COMPANY REGISTRATION NUMBER: 03340621

The Mortgage Trading Exchange Limited

Financial Statements

31 March 2018



COVENEY NICHOLLS PARTNERSHIP LLP
Chartered Accountants & Statutory Auditor
The Old Wheel House
31/37 Church Street
Reigate
Surrey
UK
RH2 0AD

The Mortgage Trading Exchange Limited

Financial Statements

Year ended 31 March 2018

Contents	Page
Directors' report	1
Independent auditor's report to the members	3
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9
The following pages do not form part of the financial statements	
Detailed income statement	15
Notes to the detailed income statement	16

The Mortgage Trading Exchange Limited

Directors' Report

Year ended 31 March 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

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

M Lofthouse
P Gibbs
T L Morshead
T J Lapish
C P Calder
J G Gibbons
I G Andrew
S Taylor
R Crocker
C Molyneux
P D Rogerson

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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). 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 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;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Mortgage Trading Exchange Limited

Directors' Report *(continued)*

Year ended 31 March 2018

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 9th Oct 18 and signed on behalf of the board by:

Mr T Birha
Director

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

The Mortgage Trading Exchange Limited

Independent Auditor's Report to the Members of The Mortgage Trading Exchange Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of The Mortgage Trading Exchange Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Mortgage Trading Exchange Limited

Independent Auditor's Report to the Members of The Mortgage Trading Exchange Limited *(continued)*

Year ended 31 March 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Mortgage Trading Exchange Limited

Independent Auditor's Report to the Members of The Mortgage Trading Exchange Limited *(continued)*

Year ended 31 March 2018

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

J Kelly 4-12-18

Mr J N Kelly (Senior Statutory Auditor)

For and on behalf of
Coveney Nicholls Partnership LLP
Chartered Accountants & Statutory Auditor
The Old Wheel House
31/37 Church Street
Reigate
Surrey
UK
RH2 0AD

The Mortgage Trading Exchange Limited

Statement of Comprehensive Income

Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		**1,814,879**	2,516,833
Cost of sales		**2,012**	2,365
Gross profit		**1,812,867**	2,514,468
Administrative expenses		**2,275,968**	2,653,257
Operating loss		**(463,101)**	(138,789)
Other interest receivable and similar income		**–**	271
Interest payable and similar expenses		**15,184**	3,546
Loss before taxation		**(478,285)**	(142,064)
Tax on loss	**7**	**8,555**	(114,963)
Loss for the financial year and total comprehensive income		**(486,840)**	(27,101)

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The Mortgage Trading Exchange Limited

Statement of Financial Position

31 March 2018

	Note	2018 £	£	2017 £
Current assets				
Debtors	8	**482,749**		581,151
Cash at bank and in hand		**95**		797
		482,844		581,948
Creditors: amounts falling due within one year	9	**974,704**		1,037,920
Net current liabilities			**491,860**	455,972
Total assets less current liabilities			**(491,860)**	(455,972)
Net liabilities			**(491,860)**	(455,972)
Capital and reserves				
Called up share capital			**2**	2
Profit and loss account			**(491,862)**	(455,974)
Shareholders deficit			**(491,860)**	(455,972)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 4th Oct 18, and are signed on behalf of the board by:

Mr T Birha
Director

Company registration number: 03340621

The Mortgage Trading Exchange Limited

Statement of Changes in Equity

Year ended 31 March 2018

	Called up share capital £	Profit and loss account £	**Total £**
At 1 April 2016	2	(1,302,829)	(1,302,827)
Loss for the year		(27,101)	(27,101)
Total comprehensive income for the year	–	(27,101)	(27,101)
Capital contribution from ultimate parent company (allocation of group cash settled share based payment expense)	–	873,956	873,956
Total investments by and distributions to owners	–	873,956	873,956
At 31 March 2017	2	(455,974)	**(455,972)**
Loss for the year		(486,840)	**(486,840)**
Total comprehensive income for the year	–	(486,840)	**(486,840)**
Capital contribution from ultimate parent company (allocation of group cash settled share based payment expense)	–	450,952	**450,952**
Total investments by and distributions to owners	–	450,952	**450,952**
At 31 March 2018	2	(491,862)	**(491,860)**

The Mortgage Trading Exchange Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 6 The Courtyard, Buntsford Gate, Buntsford Drive, Bromsgrove, Worcestershire, B60 3DJ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Mortgage Brain Holdings Limited which can be obtained from Companies House, Cardiff. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.
(b) No cash flow statement has been presented for the company.
(c) Disclosures in respect of financial instruments have not been presented.
(d) Disclosures in respect of share-based payments have not been presented.
(e) No disclosure has been given for the aggregate remuneration of key management personnel.

Revenue recognition

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.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The Mortgage Trading Exchange Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. 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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Share-based payments

The company participates in a share-based payment arrangement established by the ultimate parent company and has taken advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	**2,605**	2,530

5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Administrative staff	**99**	96
Management staff	**5**	4
	104	100

The Mortgage Trading Exchange Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

5. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	**1,626,320**	2,051,429
Social security costs	**136,749**	133,424
Other pension costs	**122,966**	125,556
	1,886,035	2,310,409

The staff numbers and costs disclosed above all have contracts of employment with another group company, Mortgage Brain Limited. There are no staff with contracts of employment with this company.

The costs and average numbers are disclosed in this company since a proportion of their time is spent working for this company.

6. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	**108,491**	116,116
Company contributions to defined contribution pension plans	**16,456**	22,212
	124,947	138,328

7. Tax on loss

Major components of tax expense/(income)

	2018	2017
	£	£
Deferred tax:		
Origination and reversal of timing differences	**8,555**	(116,870)
Impact of change in tax rate	**–**	1,907
Total deferred tax	**8,555**	(114,963)
Tax on loss	**8,555**	(114,963)

Reductions to the UK Corporation tax rate were substantively enacted as part of the Finance Bill 2014 on 2 July 2014. This reduces the main rate to 19% from 1 April 2017. The deferred tax asset reflect this rate.

The Mortgage Trading Exchange Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

7. Tax on loss *(continued)*

Reconciliation of tax expense/(income)

The tax assessed on the loss on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	**(478,285)**	(142,064)
Loss on ordinary activities by rate of tax	**(90,874)**	(28,413)
Effect of expenses not deductible for tax purposes	**21,097**	13,396
Utilisation of tax losses	**–**	(118,891)
Unused tax losses	**303**	–
Effect of change in UK tax rates	**–**	12,422
Group relief surrendered/(claimed)	**117,211**	–
Enhanced R&D deduction	**(41,364)**	(40,883)
Tax relief on payment of cash settled share based payments	**2,182**	47,406
Tax on loss	**8,555**	(114,963)

8. Debtors

	2018	2017
	£	£
Amounts owed by group undertakings	**338,350**	428,291
Deferred tax asset	**144,113**	152,668
Prepayments and accrued income	**192**	–
Other debtors	**94**	192
	482,749	581,151

9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	**46,303**	7,411
Accruals and deferred income	**928,130**	1,030,505
Corporation tax	**271**	–
Social security and other taxes	**–**	4
	974,704	1,037,920

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in debtors (note 8)	**144,113**	152,668

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

	2018	2017
	£	£
Share-based payments	**(144,113)**	(152,668)

The Mortgage Trading Exchange Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Deferred tax *(continued)*

The company has recognised a deferred tax asset in respect of the options charge, which will crystallise when the options are exercised. The deferred tax asset is expected to reverse in full during the following year.

The company has an unrecognised deferred tax asset of £65,624 (2016 - £187,970) in respect of unused tax losses. No deferred tax asset has been recognised due to the uncertain timing at which sufficient profits will be generated to utilise the losses.

11. Share-based payments

Certain employees of the company have previously been granted cash settled share based payments in the ultimate parent company, Mortgage Brain Holdings Limited. The expense of shares granted is being recognised by the group over the vesting period.

In the company, the arrangement is recognised as equity settled, since the company has no obligation to settle the share based payment transaction. The obligation lies with the issuing entity, Mortgage Brain Holdings Limited. The company recognises an equity-settled share-based payment expense based on a reasonable allocation of the total charge for the group. The allocation is the total charge for the group pro-rated for the number of participating employees of the company.

The total expense recognised in profit or loss for the year is as follows:

	2018	2017
	£	£
Cash-settled share-based payments	**450,952**	873,956

12. Contingencies

The company cross guarantees the debts of fellow group companies. External finance totalling £1,526,837 was held by the group at 31 March 2018 (2017 - £514,156).

13. Related party transactions

The company is exempt from disclosing transactions with companies also wholly owned by the group.

14. Controlling party

The immediate parent company is Mortgage Brain Limited, a company incorporated in England and Wales.

The ultimate parent company is Mortgage Brain Holdings Limited a company registered in England and Wales under number 3887371. Mortgage Brain Holdings Limited is not controlled by any other party.

Mortgage Brain Holdings Limited is largest and smallest company to prepare group accounts in which the results of the company are included. Its registered office is 6 The Courtyard, Buntsford Gate, Buntsford Drive, Bromsgrove, Worcestershire, B60 3DJ. Consolidated accounts are publicly available from Companies House, Crown Way, Cardiff.