

Company Registration No. 09709627 (England and Wales)

**BRUNEL MARKETPLACE LIMITED  
ANNUAL REPORT AND UNAUDITED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2017**

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**BRUNEL MARKETPLACE LIMITED  
ANNUAL REPORT AND UNAUDITED ACCOUNTS  
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**BRUNEL MARKETPLACE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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<b>Directors</b>	Iain Francis Mackinnon Annette Dawn Mackinnon
<b>Company Number</b>	09709627 (England and Wales)
<b>Registered Office</b>	Northwood House Ward Avenue Cowes Isle Of Wight PO31 8AZ United Kingdom

**BRUNEL MARKETPLACE LIMITED**  
**(COMPANY NO: 09709627 ENGLAND AND WALES)**  
**DIRECTORS' REPORT**

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The directors present their report and accounts for the year ended 30 June 2017.

**Directors**

Iain Francis Mackinnon held office during the whole of the period.

Annette Dawn Mackinnon was appointed on 25 May 2017.

Robert Charles Osborne resigned on 25 May 2017.

**Statement of directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

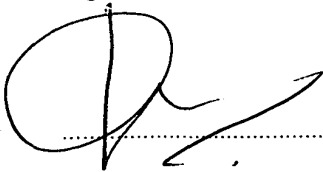
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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.

**Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors



Iain Francis Mackinnon  
Director

Approved by the board on: 26 March 2018

**BRUNEL MARKETPLACE LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	107,931	-
Administrative expenses	(131,924)	(71,699)
<b>Operating loss</b>	(23,993)	(71,699)
Appreciation gains/(impairment losses)	910,818	(910,818)
Interest receivable and similar income	71,302	153,987
Interest payable and similar charges	(44,934)	(22,875)
<b>Profit/(loss) on ordinary activities before taxation</b>	913,193	(851,405)
Tax on profit/(loss) on ordinary activities	-	-
<b>Profit/(loss) for the financial year</b>	913,193	(851,405)

**BRUNEL MARKETPLACE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Investments	4	3,683,218	2,772,400
<b>Current assets</b>			
Debtors	5	640,904	173,562
Cash at bank and in hand		3	-
		640,907	173,562
<b>Creditors: amounts falling due within one year</b>	6	(446,406)	(123,610)
<b>Net current assets</b>		194,501	49,952
<b>Total assets less current liabilities</b>		3,877,719	2,822,352
<b>Creditors: amounts falling due after more than one year</b>	7	(1,718,200)	(1,576,026)
<b>Net assets</b>		2,159,519	1,246,326
<b>Capital and reserves</b>			
Called up share capital		232	232
Share premium		2,097,499	2,097,499
Profit and loss account		61,788	(851,405)
<b>Shareholders' funds</b>		2,159,519	1,246,326

For the year ending 30 June 2017 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 in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

Approved by the Board on 26 March 2018.

  
Iain Francis Mackinnon  
Director

Company Registration No. 09709627

**BRUNEL MARKETPLACE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2017**

	Share capital £	Share premium £	Profit & loss account £	Total £
At 1 July 2015	-	-	-	-
Loss for the year			(851,405)	(851,405)
Shares issued	232	2,097,499		2,097,731
At 30 June 2016	232	2,097,499	(851,405)	1,246,326
At 1 July 2016	232	2,097,499	(851,405)	1,246,326
Profit for the year			913,193	913,193
At 30 June 2017	232	2,097,499	61,788	2,159,519

**BRUNEL MARKETPLACE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1 Statutory information**

Brunel Marketplace Limited is a private company, limited by shares, registered in England and Wales, registration number 09709627. The registered office is Northwood House, Ward Avenue, Cowes, Isle Of Wight, PO31 8AZ, United Kingdom.

**2 Compliance with accounting standards**

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

**3 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

***Consolidation***

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

***Basis of preparation***

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

***Presentation currency***

The accounts are presented in £ sterling.

***Investments***

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

***Investments in associates***

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.



**BRUNEL MARKETPLACE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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***Investments in joint ventures***

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

***Impairment of fixed assets***

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

***Financial instruments***

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

***Deferred taxation***

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax assets and liabilities are not discounted.

**4 Investments**

**Subsidiary  
undertaking**  
**£**

Valuation at 1 July 2016	2,772,400
Fair value adjustments	910,818
Valuation at 30 June 2017	<u>3,683,218</u>

**BRUNEL MARKETPLACE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

<b>5 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	87,852	-
Amounts due from group undertakings etc.	518,331	144,527
Other debtors	34,721	29,035
	<u>640,904</u>	<u>173,562</u>

<b>6 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade creditors	193,343	36,000
Taxes and social security	18,553	(6,000)
Other creditors	154,096	-
Accruals	80,414	93,610
	<u>446,406</u>	<u>123,610</u>

<b>7 Creditors: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	750,000	609,026
Non-equity preference shares	967,000	967,000
Accruals	1,200	-
	<u>1,718,200</u>	<u>1,576,026</u>

The following secured debts are included within other creditors:

Loan stocks £600,000 (2016 £600,000)

**8 Average number of employees**

During the year the average number of employees was 2 (2016: 2)

**BRUNEL MARKETPLACE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**9 Transactions with related parties**

**Peto Limited ("Peto")**

Peto is a wholly owned subsidiary of the company. During the year the company provided services and recharged costs to Peto of £107,930 (2016 £Nil). The company also charged interest on the secured loan made to Peto of £71,302 (2016 £153,987).

During the year the company advanced £302,503 (2016 £335,026) on an unsecured basis to finance the operations of Peto. The loan is interest free and repayable on demand. At the balance sheet date the company had advanced a total of £637,529 (2016 £335,026) on an unsecured basis.

At the balance sheet date the company was owed £1,620,987 by way of a secured loan by Peto (2016 £1,620,987). The interest rate on the loan was reduced from 17% to 5% per annum with respect to the current year. The loan is secured by a first fixed and floating charge over the assets of Peto and is repayable on demand.

Peto also owes £60,913 (2016 £60,913) in relation to a matured derivative obligation by Peto.

Finally, Peto owes £87,851 (2016 £29,036) for services invoiced but unpaid.

**I F Mackinnon & Co LLP ("IFM"), I F Mackinnon Capital Limited ("IFMCL") and Mackinnon SPV 2 LLP ("SPV2")**

IFM, IFMCL and SPV2 are all controlled by I F Mackinnon and A D Mackinnon, directors of the company, and are a members of a wider group ("the Mackinnon Group") which holds a 28.6% interest in the issued ordinary share capital of the company, 34.7% fully diluted, (2016 28.6% both issued and fully diluted). The Mackinnon Group also holds 100% of the issued preference share capital of the company.

IFM advanced a total of £47,905 (2016 £nil) on an unsecured basis to the company during the year. The loan is subject to an interest charge of 8% per annum and a total of £2,949.37 (2016 £nil) was accrued for the year. At the balance sheet date £50,854 (2016 £nil) was outstanding as an unsecured loan. The loan is repayable on demand. During the year IFM invoiced services, ex VAT, £133,950 (2016 £30,000) covering third party consulting costs, office rental and utility costs, payroll, accounting and back office supports services and management charges covering the period since November 2015 to June 2017. At the balance sheet date IFM was owed on trade creditors account £190,043 (2016 £36,000). Statutory interest at 8% of £5,353 (2016 £nil) was accrued in relation to this outstanding sum.

IFMCL provided during the year a facility of £150,000 to the company against which drawings could be made for working capital purposes. A total of £131,750 was drawn against this facility of which £56,500 was repaid. Interest of £3,612 (2016 £nil) at the rate of 8%. At the balance sheet date the balance due on the facility was £87,888 (2016 £9,026). During the year the IFMCL subscribed for £55,000 variable rate loan stock 2020. IFMCL also acquired from a third party a further £50,000 variable rate loan stock 2020 initially issued to that third party. A total of £691 of interest was accrued in the year. At the balance sheet date IFMCL held £105,000 in loan stock. In conjunction with the issue of loan stock the company also issued warrants to subscribe to ordinary shares in the company on or before a flotation, sale or the maturity date of the loan stock, whichever is earlier.

IFMCL was issued, as part of its subscription to £55,000 of loan stock warrants over a total a total of 149,980 ordinary shares of which 49,975 were at an exercise price of £0.10 per share and 100,005 at £0.50 per share. These allocations differed from those offered to non-related subscribers as part of the incentive arrangements for a former director detailed below. As part of the acquisition of third party loan stock IFMCL acquired a further 233,320 warrants over ordinary shares of which 166,650 were at an exercise price of £0.10 per share and 66,670 at £0.50 per share.

SPV2 at the balance sheet date held £600,000 variable rate loan stock 2020 (2016 £600,000). A total of £31,640 in interest was accrued in the year (2016 £nil).

**R C Osborne ("RCO")**

RCO was a director of the company until 25th May 2017. During the year RCO subscribed for £20,000 in variable rate loan stock 2020. As part of an incentive package an enhanced warrant allocation, IFMCL taking a reduced allocation to compensate, of 200,000 warrants over ordinary shares was issued to RCO all at an exercise price £0.10 per share.