives in Wigton and she has quickly become a valuable member of our team.

We are proud of our Investors In People accreditation and this has been extended.

Our new Learning and Development Officer Maria Holmes ensures a robust approach to the delivery of all Learning and Development from induction and care certificate providing a solid platform for future development to enhanced qualifications up to Masters Level ensures a culture of lifelong learning across the organisation.

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 shown throughout the year.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Financial review

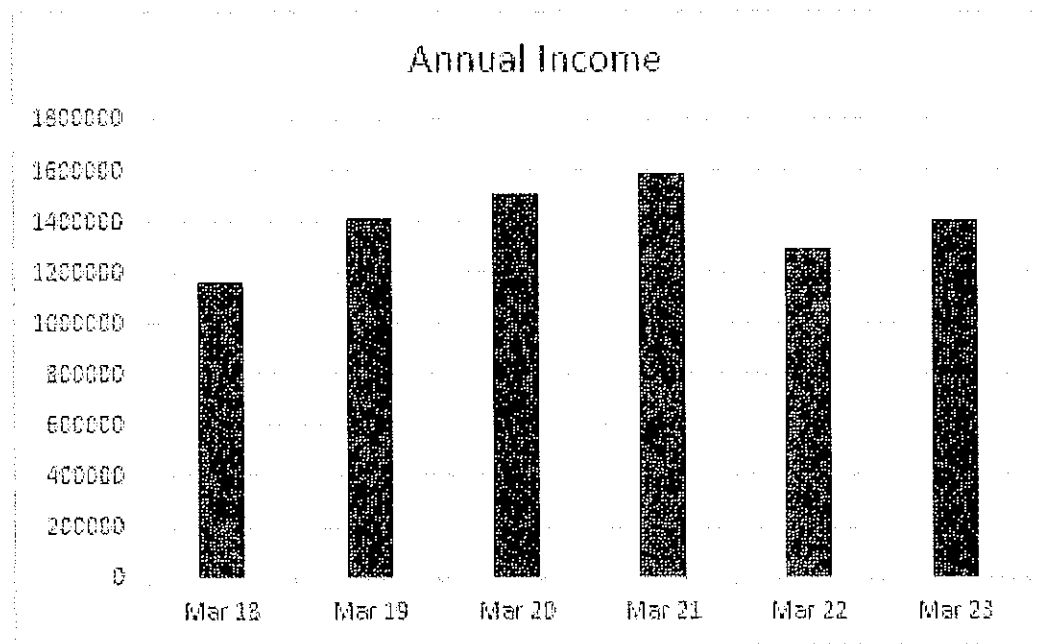
The aim for a regional charity such as ourselves is not to maximise our profit however it is to make sufficient profit to ensure longevity of the business. All our profits go into our reserves for this purpose and as we do not have any external shareholders there are no dividends to be paid out.

This latest year has been met with some challenges whilst we battle to recover from the pandemic and ultimately has provided a loss for the year of (£55,116). Whilst we are still emerging from the pandemic it is appropriate to view this result in context and, as such, the loss is 50% less than the previous year, which is a positive and favourable trend.

Understandably the reserves have been impacted over the last two years and thankfully these were there due to prudent previous years good management and have shown to be critical in ensuring the survival of the organisation. It is therefore time to rebuild these for the future.

Year on year the amount raised through Government support, grants fundraising and donations fell from £96,612 to just £7,150 some 92.6% reduction this again reflects the early withdrawal of sustainability funding prior to us achieving full staffing capacity and individuals returning to service.

Having reviewed our strategy and created a robust business plan for the forthcoming years the Trustees and Senior Management Team are confident that we will be able to return to surplus in the near future.



Income within the year rose by £119,220 (9.25%) to £1,408,092. The net loss incurred represents -3.71% of the overall income (2022: -8.4%). Our total expenditure rose in conjunction with the increase in income by £65,657 this equates to 4.69%, about half of the income increase of 9.25%.

Some of our contracts are linked to increases in the Consumer Price Index (CPI) which was 10.1% in March 2023 and the National Minimum Wage which was increased by 9.68% in April 2023. This is a protected factor in ensuring a sustainable income stream that reflects external factors.

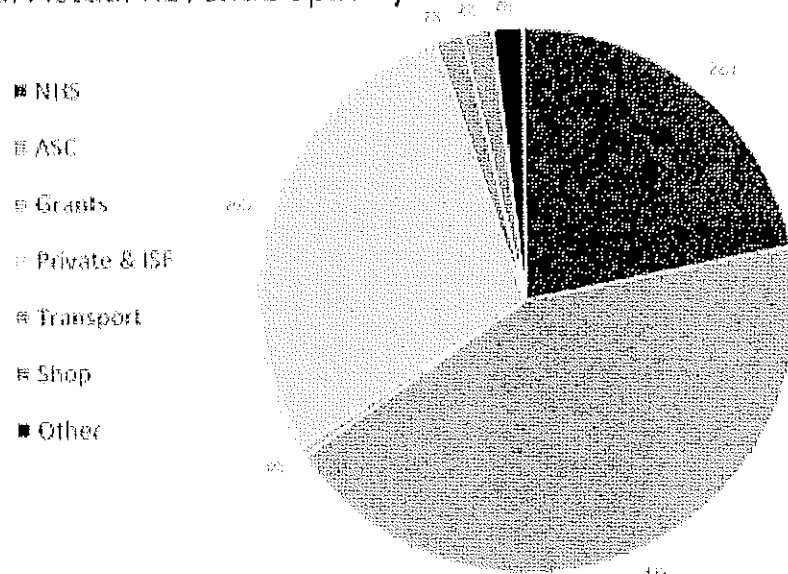
CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

We have significant contracts with Cumbria County Council and Cumbria Integrated Care Board (ICB) and the overall income received can be split into the following elements: -

Total Actual Revenue Split By Sector



These contracts are underpinned by appropriate Service Level Agreements (SLAs). These SLAs define the quality of service provided by Chrysalis. The contract with Cumbria County Council came to an end at the end of March 2023, this coincided with the Local Government Reorganisation (LGR) in Cumbria with the formation of two new bodies for Cumberland and Westmorland and Furness. Due to the significant rises in consumables and a commitment to pay all staff delivering support the National Living Wage, as outlined by the National Living Wage Foundation, of £10.90 per hour we had to re-apply for the new contract at increased support rates. We were successful with this application and we retained the contract, this demonstrates continued confidence in Chrysalis and in our commitment to quality by commissioners. Chrysalis will therefore continue to be identified on both Councils' Directory of Services.

As the nature of social care and pressures 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 for any tender submissions. Some of the contracts we hold 'cap' the hourly rate that is able to be charged, as a fixed price, 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 dynamic in responding to identified need, 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 has been developed to substantiate the level of reserves that should be maintained to ensure long-term financial sustainability. The term "Reserves" is used to describe the part of the organisations' income funds that are freely available for its operating purposes not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, restricted funds and designated funds.

Having a reserves policy helps inform the way in which we as an organisation can manage our cash, liquid assets and debt. It will assist when planning and explaining our approach to stakeholders, it will contribute significantly in the Board's ability to balance the needs of current and future beneficiaries and provide stakeholders the assurance that the organisation is well managed and that it has, where appropriate, a strategy for building up reserves.

Without a reserves policy, the Board cannot be confident that their reserves level matches the organisations needs at the time i.e. the organisation could be holding reserves that are too high or too low for its needs.

The reserves policy has been set by conducting and reviewing the following: -

- Discussions within the Senior Management Team, Treasurer and members of the Finance Sub Committee.
- Analysis of cash flow;
- Analysis of existing funds and reserves;
- Review of future income streams with an assessment of their reliability;
- Review of any committed expenditure;
- Examination of past trends;
- Examining the likely changes in the main source of Income;
- Assessment of the risks facing the organisation including the dependence on the main source of income and the likely effect on the beneficiaries
- Forecasting future levels of income (considering the reliability of each source of income, and the prospects of new sources);
- Forecasting expenditure in future years (considering any planned future project expenditure and or committed expenditure

Reserves Policy

Measure

2 - 4 Months Rolling Staff Costs

2 - 4 Months Rolling Total Expenditure

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

At the end of March 2023, the general unrestricted reserves amounted to £203,044. This equated to 2.08 Months of rolling staff costs and 1.66 Months of rolling total expenditure.

This therefore means that for the year ending 31st March 2023 we fell slightly short of our reserves policy, whilst this is not ideal we fully appreciate that this last year has been one for getting back to some sort of normality in the recovery from the pandemic.

The Board have confidence that during the new financial year we will move closer to our reserve policy measures. It may not be possible, or desirable, to close the gap in a single year as reserves can be slow to rebuild. 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.

CHRYSALIS (CUMBRIA) LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Chrysalis (Cumbria) Limited for the purpose 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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.

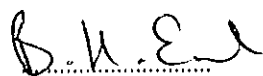
Auditor

In accordance with the company's articles, a resolution proposing that Saint & Co be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Mrs B H Earl
trustee

6 July 2023

CHRYSALIS (CUMBRIA) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHRYSALIS (CUMBRIA) LIMITED

Opinion

We have audited the financial statements of Chrysalis (Cumbria) Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHRYSALIS (CUMBRIA) LIMITED

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within 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 directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

CHRYSALIS (CUMBRIA) LIMITED

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

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.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

CHRYSALIS (CUMBRIA) LIMITED

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

S. Farrer

Stuart Farrer (Senior Statutory Auditor)
for and on behalf of Salnt & Co

Chartered Accountants
Statutory Auditor

..... 2 August 2023

Chartered Accountants & Statutory Auditor
Sterling House
Wavell Drive, Rosehill
Carlisle
Cumbria
CA1 2SA

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
Income and endowments from:							
Donations and legacies	3	10,093	-	10,093	18,725	77,887	96,612
Charitable activities	4	1,366,964	-	1,366,964	1,163,944	-	1,163,944
Other trading activities	5	28,974	-	28,974	25,656	-	25,656
Investments	6	1,917	-	1,917	625	-	625
Other income	7	144	-	144	2,035	-	2,035
Total income		1,408,092	-	1,408,092	1,210,985	77,887	1,288,872
Expenditure on:							
Raising funds	8	54,645	-	54,645	51,864	-	51,864
Charitable activities	9	1,408,563	-	1,408,563	1,258,719	86,968	1,345,687
Total expenditure		1,463,208	-	1,463,208	1,310,583	86,968	1,397,551
Net outgoing resources before transfers		(55,116)	-	(55,116)	(99,598)	(9,081)	(108,679)
Gross transfers between funds		466	(466)	-	-	-	-
Net expenditure for the year/ Net movement in funds		(54,650)	(466)	(55,116)	(99,598)	(9,081)	(108,679)
Fund balances at 1 April 2022		480,530	8,061	488,591	580,128	17,142	597,270
Fund balances at 31 March 2023		425,880	7,595	433,475	480,530	8,061	488,591

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

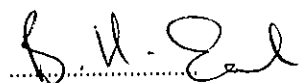
CHRYSALIS (CUMBRIA) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14		275,484		298,988
Current assets					
Stocks	15	11,583		9,529	
Debtors	16	82,258		98,495	
Cash at bank and In hand		197,696		230,685	
			291,537		338,709
Creditors: amounts falling due within one year	18	(56,722)		(66,707)	
Net current assets			234,815		272,002
Total assets less current liabilities			510,299		570,990
Creditors: amounts falling due after more than one year	19		(54,324)		(59,899)
Provisions for liabilities			(22,500)		(22,500)
Net assets			433,475		488,591
Income funds					
Restricted funds	22		7,595		8,061
<u>Unrestricted funds - general</u>					
Designated funds	23	222,836		223,092	
General unrestricted funds		203,044		257,438	
			425,880		480,530
			433,475		488,591

The financial statements were approved by the Trustees on 6 July 2023



Mrs B H Earl

Trustee

Company registration number 05751140

CHRYSALIS (CUMBRIA) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(24,610)		(251,894)
Investing activities					
Purchase of tangible fixed assets		(4,961)		(7,860)	
Investment income received		1,917		625	
Net cash used in investing activities			(3,044)		(7,235)
Financing activities					
Repayment of bank loans		(5,335)		(5,039)	
Net cash used in financing activities			(5,335)		(5,039)
Net decrease in cash and cash equivalents			(32,989)		(264,168)
Cash and cash equivalents at beginning of year			230,685		494,853
Cash and cash equivalents at end of year			<u>197,696</u>		<u>230,685</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Chrysalis (Cumbria) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Leaside, Longthwaite Road, Wigton, Cumbria, CA7 9JR, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

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.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Prior impairments are also reviewed for possible reversal at each reporting date.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Provisions

Provisions are recognised when the charity has a legal or constructive present obligation as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	2,943	2,206	-	2,206
Grants	7,150	16,519	77,887	94,406
	<u>10,093</u>	<u>18,725</u>	<u>77,887</u>	<u>96,612</u>
Grants receivable for core activities				
Grants receivable	7,150	10,500	77,887	88,387
Government grant income	-	6,019	-	6,019
	<u>7,150</u>	<u>16,519</u>	<u>77,887</u>	<u>94,406</u>

Government grants

The government grants received in 2022 related to Covid-19 government support grants.

4 Charitable activities

	Social service contracts 2023 £	Churchrigg 2023 £	Total 2023 £	Social service contracts 2022 £	Churchrigg 2022 £	Total 2022 £
Social service contract and spot income	612,813	304,611	917,424	507,372	247,948	755,320
Private contracts/ direct payments	101,164	-	101,164	64,645	-	64,645
NHS contracts	305,065	3,423	308,488	257,410	49,568	306,978
Centre activity income	28,344	-	28,344	26,494	-	26,494
Outreach activities	11,544	-	11,544	10,507	-	10,507
	<u>1,058,930</u>	<u>308,034</u>	<u>1,366,964</u>	<u>866,428</u>	<u>297,516</u>	<u>1,163,944</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Other trading activities

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Direct fundraising	3,635	1,909
Healthfood shop income	25,339	23,747
Other trading activities	<u>28,974</u>	<u>25,656</u>

6 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Interest receivable	<u>1,917</u>	<u>625</u>

7 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Other income	<u>144</u>	<u>2,035</u>

8 Raising funds

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
<u>Fundraising and publicity</u>		
Seeking donations, grants and legacies	<u>646</u>	<u>70</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Raising funds	(Continued)	
<u>Trading costs</u>		
Shop costs - overheads	15,717	15,101
Shop costs - purchases	21,843	17,149
Staff costs	16,439	19,544
	<u>53,999</u>	<u>51,794</u>
Trading costs	54,645	51,864
	<u><u>54,645</u></u>	<u><u>51,864</u></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.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Charitable activities

	Social service contracts 2023 £	Churchrigg 2023 £	Total 2023 £	Social service contracts 2022 £	Churchrigg 2022 £	Total 2022 £
Staff costs	647,192	230,430	877,622	550,983	210,532	761,515
Rent	13,499	-	13,499	13,499	-	13,499
Rates & water	4,601	-	4,601	4,358	-	4,358
Light & heat	15,839	-	15,839	9,087	-	9,087
Repairs & maintenance	8,883	-	8,883	15,450	-	15,450
Insurance	13,639	546	14,185	9,251	1,736	10,987
Cleaning & refuse	13,377	-	13,377	13,434	-	13,434
Staff travel & subsistence	619	56	675	846	74	920
Equipment & maintenance	3,868	104	3,972	6,059	1,012	7,071
Minibus expenses	2,473	-	2,473	3,660	-	3,660
Bad debts	1,023	-	1,023	-	-	-
General expenses	6,012	-	6,012	3,250	340	3,590
Staff training & recruitment	9,691	6,135	15,826	19,466	2,299	21,765
Activity costs	5,461	73	5,534	4,192	100	4,292
Outreach activities	22,350	-	22,350	24,349	-	24,349
	<u>768,527</u>	<u>237,344</u>	<u>1,005,871</u>	<u>677,884</u>	<u>216,093</u>	<u>893,977</u>
Share of support costs (see note 10)	387,843	14,649	402,492	426,644	24,698	451,342
Share of governance costs (see note 10)	200	-	200	368	-	368
	<u>1,156,570</u>	<u>251,993</u>	<u>1,408,563</u>	<u>1,104,896</u>	<u>240,791</u>	<u>1,345,687</u>
Analysis by fund						
Unrestricted funds - general	1,156,570	251,993	1,408,563	1,026,628	232,091	1,258,719
Restricted funds	-	-	-	78,268	8,700	86,968
	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,268</u>	<u>8,700</u>	<u>86,968</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Support costs	Support costs	Governance costs	2023 Support costs	Governance costs	2022
	£	£	£	£	£
Staff costs	294,372	-	294,372	325,700	325,700
Depreciation	28,465	-	28,465	30,033	30,033
Legal & professional fees	19,723	-	19,723	19,426	19,426
Communications & IT	13,089	-	13,089	11,703	11,703
General office costs	31,976	-	31,976	42,086	42,086
Finance costs	2,875	-	2,875	3,172	3,172
Sundry costs	11,992	200	12,192	19,222	19,590
	<u>402,492</u>	<u>200</u>	<u>402,692</u>	<u>451,342</u>	<u>451,710</u>
Analysed between					
Charitable activities	<u>402,492</u>	<u>200</u>	<u>402,692</u>	<u>451,342</u>	<u>451,710</u>

11 Net movement in funds	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	3,100	3,000
Fees payable to the company's auditor for other services	6,500	6,980
Depreciation of owned tangible fixed assets	28,465	30,033
Operating lease payments recognised as an expense	<u>21,393</u>	<u>21,093</u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year (2022: none). One trustee had travel expenses totalling £188 reimbursed during the year by the charity (2022: none).

Trustees made aggregate total donations of £188 (2022: £124) without conditions.

13 Employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Centre staff	<u>69</u>	<u>64</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Employees		(Continued)	
Employment costs	2023	2022	
	£	£	
Wages and salaries	1,099,629	1,024,671	
Social security costs	69,710	63,958	
Other pension costs	19,094	18,130	
	<u>1,188,433</u>	<u>1,106,759</u>	

There were no employees whose annual remuneration was more than £60,000.

14 Tangible fixed assets	Freehold land and buildings	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	399,149	178,793	39,340	617,282
Additions	-	4,961	-	4,961
At 31 March 2023	<u>399,149</u>	<u>183,754</u>	<u>39,340</u>	<u>622,243</u>
Depreciation and impairment				
At 1 April 2022	136,992	152,837	28,465	318,294
Depreciation charged in the year	11,244	15,043	2,178	28,465
At 31 March 2023	<u>148,236</u>	<u>167,880</u>	<u>30,643</u>	<u>346,759</u>
Carrying amount				
At 31 March 2023	<u>250,913</u>	<u>15,874</u>	<u>8,697</u>	<u>275,484</u>
At 31 March 2022	<u>262,157</u>	<u>25,956</u>	<u>10,875</u>	<u>298,988</u>

The freehold property and all fixed assets held at these properties are pledged as security for the NatWest loan. See note 17 for details.

15 Stocks	2023	2022
	£	£
Finished goods and goods for resale	<u>11,583</u>	<u>9,529</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors		2023	2022
		£	£
Amounts falling due within one year:			
Trade debtors		33,850	22,385
Other debtors		2,992	2,992
Prepayments and accrued income		45,416	73,118
		<u>82,258</u>	<u>98,495</u>
		<u>82,258</u>	<u>98,495</u>
17 Loans and overdrafts		2023	2022
		£	£
Bank loans		59,904	65,239
		<u>59,904</u>	<u>65,239</u>
		<u>59,904</u>	<u>65,239</u>
Payable within one year		5,580	5,340
Payable after one year		54,324	59,899
		<u>59,904</u>	<u>65,239</u>
		<u>59,904</u>	<u>65,239</u>
Amounts included above which fall due after five years:			
Payable by instalments		(31,084)	(36,409)
		<u>(31,084)</u>	<u>(36,409)</u>
		<u>(31,084)</u>	<u>(36,409)</u>
The bank loans 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 2023 the total amount secured was £59,904 (2022: £65,239).			
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.			
18 Creditors: amounts falling due within one year		2023	2022
	Notes	£	£
Bank loans	17	5,580	5,340
Other taxation and social security		16,864	28,215
Trade creditors		13,728	17,435
Accruals and deferred income		20,550	15,717
		<u>56,722</u>	<u>66,707</u>
		<u>56,722</u>	<u>66,707</u>

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Creditors: amounts falling due after more than one year		2023	2022
	Notes	£	£
Bank loans	17	54,324	59,899
		<u>54,324</u>	<u>59,899</u>
Provisions for liabilities		2023	2022
		£	£
Building remedial works		22,500	22,500
		<u>22,500</u>	<u>22,500</u>
Movements on provisions:			Building remedial works
			£
At 1 April 2022 and 31 March 2023			22,500
			<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 2026, and it is not known specifically what remedial works will be required.

21 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £19,094 (2022 - £18,130).

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds					
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Restricted grants	9,547	77,887	(86,968)	466	(466)	-
Minibus fund	7,595	-	-	7,595	-	7,595
	<u>17,142</u>	<u>77,887</u>	<u>(86,968)</u>	<u>8,061</u>	<u>(466)</u>	<u>7,595</u>

Restricted grants are those amounts received for specific projects that have not been spent by the year end. The £466 transfer from the restricted grants fund to general funds related to the balance of old grant that has actually been fully spent.

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

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
Contingency fund	208,457	-	208,457	-	208,457
Building fund	13,356	-	13,356	-	13,356
Minibus fund	1,599	(320)	1,279	(256)	1,023
	<u>223,412</u>	<u>(320)</u>	<u>223,092</u>	<u>(256)</u>	<u>222,836</u>

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.

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

24 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Tangible assets	275,484	-	275,484	298,988	-	298,988
Current assets/(liabilities)	227,220	7,595	234,815	263,941	8,061	272,002
Long term liabilities	(54,324)	-	(54,324)	(59,899)	-	(59,899)
Provisions	(22,500)	-	(22,500)	(22,500)	-	(22,500)
	<u>425,880</u>	<u>7,595</u>	<u>433,475</u>	<u>480,530</u>	<u>8,061</u>	<u>488,591</u>

25 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	21,393	21,393
Between two and five years	9,976	11,119
	<u>31,369</u>	<u>32,512</u>

26 Related party transactions

Remuneration of 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 remuneration of key management personnel is as follows.

	2023	2022
	£	£
Aggregate compensation	<u>177,460</u>	<u>175,436</u>

Transactions with related parties

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

CHRYSALIS (CUMBRIA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	£
27	Cash generated from operations		
	Deficit for the year	(55,116)	(108,679)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(1,917)	(625)
	Depreciation and impairment of tangible fixed assets	28,465	30,033
	Movements in working capital:		
	(Increase) in stocks	(2,054)	(2,365)
	Decrease/(Increase) in debtors	16,237	(36,990)
	(Decrease) in creditors	(10,225)	(133,268)
	Cash absorbed by operations	<u>(24,610)</u>	<u>(251,894)</u>
28	Analysis of changes in net funds		
		At 1 April 2022	Cash flows
		£	£
	Cash at bank and in hand	230,685	(32,989)
	Loans falling due within one year	(5,340)	(240)
	Loans falling due after more than one year	(59,899)	5,575
		<u>165,446</u>	<u>(27,654)</u>
		<u><u>165,446</u></u>	<u><u>(27,654)</u></u>
			At 31 March 2023
			£
			197,696
			(5,580)
			(54,324)
			<u>137,792</u>
			<u><u>137,792</u></u>

CHRYSALIS (CUMBRIA) LTD

England & Wales - Charity number 1116125

Accounts

COMPANY REGISTRATION NUMBER: 05751140
CHARITY REGISTRATION NUMBER: 1116125

CHRYSALIS (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

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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

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

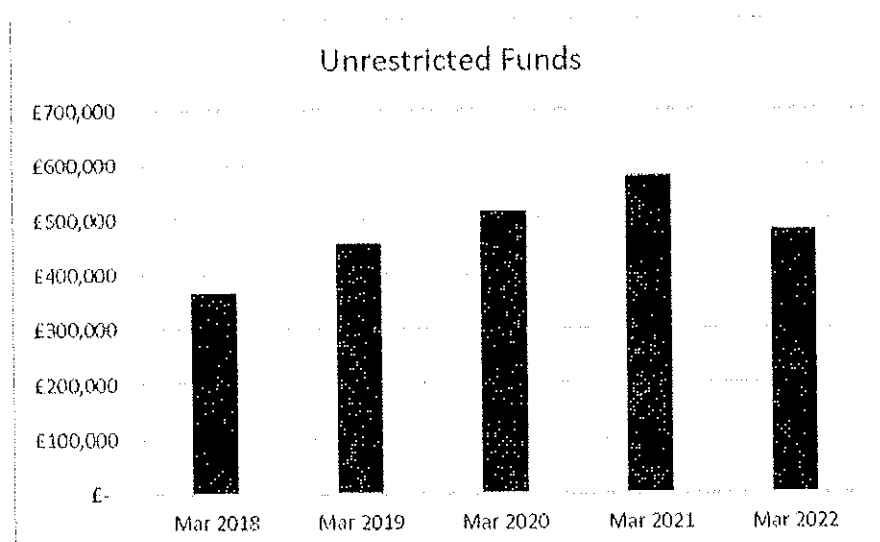
YEAR ENDED 31 MARCH 2022

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.

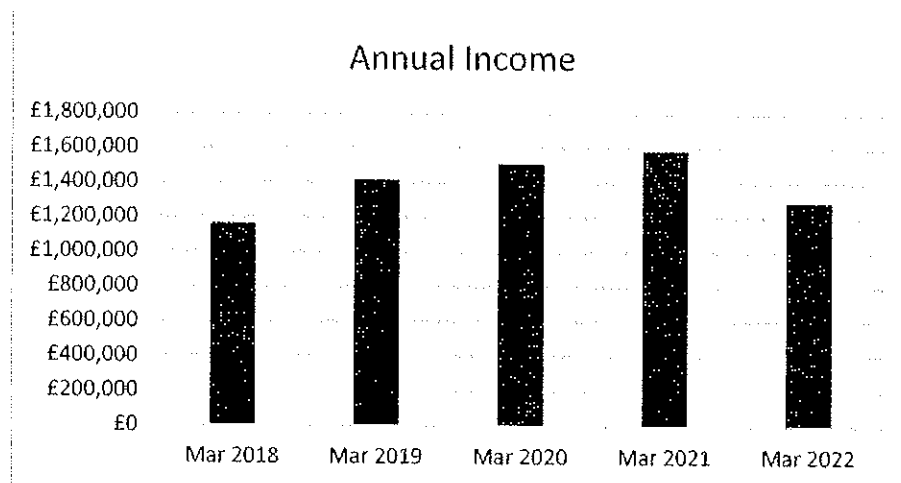
The year's loss is therefore a reflection of the challenging year however the trustees and senior management are confident that we will be able to return surplus in the near future.

CHRYSALIS (CUMBRIA) LIMITED

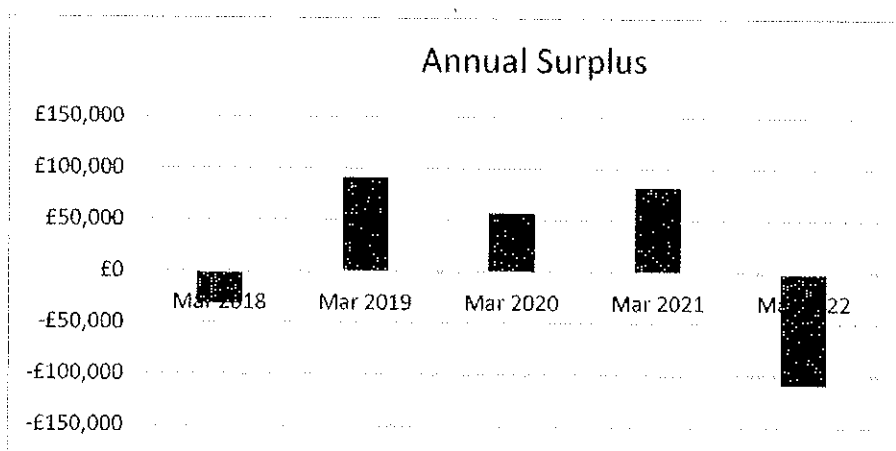
COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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

CHRYSALIS (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

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.
-

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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

CHRYSALIS (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.

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

		2022		2021
	Note	£	£	£
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
		338,709		563,522
CREDITORS: amounts falling due within one year	21	(66,707)		(200,225)
NET CURRENT ASSETS			272,002	363,297
TOTAL ASSETS LESS CURRENT LIABILITIES			570,990	684,458
CREDITORS: amounts falling due after more than one year	22		(59,899)	(64,688)
PROVISIONS				
Other provisions	23		(22,500)	(22,500)
NET ASSETS			488,591	597,270
FUNDS OF THE CHARITY				
Restricted funds			8,061	17,142
Unrestricted funds			480,530	580,128
Total charity funds	26		488,591	597,270

The statement of financial position
continues on the following page.

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

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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>

CHRYSALIS (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

CHRYSALIS (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>

CHRYSALIS (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 directly		Total funds	Total fund
	Support costs	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	Churchrigg	Total 2022	Total 2021
	contracts		£	£
	£	£	£	£
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>

CHRYSALIS (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.

CHRYSALIS (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	<u>399,149</u>	<u>39,340</u>	<u>178,793</u>	<u>617,282</u>
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	<u>136,992</u>	<u>28,465</u>	<u>152,837</u>	<u>318,294</u>
Carrying amount				
At 31 March 2022	<u>262,157</u>	<u>10,875</u>	<u>25,956</u>	<u>298,988</u>
At 31 March 2021	<u>274,421</u>	<u>13,598</u>	<u>33,142</u>	<u>321,161</u>

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	<u>9,529</u>	<u>7,164</u>

20. DEBTORS

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

CHRYSALIS (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.

CHRYSALIS (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>

CHRYSALIS (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.

CHRYSALIS (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

CHRYSALIS (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.

CHRYSALIS (CUMBRIA) LTD

England & Wales - Charity number 1116125

Accounts

COMPANY REGISTRATION NUMBER: 05751140
CHARITY REGISTRATION NUMBER: 1116125

CHRYSALIS (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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CHRYSALIS (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
92 English Street
Carlisle
Cumbria
CA3 8NF

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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 sessions 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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

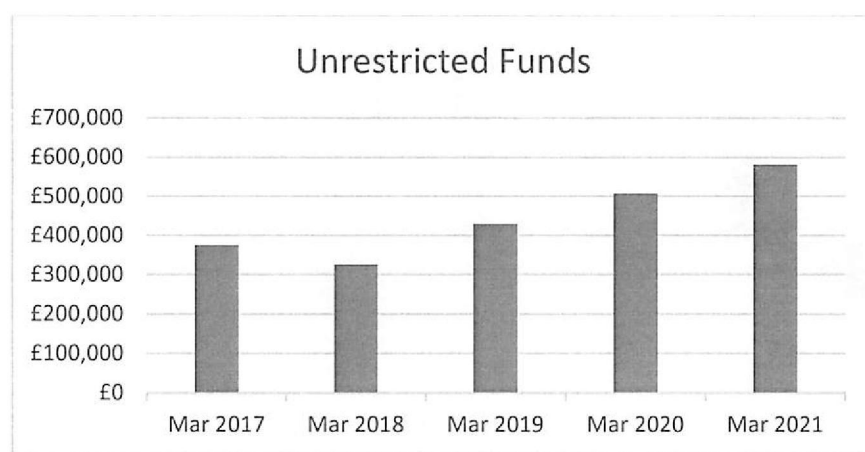
TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) *(continued)*

YEAR ENDED 31 MARCH 2021

Financial Review

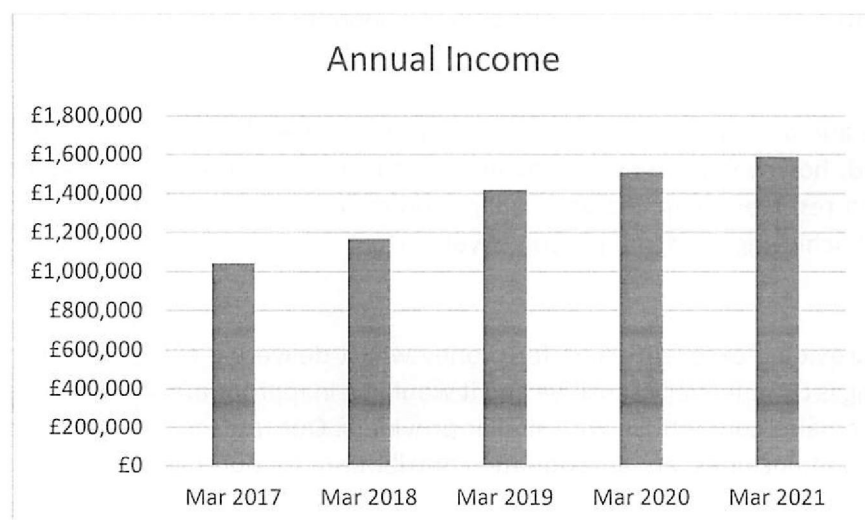
As a regional charity we do not set out to maximise our profit. Nevertheless, we must make sufficient profit to ensure the long-term viability of the business. As we do not have any external shareholders we do not need to provide dividends to owners, therefore all of our profits go into our reserves.

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.



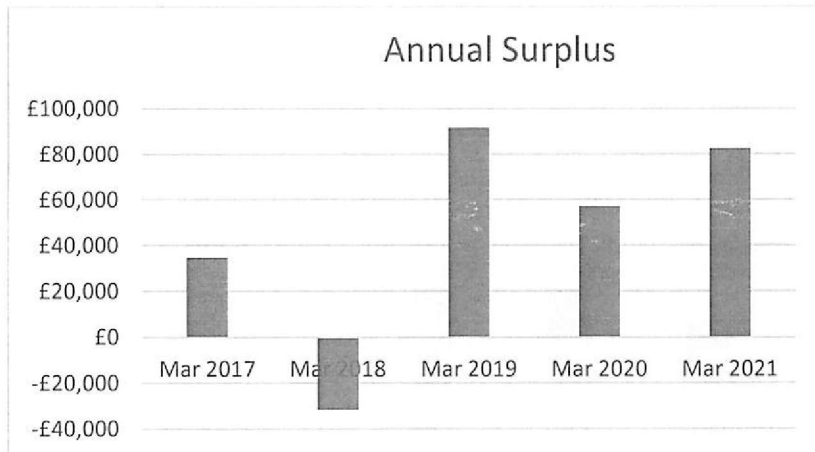
CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

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

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.

CHRYSALIS (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

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.
-

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.
-

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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.

CHRYSALIS (CUMBRIA) LIMITED

COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRYSALIS (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

CHRYSALIS (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		
	funds	funds	Total funds		
Note	£	£	£		
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		<u>1,488,540</u>	<u>99,949</u>	<u>1,588,489</u>	<u>1,508,952</u>
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		<u>(1,439,881)</u>	<u>(66,049)</u>	<u>(1,505,930)</u>	<u>(1,451,899)</u>
Net income		<u>48,659</u>	<u>33,900</u>	<u>82,559</u>	<u>57,053</u>
Transfers between funds		24,819	(24,819)	–	–
Net movement in funds		<u>73,478</u>	<u>9,081</u>	<u>82,559</u>	<u>57,053</u>
Reconciliation of funds					
Total funds brought forward		506,650	8,061	514,711	457,658
Total funds carried forward		<u>580,128</u>	<u>17,142</u>	<u>597,270</u>	<u>514,711</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 27 to 42 form part of these financial statements.

CHRYSALIS (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
		<u>563,522</u>	<u>352,151</u>
CREDITORS: amounts falling due within one year	21	<u>(200,225)</u>	<u>(56,595)</u>
NET CURRENT ASSETS		<u>363,297</u>	<u>295,556</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>684,458</u>	<u>594,328</u>
CREDITORS: amounts falling due after more than one year	22	(64,688)	(69,617)
PROVISIONS			
Other provisions	23	<u>(22,500)</u>	<u>(10,000)</u>
NET ASSETS		<u>597,270</u>	<u>514,711</u>
FUNDS OF THE CHARITY			
Restricted funds		17,142	8,061
Unrestricted funds		<u>580,128</u>	<u>506,650</u>
Total charity funds	26	<u>597,270</u>	<u>514,711</u>

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	<u>250,856</u>	<u>61,520</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(54,244)	(24,731)
Net cash used in investing activities	<u>(54,244)</u>	<u>(24,731)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(4,869)	(4,438)
Government grant income	111,032	–
Net cash from/(used in) financing activities	<u>106,163</u>	<u>(4,438)</u>
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	<u>494,853</u>	<u>192,078</u>

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

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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.

CHRYSALIS (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>

CHRYSALIS (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

CHRYSALIS (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

CHRYSALIS (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	Churchrigg	Total 2021	Total 2020
	contracts		£	£
	£	£	£	£
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	18,968	19,600

CHRYSALIS (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.

CHRYSALIS (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	<u>399,149</u>	<u>39,340</u>	<u>170,933</u>	<u>609,422</u>
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	<u>124,728</u>	<u>25,742</u>	<u>137,791</u>	<u>288,261</u>
Carrying amount				
At 31 March 2021	<u>274,421</u>	<u>13,598</u>	<u>33,142</u>	<u>321,161</u>
At 31 March 2020	<u>287,831</u>	<u>1,998</u>	<u>8,943</u>	<u>298,772</u>

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	<u>7,164</u>	<u>5,659</u>

20. DEBTORS

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

CHRYSALIS (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	12,500
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.

CHRYSALIS (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			At 31 March	
	2020	Income	Expenditure	Transfers	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			At 31 March	
	2019	Income	Expenditure	Transfers	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>

CHRYSALIS (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.

CHRYSALIS (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)
	<u>116,931</u>	<u>307,644</u>	<u>424,575</u>

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
	<u>32,604</u>	<u>48,633</u>

CHRYSALIS (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.