

BNN Technology Plc

Annual Report and Financial Statements for the year ended 31 December 2019

Registered number: 06624900



BNN Technology Plc

For the year ended 31 December 2019

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BNN Technology Plc

Officers and professional advisers

Directors

Mark Hanson

William Ramsay

D Mercer (Resigned on 01 November 2019)

Registered office

C/O Gateley Legal Ship Canal House, 98 King Street, Manchester, England, M2 4WU

BNN Technology PLC

Director's report

The Directors present the annual report and financial statements for the year ended 31 December 2019. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and accordingly is also exempt from the requirement to prepare a strategic report.

Principal activities and review of the business

The principal activity of the Company during the year continued to be that of supporting the Group's Chinese subsidiaries in the development and operation of technology, platforms and businesses for use in the lottery and payment services sectors in China, and the management and support of the group's Chinese subsidiaries.

The loss for the year after taxation was £3,501,439 (2018: £12,688,229) and had been withdrawn from reserves, the increase in the loss arose as no recharges were made in the year to fellow Group companies (2018: £nil).

Dividends

The Directors are unable to recommend a payment of a dividend (2018: same).

Capital structure

Details of the issued share capital are shown in note 13. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital.

Directors

The Directors who served the Company during the year and thereafter were as follows:

M Hanson

W Ramsay

D Mercer (Resigned on 01 November 2019)

Director indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Principal risks and uncertainties

The Company has significant loans to Group companies outside of the UK (principally the Group's core operating business in China) and as such is exposed to movements in exchange rates. The Company is also dependant on the performance of these Group companies as the results of these affect the recoverability of amounts owed by Group undertakings. The company continues to monitor exchange rates and the financial performance of its subsidiaries to identify and respond to potential issues.

The Company is reliant upon the successful execution of business operations outside of the UK in order to recover amounts owed by Group undertakings.

BNN Technology PLC

Director's report (continued)

Going concern basis

At 31 December 2019 the Company reports a shareholder's deficit of £3,501,439 (2018: £21,280,727).

In determining the appropriate basis of preparation of the financial statements, the Director is required to consider whether the Company can continue in operational existence for the foreseeable future; that is for at least 12 months from the date of signing of the financial statements.

The parent company also had in issue £6.0m convertible loan notes which, if not converted into shares, which were due to be repaid in July 2018, but now have agreement to defer the repayment of the notes until January 2021.

Notwithstanding the above, the Directors have reviewed trading and cash flow forecasts for the Group, which take into consideration the uncertainties in the current operating environment. After making the appropriate enquiries and, considering the Group's existing cash reserves and forecasts, the Directors have concluded that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future and therefore has prepared the financial statements on the going concern basis.

During 2020, the management team presented short-term and medium-term plans which included the reduction in the previous heavy cost of technology investment; a refocus of the business on its significant core strengths; and, and a strategy to grow revenue streams more quickly at higher margins and on a lower cost base.

The new short-term strategy to increase shareholder value and significantly improve the return on capital employed focused on the following key areas:

- Concentrating on the Group's core lottery business; particularly in relation to developing revenue opportunities based on the Group's leading-edge technology and content provision in the sector, the key benefits of which began to crystallise in the second half of 2019.
- Headcount was reduced in the Chinese operation in 2019 from 120 to 79, and the benefits of this and other cost reduction measures became evident in the second half of 2019.
- As well as reducing the cost base of operations in China, the Board has also terminated the Company's funding of non-core activities and entities in China.
- Identify partnerships, joint ventures and licensing opportunities with the aim of further monetising the Group's technology and generating shareholder value. On 08 December 2019 the Group entered into a license agreement with Global Fintech Holdings Limited, which management believe will materially improve the financial health of the business.
- The Group has terminated its office lease in Knutsford Cheshire and terminated all full-time employees

Small companies' exemption

The Directors have taken advantage of the small companies' exemption under s415A of the Companies Act 2006 from preparing certain parts of the directors' report.

Auditor

For the year ending 31st December 2019, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

BNN Technology PLC

Directors' report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

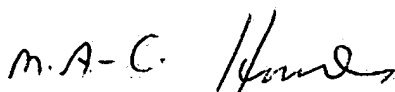
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors
and signed on behalf of the Board



M Hanson
Director

30 June 2020

BNN Technology Plc

Statement of changes in equity For the year ended 31 December 2019

Income Statements

	Note	2019	2018
		£'000	£'000
Continuing Operations			
Administrative expenses		(3,501)	(12,688)
Operating loss	5	(3,501)	(12,688)
Finance costs		-	-
Loss before tax		(3,501)	(12,688)
Tax	6	-	-
Loss for the year		(3,501)	(12,688)

Turnover and operating loss are all derived from continuing operations.

There are no recognized gains or losses other than those showing in the profit and loss account above, accordingly no separate statement of comprehensive income has been prepared.

BNN Technology Plc

Statement of changes in equity For the year ended 31 December 2019

Balance sheet


	Note	2019 £'000	2018 £'000
Non-current assets			
Other investments	7	1,730	1,730
		1,730	1,730
Current assets			
Trade and other receivables	8	97,394	94,824
Cash and cash equivalents		-	91
		97,394	94,915
Total assets		99,124	96,645
Current liabilities			
Trade and other payables	9	7,027	1,046
Borrowings	10	6,110	6,110
		13,137	7,156
Net current assets		19,247	89,489
Non-current liabilities			
Borrowings		-	-
		-	-
Total liabilities		13,137	7,156
Net assets		85,987	89,489
Equity			
Share capital	11	23,861	23,861
Share premium account		87,130	87,130
EBT reserve		(222)	(222)
Accumulated deficit		(24,782)	(21,280)
Equity attributable to owner of the Company		85,987	89,489
Total equity		85,987	89,489

The accounts have been prepared in accordance with the provision applicable to companies' subject to the small company's regime.

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements of BNN Technology Plc (registered number 05581874) were approved by the board of directors and authorised for issue on 30 June 2020. They were signed on its behalf by:

M. A. C. 

M Hanson Director

BNN Technology Plc

Statement of changes in equity For the year ended 31 December 2019

	Share Capital	Share premium account	EBT reserve	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2017	23,861	87,130	(222)	(8,481)	102,288
Total comprehensive loss for the year	-	-	-	(12,688)	(12,688)
Issue of share capital	-	-	-	-	-
Prior year adjustment of discontinued operations	-	-	-	-	-
Credit to equity for equity-settled share based payments	-	-	-	(111)	(111)
Cancellation of shares	-	-	-	-	-
Conversion of convertible debt	-	-	-	-	-
Balance at 31 December 2018	23,861	87,130	(222) -	(21,280) -	89,489
Issue of share capital	-	-	-	-	-
Prior year adjustment of discontinued operations	-	-	-	(3,501)	(3,501)
Credit to equity for equity-settled share based payments	-	-	-	-	-
Cancellation of shares	-	-	-	-	-
Conversion of convertible debt	-	-	-	-	-
Balance at 31 December 2019	23,861	87,130	- 222 -	24,781	85,988

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

1. General information

BNN Technology Plc (the 'Company') is a Company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the director's report on page 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. These financial statements are separate financial statements.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2016.

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly these financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, key management personnel and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of BNN Technology plc. The group accounts of BNN Technology plc are available to the public and can be obtained as set out in note 16.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Significant accounting policies (continued)

The principal accounting policies adopted are set out below.

Going concern

At 31 December 2019 the Company reports a shareholder's deficit of £3,501,439 (2018: £21,280,727).

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The new short-term strategy to increase shareholder value and significantly improve the return on capital employed focused on the following key areas:

- Concentrating on the Group's core lottery business; particularly in relation to developing revenue opportunities based on the Group's leading-edge technology and content provision in the sector, the key benefits of which are beginning to crystallise in the second half of 2019.

- Headcount has been reduced in the Chinese operation in 2019 from 120 to 79 in 2019, and the benefits of this and other cost reduction measures are becoming evident in the second half of 2019. and will fully crystallise by Q4 2019.

- As well as reducing the cost base of operations in China, the Board has also terminated the Company's funding of non-core activities and entities in China.

- Identify acquisition targets partnerships, joint ventures and licensing opportunities with the aim of further monetising the Group's technology and generating shareholder value. that could meet the Group's current and anticipated data technology requirements and therefore accelerate its growth and expansion. On 08 December 2019 the Group entered into a license agreement with GFH limited Global Fintech Holdings Limited, which upon completion management believe will substantially materially improve the financial health of the business.

. The Group has terminated its office lease in Knutsford Cheshire and terminated all full-time full-time employees

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The Company's revenues principally arise from the provision of management and support services. Revenue is recognized once there is a right to consideration and collectability is assured. Revenue is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date revenue represents the value of the service provided to date based on a proportion of the total contract value.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

2. Significant accounting policies (continued)

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in profit or loss in the period in which they arise.

Operating loss

Operating loss is stated before investment income, finance costs and taxation.

Taxation

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

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 realized based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Significant accounting policies (continued)

Tangible and Intangible assets

Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Similarly, software intangible assets are stated at cost less accumulated amortization and any recognized impairment loss.

Depreciation or amortisation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Fixtures and equipment	33%
Motor vehicles	33%
Software	10%-20%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Significant accounting policies (continued)

Financial assets

All financial assets are recognized and derecognized on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (fvtpl), 'held-to-maturity' investments, 'available-for-sale' (afs) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company does not currently hold any assets classified as either fvtpl, held to maturity or afs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fvtpl.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivable'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at fvtpl, are assessed for indicators of impairment at each balance sheet 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 of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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Notes to the financial statements (continued)

For the year ended 31 December 2019

2. Significant accounting policies (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade 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 recognized in profit or loss.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognized its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognized a collateralized borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'fvtp' or 'other financial liabilities'. The Company does not currently hold any liabilities classified as fvtp.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognized financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There were no critical judgements in applying the Company's accounting policies, apart from those involving estimations (which are dealt with separately below), that the director has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4. Staff costs

The average monthly number of employees (including the executive director) was:

	2019 Number	2018 Number
Management and administration	1	1

Their aggregate remuneration comprised:

	2019	2018
Wages and salaries	47	51
Social security costs	-	-
Share based payments	-	-
	47	51

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

5. Loss on ordinary activities before tax

The loss on ordinary activities before tax has been arrived at after charging/(crediting):

	2019	2018
Net foreign exchange losses/(gains)	-	51
Professional fee	3,501	5,611
Exceptional items	-	146

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Notes to the financial statements (continued)

For the year ended 31 December 2019

6. Tax

	2019 £	2018 £
Corporation tax:		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19.00 per cent (2018: 19.00 per cent) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2019 £	2018 £
Loss before tax	(3,501)	(8,780)
	<u>-</u>	<u>(1,690)</u>
Tax at the UK corporation tax rate of 19.00% (2018: 19.00%)	-	(1,690)
Tax effect of expenses that are not deductible in determining taxable profit	-	201
Change in unrecognized deferred tax assets	-	1,490
	<u>-</u>	<u>-</u>
Tax expense for the year	<u>-</u>	<u>-</u>

BNN Technology Plc

Notes to the financial statements (continued)

For the year ended 31 December 2019

7. Investment in Associate

	2019	2018
At 1 January	1,730	-
additions	-	1,730
As at 31 December	1,730	1,730

8. Debtors

	2019	2018
Current		
Trade receivables	-	-
Amounts owed by subsidiary undertakings	97,394	98,900
Prepayments and other debtors	-	(4,076)
	97,394	94,824

9. Creditors

	2019	2018
Current		
Trade creditors	935	592
Accruals	768	392
Amounts owed to subsidiaries	5,692	430
Other creditors	-	-
	7,395	1,414

10. Loans

	2019	2018
Unsecured borrowing at amortised cost:		
Convertible loan notes	5,742	5,742
Amount due for settlement within 12 months	5,742	5,742

	Sterling
Analysis of borrowings by currency:	
31 December 2019	
Convertible loan notes	5,742
	5,742