



Intermediary Mortgage Lenders Association
(A company limited by guarantee registered number 2264559)

Directors' report and financial statements

Year ended 30 June 2016

TUESDAY



L617HXB5

L12

28/02/2017

#45

COMPANIES HOUSE

REGISTERED ADDRESS:
THIRD FLOOR, NORTH WEST WING, BUSH HOUSE, ALDWYCH, LONDON WC2B 4PJ
TELEPHONE: 020 7438 8942 Fax: 0845 373 8778

www.imla.org.uk

A company registered in England and Wales Register No. 2264559

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

Contents

Directors' report	1-3
Statement of directors' responsibilities	4
Auditor's report	5
Income statement	6
Statement of financial position	7
Notes	8-11

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2016.

Principal activities

The Intermediary Mortgage Lenders Association ("IMLA") provides administrative services to its members including regular meetings and briefings and acts as a focal point for dealing with other trade bodies, regulators, government and the media in relation to mortgage lending via the intermediary market.

Business review

2015/16 saw another successful year for IMLA with increased numbers of members (31) as well as retaining our associate membership at 12 as planned. IMLA developed new services and member engagement was increased with all of this set against a strong budgetary backcloth. Given developments on the trade body front IMLA's focus has remained firmly on the intermediary market, the main channel of choice for consumers wanting a mortgage.

In terms of specific activities through 2015/16 IMLA has focused on the following:

- Member driven issues around the mortgage market. Including submissions on stamp duty, the buy to let sector, competition in the mortgage market and of course the trade body review. On this last, after careful reflection, members decided we should withdraw from the consultation process as our organisation was so unlike the others involved. IMLA continued to track developments and will engage with the new Financial Services Trade Body as it comes into being during the latter part of 2016/17. As matters stand it is business as usual with the CML as our primary partner alongside AML and the BSA.
- As this suggests IMLA continued to work closely with other trade bodies and sectors. This is to ensure that it maximised the value of member subscriptions through sensible collaboration and careful focusing on issues most directly of interest to intermediary mortgage lenders. We began work on revising and updating our joint guidance on *Working Together* with a view to publishing it in the summer of 2016.
- IMLA has continued its regular engagement with the FCA, Bank of England and Her Majesty's Treasury both through formal and informal meetings bringing direct lender experience to the table. IMLA has continued as an active contributor to the Government's Home Finance Forum.
- Press and public relations activity was significantly enhanced during the year with regular blogs and articles along with periodic meetings with journalists and this was enhanced through the development with BDRC of a quarterly Mortgage Market Tracker index which was released in stages to the market in early 2016. This will build as an index as we gather more time series data so we hope that by 2016/17 it has become an established part of the mortgage market landscape.
- IMLA also continued issuing a series of discussion papers on the future of the housing and mortgage markets (see the website for details). These combined with our regular IMLA lender/broker surveys, the new index and press release commentary on key issues of the day has resulted in a significantly higher profile in media terms.
- IMLA operates as an inclusive member focused trade body with all members able to fully participate. Attendance through the year has remained high (averaging around 85% at all meetings) which is testament to the value members attach to IMLA membership and there has been no shortage of volunteers to take issues forward.
- Our annual dinner was held at the Marriott Grosvenor Square in September 2015 along with the third Great Mortgage Debate. Both were considerable successes and we held popular lunches for members and associates through the year.

**Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016**

Directors' report continued

With a growing membership, IMLA strengthened its financial position in 2015/16 but also took the decision to expand services to members as discussed above. This reduced the surplus but enhanced our position. In the 2015/16 elections the directors Alan Cleary, Charles Haresnape, John Heron, Kevin Purvey and Philip Rickards were re-elected to represent IMLA members with Kevin Purvey stepping up to become Chairman with Phil Rickards as his deputy. Directors also co-opted Paul Darwin and Louisa Sedgwick as Directors to bring their obvious enthusiasm and capacity to bear.

Results

The result for the year is shown in the Income and Expenditure account on page 6. The profit for the year, after taxation, amounted to £11,294 (2015: £22,086).

Management Committee

The Management Committee is made up of the Directors of the association and the Executive Director. They usually meet every two months. The following were members of the Management Committee during the year ended 30 June 2016:

Alan Cleary
Charles Haresnape
John Heron
Kevin Purvey
Philip Rickards
Peter Williams

Precise Mortgages
Aldermore Bank
Paragon Mortgages Limited
Coventry Building Society
Lloyds Banking Group
Peter R Williams Ltd

All correspondence on association business should be addressed to:

The Secretary
Intermediary Mortgage Lenders Association
3rd Floor, North West Wing
Bush House
Aldwych
London WC2B 4PJ

Statement of disclosure of information to auditors

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

Alan Cleary
Charles Haresnape
John Heron
Kevin Purvey
Philip Rickards

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.

The Directors' report is prepared in accordance with the provisions applicable to small companies, as permitted by Section 414B of the Companies Act 2006.

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

Going concern

The directors have made appropriate enquiries and have concluded that it is reasonable to assert that IMILA will remain in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the company's financial statements.

Auditors

Mazars LLP will continue in office in accordance with Companies Act 2006, s487 (2).

By order of the board

A handwritten signature in black ink, appearing to read 'K Purvey', with a horizontal line drawn through it.

Kevin Purvey
Director

17 November 2016

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 company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The Association's financial statements are required by law to give a true and fair view of the state of affairs of the Association and of the income or expenditure 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 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 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INTERMEDIARY MORTGAGE
LENDERS ASSOCIATION**

We have audited the financial statements of Intermediary Mortgage Lenders Association (IMLA) for the year ended 30 June 2016 which comprise the Income Statement, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Richard Metcalfe (Senior statutory auditor)

For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way, London E1W 1DD

21/11/2016

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Subscriptions – members & associate members		135,475	112,140
Annual dinner - profit share		22,793	26,688
Member events		7,200	9,500
Other income		-	-
		<u>165,468</u>	<u>148,328</u>
Expenses	5	<u>(153,476)</u>	<u>(125,082)</u>
Surplus on ordinary activities before interest	3	11,992	23,246
Interest receivable	6	<u>616</u>	<u>846</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		12,608	24,092
Taxation	7	<u>(1,314)</u>	<u>(2,006)</u>
Surplus for the financial year		11,294	22,086
Reserves brought forward		<u>179,297</u>	<u>157,211</u>
Reserves carried forward		<u>190,591</u>	<u>179,297</u>

There was no other comprehensive income other than the result shown above for either year.

All results arose from continuing operations.

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Notes	£	2016 £	£	2015 £
Current assets					
Debtors and prepayments *	8	6,399		2,785	
Cash at bank		<u>235,746</u>		<u>245,203</u>	
			242,146		247,988
Creditors: amounts falling due within one year *	9	<u>(51,554)</u>		<u>(68,691)</u>	
Net assets			<u>190,591</u>		<u>179,297</u>
Reserves			<u>190,591</u>		<u>179,297</u>

* prior year restated

These financial statements were approved and authorised for issue by the board of directors on 17 November 2016 and were signed on its behalf by:



Kevin Purvey
Director

NOTES TO THE ACCOUNTS – 30 JUNE 2016
(forming part of the financial statements)

1 Company status

The company is limited by guarantee and operates within the UK. The registered office is the 3rd Floor, North West Wing, Bush House, Aldwych, London WC2B 4PJ.

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 2016 the company had recourse to the guarantees of members totalling £43 (2015:£42).

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 financial statements have been prepared under the historical cost convention, in accordance with the FRS102. These financial statements for the year ended 30 June 2016 are the first financial statements that comply with FRS102. The date of transition to FRS102 is 1 July 2014. There was no impact on opening reserves or the surplus for the comparative period.

The directors have adapted the headings of the income statement due to the special nature of the business.

The financial statements are presented in sterling.

(b) Cash flow

The company is exempt from the requirement of FRS 102 to prepare a cash flow statement as it is entitled to the filing exemptions in accordance with the provisions applicable to companies subject to the small companies' regime.

(c) Basis of accounting

It is anticipated that the company will remain in operational existence for the foreseeable future and the financial statements are prepared on a going concern basis.

(d) Income recognition

Subscription income is credited to the Income and Expenditure account on a straight line basis over the period to which it relates. The unexpired portion of subscriptions received is carried forward in the balance sheet as deferred income. Income for the annual dinner is credited to the Income and Expenditure account in the period to which it relates. Income received for the dinner which is taking place after the balance sheet date is carried forward in the balance sheet as deferred income. Interest and investment income is recognised on a receivable basis.

(e) Expenditure

Expenditure is charged to the Income and Expenditure account in the period to which it relates on an accruals basis. Expenditure which is incurred but which relates to a period after the balance sheet date is carried forward in the balance sheet as a prepayment.

(f) Financial Instruments

IMLA has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial assets are recognised when IMLA becomes party to the contractual provisions of the instrument.

Classification of financial assets

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

(f) **Financial instruments (continued)**

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at their settlement value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Cash is stated at its transaction price.

Impairment of financial assets

Financial assets, other than those held at fair value, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities include trade and other creditors, other tax and social security and corporation tax payable. These are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, IMLA's obligations are discharged, cancelled, or they expire.

(g) **Prior year adjustment**

The trade debtors and deferred income figures reported at the end of June 2015 included subscription income for 2015/16 that had been invoiced but not yet received. The figures have been restated so that unpaid subscription income relating to future periods is netted off against trade debtors and deferred income. This resulted in a decrease in trade debtors of £82,600 and a decrease in deferred income of £82,600. There was no impact on the reported surplus.

3 Surplus on ordinary activities before interest

	2016 £	2015 £
Surplus on ordinary activities before interest is stated after charging:		
Auditors' remuneration		
- Audit services	2,900	2,800
- Non audit services	2,150	2,150
	<u>5,050</u>	<u>4,950</u>

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

Notes (continued)

4 Directors and staff

The company had nil (2015: nil) employees in the current year. The directors did not receive any remuneration during either year.

5 Expenses

	2016 £	2015 £
Member events	7,233	9,456
Administrative expenses	146,243	115,626
	<u>153,476</u>	<u>125,082</u>

6 Interest receivable

	2016 £	2015 £
Bank deposit interest	<u>616</u>	<u>846</u>

7 Taxation

The directors consider that, for taxation purpose, the association is "mutually trading" with its members and accordingly surpluses and deficits arising from members' subscriptions do not constitute taxable profits or losses. The taxation charge for the year, which arises from investment and non-member income, is made up as follows:

a) Income statement	2016 £	2015 £
UK corporation tax on surplus for the period	1,314	2,006
	<u>1,314</u>	<u>2,006</u>
Tax charge		
b) Factors affecting tax charge for the period		
Surplus on ordinary activities before tax	<u>12,608</u>	<u>24,092</u>
Surplus on ordinary activities multiplied by UK standard rate of corporation tax of 20% (2015: 20%)	2,522	4,818
Effects of:		
Expenses not deductible for tax purposes	30,695	25,017
Non-taxable income	<u>(31,903)</u>	<u>(27,829)</u>
Current tax charge for period	<u>1,314</u>	<u>2,006</u>

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

Notes (continued)

8 Debtors

	2016 £	2015 £
Trade debtors *	960	-
Prepayments & accrued income	<u>5,439</u>	<u>2,785</u>
	<u>6,399</u>	<u>2,785</u>

** prior year restated*

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,109	6,601
Taxation payable	1,295	4,140
Accruals	5,050	4,950
Deferred income *	<u>43,100</u>	<u>53,000</u>
	<u>51,554</u>	<u>68,691</u>

** prior year restated*

10 Related Parties

The company purchases administration and accounting services from the Council of Mortgage Lenders ("CML"). The company paid £12,963 (2014/15: £12,925) for those services. The fee is agreed on a commercial and arms length basis. Charles Haresnape was a director of the company and also a member of the CML Executive Committee. The Head of Corporate Services of the CML is also the Company Secretary of IMLA.

11 Contingent liabilities

The company had no contingent liabilities at 30 June 2016 (2015: nil).

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

The following pages do not form part of these financial statements

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

List of members as at 30 June 2016

Accord Mortgages 1 Filey Street Bradford BD1 5AT	Foundation Home Loans PO Box 4238 Bracknell Berkshire
Aldermore Bank plc 2nd Floor, Crown House Station Road Wilmslow SK9 1BH	GE Money Home Lending Ltd Malvern House Croxley Business Park Watford WD18 8YF
Axis Bank UK Limited 4th Floor, Kings House 36 - 37 King St London EC2V 8BB	Kensington Reading International Business Park Basingstoke Road Reading RG2 6DB
Bank of Ireland 1 Temple Quay Bristol BS1 6DX	Landbay 10 Greycoat Place London SW1P 1SB
Barclays 53 High Street Shanklin Isle of Wight PO37 6JJ	Leeds Building Society 105 Albion Street Leeds LS1 5AS
Clydesdale Bank plc Tasman House Mariner Court Clydebank Business Park Glasgow G81 2NR	Lloyds Banking Group PO Box 81 Pendeford Business Park Wobaston Road Wolverhampton WV9 5HZ
Co-operative Banking Group 2 nd Floor Miller Street Manchester M60 0AL	Magellan Homeloans Ashcombe House 5 The Crescent Leatherhead KT22 8DY
Coventry Building Society Binley Business Park Coventry CV3 2WE	National Counties Building Society Ebbisham House 30 Church Street Epsom KT14 4NL
Darlington Building Society Sentinel House Morton Rd Darlington DL1 4PT	Nationwide Building Society Portman House Bournemouth BH2 6EP
Dudley Building Society Dudley House Stone St Dudley DY1 1NP	NatWest Intermediary Solutions Amsterdam Place Amsterdam Way Norwich NR6 6EP
Fleet Mortgages Ltd Flagship House Reading Road North Fleet Hants GU51 4WP	Nottingham Building Society Nottingham House 3 Fulford St Nottingham NG1 3DL

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2016

List of members as at 30 June 2016 (continued)

OneSavings Bank plc Reliance House Sun Pier Chatham Kent ME4 4ET	Shawbrook Bank Ltd Lutea House, Warley Hill Business Park The Drive, Great Warley Brentwood CM13 3BE
Paragon Mortgages Ltd St Catherine's Court Herbert Road Solihull B91 3QE	Skipton Building Society The Bailey Skipton BD23 1DN
Precise Mortgages 2 Charter Court Wolverhampton Business Park Wolverhampton WV10 6TD	Virgin Money Northern Rock House Gosforth Newcastle upon Tyne NE3 4PL
Principality Building Society PO Box 89 Queen Street Cardiff CF10 1UA	West Bromwich Building Society 2 Providence Place West Bromwich B70 8AF
Santander 2 Triton Square, Regents Place, London NW1 3AN	

List of associate members as at 30 June 2016

Capita Mortgage Services Crown House Crown St Ipswich IP1 3HS	LSL Property Services plc 2 Methuen Park Chippenham Wiltshire SN14 0GB
Countrywide Group Countrywide House 88-103 Caldecotte Lake Drive Milton Keynes MK7 8JT	McCurrach Financial Services Ltd 74 Waterloo Street Glasgow G2 7DJ
Equifax plc 54 Deerdykes View Westfield Cumbernauld G68 9HN	MOGO Holdings Pty Ltd 5.02, 55 Miller Street Pyrmont, NSW 2009 Australia
Genworth Financial Mortgage Insurance Building 11, Chiswick Park 566 Chiswick High Rd London W4 5XR	Mortgage Brain Ltd 6 The Courtyard, Buntsford Gate Buntsford Drive Bromsgrove B60 3DJ
Homeloan Management Gateway House Gargrave Road Skipton BD23 1UD	My Home Move Smith Way Grove Park Enderby Leicester LE19 1SH
Legal Marketing Services LMS House, Cheshire Oaks Business Park Lloyd Drive Ellesmere Port CH65 9HQ	Solution Cell Ltd 34 Bell Street Reigate RH2 7SL