



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

Directors' report and financial statements

Year ended 30 June 2014



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A company registered in England and Wales Register No. 2264559

Intermediary Mortgage Lenders Association – company number 2264559
Year ended 30 June 2014

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

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

2013/14 has been another very successful year for IMLA with increased member activity and engagement and a strong budgetary position. IMLA's focus remained firmly on the intermediary market – the main channel of choice for consumers wanting a mortgage.

In terms of specific activities through 2013/14 IMLA has focussed on the following:

- Given the tensions that still exist in the mortgage market IMLA has continued to work closely with other trade bodies and sectors and in particular the Association of Mortgage Intermediaries and the Council of Mortgage Lenders. This year we continued to engage in an important exploratory project on the registration of mortgage advisers (both broker and lender). The Financial Conduct Authority ('FCA') had been unable to take this agenda forward in the short to medium term and the industry decided to progress matters itself. We expected to be able to go out to wider consultation in the second half of the year but this was delayed by further regulatory changes which impacted on this area. We hope to return to this agenda in 2014/15.
- IMLA has continued its regular engagement with the FCA, Bank of England, Department for Communities and Local Government ('DCLG') and Her Majesty's Treasury both through formal and informal meetings bringing direct lender experience to the table. IMLA has continued to be an active contributor to the Government's Home Finance Forum and other government related meetings providing input on policy issues.
- Press and public relations activity was significantly enhanced during the year with regular blogs and articles along with meetings with journalists. IMLA also began issuing a series of discussion papers on the future of the housing and mortgage markets (see the website for details) and plans to continue these on a regular basis. This combined with our regular IMLA surveys 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 which is testament to the value members attach to IMLA membership and there has been no shortage of volunteers to take issues forward. IMLA held a very popular members' lunch and another annual dinner during the year. The new format for the dinner which was held in September 2013 was a great success.
- IMLA now has 22 members and further recruitment continues. IMLA has introduced an associate member category and we had 10 associate members at the end of the year.
- As part of a general upgrade on IMLA's profile work was undertaken to enhance the IMLA website. This was re-launched in the summer of 2013.

Market conditions and the regulatory agenda (notably the launch of Mortgage Market Review and the EU Directive) have dominated the work of IMLA in the year. The release of discussion papers through the year and the holding of a debate on the mortgage market in September 2013 all reflected the continued concern about the health of the mortgage and housing markets. Within all of this IMLA continues to work to strengthen the image and reputation of the intermediary channel as a source of choice and advice.

With a stable membership and the continued control of costs, IMLA has strengthened its financial position in 2013/14. In the 2013 director elections David Finlay (Chairman), Charles Haresnape (Deputy Chairman), John Heron, Kevin Purvey and Richard Tugwell were elected to represent IMLA. However,

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David Finlay left Barclays during the year and had to stand down as IMLA Chairman. Charles Haresnape became Chairman and Richard Tugwell the new Deputy Chairman with Paul Darwin from Skipton Building Society taking up the vacant director position.

IMLA remains a member focused business-to-business trade body with a cost efficient operation. At the same time, IMLA does not stand back from raising issues where it feels the industry as a whole needs to take a stance and IMLA remained active on this front during the year. Not least given the backcloth of distrust in financial services, IMLA will continue to work hard to provide a balanced view of the case for choice and advice in the mortgage market and for the need for more funding and competition.

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 £8,352 (2013: £10,254).

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 2014:

Paul Darwin (appointed 27 March 2014)
David Finlay (resigned 14 March 2014)
Charles Haresnape
John Heron
Kevin Purvey
Richard Tugwell
Peter Williams

Skipton Building Society
Barclays
Aldermore Bank
Paragon Mortgages Limited
Coventry Building Society
Virgin Money
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:

Paul Darwin (appointed 27 March 2014)
David Finlay (resigned 14 March 2014)
Charles Haresnape
John Heron
Kevin Purvey
Richard Tugwell

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.

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Going concern

The directors have made appropriate enquiries and have concluded that it is reasonable to assert that IMLA 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 'CHaresnap', written over a horizontal line.

Charles Haresnap
Director

20 November 2014

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 UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 2014 which comprise the Income and Expenditure Account, the Balance Sheet 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 2014 and of its profit 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.

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

3 December 2014

**Income and Expenditure Account
for the year ended 30 June 2014**

	Notes	2014 £	2013 £
Subscriptions – members & associate members	2	87,725	69,583
Annual dinner	2	24,229	54,212
Other income	2	1,375	1,006
		<u>113,329</u>	<u>124,801</u>
Expenses	5	<u>(103,550)</u>	<u>(113,836)</u>
Operating profit	3	9,779	10,965
Interest receivable	6	<u>928</u>	<u>1,181</u>
Surplus before taxation		10,707	12,146
Taxation	7	<u>(2,355)</u>	<u>(1,892)</u>
Surplus for the financial year after taxation		8,352	10,254
Accumulated surplus brought forward		<u>148,859</u>	<u>138,605</u>
Accumulated surplus carried forward		<u>157,211</u>	<u>148,859</u>

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

All results arose from continuing operations.

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Balance sheet
at 30 June 2014

	Notes	£	2014 £	£	2013 £
Current assets					
Debtors and prepayments	8	80,950		65,708	
Cash at bank		<u>185,616</u>		<u>173,239</u>	
			266,566		238,947
Creditors: amounts falling due within one year	9		<u>(109,355)</u>		<u>(90,088)</u>
Net assets			<u>157,211</u>		<u>148,859</u>
General reserves					
Accumulated surplus			<u>157,211</u>		<u>148,859</u>

These financial statements were approved and authorised for issue by the board of directors on 20 November 2014 and were signed on its behalf by:



Charles Haresnape
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 2014 the company had recourse to the guarantees of members totalling £32 (2013:£26).

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 Financial Reporting Standard for Smaller Entities (FRSSE). 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 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.

3 Operating profit

	2014 £	2013 £
Operating profit is stated after charging:		
Auditors' remuneration		
- Audit services	2,528	2,375
- Non audit services	<u>2,090</u>	<u>1,860</u>
	<u>4,618</u>	<u>4,235</u>

Notes (continued)

4 Directors and staff

The company had nil (2013: nil) employees in the current year. The directors did not receive any remuneration during either year.

5 Expenses

	2014 £	2013 £
Annual dinner expense	-	29,370
Administrative expenses	<u>103,550</u>	<u>84,466</u>
	<u>103,550</u>	<u>113,836</u>

6 Interest receivable

	2014 £	2013 £
Bank deposit interest	<u>928</u>	<u>1,181</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) Analysis of charge in period	2014 £	2013 £
UK corporation tax on profits of the period	2,355	1,892
	<u>2,355</u>	<u>1,892</u>
Current tax charge for the period (see b below)	<u>2,355</u>	<u>1,892</u>
b) Factors affecting tax charge for the period		
Profit on ordinary activities before tax	<u>10,707</u>	<u>12,146</u>
Profit on ordinary activities multiplied by UK standard rate of corporation tax of 20% (2013: 20%)	2,141	2,429
Effects of:		
Expenses not deductible for tax purposes	20,710	16,894
Non-taxable income	<u>(20,496)</u>	<u>(17,431)</u>
Current tax charge for year	<u>2,355</u>	<u>1,892</u>

Notes (continued)

8 Debtors

	2014	2013
	£	£
Trade debtors	75,800	65,558
Prepayments & accrued income	<u>5,150</u>	<u>150</u>
	80,950	65,708

9 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	254	1,580
Taxation payable	2,600	2,967
Accruals	6,401	5,216
Deferred income	<u>100,100</u>	<u>80,325</u>
	109,355	90,088

Included within deferred income above, is £100,100 (2013: £80,325) relating to membership income for the 2014/15 year.

10 Contingent liabilities

The company had no contingent liabilities at 30 June 2014 (2013: nil).

The following pages do not form part of these financial statements

List of members as at 30 June 2014

Accord Mortgages 1 Filey Street Bradford BD1 5AT	Magellan Homeloans Ashcombe House 5 The Crescent Leatherhead KT22 8DY
Aldermore Bank plc 2nd Floor, Crown House Station Road Wilmslow SK9 1BH	Nationwide Building Society Portman House Bournemouth BH2 6EP
Barclays 1 Churchill Place London E14 5HP	NatWest Intermediary Solutions Amsterdam Place Amsterdam Way Norwich NR6 6EP
Clydesdale Bank plc Tasman House Mariner Court Clydebank Business Park Glasgow G81 2NR	Nottingham Building Society Nottingham House 3 Fulford St Nottingham NG1 3DL
Co-operative Banking Group 2 nd Floor Miller Street Manchester M60 0AL	OneSavings Bank plc Reliance House Sun Pier Chatham Kent ME4 4ET
Coventry Building Society Oakfield House Binley Business Park Harry Weston Rd Coventry CV3 2TQ	Paragon Mortgages Ltd St Catherine's Court Herbert Road Solihull West Midlands B91 3QE
Dudley Building Society Dudley House Stone St Dudley DY1 1NP	Precise Mortgages 2 Charter Court Wolverhampton Business Park Wolverhampton WV10 6TD
GE Money Home Lending Ltd Malvern House Croxley Business Park Watford WD18 8YF	Principality Building Society PO Box 89 Queen Street Cardiff CF10 1UA
Investec Mortgages Reading International Business Park Basingstoke Road Reading RG2 6DB	Santander 2 Triton Square, Regents Place, London NW1 3AN
Leeds Building Society 105 Albion Street Leeds LS1 5AS	Skipton Building Society The Bailey Skipton North Yorkshire BD23 1DN
Lloyds Banking Group PO Box 81 Pendeford Business Park Wobaston Road Wolverhampton WV9 5HZ	Virgin Money Northern Rock House Gosforth Newcastle upon Tyne NE3 4PL

List of associate members as at 30 June 2014

Countrywide Countrywide House 88-103 Caldecotte Lake Drive Milton Keynes MK7 8JT	Homeloan Management Gateway House Gargrave Road Skipton BD23 1UD
Crown Mortgage Management Ltd Crown House Crown St Ipswich IP1 3HS	Legal Marketing Services LMS House Cheshire Oaks Business Park Lloyd Drive Ellesmere Port Cheshire CH65 9HQ
Equifax plc Capital House 25 Chapel Street London NW1 5DS	LSL Property Services 2 Methuen Park Chippenham Wiltshire SN14 0GB
Genworth Financial Mortgage Insurance Building 11, Chiswick Park 566 Chiswick High Rd London W4 5XR	McCurrach Financial Svcs Ltd 74 Waterloo Street Glasgow G2 7DJ
Goldsmith Williams Solicitors Mersey Chambers 5 Old Churchyard Liverpool L2 8GW	Mortgage Brain Ltd 8 The Courtyard Buntsford Gate Buntsford Drive Bromsgrove B60 3DJ