

THE MORTGAGE TRADING EXCHANGE LIMITED
FINANCIAL STATEMENTS
FOR
31ST MARCH 2003

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 2003

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THE MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31st March 2003.

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.

DIRECTORS

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

Mr J Saxton	
Mr D Hickman	
Mr RJC Barclay	(Appointed 26th September 2002)
Mr T Morshead	(Appointed 26th September 2002)
Mr CW Haresnape	(Appointed 26th September 2002)
Mr M Lofthouse	(Appointed 26th September 2002)
Mr PG Gibbs	(Appointed 26th September 2002)
Mr DC Cutbill	(Appointed 31st December 2002)
Mr B Louvel	(Retired 26th September 2002)
Mr P Nice	(Retired 26th September 2002)
Mr M Green	(Retired 26th September 2002)

The company is a wholly owned subsidiary and the interests of the 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 7, 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 MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2003

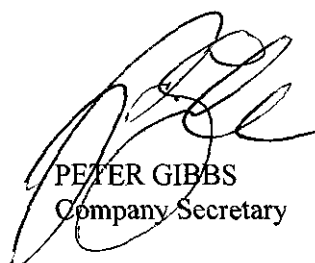
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



PETER GIBBS
Company Secretary

Approved by the directors on 28/01/04....

THE MORTGAGE TRADING EXCHANGE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST MARCH 2003

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 1 to 2.

Our responsibility is 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. Our responsibilities do not extend to any other information.

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.

THE MORTGAGE TRADING EXCHANGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31ST MARCH 2003

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 2003 and of the loss 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
Chartered Accountants
& Registered Auditors

28.1.2004

THE MORTGAGE TRADING EXCHANGE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2003

	Note	2003 £	2002 £
TURNOVER	2	30,400	22,499
Cost of sales		<u>82,186</u>	<u>—</u>
GROSS (LOSS)/PROFIT		(51,786)	22,499
Administrative expenses		<u>1,797</u>	<u>1,412</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,583)	21,087
Tax on (loss)/profit on ordinary activities	5	<u>(4,217)</u>	<u>4,257</u>
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(49,366)	16,830
Balance brought forward		<u>3,713</u>	<u>(13,117)</u>
Balance carried forward		<u>(45,653)</u>	<u>3,713</u>

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

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

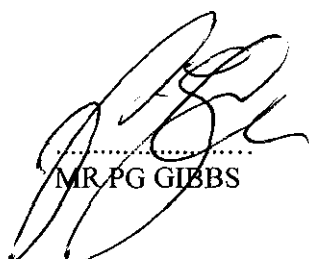
THE MORTGAGE TRADING EXCHANGE LIMITED

BALANCE SHEET

31ST MARCH 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	6	16,762	5,360
Cash at bank		<u>1,097</u>	<u>27,692</u>
		17,859	33,052
CREDITORS: Amounts falling due within one year	7	<u>63,510</u>	<u>29,337</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(45,651)</u>	<u>3,715</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(45,651)</u>	<u>3,715</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account		<u>(45,653)</u>	<u>3,713</u>
(DEFICIENCY)/SHAREHOLDERS' FUNDS	10	<u>(45,651)</u>	<u>3,715</u>

These financial statements were approved by the directors on the 28/01/04 and are signed on their behalf by:



MR PG GIBBS

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2003

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 cash flow 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 loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	<u>30,400</u>	<u>22,499</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	—	—
Auditors' remuneration		
- as auditors	<u>400</u>	<u>400</u>

4. PARTICULARS OF EMPLOYEES

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

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2003

5. TAX ON LOSS OR PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2002 - 20%)	(4,217)	4,257
Total current tax	<u>(4,217)</u>	<u>4,257</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2002 - 20%).

	2003 £	2002 £
(Loss)/profit on ordinary activities before taxation	<u>(53,583)</u>	<u>21,087</u>
Profit/(loss) on ord actvs by rate of tax	(10,717)	4,217
Sundry adjusting items	—	40
Tax losses carried forward	<u>6,500</u>	<u>—</u>
Total current tax (note 5(a))	<u>(4,217)</u>	<u>4,257</u>

6. DEBTORS

	2003 £	2002 £
Trade debtors	8,695	5,346
VAT recoverable	—	14
Other debtors	4,217	—
Prepayments and accrued income	<u>3,850</u>	<u>—</u>
	<u>16,762</u>	<u>5,360</u>

7. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	134	—
Amounts owed to group undertakings	61,817	—
Other creditors including taxation:		
Corporation tax	—	4,257
VAT	949	—
Amount due from group company	—	24,480
	<u>949</u>	<u>28,737</u>
Accruals and deferred income	610	600
	<u>63,510</u>	<u>29,337</u>

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2003

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.

9. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £0.05 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £0.05 each	<u>40</u>	<u>2</u>	<u>40</u>	<u>2</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
(Loss)/Profit for the financial year	(49,366)	16,830
Opening shareholders' equity funds/(deficit)	<u>3,715</u>	<u>(13,115)</u>
Closing shareholders' equity (deficit)/funds	<u>(45,651)</u>	<u>3,715</u>

11. ULTIMATE PARENT COMPANY

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