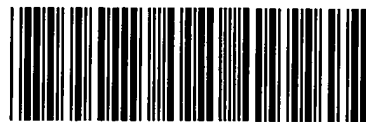


BEAR UK MORTGAGES LIMITED
(Registered Number: 5210244)

Annual report for the year ended 31 December 2014

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BEAR UK MORTGAGES LIMITED
Annual report for the year ended 31 December 2014

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BEAR UK MORTGAGES LIMITED

Strategic report for the year ended 31 December 2014

The directors present their strategic report of the Bear UK Mortgages Limited (the "Company") for the year ended 31 December 2014. The Company's registration number is 5210244. The Company is part of JPMorgan Chase & Co. group (together with its subsidiaries, the "Group").

Principal activity

The principal activity of the company continues to be that of an investment holding company.

Review of business

The investment in subsidiary was fully impaired during the year. The results and the position of the Company for the year ended 31 December 2014 have been included in the Directors' report.

Principal risks and uncertainties

Whilst management of the Company's risks and uncertainties is integrated with that of the wider group, the Company also manages certain risks at a legal entity level. The Company is a holding company and its greatest risk lies in the value of its investments. An impairment assessment of the value of investment in subsidiary undertakings is conducted annually.

Key performance indicators (KPIs)

The results are monitored against expectations of the business activities. A more detailed description of the Group key performance indicators may be found within the Group annual report.

Business environment, strategy and future outlook

The directors do not expect any change in the Company's activities in the coming year.

Approved by the board of directors and signed on behalf of the board by a director of the company



Director

Stephen White
22 July 2015.

BEAR UK MORTGAGES LIMITED

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the Bear UK Mortgages Limited (the "Company") for the year ended 31 December 2014. The Company's registration number is 5210244. The Company is part of JPMorgan Chase & Co. group (together with its subsidiaries, the "Group").

Results and dividends

The results for the year are set out on page 6 and show the Company's loss for the financial year is £26,997 (2013: £793).

No dividend was paid or proposed during the year (2013: nil.)

Share capital and reserves

The issued share capital of the Company as at 31 December 2014, and matters relating thereto, are set out in note 11 to the financial statements.

Total share capital and reserves of the Company as detailed in the balance sheet amounted to £402 as at 31 December 2014 (2013: £27,399).

Going concern assessment

The financial statements have been prepared on the going concern basis and under the historical cost convention as mentioned in Note 1.1.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements were as follows:

S.M. White

J.R. Hobson (Appointed 4 February 2014)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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 of the profit or loss of the company for that period.

BEAR UK MORTGAGES LIMITED

Directors' report for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities (continued)

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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Qualifying third party indemnity provisions

An indemnity is provided to the directors of the Company under the by-laws of JPMorgan Chase & Co. against liabilities and associated costs which they could incur in the course of their duties to the Company. The indemnity remains in force at the date of these financial statements and a copy of the by-laws of JPMorgan Chase & Co. is kept at the registered office of the Company.

Company secretary

The Secretary of the Company who served during the year was as follows:


J.P. Morgan Secretaries (UK) Limited

The registered address of the Company Secretary is the same as the registered address of the Company, as shown in note 15.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

Approved by the board of directors and signed on behalf of the board by a director of the company


Director
Stephen White
22 July 2015

Independent auditors' report to the members of Bear UK Mortgages Limited

Report on the financial statements

Our opinion

In our opinion Bear UK Mortgages Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Bear UK Mortgages Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Strategic Report and 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.

Independent auditors' report to the members of Bear UK Mortgages Limited (continued)

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, 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 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.



Jonathan Holloway (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 May 2015

BEAR UK MORTGAGES LIMITED

Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Other income	2	4,270	13
Profit		4,270	13
Interest payable and similar charges	4	(788)	(806)
Impairment of investments in Group undertakings	7	(30,479)	-
Loss on ordinary activities before taxation	5	(26,997)	(793)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		(26,997)	(793)

The (loss) for the financial year resulted from continuing operations.

The Company has no recognised gains or losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

The reconciliation of movements in shareholders' funds during the year is detailed in note 13.

There are no material differences between the loss on ordinary activities before taxation as stated above and their historical cost equivalents.

The notes on pages 8 - 13 form an integral part of these financial statements.

BEAR UK MORTGAGES LIMITED

Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	7	-	30,479
Current assets			
Debtors	8	74	-
Cash at bank and in hand	9	328	1,110
		402	1,110
Creditors: amounts falling due within one year	10	-	(4,190)
Net current assets / (liabilities)		402	(3,080)
Total assets less current liabilities		402	27,399
Net assets		402	27,399
Capital and reserves			
Called-up share capital	11	57,425,100	57,425,100
Other reserves	12	1,485,502	1,485,502
Profit and loss reserve	12	(58,910,200)	(58,883,203)
Total shareholders' funds	13	402	27,399

Approved by the board of directors and signed on behalf of the board by a director of the company



Director
Stephen White
22 July 2015

The notes on pages 8 - 13 form an integral part of these financial statements.

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1 Accounting convention

The financial statements have been prepared on the going concern basis and under the historical cost convention. The financial statements have also been prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the requirements of the Companies Act 2006.

The principal accounting policies which have been consistently applied throughout the year are as set out below.

1.2 Consolidation

The directors have taken advantage of the exemption available under Section 402 of the Companies Act 2006, and not prepared the consolidated financial statements of Bear UK Mortgages Limited as in the opinion of the directors, inclusion of the Company's wholly owned subsidiary is not material for the purposes of giving a true and fair view of the state of the Company's affairs as at 31 December 2014.

1.3 Cash flow statement

The Company has taken advantage of the provisions of FRS 1, 'Cash Flow Statements (revised 1996)', which exempt the Company from preparation of a cash flow statement because it is at least a 90% owned subsidiary of the JPMorgan Chase & Co. group, whose financial statements are publicly available.

1.4 Related party transactions

In accordance with the exemption afforded by FRS 8, 'Related Party Disclosures', certain details of transactions with parent and fellow subsidiary companies are not disclosed as they are included in the consolidated financial statements of the Group, which are publicly available.

1.5 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into Sterling at exchange rates prevailing at the date of the transactions. Any gains or losses arising on translation are taken directly to the profit and loss account.

Non-monetary items denominated in foreign currencies that are stated at historical cost are translated into Sterling at the exchange rate ruling at the date of the transaction.

The financial statements have been presented in Sterling as the directors are of the opinion that this is the functional currency of the Company.

1.6 Income and expense recognition

Interest receivable and payable are recognised on an accruals basis.

1.7 Investments in Group undertakings

Investments are in Group undertakings and are stated at cost less provision for any impairment.

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

1.8 Impairment

Fixed assets are reviewed for impairment if there are events or changes in circumstances that indicate that the carrying values may not be recoverable.

The impairment review, which is conducted in accordance with the provisions of FRS 11 'Impairment of Fixed Assets and Goodwill', comprises a comparison of the carrying amount of the fixed asset or goodwill with its recoverable amount, which is the higher of net realisable value and value in use. The carrying value of fixed assets and goodwill is written down by the amount of any impairment. This write down is recognised in the period in which it occurs.

1.9 Provisions for liabilities and charges

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Other income

	2014	2013
	£	£
Foreign exchange translation gain	24	13
Amounts owed to group undertakings written off	4,246	-
	4,270	13

3. Directors' emoluments and staff costs

The directors are employees of other companies in the Group and all expenses, including remuneration, are paid by those companies and not recharged.

The directors do not consider that a significant element of their remuneration relates to the Company for the current financial year.

The Company had no employees at any time during the year (2013: nil).

4. Interest payable and similar charges

	2014	2013
	£	£
Interest payable and similar charges	788	806

5. Loss on ordinary activities before taxation

The auditors' remuneration of £5,000 (2013: £5,000) is met by another Group company and not recharged.

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

6. Tax on loss on ordinary activities

	2014	2013
	£	£
(a) Analysis of tax charge for the year		
Current taxation		
UK Corporation tax on loss for the year	-	-
Total current tax charge for the year	-	-

(b) Factors affecting the current tax charge for the year

The tax charge for the year differs from the standard rate of corporation tax in the UK of 21% reduced from 23% effective from 1 April 2014. The differences are explained below:

Loss on ordinary activities before taxation	(26,997)	(793)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in UK (21.49%) (2013: 23.25%)	(5,803)	(184)
Non deductible expenses	6,551	184
Losses claimed for nil consideration	(748)	-
Current tax charge for the year	-	-

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

7. Investments

	2014	2013
	£	£
At 1 January	30,479	30,479
Impairment	(30,479)	-
At 31 December	-	30,479

The above investments are shown at cost less any provision for impairment.

In the opinion of the directors, the value of the Company's investments is not less than the amount at which it is stated in the balance sheet.

The investments represent share capital in the following entities:

Name	Type	Principal activity	Shares held %
Direct investment			
Bear Packagers Limited	Subsidiary	Dormant company	100.00
Rooftop Holdings Limited*	Non-subsidiary	Holding company	100.00
Indirect investment*			
Rooftop Funding Limited	Non-subsidiary	Provide funding for residential mortgage assets	100.00
Rooftop Mortgages Limited	Non-subsidiary	Origination of mortgages for onward sale	100.00
Rooftop Services Limited**	Non-subsidiary	Provide general management services	100.00
Intermediary Services Limited	Subsidiary	Dormant company	100.00
Farringdon Mortgages No.1 plc ***	Non-subsidiary	Holding a portfolio of mortgage loans	-
Farringdon Mortgages No.2 plc ***	Non-subsidiary	Holding a portfolio of mortgage loans	-
Mansard Mortgages 2006-1 plc ***	Non-subsidiary	Holding a portfolio of mortgage loans	-
Mansard Mortgages 2007-1 plc ***	Non-subsidiary	Holding a portfolio of mortgage loans	-
Mansard Mortgages 2007-2 plc ***	Non-subsidiary	Holding a portfolio of mortgage loans	-

All shares held in the above companies are ordinary shares.

All the above direct and indirect investment companies are incorporated in England and Wales.

*The Company, in addition to owning 100% of the ordinary shares in Rooftop Holdings Limited, also owns 25.9% of the preference shares issued. Since voting rights are attached to these preference shares, control of Rooftop Holdings Limited resides with another group undertaking, and Rooftop Holdings Limited is not a subsidiary. All indirect investments are subsidiaries of Rooftop Holdings Limited except Intermediary Services Limited, which is a subsidiary of Bear Packagers Limited. Therefore, the Company has full ownership of the Rooftop investments but no control and these indirect investments are not subsidiaries.

**Rooftop Services Limited was a wholly owned subsidiary of Rooftop Holdings Limited, dissolved on 22 July 2014.

***The above entities are special purpose vehicles which meet the definition (per section 1162 of the Companies Act 2006) of a subsidiary undertaking.

8. Debtors

	2014	2013
	£	£
Amounts owed by Group undertakings	74	-

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

9. Cash at bank and in hand

All bank balances are held with Group undertakings.

10. Creditors: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to Group undertakings	-	4,190

11. Called-up share capital

	2014	2013
	£	£
Issued and fully paid share capital		
2,425,100 (2013: 2,425,100) ordinary shares of £ 1 each	2,425,100	2,425,100
55,000,000 (2013: 55,000,000) non-cumulative redeemable preference shares of £1 each	55,000,000	55,000,000
	57,425,100	57,425,100

12. Reconciliation of movements in reserves

	Other reserves	Profit and loss reserve
	£	£
At 1 January 2014	1,485,502	(58,883,203)
Loss for the financial year	-	(26,997)
At 31 December 2014	1,485,502	(58,910,200)

13. Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Opening shareholders' funds	27,399	28,192
Loss for the financial year	(26,997)	(793)
Closing shareholders' funds	402	27,399

14. Related parties

In accordance with the exemption afforded by FRS 8, 'Related Party disclosures', certain details of transactions with parent and fellow subsidiary companies that are also wholly-owned with the Group, are not disclosed as they are included in the consolidated financial statements of the Group, which are publicly available. There were no other material disclosable related party transactions during the year.

BEAR UK MORTGAGES LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

15. Parent undertaking

The Company's immediate parent undertaking is The Bear Stearns Companies LLC, which is incorporated in United States of America.

The Company's ultimate parent undertaking and the parent undertaking of the smallest and largest group in which the results of the Company are consolidated, is JPMorgan Chase & Co., which is incorporated in the United States of America.

The groups' consolidated financial statements can be obtained from the Company's registered address:

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom