

Business Mortgage Finance 6 PLC
(formerly known as Webgrange plc)

**Directors' Report and Financial
Statements**

Registered Number 6137875

Period Ended 30 November 2007

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Contents

Company Information	2
Report of the Directors	3
Statement of Directors' Responsibilities	5
Report of the Independent Auditor to the Member of Business Mortgage Finance 6 PLC	6
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10

Company Information

Directors

V Rapley
O Pritchard
A Nehra

Company Secretary

Mourant & Co Capital Secretaries Ltd

Registered Office

8th Floor
68 King William Street
London
EC4N 7DZ

Trading Address

Lutea House
Warley Hill Business Park
The Drive, Great Warley
Brentwood, Essex
CM13 3BE

Solicitors

Clifford Chance
10 Upper Bank Street
London
E14 5JJ

Auditors

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Bankers

Barclays Bank PLC
One Churchill Place
London
E14 5HP

Report of the Directors

The directors present their annual report and the audited financial statements for the period ended 30 November 2007

Incorporation

The Company was incorporated on 5 March 2007 as Webgrange PLC. On 28 March 2007 the Company changed its name to Business Mortgage Finance 6 PLC.

Principal Activities

The Company commenced trading in May 2007. The sole purpose of the Company is to issue mortgage backed securities to the market which are collateralised by commercial mortgage loans. The capital raised is used to fund the activities of the Commercial First Group of companies. As this is the first period of trading, there are no comparative figures.

On 18 May 2007 the Company issued £500 million of floating rate notes to the market. These notes were denominated in £ sterling and Euros. The proceeds of this issue were used to purchase a portfolio of mortgages from Commercial First RF Limited.

Business Review

The Company continues to hold a mortgage portfolio as part of the Commercial First programme of securitisations.

Risk management and control

The Company seeks to manage the risks that arise from its activities. The risk framework in which the Company operates was documented in the Offering Circular together with an assessment of how the Company would mitigate the risks through the use of financial derivatives.

The principal risk left within the business is liquidity risk, which is the risk that the Company will not have sufficient liquid funds to meet its liabilities as they fall due. The directors are confident that the underlying assets of the Company will continue to generate positive cashflows sufficient to meet all its future liabilities. Furthermore the liquidity risk has been mitigated with cash reserves and liquidity facilities with external parties.

Key performance indicators

The Company's sole purpose was to provide funding for a portfolio of mortgages. With the purchase of prefunded loans in 16 July 2007 the portfolio is closed and is now in run off.

The directors consider that there are no key performance indicators that govern the management of the Company as the activity of the Company is controlled primarily by the conditions set out in the Offering Circular when the bonds were issued. Copies of the Offering Circular document can be obtained by written request from the address in note 17.

Results and Dividend

The loss for the financial period amounted to £2,313,944. The directors do not recommend the payment of a dividend. Whilst the Company is loss making, this is primarily due to derivative losses which the directors consider will reverse over the life of the company therefore having no impact on the going concern status of the Company.

Future Developments

The Company will continue to meet the scheduled repayment dates for the loan notes during 2008 using cash generated from the mortgage portfolio which pays the intercompany loans.

Financial Instruments

The financial instruments held by the Company are made up of loans to group undertakings, borrowings and cash that arise directly from its operations.

The Company has also entered into derivative transactions, an interest rate cap, an interest rate swap and a foreign currency swap, the purpose of which are to manage the interest rate risk and foreign currency arising from the Company's operations and funding.

The Company's policy is that it has not, and will not trade in financial instruments.

The main risks arising from the Company's financial instruments are credit risk, interest rate risk, liquidity risk, foreign currency risk and operational risk. The directors' review of and policies for, managing each of the risks are summarised below.

Credit Risk

Credit risk is the risk that the counterparty of the Company will not be able to meet its obligations as they fall due. The Company is exposed to credit risk via amounts due from the loan from the Originator, derivative counterparties and deposits held by banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest Rate Risk

Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company considers the use of derivative financial instruments to mitigate any residual interest rate risk.

Liquidity Risk

The Company's policy is to manage liquidity risk by matching the timing of cash receipts from assets with those of the cash payments due on the Floating Rate Notes.

Foreign Currency Risk

Foreign currency risk exists where assets and liabilities are denominated in different currencies. The Company, as part of the securitisation programme, have issued Euro denominated Floating Rate Notes during the year. The Company's policy is to manage foreign currency risk by entering into currency swaps that match all future liabilities in foreign currencies that hedge against any movement in exchange rates.

Operational Risk

The Company outsources part of its administration activities to an unconnected third party. The risk associated with this arrangement is controlled by a Service Level Agreement, performance against which is monitored on a regular basis.

Directors and Directors' Interests

The directors who held office during the period were as follows:

	Appointed
A Nehra	26 March 2007
O Pritchard	26 March 2007
V Rapley	26 March 2007

None of the directors who held office during the course of the financial period had any direct interest in the shares of the Company.

Policy and Practice on Payment of Creditors

The Company pays creditors in accordance with negotiated terms, which are typically 30 days from the date of the invoice.

Political & Charitable Donations

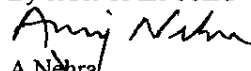
The Company made no political contributions or charitable donations during the period.

Auditors

On 26 March 2007 KPMG Audit Plc was appointed auditor of the Company. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

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.

By order of the board


A Nehra
Director
24 June 2008

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the member of Business Mortgage Finance 6 PLC.

We have audited the financial statements of Business Mortgage Finance 6 PLC for the period to 30 November 2007 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. 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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 5.

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 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.

Independent auditors' report to the member of Business Mortgage Finance 6 PLC.
(Continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 November and of its loss for the period 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

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

24 June 2008

Profit and Loss Account

for the period from incorporation to 30 November 2007

		Period Ended 30 November 2007 £000
	<i>Note</i>	
Interest receivable	2	27,065
Interest payable	3	(26,717)
Fair value movements	4	(3,244)
		<hr/>
Net interest income		(2,896)
 Operating expenses		 (317)
		<hr/>
Operating loss on ordinary activities before taxation	5	(3,213)
		<hr/>
Tax on profit/loss on ordinary activities	6	899
		<hr/>
Loss for the period		(2,314)
		<hr/>

The results for the period to 30 November 2007 arise from the Company's continuing operations

There are no recognised gains and losses other than the profit for the period shown above, accordingly no statement of recognised gains or losses is required

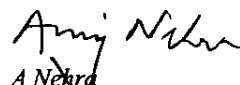
The notes on pages 10 to 19 form part of these financial statements

Balance Sheet
 At 30 November 2007

		Period Ended 30 November 2007 £000	Period Ended 30 November 2007 £000
	<i>Note</i>		
Fixed assets			
Loan to Originator	8		464,924
Current assets			
Debtors			
Derivative assets	9	12,840	
Other debtors	9	908	
Cash at bank and in hand		22,799	
			36,547
			501,471
Capital and reserves			
Called up share capital	10	13	
Profit and loss account	11	(2,314)	
Shareholder's funds			(2,301)
Creditors: amounts falling due within one year	12		3,024
Creditors: amounts falling due after one year			
Derivative Liabilities	13		1,460
Mortgage backed loan notes due 2040	13		499,288
			501,471

The notes on pages 10 to 19 form part of these financial statements

These financial statements were approved by the board of directors on 24 June 2008 and were signed on its behalf by


 A Nektar
 Director

Notes to the Financial Statements

1 Significant Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except derivative financial instruments are carried at their fair value

The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's financial statements except as noted below

Going concern

The directors are confident that the underlying assets of the Company will continue to generate positive cashflows sufficient to meet all its future liabilities. Furthermore the liquidity risk has been mitigated with cash reserves and liquidity facilities with external parties

Whilst the Company has negative assets, this is primarily due to derivative losses which the directors consider will reverse over the life of the company

The directors are therefore of the opinion that the Company remains a going concern and the accounts have been prepared on this basis

Cash flow

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the ultimate parent company

Interest income and expense

For all financial instruments measured at amortised cost (including loans to the Originator and Floating Rate Notes) interest income and expense are recognised in the profit and loss account on an Effective Interest Rate ("EIR") basis

Classification of financial instruments

In accordance with FRS 26 each financial asset is classified at initial recognition into one of four categories

- i Financial assets at fair value through profit and loss,
- ii Held to maturity investments,
- iii Loans and receivables, or
- iv Available for sale,

And each financial liability into one of two categories

- v At amortised cost, or
- vi At fair value through profit or loss

Measurement of financial instruments is either amortised cost (categories ii, iii, and v above) or at fair value (categories i, iv, and vi above), depending on the category of financial instrument

The Company carries no financial instruments at fair value

Amortised cost is the amount measured at initial recognition, adjusted for subsequent principal and other payments, less cumulative amortisation calculated using the EIR method, amortisation is taken to the interest income or expense depending upon whether the instrument is an asset or liability. The amortised cost balance is reduced where appropriate by an allowance for amounts which are considered to be impaired or uncollectible

Any profit or loss on sale of an instrument carried at amortised cost is recognised immediately in the profit and loss account in interest income or expense depending on whether the instrument is an asset or a liability

Notes to the Financial Statements

1 Accounting policies (continued)

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arms length transaction. Where a market exists, fair values are based on quoted market prices. For instruments which do not have active markets, fair value is calculated using present value models which take individual cash flows together with assumptions based on market conditions and credit spreads and are consistent with accepted economic methodologies for pricing financial instruments. Any net movements in fair values that occur will be included in the profit and loss as "fair value movements on financial instruments".

Floating Rate Notes

On initial recognition, debt issued is measured at its fair value net of directly attributable transaction costs and discounts, in accordance with FRS 26. Subsequent measurement is at amortised cost using the EIR method to amortise incremental attributable issue and transaction costs, premia and discounts over the life of the instrument, these costs are charged along with interest on the debt to "interest expense and similar charges". Unamortised amounts are added to or deducted from the carrying value of the instrument.

Foreign currencies

Foreign currency transactions, assets and liabilities are accounted for in accordance with FRS 23 "The Effects of Changes in Foreign Exchange Rates". The functional currency of the Company is pounds sterling. Transactions which are not in pounds sterling are translated at the spot rate of exchange on the date of transaction. Monetary assets and liabilities which are not in pounds sterling incurred in arranging funding facilities are amortised over the period of the facility. Funding costs amortised during the period are included in interest payable.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Derivatives

All derivatives are carried at fair value in the Balance Sheet in accordance with FRS 26, as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of the derivatives are charged immediately to the profit and loss account as "fair value movements on financial instruments".

2 Interest income and similar fees

	Period ended 30 November 2007 £000
On loan to Originator	25,529
Bank interest	1,536
	<hr/>
	27,065
	<hr/>

Notes to the Financial Statements

3 Interest payable and similar charges

	Period ended 30 November 2007 £000
On loans repayable after five years	
Mortgage backed loan notes	25,369
Interest on subordinated loan	794
Amortisation of start up costs	554
	<hr/>
	26,717
	<hr/>

4 Fair value movements

	Period ended 30 November 2007 £000
Derivative gains	11,380
Foreign exchange losses	(14,624)
	<hr/>
	(3,244)
	<hr/>

5 Loss on ordinary activities before taxation

	Period ended 30 November 2007 £000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>	
Auditor's remuneration – Statutory audit	3
	<hr/>

Auditor's remuneration for non audit work of £6,335 is included in deferred costs. The costs are being charged to the profit and loss account over four years, being the estimated life of the funding.

Notes to the Financial Statements

6 Taxation

	Period ended 30 November 2007 £000
Analysis of charge in period	
<i>UK corporation tax</i>	
Current tax on income for the period	9
Total deferred tax	(908)
Tax on profit on ordinary activities	(899)

Factors affecting the tax charge for the current period are as follows

	2007 £000
<i>Current tax reconciliation</i>	
Loss on ordinary activities before tax	(3,212)
Current tax at 30 %	(964)
<i>Effect of</i>	
Short term timing differences	973
Total current tax credit (see above)	9

Notes to the Financial Statements

7 Deferred Taxation

The elements of deferred taxation are as follows

	2007 £000
Deferred tax asset on losses from movement in derivative financial instruments	£000
Opening balance	-
Movement in the year	908
	<hr/>
Closing balance	908
	<hr/>

8 Loan to Originator

The Company purchased a portfolio of mortgages from Commercial First RF Limited, however, as the principal risk and rewards of these mortgages remain with Commercial First RF Limited, these are not deemed for accounting purposes to have transferred to the Company. Accordingly, the Company accounts for the transaction as an intercompany loan to Commercial First RF Limited.

The loan to Commercial First RF Limited is denominated in sterling and bears interest at a variable rate. It is secured on the beneficial interest in a portfolio of commercial mortgage loans. The repayment of the loan is linked to the repayment of the Floating Rate Notes.

9 Debtors

	2007 £000
Deferred tax asset (note 7)	908
Derivative financial assets	12,840
	<hr/>
	13,748
	<hr/>

10 Called up share capital

	2007 £
<i>Authorised</i>	
50,000 Ordinary shares of £1.00 each	50,000
	<hr/>
	50,000
	<hr/>
<i>Allotted and called up</i>	
2 Ordinary shares of £1.00 each – fully paid	2
49,998 Ordinary shares of £1.00 each – 25% paid	12,500
	<hr/>
	12,502
	<hr/>

Notes to the Financial Statements

11 Reconciliation of movements in shareholder's funds

	Share capital £000	Profit and loss account £000	Total £000
At incorporation	-	-	-
Share issue	13	-	13
Profit for the year	-	(2,314)	(2,314)
	<hr/>	<hr/>	<hr/>
At 30 November 2007	13	(2,314)	(2,301)
	<hr/>	<hr/>	<hr/>

12 Creditors amounts falling due within one year

	2007 £000
Loan notes – accrued interest	1,443
Intercompany creditor	1
Corporation tax	9
Other creditors	1,571
	<hr/>
	3,024
	<hr/>

13 Creditors: amounts falling due after one year

	2007 £000
Mortgage backed loan notes due 2040	499,288
Financial instrument derivatives	
Interest rate swaps	1,460
	<hr/>
	500,748
	<hr/>

Notes to the Financial Statements

13 Creditors: amounts falling due after one year (continued)

All amounts falling due after more than one year fall due after more than five years, other than deferred consideration (included as part of the return on the Loan to Originator), the payment of which is uncertain, but is likely to fall due within one year

The loan notes are secured over a portfolio of commercial mortgage loans secured by first charges on commercial property in the United Kingdom

The mortgages were purchased from Commercial First RF Limited and are administered by a third party on behalf of the Company, although as noted previously, for accounting purposes are not recognised on the Company's balance sheet

The loan notes are subject to mandatory redemption at each interest repayment date. The amount redeemed is equal to the principal collected on the mortgage loans in the preceding collection period. The loan notes will become due and payable on the interest payment date falling in August 2040 if they have not been redeemed or cancelled beforehand

Interest is payable on the loan notes quarterly in arrears at the following rate above the London Interbank Offered Rate (LIBOR) for three month sterling deposits as summarised in the table below

	Initial Issue	Redemption	Exchange rate movements	Value at 30 November 2007	Up to 15 August 2014	After 15 August 2014
Class A1	106,000,000	(3,380,369)	-	102,619,631	LIBOR + 0.19%	LIBOR + 0.38%
Class A2	274,020,379	(8,738,584)	11,753,945	277,035,740	EURIBOR + 0.19%	EURIBOR + 0.38%
Class M1	38,000,000	-	-	38,000,000	LIBOR + 0.55%	LIBOR + 1.10%
Class M2	38,019,694	-	1,687,268	39,706,962	EURIBOR + 0.55%	EURIBOR + 1.10%
Class B2	26,740,528	-	1,182,893	27,923,421	EURIBOR + 2.25%	EURIBOR + 3.25%
Class C	17,250,000	-	-	17,250,000	LIBOR + 3.25%	LIBOR + 4.25%
	<u>500,030,601</u>	<u>(12,118,953)</u>	<u>14,624,106</u>	<u>502,535,754</u>		
Less unamortised costs	-	-	-	(3,247,240)		
	<u>500,030,601</u>	<u>(12,118,953)</u>	<u>14,624,106</u>	<u>499,288,514</u>		

In addition to the above classes of bonds, further instruments were issued at the point of securitisation -

Interest only coupons which entitle the holders to an interest rate of 2.75% based on the outstanding principal of the Class A1 and Class A2 notes

Mortgage Early Redemption Certificates which entitle the holder to any early redemption charges collected in the period on the underlying mortgages

The subordinated loan at the initial issue was £12,971,930, with an additional £2,368,984 being drawn in July 2007. No repayments have been made. The total loan as at 30 November 2007 was £15,340,914. It bears interest at LIBOR plus 4% and is subordinated to the loan notes

Notes to the Financial Statements

14 Contingent liabilities

The Company has no contingent liabilities as at 30 November 2007

15 Financial instruments

Fair Value disclosures

No analysis of the fair values of financial assets and liabilities is disclosed on the basis that there is no material difference between the carrying value of these assets and liabilities and their fair value

Nature and extent of risks arising from financial instruments

The main financial risks arising from the Company's activities are credit risk, liquidity risk, currency risk and interest rate risk. Financial instruments used by the Company for risk management purposes include derivative instruments. Such instruments are used only for commercial hedging purposes, not for trading or speculative purposes. The principle derivative instruments used by the Company in managing its risks are interest rate swaps and currency swaps. The maturity of the derivatives is set to match the cashflows and risks on the underlying instruments. All of the derivatives are placed with external triple A rated providers.

Credit Risk

Credit risk is the risk that the counterparty of the Company will not be able to meet its obligations as they fall due. The Company is exposed to credit risk via amounts due from the loan from the Originator, derivative counterparties and deposits held by banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Interest Rate Risk

Interest rate risk exists where assets and liabilities have interest rates set under different bases or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar. Where this is not possible the Company considers the use of derivative financial instruments to mitigate any residual interest rate risk.

Liquidity Risk

The Company's policy is to manage liquidity risk by matching the timing of cash receipts from assets with those of the cash payments due on the Floating Rate Notes.

Foreign Currency Risk

Foreign currency risk exists where assets and liabilities are denominated in different currencies. The Company, as part of the securitisation programme have issued Euro denominated Floating Rate Notes during the year. The Company currently holds €400,700,000 (£277,035,740) of Class A2 notes, €55,600,000 (£39,706,962) of Class M2 notes and €39,100,000 (£27,923,421) of Class B2 notes.

The Company's policy is to manage foreign currency risk by entering into currency swaps that match all future liabilities in foreign currencies that hedge against any movement in exchange rates. The nominal value of the cross currency swaps at 30 November 2007 was £12,799,278.

Notes to the Financial Statements

15 Financial instruments (continued)

Interest rate risk

The table below summarises the interest rate profile of the Company's financial instruments. The analysis excludes short term debtors and creditors.

Financial assets	Effective Interest Rate %	Floating £000	Non interest bearing £000	Total £000
Loan to Originator	9.98	464,924	-	464,924
Cash at bank and in hand	5.34	22,799	-	22,799
Derivative financial assets		-	12,840	12,840
Gross financial assets		487,723	12,840	500,563
Financial liabilities				
Mortgage backed loan notes due 2040	8.64	502,535	(3,247)	499,288
Derivative liabilities		-	1,460	1,460
Gross financial liabilities		502,535	(1,787)	500,748

Maturity profile

The table below summarises the maturity profile of the Company's financial instruments based on the contractual terms of the financial assets and liabilities. The actual maturity profile will depend on the cashflows from the underlying mortgages, which are likely to repay earlier than their contractual maturity.

	< 1 year £000	1-2 years £000	2-3 years £000	3-4 years £000	5+ years £000
Financial assets					
Loan to Originator	-	-	-	-	464,924
Cash at bank and in hand	22,799	-	-	-	-
Derivative financial assets	-	-	-	-	12,840
Gross financial assets	22,799	-	-	-	477,764
Financial liabilities					
Mortgage backed loan notes due 2040	-	-	-	-	499,288
Derivative liabilities	-	-	-	-	1,460
Gross financial liabilities	-	-	-	-	500,748

Concentration of risk

The Company operates entirely within the United Kingdom and adverse changes to the UK economy could impact on all areas of the Company's business. The loan to the Originator is due to one entity Commercial First RF Limited, and is secured on a beneficial interest in a portfolio of mortgage loans secured on commercial property in England, Scotland, Wales and Northern Ireland.

Notes to the Financial Statements

16 Related party transactions

The Company is a special purpose vehicle controlled by the directors. There are three directors, two of which are provided by Mourant & Co Capital (SPV) Limited. The Company has paid a fee of £3,133 to Mourant & Co Capital (SPV) Limited for the provision of the two directors. The third director is an employee of Commercial First Mortgages Limited - the special service provider.

At the period end the Company had the following balance with the Commercial First Group of companies

	£000
Non- current assets	
Loan to Originator	464,924

17 Ultimate parent company

The share capital of the Company is held by BMF Holdings Limited, however the results are consolidated in the financial statements of Commercial First Group Limited as the directors consider this to be the controlling entity. Commercial First Group Limited is a company incorporated in England. The financial statements of this company are available by application, from the Company Secretary, Lutea House, Warley Hill Business Park, The Drive, Great Warley, Brentwood, Essex CM13 3BE.