

# **Annual Report and Financial Statements**

*Techno Limited*

**For the year ended 31 December 2020**

## **TECHNO LIMITED**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the Company up to 2017 was property investment. The Company sold the significant majority of its remaining property in 2017, with a further sale in 2020. The Company is expected to be a dormant entity going forwards.

The Company's key financial performance indicators during the year were as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Profit/(loss) for the financial year	<b>87</b>	(1)
Amounts owed to group undertakings	<b>100,329</b>	100,329
Total shareholders' deficit	<b>(100,357)</b>	(100,444)

Due to the limited activities undertaken by the Company no other key performance indicators are considered relevant.

#### **PRINCIPAL RISK AND UNCERTAINTIES**

Entain plc reviews and evaluates key risks and uncertainties faced by the group as part of the reviews undertaken at its regular board meetings. The impact of risks and uncertainties of the company is considered as part of this review process.

The Company has no other significant risks or uncertainties other than those that arise from being a part of the Entain plc. The significant risks or uncertainties, including the Company's exposure to financial risk management and those arising from Brexit are dealt with on pages 72 to 75 presented in the Annual Report 2020 of Entain plc.

#### **SECTION 172 STATEMENT**

In performing their duties under the Companies Act 2006 the Board are required to describe how they have had regard to the matters set out in section 172(1)(a) to (f).

When making decisions throughout the year the directors have taken into consideration, and had regard to, the Company's shareholders, stakeholders, business relationships, employees, reputation for high standards, the community and environment and the impact of the Board's decision making on the long term success of the business.

The Company is a wholly owned subsidiary of Entain plc and therefore the directors have also considered the wider context in which the Company operates to adhere to the high standards of professionalism, culture, values, ethics, strategy, employee well-being, and environmental and social responsibility set by the Entain group.

In discharging their duties under section 172 the directors have access to the full resource, assistance, support and guidance offered by the Entain group and are committed to driving further improvements in shareholder and stakeholder engagement.

The 2020 annual report and accounts for Entain plc can be found here: <https://entaingroup.com/investor-relations/financial-reports/>

#### **MODERN SLAVERY**

Entain plc and its global subsidiaries ("The Group") recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. The Group's full modern slavery statement can be found at <https://entaingroup.com/sustainability/modern-slavery-statement/>

#### **POSITION OF THE BUSINESS**

As at 31 December 2020 the company had net liabilities of £100,357,000 (2019: £100,444,000).

By order of the Board



W. Adriaanse  
For and on behalf of Intertrust Corporate Services (UK) Limited  
Secretary  
15 December 2021

## **TECHNO LIMITED**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their Directors' Report and the audited Company's financial statements for the year ended 31 December 2020. Comparative information is presented for the year ended 31 December 2019.

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Directors:	R Stevens D Jaffe (appointed 31 July 2020)
Secretary:	Intertrust Corporate Services (UK) Limited
Registered Office:	1 Bartholomew Lane, London, EC2N 2AX
Company Number:	00559673

### **RESULTS AND DIVIDENDS**

The financial statements for the year show a profit for the financial year of £87,000 (2019: loss of £1,000). The directors do not recommend payment of a dividend on ordinary shares (2019: £Nil).

### **FUTURE DEVELOPMENTS**

The Company will continue to hold its remaining property for potential future development.

### **FINANCIAL RISK MANAGEMENT**

The company's exposure to financial risk management is outlined in the Strategic Report.

### **GOING CONCERN**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

On 1 February 2012, a funding agreement was entered into under which Ladbrokes Coral Group Limited is required to subscribe for non-voting ordinary shares in the Company to the extent the Company requires additional funding to discharge future liabilities incurred in the course of pursuing its business plan.

Also, a subscription agreement has been entered into with Ladbroke Land Limited such that in the event that any demand is made for repayment, in whole or in part, for the loan with Ladbroke Land Limited, and the Company is unable to meet this obligation, a subscription notice will be provided for the purchase of non-voting ordinary shares in the Company.

The Company is a subsidiary of the Group headed by Entain plc (the Group). Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Company will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **INDEPENDENT AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP will be deemed to be reappointed and will therefore continue in office following a resolution put to the shareholders at the Annual General Meeting.

## **TECHNO LIMITED**

### **DIRECTORS' REPORT – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Statement of disclosure of information to auditors**

In the case of each director in office at the date the Directors' Report is approved:

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

By order of the Board



W. Adriaanse

For and on behalf of Intertrust Corporate Services (UK) Limited  
Secretary

15 December 2021

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNO LIMITED**

### **Opinion**

We have audited the financial statements of Techno Limited ("the company") for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Entain plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgements such as provisions for impairment. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNO LIMITED (continued)**

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included: unusual revenue pairings; unusual journals with a credit or debit to entry to cash; and, unusual journals in seldom used pairings.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECHNO LIMITED (continued)**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Mark Flanagan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

St Nicolas House

Park Row

Nottingham

NG1 6FQ

22 December 2021

**TECHNO LIMITED****INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020</b> <b>£'000</b>	2019 £'000
Other operating income		125	-
Operating expenses		-	(1)
<b>Profit/(loss) before tax</b>		<b>125</b>	<b>(1)</b>
Taxation	7	<b>(38)</b>	-
<b>Profit/(loss) and total comprehensive income/(expense) for the year</b>		<b>87</b>	<b>(1)</b>
Equity holders of the parent		<b>87</b>	<b>(1)</b>

All items dealt with in arriving at loss before tax relate to continuing operations.

There are no items of other comprehensive expense in the year presented. Therefore, no separate statement of comprehensive income has been prepared.

The notes on pages 10 to 14 form an integral part of these financial statements.



**BALANCE SHEET AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020</b> <b>£'000</b>	2019 £'000
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	8	<b>126</b>	1
Cash		<b>15</b>	15
		<b>141</b>	16
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	<b>(100,336)</b>	(100,336)
<b>Net current liabilities</b>		<b>(100,195)</b>	(100,320)
<b>Non-current liabilities</b>			
Deferred Tax Liabilities	7	<b>(162)</b>	(124)
<b>Net liabilities</b>		<b>(100,357)</b>	(100,444)
<b>Shareholders' equity</b>			
Issued share capital	10	<b>16</b>	16
Share premium account		<b>161</b>	161
Accumulated losses		<b>(100,534)</b>	(100,621)
<b>Total Shareholders' deficit</b>		<b>(100,357)</b>	(100,444)

The financial statement on pages 7 to 14 were approved by the board of directors on 15 December 2021 and were signed on its behalf by:



R Stevens  
Director

**TECHNO LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Issued share capital</b>	<b>Share premium account</b>	<b>Accumulated losses</b>	<b>Total shareholders' deficit</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>As at 1 January 2019</b>	16	161	(100,620)	(100,443)
Loss for the financial year and total comprehensive expenses for the year	-	-	(1)	(1)
<b>At 31 December 2019</b>	<b>16</b>	<b>161</b>	<b>(100,621)</b>	<b>(100,444)</b>
Profit for the financial year and total comprehensive expenses for the year	-	-	87	87
<b>At 31 December 2020</b>	<b>16</b>	<b>161</b>	<b>(100,534)</b>	<b>(100,357)</b>

The notes on pages 10 to 14 form an integral part of these financial statements.

## **TECHNO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **1. General information**

Techno Limited ('the Company') is a private company limited by share capital incorporated and domiciled in England and Wales within the United Kingdom. The address of its registered office and principal place of business is disclosed in the Directors' Report.

These financial statements were prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

The Company's financial statements are presented in Sterling, which is also the Company's functional currency, and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated. The Company's financial statements are individual entity financial statements.

#### **2. Basis of preparation**

These financial statements were prepared in accordance with FRS 101 and Companies Act 2006. The financial statements are prepared on a going concern basis under the historical cost convention.

The accounting policies which follow in note 4 set out those policies which apply in preparing the financial statements for the year ended 31 December 2020. These policies have been applied consistently other than where new policies have been adopted in the year.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) IFRS 7 Financial Instruments: Disclosures
- b) IFRS 13 Fair Value Measurement
- c) IAS 1 Presentation of Financial Statements
- d) IAS 7 Statement of Cash Flows
- e) IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- f) IAS 24 Related Party Disclosures

#### **3. Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make assumptions, estimates and judgements that affect the amounts reported as assets and liabilities as at the balance sheet date and the amounts reported as revenues and expenses during the year. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those reported.

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. The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date:

##### Financial liabilities

Financial liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise of other payables and amounts owed to group undertakings.

**4. Summary of significant accounting policies**

**4.1 Going Concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

On 1 February 2012, a funding agreement was entered into under which Ladbrokes Coral Group Limited is required to subscribe for non-voting ordinary shares in the Company to the extent the Company requires additional funding to discharge future liabilities incurred in the course of pursuing its business plan.

Also, a subscription agreement has been entered into with Ladbroke Land Limited such that in the event that any demand is made for repayment, in whole or in part, for the loan with Ladbroke Land Limited, and the Company is unable to meet this obligation, a subscription notice will be provided for the purchase of non-voting ordinary shares in the Company.

The company is a subsidiary of the Group headed by Entain plc (the Group). Consequently, the ability of the Company to continue as a going concern is based on the ability of the Group to continue as a going concern.

The Group has prepared financial forecasts comprising operating profit, balance sheet and cash flows covering the 36-month period to 2024. In preparing these forecasts, the directors have assessed the impact of the Covid-19 outbreak on the business and have revised the cash flow forecasts for 2022 to take account of the consequent reduction in profits and net cash inflows. These revised forecasts indicate that the Company will remain within its present facilities and that there is sufficient covenant headroom even under the sensitised downside scenarios.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**4.2 Investment property**

Investment properties comprise property under development for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Subsequent measurement of investment property is performed under the historical cost model.

**4.3 Financial assets**

Financial assets are recognised when the Company becomes party to the contracts that give rise to them.

The Company classifies financial assets at inception as loans and receivables, financial assets at fair value through profit or loss or available-for-sale financial assets. At 31 December 2020, the Company had only financial assets classified as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, loans and receivables are measured at fair value plus directly attributable transaction costs. Subsequently, such assets are measured at amortised cost, using the effective interest rate (EIR) method, less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the income statement. Losses arising from impairment are recognised in the income statement in operating expenses before depreciation.

**4. Summary of significant accounting policies**

4.3 Financial assets (continued)

*Impairment of financial assets*

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account.

When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

4.4 Financial liabilities

Financial liabilities are classified loans and borrowings. The Company determines the classification of financial liabilities at initial recognition. Financial liabilities comprise other payables and amounts owed to group undertakings.

4.5 Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from the assets has expired or when the Company has transferred its contractual right to receive the cash flows from the financial assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party, and either:

- substantially all the risks and rewards of ownership have been transferred; or
- substantially all the risks and rewards have neither been retained nor transferred but control is not retained.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Revenue

4.6 Revenue arises entirely in the United Kingdom and represents proceeds receivable on the sale of land held by the Company. Revenue is measured at the fair value of the consideration received, excluding value added tax and other sales taxes.

**5. Loss before tax and finance expense**

The audit fee for the Company of £1,000 has been borne by another group company (2019: £1,000).

**6. Directors and employees**

The directors' emoluments are borne entirely by the Intertrust Group, subsidiaries of which provide administration services to the Company.

All operations of the Company are undertaken by employees of other group companies and their respective emoluments have not been included in these financial statements.

**7. Taxation**

	<b>2020</b> <b>£'000</b>	2019 £'000
<b>a) Tax charged in the income statement</b>		
<b>Current tax</b>		
UK corporation tax	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	24	-
Impact of tax rate changes	14	-
Total deferred tax	<u>38</u>	<u>-</u>
<b>Tax expense in the income statement</b>	<u>38</u>	<u>-</u>

**b) Reconciliation of the total tax charge**

A reconciliation of income tax expense applicable to loss before tax at the UK statutory income rate to the income tax expense for the year ended 31 December 2020 and 31 December 2019 is as follows:

	<b>2020</b> <b>£'000</b>	2019 £'000
Profit/(loss) before taxation	<b>125</b>	(1)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	<b>24</b>	-
Impact of tax rate changes – short term timing differences	<b>14</b>	-
<b>Total tax expense reported in the income statement</b>	<u><b>38</b></u>	<u>-</u>

**c) Change in corporation tax rate**

In the Budget on 11 March 2020 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 17% rate to 19% on 1 April 2020. This change was substantively enacted on 17 March 2020 and therefore, the deferred tax assets and liabilities at the balance sheet date are calculated at the substantively enacted rate of 19%.

In the Budget on 3 March 2021 the Chancellor announced that the standard rate of UK Corporation Tax would increase from the planned 19% rate to 25% on 1 April 2023. This change was substantively enacted on 24 May 2021.

**Deferred tax**

The deferred tax liability included in the Company balance sheet is as follows:

	<b>2020</b> <b>£'000</b>	2019 £'000
At 1 January	<b>(124)</b>	(124)
Impact of tax rate changes	<b>(14)</b>	-
Origination and reversal of timing differences	<b>(24)</b>	-
At 31 December	<u><b>(162)</b></u>	<u>(124)</u>

The deferred taxation liability in the accounts consists of:

	<b>2020</b> <b>£'000</b>	2019 £'000
Tax losses	<b>(721)</b>	843
Other timing differences	<b>559</b>	(967)
	<u><b>(162)</b></u>	<u>(124)</u>

**TECHNO LIMITED****NOTES TO THE FINANCIAL STATEMENTS – FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)****8. Trade and other receivables**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Amounts owed from group undertakings	<b>126</b>	-
Other trade receivables	-	1
	<b>126</b>	1

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

**9. Trade and other payables**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Current</b>		
Amounts owed to group undertakings	<b>(100,329)</b>	(100,329)
Other payables	<b>(7)</b>	(7)
	<b>(100,336)</b>	(100,336)

At December 2014 the Company had an interest-free arrangement on a loan value of £103,458,000 with Ladbroke Land Limited, which was due for repayment on 1 April 2018. In 2018 the Company repaid £3,130,000 of the outstanding principle. FRS 101 requires that the debt should be recognised at present value. This has been determined by discounting the future cashflow on the loan at a market rate of interest. The market rate of interest applied to this loan is 3%. At 31 December 2020 the loan balance recognised in the company's financial statements is £100,329,000 (2019: £100,329,000).

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>10. Issued Share Capital</b>		
Allotted, issued & fully paid up		
15,000 (2019:15,000) Ordinary shares of £1 each	<b>15</b>	15
80,000 (2019:80,000) Ordinary shares of £0.01 each	<b>1</b>	1
	<b>16</b>	16

**11. Related party transactions**

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly-owned subsidiaries.

**12. Immediate and ultimate parent undertaking**

The immediate and ultimate parent company of the Company is the Ladbrokes Techno Trust.

The directors believe that the controlling party of the Company is Entain plc, a company with registered address; 32 Athol Street, Douglas, Isle of Man, IM1 1JB. The only group preparing consolidated group financial statements which include the Company is Entain plc for the year ended 31 December 2020. The largest and smallest group preparing consolidated group financial statements which include the Company was Entain plc.

Copies of the Annual Report and Financial Statements for Entain plc can be obtained from the registered office of the company at 3rd Floor One New Change, London, United Kingdom, EC4M 9AF.