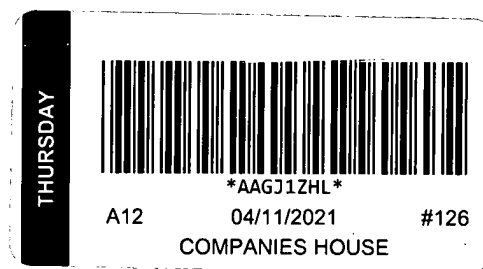


**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
28 FEBRUARY 2021
FOR
LASGO CHRYSALIS LIMITED**



LASGO CHRYSALIS LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

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LASGO CHRYSALIS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 28 FEBRUARY 2021

DIRECTORS:

Mr J J Little
Mr A T Little
Mrs Y J Stafford
Mr S M Digby
Mr F Passaniti
Mr G D Elwood
Mr A Macaskill

REGISTERED OFFICE:

1 Whittle Drive
Eastbourne
East Sussex
BN23 6QH

REGISTERED NUMBER:

01380166 (England and Wales)

AUDITORS:

Honey Barrett (Audit) Ltd
53 Gildredge Road
Eastbourne
East Sussex
BN21 4SF

LASGO CHRYSALIS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2021

The directors present their strategic report for the year ended 28 February 2021.

PRINCIPAL ACTIVITY

The company's principal activity continues to be the distribution of CD's, DVD's, Blu-Ray discs, Vinyl, related merchandise, books and Consumer Electronics.

REVIEW OF BUSINESS

The company's key financial and other performance indicators during the year are as follows:

	2021	2020	Change %
Turnover	£39,824,252	£40,509,378	(1.7)
Gross profit	£7,429,144	£7,504,528	(1.0)
Gross profit margin	18.65%	18.53%	
Operating profit	£2,756,869	£3,188,316	(13.5)

As a result of the COVID-19 pandemic and UK government-imposed lockdowns, we lost significant sales income during April, when our distribution centre had to close. However, with the re-opening of our distribution centre in May and the vast majority of our staff set-up to work from home, we were able to claw back a large proportion of this lost income during the remainder of the financial year. Along the way, we broke previous sales records for 7 of the 12 trading months.

We continued to focus on expanding our customer base and added many new customers in this financial year. Our Consumer Electronics division which we launched in the previous financial year, has continued to grow and had a much improved result for the financial year. Vinyl sales also increased significantly on the previous year.

Whilst the COVID-19 pandemic has undoubtedly impacted our operating profit for the year, we still maintained and slightly increased our gross profit margin. In addition, as mentioned in the Future Developments section of our report last year, we can confirm that leaving the EU has had very little impact on the profitability of the business.

LASGO CHRYSALIS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The key risk areas for the business are:

The company is faced with similar risks and uncertainties as other companies operating in the music distribution business, broadly:

- The continued volatility of the global music business
- Potential reductions in operating margins in order to remain competitive
- Decline in demand for physical product although we have noted less decline in the current year.
- Weakness of new releases in the audio and non-audio markets
- Labels decisions to reduce catalogue ranges
- Massive increased demand on vinyl pressing plants, causing delays on order fulfilment
- Exposure to adverse movements in currency, due to buying and selling in Euros

All risks and uncertainties are regularly monitored by the Board of Directors of the company.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in the notes to the accounts.

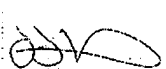
FUTURE DEVELOPMENTS

Whilst we are not over the COVID-19 pandemic, the high number of people now vaccinated in the UK and the government allowing staff to return to their offices on 19th July, gives us some hope of a return to normality. However, should the situation deteriorate again, resulting in further lockdowns we are confident, that even with the majority of our staff working from home, we can continue to make this a very successful and profitable business.

Lasgo is fully committed to offering a B2C dropship service, which we have developed the software for and are aiming to roll out in the coming financial year. We have already signed various dropship agreements with some major customers and are looking to make this a very profitable add-on to our existing business.

In addition, Lasgo continues to explore the business of becoming an exclusive distributor for ranges of products and indeed artist repertoire.

ON BEHALF OF THE BOARD:



.....
Mr J J Little - Director

20/07/2021
Date:

LASGO CHRYSALIS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2021

The directors present their report with the financial statements of the company for the year ended 28 February 2021.

DIVIDENDS

Particulars of dividends paid are detailed in note 11 to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2020 to the date of this report.

Mr J J Little
Mr A T Little
Mrs Y J Stafford
Mr S M Digby
Mr F Passaniti
Mr G D Elwood
Mr A Macaskill

DISCLOSURE IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 certain information required by schedule 7 of Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 is set out in the company's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LASGO CHRYSALIS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 28 FEBRUARY 2021

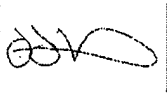
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Honey Barrett (Audit) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr J J Little - Director

20/07/2021

Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LASGO CHRYSALIS LIMITED

Opinion

We have audited the financial statements of Lasgo Chrysalis Limited (the 'company') for the year ended 28 February 2021 which comprise the Profit & Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 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 company's affairs as at 28 February 2021 and of its profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LASGO CHRYSALIS LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors 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 directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LASGO CHRYSALIS LIMITED

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

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

- Enquires with management about any known or suspected instances of fraud;
- Enquires with management about any known or suspected instances of non-compliance with laws and regulations
- Review of the company's systems relating to the compilation of the financial statements;
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Identify those areas that carry a potential risk of misstatement and design appropriate testing.

Having regard to the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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 Report of the Auditors.

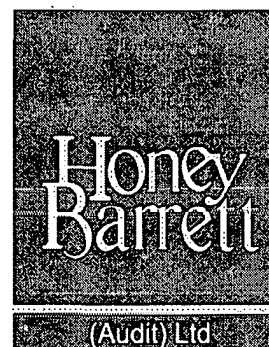
**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LASGO CHRYSALIS LIMITED**

Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Knight FCA (Senior Statutory Auditor)
for and on behalf of Honey Barrett (Audit) Ltd
53 Gildredge Road
Eastbourne
East Sussex
BN21 4SF

Date:22/07/2021.....



LASGO CHRYSALIS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2021

	Notes	2021	2020
		£	£
TURNOVER	4	39,824,252	40,509,378
Cost of sales		<u>32,395,108</u>	<u>33,004,850</u>
GROSS PROFIT		7,429,144	7,504,528
Distribution costs		961,419	909,308
Administrative expenses		<u>3,861,350</u>	<u>3,526,904</u>
		<u>4,822,769</u>	<u>4,436,212</u>
		2,606,375	3,068,316
Other operating income		<u>150,494</u>	<u>120,000</u>
OPERATING PROFIT		2,756,869	3,188,316
Interest receivable and similar income	7	<u>14,329</u>	<u>22,869</u>
PROFIT BEFORE TAXATION	8	2,771,198	3,211,185
Tax on profit	10	<u>528,816</u>	<u>617,400</u>
PROFIT FOR THE FINANCIAL YEAR		2,242,382	2,593,785
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,242,382</u>	<u>2,593,785</u>

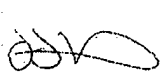
The notes form part of these financial statements

LASGO CHRYSALIS LIMITED

**BALANCE SHEET
28 FEBRUARY 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	13		121,095		104,764
CURRENT ASSETS					
Stocks	14	4,184,926		4,074,976	
Debtors	15	5,291,422		4,747,400	
Cash at bank		<u>6,175,017</u>		<u>4,693,144</u>	
		15,651,365		13,515,520	
CREDITORS					
Amounts falling due within one year	1 6	<u>6,358,209</u>		<u>4,948,415</u>	
NET CURRENT ASSETS			<u>9,293,156</u>		<u>8,567,105</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,414,251</u>		<u>8,671,869</u>
CAPITAL AND RESERVES					
Called up share capital	19		5,000		5,000
Retained earnings	20		<u>9,409,251</u>		<u>8,666,869</u>
SHAREHOLDERS' FUNDS			<u>9,414,251</u>		<u>8,671,869</u>

The financial statements were approved by the Board of Directors and authorised for issue on20/07/2021..... and were signed on its behalf by:



Mr J J Little - Director



Mr S M Digby - Director



Mr G D Elwood - Director

The notes form part of these financial statements

LASGO CHRYSALIS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 March 2019	5,000	7,073,084	7,078,084
Changes in equity			
Dividends	-	(1,000,000)	(1,000,000)
Total comprehensive income	<u>-</u>	<u>2,593,785</u>	<u>2,593,785</u>
Balance at 29 February 2020	<u>5,000</u>	<u>8,666,869</u>	<u>8,671,869</u>
Changes in equity			
Dividends	-	(1,500,000)	(1,500,000)
Total comprehensive income	<u>-</u>	<u>2,242,382</u>	<u>2,242,382</u>
Balance at 28 February 2021	<u>5,000</u>	<u>9,409,251</u>	<u>9,414,251</u>

The notes form part of these financial statements

LASGO CHRYSALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. STATUTORY INFORMATION

Lasgo Chrysalis Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Going concern

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

The company's activities were originally significantly impacted by the Covid-19 pandemic due to the Government lockdown from 23 March 2020 and through the general social distancing measures implemented at work places. The company's distribution centre closed in early April 2020 and then from late April reopened at reduced capacity. However capacity was back to normal levels by July 2020 and since then the company has seen an increase in demand from online customers.

The company has been able to maintain previous years growth despite two months of reduced trading and budgets for the next 12 months predict there will be an increase in sales, partly due to the increase in the dropship services. The company has healthy cash reserves to fund working capital.

Based upon the factors noted above the directors believe there are no material uncertainties over going concern at the date of signing.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

LASGO CHRYSALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2021

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the company's accounting policies, the directors 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 revision and future periods where the revision affects both current and future periods.

Key sources of estimation and uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

a) Useful lives and residual values of property, plant and equipment

Depreciation is provided to write down the cost of property, plant and equipment to their estimated residual values over their estimated useful lives as set out below. The selection of the residual values and useful lives gives rise to estimation uncertainty. The useful lives of property, plant and equipment are reviewed by management annually.

b) Provision for slow moving and obsolete stocks

Management review the company's stock holding on an ongoing basis. The level of provision required for slow moving or obsolete stock is based on past and present sales information and current pricing strategies.

c) Provision for doubtful debts

Management review the company's aged debtors on an ongoing basis. The level of provision is specific based on present information about customers ability to pay.

d) Provision for dilapidations

The level of provision is based on the amount paid at the end of the prior lease. Management review the provision annually based on the current condition of the property and estimates of work that would need to be done to return the property to original state when the lease was taken on.

Turnover

Turnover represents the invoiced value of music, entertainment and related merchandise sold during the year. This is net of customer returns, rebates and settlement discounts and value added tax.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have transferred to the buyer, which is considered to be on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on reducing balance

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

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.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that include the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a weighted average cost basis. Net realisable value is estimated selling price less costs to complete and sell.

A proportion of stock, which relates to pre sold stock, is valued at the lower of cost and net realisable value, where cost is the purchase cost price.

LASGO CHRYSALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 28 FEBRUARY 2021

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities, like trade and other accounts receivable and payable and loans to / from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently measured at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted transaction price less any impairment.

If the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet and measured as detailed above.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Finance costs are charged to the profit and loss over the term of the financial asset / liability using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit & Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

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.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021 £	2020 £
Sale of goods	39,824,252	40,509,378
	<u>39,824,252</u>	<u>40,509,378</u>

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

4. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	6,319,798	6,220,387
Overseas	<u>33,504,454</u>	<u>34,288,991</u>
	<u>39,824,252</u>	<u>40,509,378</u>

5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,083,967	2,134,397
Social security costs	221,078	229,254
Other pension costs	<u>114,397</u>	<u>118,875</u>
	<u>2,419,442</u>	<u>2,482,526</u>

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

	2021	2020
Warehouse	1	1
Sales & management	31	27
Administration	<u>6</u>	<u>6</u>
	<u>38</u>	<u>34</u>

6. DIRECTORS' EMOLUMENTS

	2021 £	2020 £
Directors' remuneration	654,555	712,535
Directors' pension contributions to money purchase schemes	<u>49,590</u>	<u>49,161</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
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LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

6. DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	219,638	287,280
Pension contributions to money purchase schemes	<u>17,100</u>	<u>17,025</u>

In total, the directors received benefits totalling £27,181 (2020: £26,475) in addition to the remuneration shown above.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Bank interest receivable	<u>14,329</u>	<u>22,869</u>

8. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	45,312	62,892
Profit on disposal of fixed assets	(6,713)	(730)
Grant income	<u>87,493</u>	<u>-</u>

During the year grants were received under the Coronavirus Job Retention Scheme of £87,493 (2020: £Nil).

9. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	21,300	21,200
General accounting & financial advice	<u>4,089</u>	<u>4,000</u>

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

10. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	530,939	625,178
Over/under provision in prior year	<u>3,526</u>	<u>-</u>
Total current tax	534,465	625,178
Deferred tax	<u>(5,649)</u>	<u>(7,778)</u>
Tax on profit	<u><u>528,816</u></u>	<u><u>617,400</u></u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	<u><u>2,771,198</u></u>	<u><u>3,211,185</u></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	526,528	610,125
Effects of:		
Expenses not deductible for tax purposes	420	7,275
Capital allowances in excess of depreciation	(1,569)	-
Adjustments to tax charge in respect of previous periods	3,526	-
Sundry tax adjustments	<u>(89)</u>	<u>-</u>
Total tax charge	<u><u>528,816</u></u>	<u><u>617,400</u></u>

11. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Dividends paid	<u><u>1,500,000</u></u>	<u><u>1,000,000</u></u>

12. EMPLOYEE BENEFITS

The amount recognised as an expense in the profit and loss account in relation to defined pension contribution plans was £114,397 (2020: £118,875).

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 March 2020	72,478	202,069	113,293	387,840
Additions	-	25,230	41,900	67,130
Disposals	<u>-</u>	<u>-</u>	<u>(34,649)</u>	<u>(34,649)</u>
At 28 February 2021	<u>72,478</u>	<u>227,299</u>	<u>120,544</u>	<u>420,321</u>
DEPRECIATION				
At 1 March 2020	62,650	166,354	54,072	283,076
Charge for year	9,828	19,081	16,403	45,312
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(29,162)</u>	<u>(29,162)</u>
At 28 February 2021	<u>72,478</u>	<u>185,435</u>	<u>41,313</u>	<u>299,226</u>
NET BOOK VALUE				
At 28 February 2021	<u>-</u>	<u>41,864</u>	<u>79,231</u>	<u>121,095</u>
At 29 February 2020	<u>9,828</u>	<u>35,715</u>	<u>59,221</u>	<u>104,764</u>

14. STOCKS

	2021 £	2020 £
Stocks	<u>4,184,926</u>	<u>4,074,976</u>

A general impairment provision of £35,000 (2020: £nil) was recognised in cost of sales against stock during the year.

15. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	4,213,615	4,257,266
Amounts owed by group undertakings	117,093	-
VAT	648,203	229,350
Prepayments	<u>247,516</u>	<u>201,438</u>
	<u>5,226,427</u>	<u>4,688,054</u>

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

15. DEBTORS - continued

	2021	2020
	£	£
Amounts falling due after more than one year:		
Deferred tax asset	<u>64,995</u>	<u>59,346</u>
 Aggregate amounts	 <u>5,291,422</u>	 <u>4,747,400</u>
 Deferred tax asset		
	2021	2020
	£	£
Accelerated capital allowances	14,075	19,636
Other timing differences	<u>50,920</u>	<u>39,710</u>
	<u>64,995</u>	<u>59,346</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	3,432,291	2,494,006
Amounts owed to group undertakings	2,154,268	1,614,612
Corporation tax	219,815	390,178
PAYE and social security	96,171	97,564
Other creditors	16,672	16,663
Accruals and deferred income	<u>438,992</u>	<u>335,392</u>
	<u>6,358,209</u>	<u>4,948,415</u>

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	197,984	170,168
Between one and five years	742,440	791,936
In more than five years	<u>-</u>	<u>148,488</u>
	<u>940,424</u>	<u>1,110,592</u>

On 3rd November 2020, The Little Group Limited entered into a 5 year lease of premises on behalf of the company. Rent is recharged at cost, although there is no formal agreement in place between the two parties. The commitment note above outlines the amounts of future rent payable.

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

18. PROVISIONS FOR LIABILITIES

	Deferred tax £	Other provisions £
Balance at 1 March 2020	(59,346)	44,000
Provided during year	<u>(5,649)</u>	<u>24,000</u>
Balance at 28 February 2021	<u>(64,995)</u>	<u>68,000</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

20. RESERVES

Profit and loss account - This reserve records retained earnings and accumulated losses.

21. ULTIMATE PARENT COMPANY

The ultimate parent company is The Little Group Limited of 1 Whittle Drive, Eastbourne, East Sussex, BN23 6QH, a company incorporated in England and Wales.

These accounts will be included in the group accounts of The Little Group Limited. Copies of the group accounts of The Little Group Limited can be obtained from Companies House.

LASGO CHRYSALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 28 FEBRUARY 2021**

22. RELATED PARTY DISCLOSURES

Related Companies

Other trading companies within The Little Group are :-

Askews and Holts Library Services Ltd
A T Little and Sons Limited
Book Protectors and Co. Limited
Hive Store Limited
Gardners Books Limited
All Media Supply LLC

All the above companies are wholly owned subsidiaries of The Little Group Limited at 28 February 2021.

The company has taken advantage of the exemption conferred by Section 1 FRS102 from disclosing transactions covered by Section 33 FRS102, namely any entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Transactions

During the year, the company charged rent of £9,000 (2020: £12,000) to a company controlled by a director's children.

During the year, remuneration of £731,326 (2020: £785,115) was paid to key management personnel.