

Company Registration No. 01132194 (England and Wales)

LLOYTRON PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020



LLOYTRON PLC

COMPANY INFORMATION

Directors	R J Mulchand S R Mulchand
Secretary	C Price
Company number	01132194
Registered office	Laltex House Leigh Commerce Park Greenfold Way Leigh Lancashire WN7 3XH
Auditor	Azets Audit Services Ship Canal House 98 King Street Manchester M2 4WU
Bankers	HSBC Bank PLC 2nd Floor 4 Hardman Square Spinningfields Manchester M3 3EB

LLOYTRON PLC

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LLOYTRON PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present the strategic report for the year ended 29 February 2020.

Principal activities

The principal activity of the company continued to be that of the import and distribution of electrical and electronic consumer goods.

Business review

The directors are satisfied with the results for the year and the balance sheet position given the challenging and competitive environment in which it operates.

Currency risk

The company is exposed to currency risk as the majority of its purchases are in US Dollars but its sales are made in Sterling. The Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in Sterling. This hedging activity involves the use of forward exchange contracts.

Credit risk

The principal credit risk arises from trade debtors. The directors manage this risk by setting credit limits based on limits advised by insurers, payment history and third party references.

Company's policy for payment of creditors

The company is responsible for agreeing terms and conditions under which business transactions with its suppliers are conducted. It is company policy that payments to suppliers are made in accordance with these terms, provided that the supplier complies with all terms and conditions.

Impact of Brexit

The directors are confident that through careful planning that they can mitigate any effects of Brexit and continue to support their clients within the European Union.

Impact of COVID-19

The outbreak of COVID-19 will have an effect on the company's results in future reporting periods. This has been discussed further in Note 17 "Events after the reporting date" of the financial statements.

Other key performance indicators

A full strategic report has been prepared in the financial statements of Laltex & Co Limited, the parent undertaking.

By order of the board



S R Mulchand

Director

25 November 2020

LLOYTRON PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their annual report and financial statements for the year ended 29 February 2020.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J Mulchand
S R Mulchand

Results and dividends

The results for the year are set out on page 5.

Auditor

The auditor, Azets Audit Services (previously trading as Baldwins Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



C Price
Secretary

25 November 2020

LLOYTRON PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF LLOYTRON PLC

Opinion

We have audited the financial statements of Lloytron Plc (the 'company') for the year ended 29 February 2020 which comprise the statement of income and retained earnings, the balance sheet 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 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 company's affairs as at 29 February 2020 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 *Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

LLOYTRON PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDER OF LLOYTRON PLC

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 and the directors' report.

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 directors' responsibilities statement, 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 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 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.

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.

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

Use of our report

This report is made solely to the company's shareholder, 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 shareholder 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 company and the company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Graham Rigby (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

25 November 2020

Statutory Auditor

Ship Canal House
98 King Street
Manchester
M2 4WU

LLOYTRON PLC

STATEMENT OF INCOME AND RETAINED EARNINGS (INCLUDING A PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 29 FEBRUARY 2020

	Notes	2020 £	2019 £
Turnover	3	3,603,083	4,528,524
Cost of sales		(2,487,475)	(3,151,081)
Gross profit		1,115,608	1,377,443
Distribution costs		(326,932)	(357,759)
Administrative expenses		(630,367)	(628,703)
Operating profit	4	158,309	390,981
Interest receivable and similar income		17,772	15,970
Profit before exceptional items		176,081	406,951
Exceptional gains and losses on foreign exchange derivatives		(2,659)	234,795
Profit before taxation		173,422	641,746
Tax on profit	6	(33,341)	(122,431)
Profit for the financial year		140,081	519,315
Retained earnings brought forward		4,067,873	4,048,558
Dividends	7	(1,500,000)	(500,000)
Retained earnings carried forward		2,707,954	4,067,873

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LLOYTRON PLC

BALANCE SHEET

AS AT 29 FEBRUARY 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	8		18,045		9,651
Current assets					
Stocks	9	1,518,748		1,810,151	
Debtors	10	575,980		819,630	
Cash at bank and in hand		2,983,326		3,408,507	
		<u>5,078,054</u>		<u>6,038,288</u>	
Creditors: amounts falling due within one year	11	<u>(2,328,145)</u>		<u>(1,920,066)</u>	
Net current assets			<u>2,749,909</u>		<u>4,118,222</u>
Total assets less current liabilities			<u>2,767,954</u>		<u>4,127,873</u>
Capital and reserves					
Called up share capital	14		60,000		60,000
Profit and loss reserves			2,707,954		4,067,873
Total equity			<u>2,767,954</u>		<u>4,127,873</u>

The financial statements were approved by the board of directors and authorised for issue on 25 November 2020 and are signed on its behalf by:



S R Mulchand
Director

Company Registration No. 01132194

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

Company information

Lloytron Plc is a private company limited by shares incorporated in England and Wales. The registered office is Laltex House, Leigh Commerce Park, Greenfold Way, Leigh, Lancashire, WN7 3XH.

1.1 Accounting convention

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Laltex & Co Limited. These consolidated financial statements are available from its registered office, Laltex House, Leigh Commerce Park, Greenfold Way, Leigh, Lancashire, WN7 3XH.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, which includes taking into consideration the potentially harmful effects of COVID 19, as discussed in Note 17. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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:

Motor vehicles	25% reducing balance
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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 credited or charged to profit or loss.

1.5 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.7 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 29 FEBRUARY 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

1. Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Retirement benefits

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

1.11 Foreign exchange

The company's functional and presentational currency is GBP.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Gains and losses on assets and liabilities held in foreign currencies comprise realised and unrealised amounts in respect of currency trading during the year, month on month retranslation of monetary assets and liabilities and the revaluation of open derivative instruments at the balance sheet date; such items are separately disclosed in the statement of income and retained earnings where material.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

2 Judgements and key sources of estimation uncertainty

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 the revision and future periods where the revision affects both current and future periods.

Key sources of estimation 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.

Provision for doubtful debts

The directors have reviewed the trading balances owing to the company from its customers and made adequate provision for any debtors where it is considered probable that the amount will not be recovered. The amounts would have otherwise been recognised in trade debtors.

Provision for slow moving stock

The directors have applied their knowledge of the operations of the business when reviewing the stock listing at the balance sheet date and have made appropriate provision for any items deemed to be slow moving or obsolete. The charge to the profit and loss account is recognised in cost of sales.

3 Turnover

The whole of the turnover is attributable to the company principal activity,

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	3,186,911	4,040,036
Rest of Europe	416,172	488,488
	<u>3,603,083</u>	<u>4,528,524</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	2,941	(18,834)
Fees payable to the company's auditor for the audit of the company's financial statements	3,750	3,750
Depreciation of owned tangible fixed assets	5,767	4,896
Loss on disposal of tangible fixed assets	2,073	2,464
	<u>14,531</u>	<u>(12,934)</u>

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

5 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2020 Number	2019 Number
Distribution	1	3
Management and administrative	6	5
Total	<u>7</u>	<u>8</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	390,745	418,441
Social security costs	39,336	43,764
Pension costs	6,886	4,937
Total	<u>436,967</u>	<u>467,142</u>

6 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	33,998	122,130
Adjustments in respect of prior periods	531	-
Total current tax	<u>34,529</u>	<u>122,130</u>
Deferred tax		
Origination and reversal of timing differences	<u>(1,188)</u>	<u>301</u>
Total tax charge	<u>33,341</u>	<u>122,431</u>

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

6 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	173,422	641,746
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	32,950	121,932
Tax effect of expenses that are not deductible in determining taxable profit	53	478
Difference in tax rates	225	21
Under/(over) provided in prior years	531	-
Deferred tax adjustments in respect of prior years	(418)	-
Taxation charge for the year	33,341	122,431

7 Dividends

	2020 £	2019 £
Equity dividends paid	1,500,000	500,000

8 Tangible fixed assets

	Motor vehicles £
Cost	
At 1 March 2019	18,717
Additions	23,410
Disposals	(18,717)
At 29 February 2020	23,410
Depreciation and impairment	
At 1 March 2019	9,066
Depreciation charged in the year	5,767
Eliminated in respect of disposals	(9,468)
At 29 February 2020	5,365
Carrying amount	
At 29 February 2020	18,045
At 28 February 2019	9,651

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

9 Stocks

	2020 £	2019 £
Finished goods and goods for resale	1,518,748	1,810,151

10 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	556,649	738,388
Amounts owed by group undertakings	6,085	1,344
Other debtors	-	70,073
Prepayments and accrued income	11,134	8,901
	573,868	818,706
Deferred tax asset (note 12)	2,112	924
	575,980	819,630

11 Creditors: amounts falling due within one year

	2020 £	2019 £
Import loans	589,577	1,043,511
Trade creditors	72,106	105,192
Amounts due to group undertakings	1,522,321	540,938
Corporation tax	33,998	122,130
Other taxation and social security	30,117	5,417
Derivative financial instruments	2,669	10
Other creditors	1,719	-
Accruals and deferred income	75,638	102,868
	2,328,145	1,920,066

Import loans are secured by a general pledge over the underlying documents and an unlimited company guarantee given by Laltex & Co Limited, the company's parent undertaking.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2020 £	Assets 2019 £
Balances:		
Accelerated capital allowances	2,112	924
		2020 £
Movements in the year:		
Asset at 1 March 2019		(924)
Credit to profit or loss		(1,188)
Asset at 29 February 2020		(2,112)

13 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	6,886	4,937

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

14 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid		
60,000 Ordinary shares of £1 each	60,000	60,000

15 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited cross-guarantee to the group's bankers in respect of the present and future indebtedness of Laltex & Co Limited, KS Brands Limited, Lloytron Plc and RJM International Limited. Present liabilities secured under this cross-guarantee, including bank loans, overdrafts, import loans and bills of exchange are disclosed within the financial statements of each company. In respect of future indebtedness the group's bankers have, in aggregate, provided letters of credit totalling £466,524 (2019: £1,011,913) across the four companies.

LLOYTRON PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2020

16 Related parties

In preparing these financial statements, advantage has been taken of the provision under Financial Reporting Standard 102 Section 33, which states that disclosure is not required of transactions with entities which are part of the group headed by Laltex & Co Limited.

During the year the company purchases goods for resale from a related party for £83,477 (2019: £147,656). At the year end, the company owed £63,125 (2019: £44,438) to the related party.

The amounts outstanding at the balance sheet date represent normal trade bills and do not include any substantial long term indebtedness.

17 Events after the reporting date

COVID 19

As a result of the outbreak of COVID 19, the UK Government imposed restrictions on the movement of people and certain trading activities in the period since the balance sheet date. As a result of this many businesses in the UK were negatively impacted.

Whilst COVID 19 has had an effect on the company after the reporting date, the directors have taken various steps to enable the company to continue to trade including putting in place increased safety measures for its team members, as well as closely monitoring all expenditure and cash flow.

18 Ultimate controlling party

The ultimate parent company is Laltex & Co Limited, a company registered in England and Wales. Copies of the group financial statements can be obtained from the parent company's registered office, Laltex House, Leigh Commerce Park, Greenfold Way, Leigh, Lancashire, WN7 3XH.