

THE MORTGAGE TRADING EXCHANGE LIMITED
FINANCIAL STATEMENTS
FOR
31ST MARCH 2002

Company Registration Number 3340621



COVENEY NICHOLLS
Chartered Accountants & Registered Auditors
The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD

THE MORTGAGE TRADING EXCHANGE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

CONTENTS	PAGE
The directors' report	1
Independent auditors' report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6
The following pages do not form part of the financial statements	
Detailed profit and loss account	9
Notes to the detailed profit and loss account	10

THE MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of data processing and providing software consultancy services.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

Mr B Louvel

Mortgage Brain Limited

Mr J Saxton

(Appointed 21st May 2001)

Mr D Hickman

(Appointed 23rd May 2001)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 6, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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 MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT *(continued)*

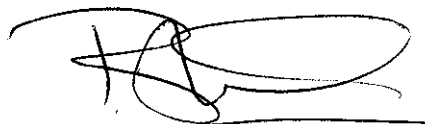
YEAR ENDED 31ST MARCH 2002

AUDITORS

A resolution to re-appoint Coveney Nicholls as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
111 St James Road
Croydon
Surrey
CR0 2UW

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'MR B LOUVEL', written over a horizontal line.

MR B LOUVEL
Company Secretary

Approved by the directors on 19/6/02.....

THE MORTGAGE TRADING EXCHANGE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST MARCH 2002

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

The Old Wheel House
31/37 Church Street
Reigate
Surrey RH2 0AD

Coveney Nicholls
COVENEY NICHOLLS
Chartered Accountants
& Registered Auditors

24-6-02

THE MORTGAGE TRADING EXCHANGE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2002

	Note	2002 £	2001 £
TURNOVER	2	22,499	7,851
Administrative expenses		<u>1,412</u>	<u>20,968</u>
OPERATING PROFIT/(LOSS)	3	21,087	(13,117)
Tax on profit/(loss) on ordinary activities	5	<u>(4,257)</u>	<u>-</u>
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		16,830	(13,117)
Balance brought forward		<u>(13,117)</u>	<u>-</u>
Balance carried forward		<u>3,713</u>	<u>(13,117)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

THE MORTGAGE TRADING EXCHANGE LIMITED

BALANCE SHEET

31ST MARCH 2002

	Note	2002		2001	
		£	£	£	£
CURRENT ASSETS					
Debtors	6	5,360		8,801	
Cash at bank		<u>27,692</u>		<u>2,679</u>	
		33,052		11,480	
CREDITORS: Amounts falling due within one year	7	<u>(29,337)</u>		<u>(24,595)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>3,715</u>		<u>(13,115)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,715</u>		<u>(13,115)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	9		2		2
Profit and Loss Account			<u>3,713</u>		<u>(13,117)</u>
SHAREHOLDERS' FUNDS / (DEFICIENCY)	10		<u>3,715</u>		<u>(13,115)</u>

These financial statements were approved by the directors on the 19.6.02, and are signed on their behalf by:



.....
MR B LOUVEL

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention,, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cashflow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

2. TURNOVER

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

An analysis of turnover is given below:

	2002	2001
	£	£
United Kingdom	<u>22,499</u>	<u>7,851</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2002	2001
	£	£
Directors' emoluments	—	—
Auditors' remuneration		
- as auditors	<u>400</u>	<u>—</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

5. TAX ON PROFIT OR (LOSS) ON ORDINARY ACTIVITIES

Taxation

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2001 - 10%)	<u>4,257</u>	—
Total current tax	<u>4,257</u>	—
Tax on profit on ordinary activities	<u>4,257</u>	—

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 2002

5. TAX ON PROFIT OR (LOSS) ON ORDINARY ACTIVITIES *(continued)*

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2001 - 10%).

	2002	2001
	£	£
Profit/(loss) on ordinary activities before taxation	<u>21,087</u>	<u>(13,117)</u>
Profit/(loss) on ordinary activities by rate of tax	4,217	—
Sundry adjusting items	40	—
Total current tax	<u>4,257</u>	<u>—</u>

6. DEBTORS

	2002	2001
	£	£
Trade debtors	5,346	6,991
VAT recoverable	14	1,810
	<u>5,360</u>	<u>8,801</u>

7. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	—	115
Other creditors including taxation:		
Corporation tax	4,257	—
Amount due to parent company	<u>24,480</u>	<u>24,480</u>
	28,737	24,480
Accruals and deferred income	600	—
	<u>29,337</u>	<u>24,595</u>

8. RELATED PARTY TRANSACTIONS

The company was under the control of Mortgage Brain Limited throughout the current and previous year.

There are no related party transactions that need to be disclosed under FRS 8.

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 2002

9. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
10,000 Ordinary shares of £0.05 each	<u>500</u>	<u>500</u>

	2002	2001
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit/(Loss) for the financial year	16,830	(13,117)
Opening shareholders' equity (deficit)/funds	<u>(13,115)</u>	<u>2</u>
Closing shareholders' equity funds/(deficit)	<u>3,715</u>	<u>(13,115)</u>

11. ULTIMATE PARENT COMPANY

The company's parent and ultimate controlling party is MBL Holdings Limited.