

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

**Directors' report and financial statements**

Year ended 30 June 1999

Registered number 2264559



## **Directors' report and financial statements**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 1999.

### **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**

This year the association has contributed to the construction and development of the intermediary mortgage code and specifically focused on the areas of regulation, procurement fees disclosure and practices in the sub-prime market.

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

### **Management committee**

John Heron	-	Paragon Mortgages Limited
Colin Snowdon	-	Verso
Charles Haresnape	-	Royal Bank of Scotland Plc
Tony Ward	-	First Active Financial Plc
Richard Brown	-	Bristol & West Plc

All correspondence on Association business should be addressed to:

Ms M Kelly  
Secretary  
Intermediary Mortgage Lenders Association  
3 Savile Row  
London  
W1X 1AF

### **Year 2000 strategy**

The directors have reviewed the company's computer based system and consider they will achieve compliance by 1 January 2000. However, there can be no guarantee that such compliance will be achieved.

### **Results and dividends**

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 £12,751 (1998: £5,729). The directors do not recommend the payment of a dividend.

## **Directors' report** *(continued)*

### **Directors and directors' interests**

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

N Terrington (resigned 16 December 1999)

R Brown

A Ward (appointed 16 December 1999)

### **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

A handwritten signature in dark ink, appearing to read 'R Brown', with a horizontal line drawn underneath it.

**R Brown**  
*Secretary*

3 Savile Row  
London  
W1X 1AF

31 January 2000

## **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 profit or loss 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**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of 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 1999 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
*Chartered Accountants  
Registered Auditors*

22 February 2000

**Income and expenditure account**  
*for the year ended 30 June 1999*

	<i>Note</i>	1999 £	1998 £
<b>Subscriptions</b>	2	<b>32,500</b>	27,875
<b>Expenses</b>		<b>(21,819)</b>	(19,570)
		<hr/>	<hr/>
<b>Operating surplus</b>	3	<b>10,681</b>	8,305
Other operating income/(expenses)	4	785	(3,596)
Interest receivable	5	1,593	1,327
		<hr/>	<hr/>
<b>Surplus before taxation</b>		<b>13,059</b>	6,036
Taxation	6	(308)	(307)
		<hr/>	<hr/>
<b>Surplus for the year after taxation</b>	2-4	<b>12,751</b>	5,729
Accumulated surplus brought forward		32,156	26,427
		<hr/>	<hr/>
<b>Accumulated surplus carried forward</b>		<b>44,907</b>	32,156
		<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 1999**

	Note	1999	1998
		£	£
<b>Current assets</b>			
Debtors	7	76	44,172
Cash		55,765	22,469
		<hr/>	<hr/>
		55,841	66,641
<b>Creditors: amounts falling due within one year</b>	8	(10,934)	(34,485)
		<hr/>	<hr/>
<b>Net current assets</b>		44,907	32,156
		<hr/>	<hr/>
<b>General reserves</b>			
Accumulated surplus		44,907	32,156
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 31 January 2000 and were signed on its behalf by:

**A Ward**  
*Director*



**R Brown**  
*Director*





## Notes

*(forming part of the financial statements)*

### 1 Company status

The company is limited by guarantee. The maximum amount that may be called is £1 for each member. At 30 June 1999 the company had recourse to the guarantees of members totalling £23 (1998: £21).

### 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.

#### (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

	1999 £	1998 £
<i>This is stated after charging/(crediting):</i>		
Auditors' remuneration	1,233	1,175
Charitable donation	2,810	-
Fund-raising for charitable donation	(2,810)	-
	<u>          </u>	<u>          </u>

### 4 Other operating income/ (expenses)

	1999 £	1998 £
Annual dinner proceeds (net of expenses)	785	(3,596)
	<u>          </u>	<u>          </u>

## Notes (continued)

### 5 Interest receivable

	1999 £	1998 £
Bank deposit interest	1,593	1,327
	<u>1,593</u>	<u>1,327</u>

### 6 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:

	1999 £	1998 £
Corporation tax at 21% (1998: 21%)	334	307
Adjustment in respect of prior years	(26)	-
	<u>308</u>	<u>307</u>
	<u>308</u>	<u>307</u>

### 7 Debtors

	1999 £	1998 £
Other debtors	76	11,172
Accrued income	-	33,000
	<u>76</u>	<u>44,172</u>
	<u>76</u>	<u>44,172</u>

### 8 Creditors: amounts falling due within one year

	1999 £	1998 £
Corporation tax	334	310
Accruals	10,600	1,175
Deferred income	-	33,000
	<u>10,934</u>	<u>34,485</u>
	<u>10,934</u>	<u>34,485</u>

**Notes** *(continued)*

**9 Staff numbers**

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

The directors did not receive any remuneration during either year.