

**Intermediary Mortgage Lenders Association (A
company limited by guarantee)**

**Directors' report and financial
statements**

Registered number 2264559

Year ended 30 June 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2001.

Principal activities

The Association provides administrative services to its members and acts as a focal point for dealing with government and other trade bodies, in relation to lending in the intermediary market.

Business review

The Association's work this year has been inevitably focused on the proposals made by HM Treasury and latterly the Financial Services Authority to regulate mortgages. Within this, the Association has sought to ensure that the framework for regulation does not disadvantage lenders who source the majority of their business from intermediaries and that securitisation is not impeded as a funding option for lenders. The Association has also been keen to point out to government the weakness inherent in the proposed sellers pack and has co-ordinated responses with other trade bodies in an attempt to strengthen its case.

The Association has produced a series of research studies on certain aspects of the intermediary market, the results of which have featured on its new website and has conducted an active PR programme to further develop the profile of the Association in the housing finance market.

The directors continue to provide a focal point for lenders and government and trade businesses involved in the intermediary lending market.

Management committee

The following are members of this management committee serving during the year and to the date of this report.

John Heron	-	Paragon Mortgages Limited
Colin Snowdon	-	Verso (resigned December 2000)
Charles Haresnape	-	Royal Bank of Scotland Plc (resigned December 2000)
Tony Ward	-	Britannic Money Plc
Richard Brown	-	Bristol & West Plc
Iain Crump	-	AIB Bank (appointed January 2001)

All correspondence on Association business should be addressed to:

Ms M. Kelly
Secretary
Intermediary Mortgage Lenders Association
3 Savile Row
London
W1S 3PB

Results

The result for the year is shown in the Income and Expenditure account on page 5.

The surplus for the year, after taxation, amounted to £6,530 (2000: £10,937).

Directors' report *(continued)*

Directors and directors' interests

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

John Heron
Colin Snowdon (resigned December 2000)
Charles Haresnape (resigned December 2000)
Tony Ward
Richard Brown
Iain Crump (appointed January 2001)

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



J Heron
Director

3 Savile Row
London
W1S 3PB

15 November 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.



100 Temple Street
Bristol
BS1 6AG
United Kingdom

Report of the auditors to the members of Intermediary Mortgage Lenders Association (A company limited by guarantee)

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 30 June 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
*Chartered Accountants
Registered Auditors*

26 November 2001

Income and expenditure account
for the year ended 30 June 2001

	<i>Note</i>	2001 £	2000 £
Subscriptions	2	33,000	34,500
Expenses		(31,332)	(22,561)
		<hr/>	<hr/>
Operating surplus	3	1,668	11,939
Other income / (expenses)	5	2,570	(2,504)
Interest receivable	6	2,644	1,874
		<hr/>	<hr/>
Surplus before taxation		6,882	11,309
Taxation	7	(352)	(372)
		<hr/>	<hr/>
Surplus for the financial year after taxation, retained		6,530	10,937
Accumulated surplus brought forward		55,844	44,907
		<hr/>	<hr/>
Accumulated surplus carried forward		62,374	55,844
		<hr/>	<hr/>

There were no recognised gains or losses other than the result shown above for either year.

All results arose from continuing operations.

Balance sheet
at 30 June 2001

	Note	2001 £	2000 £
Current assets			
Debtors	8	5,300	1,500
Cash		62,487	56,119
		<hr/>	<hr/>
		67,787	57,619
Creditors: amounts falling due within one year	9	(5,413)	(1,775)
		<hr/>	<hr/>
Net assets		62,374	55,844
		<hr/>	<hr/>
General reserves			
Accumulated surplus		62,374	55,844
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 15/11/01 and were signed on its behalf by:

A Ward
 Director

J Heron
 Director

Notes

(forming part of the financial statements)

1 Company status

The company is limited by guarantee. The maximum amount that may be called in the event of winding up is limited to an amount not exceeding £1 per member. At 30 June 2001 the company had recourse to the guarantees of members totalling £22 (2000: £24).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

(a) *Accounting convention*

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards. In accordance with Schedule 4, paragraph 3(3) of the Companies Act 1985, the directors have adapted the headings of the profit and loss account due to the special nature of the business.

(b) *Cash flow*

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

(c) *Income*

Subscription income is recognised in full as the subscription falls due or on admission.

3 Operating surplus

	2001 £	2000 £
<i>Operating surplus is stated after charging:</i>		
Auditors' remuneration	1,939	1,762

4 Staff numbers

The company had five employees in the current and two employees in the preceding financial year being the company's directors.

The directors did not receive any remuneration during either year.

5 Other income/(expenses)

	2001 £	2000 £
Annual dinner surplus / (deficit)	2,570	(2,504)

Notes (continued)

6 Interest receivable

	2001 £	2000 £
Bank deposit interest	2,644	1,874

7 Taxation

The directors consider that, for taxation purposes, the association is "mutually trading" with its members and accordingly surpluses and deficits arising from members' subscriptions do not constitute taxable profits or losses. This has been agreed with the Inland Revenue.

The taxation charge for the period, which arises on investment income, is made up as follows:

	2001 £	2000 £
Corporation tax at 20% (2000: 20%)	400	375
Adjustment in respect of prior years	(48)	(3)
	<u>352</u>	<u>372</u>

8 Debtors

	2001 £	2000 £
Prepayments	5,300	-
Other debtors	-	1,500
	<u>5,300</u>	<u>1,500</u>

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	400	375
Accruals	2,463	1,400
Other creditors	2,550	-
	<u>5,413</u>	<u>1,775</u>

Notes *(continued)*

10 Commitments

At the balance sheet date Intermediary Mortgage Lenders Association ("IMLA") was committed to pay £12,000 in respect of its Annual Dinner, which took place on 17 October 2001.

11 Related Party Transactions

All of the current members of the management committee of IMLA also sit on the executive committee of the Council of Mortgage Lenders (CML).

During the year, management fees of £19,094 (2000:£18,918) were paid by IMLA to CML, in respect of administration services provided by CML.

Current list of members

AIB Bank	Tel:	01895 272 222
Bankcentre - Britain	Fax:	01895 251 168
Belmont Road		
Uxbridge		
Middlesex		
UB8 1SA		

Bank of Ireland Mortgages Limited	Tel:	0118 9393 393
Plaza West	Fax:	0118 9684 352
Bridge Street		
Reading		
RG1 2LZ		

Birmingham Midshires Mortgage Services Limited	Tel:	01902 325 503
PO Box 81	Fax:	01902 325 445
Pendeford Business Park		
Wobaston Road		
Wolverhampton		
WV9 5HZ		

Bristol & West PLC	Tel:	0117 943 2084
One Temple Way	Fax:	0117 929 2945
PO Box 27		
Bristol		
BS99 7AX		

Britannic Money Plc	Tel:	01372 737 601
Sir William Atkins House	Fax:	01372 737 611
Ashley Avenue		
Epsom		
Surrey KT18 5AS		

Capital Home Loans Limited	Tel:	01252 365 813
Admiral House	Fax:	01252 811 827
Harlington Way		
Fleet		
Hampshire		
GU13 8YF		

First National Mortgage Company	Tel:	020 8909 8000
First National House	Fax:	020 8909 7300
College Road		
Harrow		
HA1 1FB		

Current list of members

Future Mortgages Future House 200 Kings Road Reading RG1 4NN	Tel: Fax:	0118 959 9933 0118 951 4942
GMAC-RFC 14 Great Queen Street London WC2B 5DW	Tel: Fax:	020 7831 0207 01344 349 050
Kensington Mortgage Company 1 Derry Street Kensington London W8 5HY	Tel: Fax:	020 7376 0110 020 7937 4406
Leeds & Holbeck Building Society Realtex House 2 Leeds Road Rawdon Leeds LS19 6AX	Tel: Fax:	0113 219 8882 0113 219 8899
The Mortgage Business Plc 36 City Road Chester CH99 3AN	Tel: Fax:	01244 694 823 01244 694 934
Mortgage Express Ltd Endeavour House 1 Lyonsdown Road New Barnett Herts EN5 1HU	Tel: Fax:	0208 275 2030 0208 275 2266
Mortgages Plc Grosvenor Gardens House 35 - 37 Grosvenor Gardens London SW1 0BS	Tel: Fax:	0207 570 2900 0207 570 2905

Current list of members

The Paragon Group of Companies PLC St Catherine's Court Herbert Road Solihull West Midlands B91 3QE	Tel: Fax:	0121 712 2560 0121 712 2562
Platform Home Loans Ltd Exchange Tower 2 Harbour Exchange Square London E14 9FR	Tel: Fax:	020 7512 4000 020 7512 4090
Preferred Mortgages Ltd Oakfield House 35 Perrymount Road Haywards Heath West Sussex RH16 3BX	Tel: Fax:	01444 447 659 01444 412 287
Royal Bank of Scotland The Broadstone 50 South Eyle Crescent Edinburgh EH12 9UZ	Tel: Fax:	0131 523 2249 0131 523 2474
Southern Pacific Mortgage Limited 125 Kensington High Street London W8 5PA	Tel: Fax:	020 7590 1547 020 7590 1547
UCB Home Loans Corporation UCB House 36 Sutton Court Road Sutton Surrey SM1 4TE	Tel: Fax:	020 8401 4524 020 8401 4504
Verso PO Box 1332 Leek ST13 5TP	Tel: Fax:	01538 393 501 01538 393 514
West Bromich Building Society 374 High Street West Bromich West Midlands B70 8LR	Tel: Fax:	0121 525 7070 0121 525 4751