

**UK MORTGAGE CORPORATION
LIMITED**

Report and Financial Statements

Year ended 31 March 2009

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UK MORTGAGE CORPORATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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UK MORTGAGE CORPORATION LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H N Moser
E B Esterkin

SECRETARY

E B Esterkin

REGISTERED OFFICE

7 St James Square
Manchester
M2 6DN

BANKERS

Lloyds TSB
53 King Street
Manchester
M2 4LQ

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

UK MORTGAGE CORPORATION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity continues to be that of financiers.

The directors consider the performance of the company to be satisfactory and look forward to the future with confidence.

The company qualifies as small per Companies Act 1985 (s246 (4)) and is therefore exempt from the requirement to prepare an enhanced business review.

RESULTS AND DIVIDENDS

The audited financial statements are set out on pages 6 to 12. The profit for the year after taxation was £51,155 (2008 - £87,369).

The directors do not propose payment of a dividend (2008 - £nil).

STATEMENT OF GOING CONCERN

As set out in the Statement of Directors' Responsibilities, in preparing these financial statements the directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors of the company have considered the company's liquidity position insofar as to the extent to which it might affect the preparation of the company's financial statements on a going concern basis.

At the date of signing, the company has significant levels of cash held in bank deposit, considerably in excess of the company's liabilities.

On this basis, the directors have determined that the company will have sufficient liquidity to ensure that it will continue in operational existence for the foreseeable future. Accordingly the directors of the company have adopted the going concern basis in preparing financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are shown on page 1.

AUDIT INFORMATION

In the case of each of the persons who are directors of the company at the date when this report is approved:

- as far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

UK MORTGAGE CORPORATION LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

On 1 December 2008, the company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



E.B. Esterkin

Secretary 30 September 2009

STATEMENT OF 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK MORTGAGE CORPORATION LIMITED

We have audited the financial statements of UK Mortgage Corporation Limited for the year ended 31 March 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and 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 other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of the 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.

Deloitte LLP

Deloitte LLP

Chartered Accountants and Registered Auditors

Manchester

United Kingdom

30 SEP 2009

UK MORTGAGE CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2009

	Note	2009 £	2008 £
TURNOVER	2	9,547	8,603
Other operating (expenses)/ income		(6,566)	18,396
OPERATING PROFIT		2,981	26,999
Interest receivable and similar income	3	71,656	114,854
Interest payable and similar charges	3	(3,200)	(16,612)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	71,437	125,241
Taxation on profit on ordinary activities	6	(20,282)	(37,872)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	51,155	87,369

All activity arose from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2009 £	2008 £
Profit for the financial year	51,145	87,369
Revaluation of investment property (see note 7)	(12,500)	(12,500)
Total recognised gains for the year	38,645	74,869

UK MORTGAGE CORPORATION LIMITED


BALANCE SHEET 31 March 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	60,000	72,500
CURRENT ASSETS			
Debtors:			
- due within one year	8	2,910	3,220
- due after one year	8	25,299	25,378
Cash at bank and in hand		2,438,031	2,869,480
		2,466,240	2,898,078
CREDITORS: Amounts falling due within one year	9	(84,465)	(567,458)
NET CURRENT ASSETS		2,381,775	2,330,620
NET ASSETS		2,441,775	2,403,120
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Revaluation reserve	11	48,000	60,500
Profit and loss account	11	2,393,773	2,342,618
EQUITY SHAREHOLDERS' FUNDS	12	2,441,775	2,403,120

These financial statements were approved by the Board of Directors on 30 September 2009.

Signed on behalf of the Board of Directors

H.N. Moser
Director



E.B. Esterkin
Director



UK MORTGAGE CORPORATION LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2009

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with United Kingdom accounting standards and applicable law. They have been applied consistently in the current and prior year. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties and on the going concern basis. The directors continue to adopt the going concern basis as disclosed in the Directors' Report - Statement of Going Concern.

Cash flow statement

As permitted by FRS 1 (Revised 1996), the company has not produced a cash flow statement as it is defined as a small company in accordance with section 246 of the Companies Act 1985.

Turnover

Turnover comprises total interest received and receivable arising on loans to customers outstanding during the year. Turnover also includes rents received and receivable on the investment property.

Investment properties

A valuation of investment properties is made annually as at the balance sheet date by the directors at open market value. Changes in the market value of investment properties are accounted for by way of a movement in the revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account reserve.

In accordance with SSAP 19 "Accounting for Investment Properties" no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have decreased by depreciation. However the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual revaluation and the amount which might otherwise have been shown cannot be separately identified or quantified.

UK MORTGAGE CORPORATION LIMITED

NOTES TO THE ACCOUNTS (Continued) Year ended 31 March 2009

1. ACCOUNTING POLICIES (continued)

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. TURNOVER

	2009 £	2008 £
Interest received and receivable	6,047	5,853
Rental income	3,500	2,750
	<u>9,547</u>	<u>8,603</u>

3. FINANCE INCOME AND CHARGES

Interest receivable and similar income	2009 £	2008 £
Bank interest receivable	<u>71,656</u>	<u>114,854</u>
Interest payable and similar charges	2009 £	2008 £
Interest payable on late payment of tax	<u>(3,200)</u>	<u>(16,612)</u>

4. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

UK MORTGAGE CORPORATION LIMITED

NOTES TO THE ACCOUNTS (Continued) Year ended 31 March 2009

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £	2008 £
Profit on ordinary activities before taxation is stated after charging: Fees payable to the company's auditors for the audit of the company's annual accounts	2,500	2,500

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) The tax charge comprises:

	2009 £	2008 £
Current tax		
UK corporation tax	20,282	37,872
Total tax on profit on ordinary activities	20,282	37,872

There is no deferred tax balance or movement.

b) The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2009 £	2008 £
Profit on ordinary activities before tax	71,437	125,241
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2008: 30%)	20,002	37,572
Effects of: Expenses not deductible for tax purposes	280	300
Current tax charge for period (see note 6a)	20,282	37,872

7. TANGIBLE FIXED ASSETS

	Investment property £
Valuation	
At beginning of year	72,500
Revaluation	(12,500)
At end of year	60,000

The directors have revalued the investment property by £12,500 to an amount equal to its open market value (2008: decrease in valuation of £12,500). The net book value of investment property would have been £12,000 if it had never been revalued.

UK MORTGAGE CORPORATION LIMITED

NOTES TO THE ACCOUNTS (Continued) Year ended 31 March 2009

8. DEBTORS

	2009 £	2008 £
Amounts falling due within one year:		
Trade debtors	2,909	2,910
Other debtors	1	186
Prepayments and accrued income	-	124
	<u>2,910</u>	<u>3,220</u>
Amounts falling due after one year:		
Trade debtors	25,299	25,378
	<u>28,209</u>	<u>28,598</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to related parties	11,468	-
Corporation tax	58,155	530,895
Other creditors	3,638	3,639
Accruals and deferred income	11,204	32,924
	<u>84,465</u>	<u>567,458</u>

10. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. RESERVES

	Revaluation reserve £	Profit and loss account £
At beginning of year	60,500	2,342,618
Retained profit for the year	-	51,155
Revaluation of investment property	(12,500)	-
At end of year	<u>48,000</u>	<u>2,393,773</u>

UK MORTGAGE CORPORATION LIMITED

NOTES TO THE ACCOUNTS (Continued) Year ended 31 March 2009

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening equity shareholders' funds	2,403,120	2,328,251
Revaluation of investment property	(12,500)	(12,500)
Profit for the financial year	51,155	87,369
	<hr/>	<hr/>
Closing equity shareholders' funds	2,441,775	2,403,120
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13. RELATED PARTY TRANSACTIONS

The related party creditors outstanding at the year end relate to £11,468 (2008 - £nil) due to Blemain Finance Limited, a company within the Jerrold Holdings Group of which H N Moser is the controlling party. No payments were made to or received from Blemain Finance Limited during the financial year.

14. ULTIMATE CONTROLLING PARTY

Both H.N. Moser and E.B. Esterkin hold one share in the company, however, E.B. Esterkin holds the controlling vote and is therefore the ultimate controlling party.