

MORTGAGE EXPRESS HOLDINGS

Directors' Report and Financial Statements for the 12 months to 31 March 2016

Registered number: 02412659

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Mortgage Express Holdings

Directors' Report and Financial Statements for the 12 months to 31 March 2016

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Mortgage Express Holdings

Company Information

Director

Ian John Hares

John Gornall

Company Secretary

Claire Louise Craigie

Registered Office

PO Box 88

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

Mortgage Express Holdings

Directors' Report for the 12 months to 31 March 2016

The Directors present their Report and audited Financial Statements of Mortgage Express Holdings ('the Company') for the year to 31 March 2016.

Principal activity and business review

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the 'Act'). The Directors' report has therefore been prepared taking into consideration the entitlement to small companies exemptions provided in section 414B and 415A of the Act.

The principal activity of the Company was to operate as the holding company for mortgage lending entities. The principal subsidiaries operated in an agency capacity, to enable the collection and distribution of cash from mortgage loans secured on residential property.

The Company has not traded during the current or previous year.

Controlling Party

The Company's immediate parent undertaking is Bradford & Bingley Investments, an unlimited company incorporated and domiciled in the United Kingdom.

Bradford & Bingley Investments' immediate parent undertaking is Bradford & Bingley plc ('B&B') a public company incorporated and domiciled in the United Kingdom. B&B heads the smallest group of companies into which the Financial Statements of the Company are consolidated.

B&B's ultimate parent undertaking is UK Asset Resolution Limited ('UKAR') a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. The Company considers Her Majesty's Government to remain its ultimate controlling party.

Dividends

No dividend was paid in the year to March 2016 (March 2015: £nil) and the Directors do not recommend the payment of a final dividend (2015: £nil).

Risk management and control

The Directors have responsibility for the overall system of internal control and for reviewing its effectiveness. The effectiveness of the risk management is then monitored on an ongoing basis. Details of the financial risk management within the Company are given in note 8.

Mortgage Express Holdings

Directors' Report for the 12 months to 31 March 2016 (continued)

Directors and their interests

The Directors who served during the year and up to the date of signing the Financial Statements were as follows:

Ian John Hares

John Gornall

The Directors did not hold any interest in the ordinary shares of the Company during the year (2015: none). The Directors had no interest in the loan capital of B&B or any other interest in the share or loan capital of its subsidiaries.

Mr Hares is a Director of B&B and UKAR.

Directors' indemnities

Qualifying third party indemnity provision for the benefit of all Directors was in force during the year under review, and remains in force at the date of approval of the Directors' Report and Financial Statements.

UKAR has also arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

Statement of Directors' Responsibilities

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 period. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 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 accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union 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 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.

Mortgage Express Holdings

Directors' Report for the 12 months to 31 March 2016 (continued)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Independent auditors

A resolution to appoint the National Audit Office as the Company's auditors will be obtained from the Company's shareholder following the resignation of PricewaterhouseCoopers LLP on the 19 September 2016.

On behalf of the Board



John Gornall
Director
19 September 2016

Mortgage Express Holdings

Independent Auditors' report to the Members of Mortgage Express Holdings

Report on the Financial Statements

Our Opinion

In our opinion, Mortgage Express Holdings' Financial Statements (the 'Financial Statements'):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its result and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the 'Annual Report'), comprise:

- the Balance Sheet as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Mortgage Express Holdings

Independent Auditors' report to the Members of Mortgage Express Holdings (continued)

Entitlement to Exemptions

Under the Companies Act 2006 we are required to report to you, if in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ('ISAs (UK&Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of Financial Statements involves

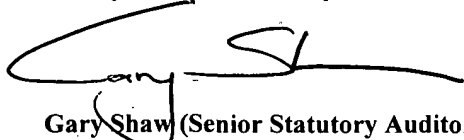
We conducted our audit in accordance with ISAs (UK&Ireland). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the Financial Statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

19 September 2016

Mortgage Express Holdings

Statement of Comprehensive Income for the 12 months to 31 March 2016

During the current and previous year the Company received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss and no Statement of Comprehensive Income has been presented.

The notes on pages 13 to 15 form an integral part of these Financial Statements

Mortgage Express Holdings

Balance Sheet as at 31 March 2016

Registered number: 02412659

	Note	At 31 March 2016 £	At 31 March 2015 £
Equity			
Share capital	6	2	2
Accumulated losses		(2)	(2)
Total equity		-	-

The notes on pages 13 to 15 form an integral part of these Financial Statements.

The Financial Statements were approved by the Board of Directors and authorised for issue on 19 September 2016 and signed on its behalf by:



John Gornall
Director
19 September 2016

Mortgage Express Holdings

Statement of Changes in Equity for the 12 months to 31 March 2016

For the 12 months to 31 March 2016

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2015	2	(2)	-
Total comprehensive result for the year	-	-	-
At 31 March 2016	2	(2)	-

For the 12 months to 31 March 2015

	Share capital £	Accumulated losses £	Total equity £
At 1 April 2014	2	(2)	-
Total comprehensive result for the year	-	-	-
At 31 March 2015	2	(2)	-

Mortgage Express Holdings

Cash Flow Statement for the 12 months to 31 March 2016

During the current and previous year the Company had no cash or cash equivalents and no cash transactions. Accordingly no Cash Flow Statement has been presented.

The Company had no significant non-cash transactions during the current or previous year.

Mortgage Express Holdings

Notes to the Financial Statements for the 12 months to 31 March 2016

1 Principal accounting policies

The Company is an unlimited company incorporated and domiciled in the United Kingdom.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRS').

For these 2016 Financial Statements, including the 2015 comparative financial information where applicable, the Company has adopted the following statements for the first time:

- The Annual Improvements to IFRSs 2010-2012 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016; these changes had no material impact on the Company.
- The Annual Improvements to IFRSs 2011-2013 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016; these changes had no material impact on the Company.

For these 2016 Financial Statements the Company has not adopted the following statements; the Company is assessing the impacts of these statements on its Financial Statements:

- IFRS 9 'Financial Instruments'; in July 2014 the IASB published the final version (excluding macro-hedging), replacing most of the requirements of IAS 39. The IASB intends that IFRS 9 will be effective for annual periods beginning on or after 1 January 2018, but the timing of EU endorsement is yet to be determined. The Company is undertaking an assessment of these impacts.
- IFRS 15 'Revenue from Contracts with Customers', issued May 2014, effective for periods beginning on or after 1 January 2018, yet to be endorsed by the EU. No material impacts are expected for the Company.
- The Annual improvements to IFRS 2012-2014 Cycle, issued in September 2014. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2017. No material impacts are expected for the Company.
- Amendments to IAS 12 'Income Taxes' relating to 'Recognition of Deferred Tax Assets for Unrealised Losses', issued in January 2016, effective for periods beginning on or after 1 January 2017 and yet to be endorsed by the EU. The Company is assessing the impacts of this statement.

All other new standards, amendments to standards and interpretations are not considered relevant to, and have no impact upon, the Financial Statements of the Company.

Mortgage Express Holdings

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

1 Principal accounting policies (continued)

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis and on a going concern basis.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied to the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, IFRIC interpretations issued by the IFRS Interpretations Committee (formerly the International Financial Reporting Interpretations Committee) and with those parts of the Companies Act 2006 (the 'Act') applicable to companies reporting under IFRS. A summary of accounting policies is set out below. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates; further information is provided in note 2.

(c) Functional currency

The presentation and functional currency of the Company and the presentation currency of the Company is pounds sterling.

2 Critical accounting judgements and estimates

In preparation of the Financial Statements judgements and estimates may be made which may affect the reported amounts of assets and liabilities; judgements and estimates are kept under continuous evaluation. Judgements and estimates are based on historical experience, expectations of future events and other factors. At 31 March 2016 and 31 March 2015 there were no critical accounting judgements and estimates.

3 Employees and Directors' emoluments

There were no employees during the year (2015: none) and the Directors did not receive emoluments in respect of their services to the Company during the year (2015: £nil).

4 Auditors' remuneration

Auditors' remuneration of £500 (2015: £500) was borne by the Company's parent undertaking B&B.

5 Related party disclosures

The Company is controlled by its Board of Directors. Auditors' remuneration of £500 (2015: £500) for the year was borne by B&B and was not recharged to the Company.

The Company considers the UK government to be its ultimate controlling party. The Company has transactions with numerous government bodies on an arm's length basis in relation to the payment of corporation tax and regulatory fees and levies.

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Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

6 Share capital

	At 31 March 2016 Number	At 31 March 2015 Number	At 31 March 2016 £	At 31 March 2015 £
Allotted, issued but not paid				
Ordinary shares of £1 each	2	2	2	2

These shares rank equally in respect of rights attached to voting, dividends and in the event of a winding up.

7 Capital structure

The Company's capital is represented by the capital and reserves attributable to equity holders. The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies. The Company manages its capital and reserves in order that there is sufficient capital to meet the needs of the Company in its operations.

8 Financial risk management

Nature and extent of risks arising from financial instruments

The main financial risk arising from the Company's activities is credit risk.

a) Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. As at 31 March 2016 the Company has no material exposure to credit risk.

The directors are of the opinion that the Company has no material exposure to market risk.

9 Ultimate parent undertaking

The Company's immediate parent undertaking during the current and previous year was Bradford & Bingley Investments, an unlimited company incorporated and domiciled in the United Kingdom. Bradford & Bingley Investments' immediate parent undertaking during the current and previous year was B&B, a public company incorporated and domiciled in the United Kingdom. B&B heads the smallest group of companies into which the Financial Statements of the Company are consolidated. Copies of the Annual Report and Accounts of B&B may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA.

On 1 October 2010 all shares in B&B were acquired via a share-for-share exchange by UKAR, a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. The Company considers Her Majesty's Government to remain its ultimate controlling party. UKAR heads the largest group of companies into which the Financial Statements of the Company are consolidated. Copies of the Annual Report and Accounts of UK Asset Resolution Limited may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire BD16 2UA. The results of the UKAR Group are consolidated into those of HM Treasury as presented in HM Treasury's Annual Reports and Accounts.

10 Events after the reporting period

The Directors are of the opinion that there have been no significant events which have occurred since 1 April 2016 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in these Financial Statements.