

THE MORTGAGE TRADING EXCHANGE LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2007

THURSDAY



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20/12/2007

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COMPANIES HOUSE

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 31 MARCH 2007

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	10
Notes to the detailed profit and loss account	10

THE MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2007

The directors present their report and the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of licensing users to use the company's software products and services

DIRECTORS

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

Mr J Saxton
Mr D Hickman
Mr M Lofthouse
Mr P Gibbs
Mr D Finlay
Miss CL Templeton
Mr L Banda
Mr JV O'Donovan

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

Mr C Pearson was appointed as a director on 24 May 2007

Mr JV O'Donovan retired as a director on 24 May 2007

DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to 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,
- 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 that 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 1985. 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
-

THE MORTGAGE TRADING EXCHANGE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2007

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

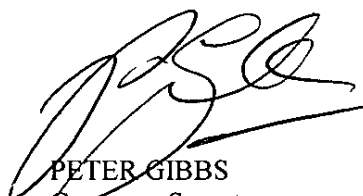
A resolution to re-appoint Coveney Nicholls as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Registered office
6 The Courtyard
Buntsford Gate
Buntsford Drive
Bromsgrove
Worcestershire
B60 3DJ

Signed by order of the directors



PETER GIBBS
Company Secretary

Approved by the directors on 22/11/07

THE MORTGAGE TRADING EXCHANGE LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
THE MORTGAGE TRADING EXCHANGE LIMITED****YEAR ENDED 31 MARCH 2007**

We have audited the financial statements of The Mortgage Trading Exchange Limited for the year ended 31 March 2007 on pages 5 to 10, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 7 to 8

This report is made solely to the company's members, 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 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE MORTGAGE TRADING EXCHANGE LIMITED *(continued)*

YEAR ENDED 31 MARCH 2007

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

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


COVENEY NICHOLLS
Chartered Accountants
& Registered Auditors

17.12.07

THE MORTGAGE TRADING EXCHANGE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2007

	Note	2007 £	2006 £
TURNOVER		2,759,353	2,367,080
Cost of sales		<u>207,623</u>	<u>229,191</u>
GROSS PROFIT		2,551,730	2,137,889
Administrative expenses		<u>2,517,385</u>	<u>2,647,283</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		34,345	(509,394)
Tax on profit/(loss) on ordinary activities	4	—	(90,000)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>34,345</u>	<u>(419,394)</u>

The notes on page 5 form part of these financial statements

THE MORTGAGE TRADING EXCHANGE LIMITED

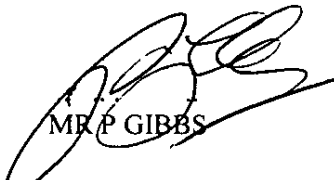
BALANCE SHEET

31 MARCH 2007

	Note	2007 £	2006 £
CURRENT ASSETS			
Debtors	5	106,422	90,327
Cash at bank		3,449	3,663
		<u>109,871</u>	<u>93,990</u>
CREDITORS: Amounts falling due within one year			
	7	<u>2,474,349</u>	<u>2,492,813</u>
NET CURRENT LIABILITIES		(2,364,478)	(2,398,823)
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,364,478)	(2,398,823)
CAPITAL AND RESERVES			
Called-up equity share capital	10	2	2
Profit and loss account	11	<u>(2,364,480)</u>	<u>(2,398,825)</u>
DEFICIT		(2,364,478)	(2,398,823)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the 22/11/07 and are signed on their behalf by



MR P GIBBS

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The Turnover shown in the profit and loss account represents amounts receivable for services provided to customers exclusive of value added tax. Annual contracts are credited to turnover in equal monthly instalments over the period of the contract.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Fixed assets

All fixed assets are initially recorded at cost.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging

	2007	2006
	£	£
Staff pension contributions	24,614	26,347
Auditor's fees	<u>2,500</u>	<u>2,000</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Aggregate emoluments	147,444	284,851
Value of company pension contributions to money purchase schemes	3,600	4,500
	<u>151,044</u>	<u>289,351</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007	2006
	£	£
Deferred tax		
Origination and reversal of timing differences (note 6)		
Losses	<u>-</u>	<u>(90,000)</u>

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

4. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2006 - 19%)

	2007 £	2006 £
Profit/(loss) on ordinary activities before taxation	<u>34,345</u>	<u>(509,394)</u>
Profit/(loss) on ordinary activities by rate of tax	6,526	(96,785)
Tax losses utilised by group / carried forward	7,381	96,380
Items not deductible for taxation purposes	343	405
Expenses deductible for taxation purposes	<u>(14,250)</u>	<u>-</u>
Total current tax (note 4(a))	<u>-</u>	<u>-</u>

5. DEBTORS

	2007 £	2006 £
Trade debtors	16,422	-
VAT recoverable	-	327
Deferred taxation (note 6)	<u>90,000</u>	<u>90,000</u>
	<u>106,422</u>	<u>90,327</u>

The deferred tax asset is due after more than one year All other debtors are due within one year

6. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2007 £	2006 £
Included in debtors (note 5)	<u>90,000</u>	<u>90,000</u>

The movement in the deferred taxation account during the year was

	2007 £	2006 £
Balance brought forward	90,000	-
Profit and loss account movement arising during the year	-	90,000
Balance carried forward	<u>90,000</u>	<u>90,000</u>

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

6. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Tax losses available	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

A further deferred tax asset of £86,400 (2005 £102,000) arising on unrelieved taxable losses has not been recognised in the accounts owing to the uncertainty of future taxable profits in which the losses can be utilised against

7. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Trade creditors	—	136
Amounts owed to group undertakings	570,384	1,307,044
Other creditors including taxation		
VAT	2,447	—
Other creditors	—	161
Accruals and deferred income	<u>1,901,518</u>	<u>1,185,472</u>
	<u>1,903,965</u>	<u>1,185,633</u>
	<u>2,474,349</u>	<u>2,492,813</u>

8. CONTINGENCIES

The company cross guarantees the debts of fellow subsidiaries. At 31 March 2007 external finance totalling £829,764 (2006 - £1,002,323) was held by two group companies

9. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary and the results of the company are included in the consolidated financial statements of the ultimate parent undertaking, MBL Holdings Limited and accordingly no related party transactions are required to be disclosed under Financial Reporting Standard 8, 'Related Party Transactions'

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2007

10. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
10,000 Ordinary shares of £0.05 each	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £0.05 each	<u>40</u>	<u>2</u>	<u>40</u>	<u>2</u>

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance brought forward	2	(2,398,825)	(2,398,823)
Profit for the year	—	34,345	34,345
Balance carried forward	<u>2</u>	<u>(2,364,480)</u>	<u>(2,364,478)</u>

12. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Mortgage Brain Limited

The company's ultimate parent undertaking is MBL Holdings Limited a company registered in England and Wales under number 3887371. Consolidated accounts are publicly available from Companies House, Crown Way, Cardiff

THE MORTGAGE TRADING EXCHANGE LIMITED
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2007

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 3 to 4**

THE MORTGAGE TRADING EXCHANGE LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

	2007		2006	
	£	£	£	£
TURNOVER		2,759,353		2,367,080
COST OF SALES				
Purchases	9,887		10,100	
Direct costs	<u>197,736</u>		<u>219,091</u>	
		207,623		229,191
GROSS PROFIT		2,551,730		2,137,889
OVERHEADS				
Administrative expenses		2,517,385		2,647,283
PROFIT/(LOSS) ON ORDINARY ACTIVITIES		<u>34,345</u>		<u>(509,394)</u>

THE MORTGAGE TRADING EXCHANGE LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2007

	2007		2006	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	146,838		284,163	
Directors pension contributions	3,600		4,500	
Wages and salaries	1,323,260		1,426,069	
Employers national insurance contributions	165,698		189,645	
Staff pension contributions	24,614		26,347	
		1,664,010		1,930,724
Establishment expenses				
Rent	13,466		2,581	
Rates and water	27,399		32,923	
Light and heat	7,675		9,633	
Insurance	26,953		29,353	
Repairs and maintenance	2,785		1,926	
		78,278		76,416
General expenses				
Motor expenses	71,450		94,486	
Travel and subsistence	67,633		78,928	
Telephone	138,291		170,128	
Equipment leasing charges	494		1,273	
Printing, stationery and postage	9,259		17,217	
Staff training	4,675		7,608	
Sundry expenses	(696)		989	
Marketing expenses	385,450		154,748	
Subscriptions	5,486		5,616	
Entertaining	1,805		2,133	
Management charges payable	52,193		39,632	
Legal and professional fees	11,747		20,387	
Recruitment fees	24,785		44,973	
Auditors remuneration	2,500		2,000	
		775,072		640,118
Financial costs				
Bank charges		25		25
		<u>2,517,385</u>		<u>2,647,283</u>