



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

Directors' report and financial statements

Year ended 30 June 2017



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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 2017

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2017.

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

2016/17 saw another successful year for IMLA with increased numbers of members (36) and associate membership at 10. 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 2016/17 IMLA has focused on the following:

- As noted last year a review of trade bodies was undertaken which led to 6 organisations forming a new combined body, UK Finance, which came into being on the 1st July 2017, immediately after our year end. As this might suggest it has been 'business as usual' with the CML (and now UKF) as our primary partner (though of course the change process began) alongside AMI 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 produced an updated version of our joint guidance on *Working Together* and it was published in September 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.
- Press and public relations activity remained at a high level with regular blogs and articles along with periodic meetings with journalists. The quarterly Mortgage Market Tracker index has begun to gain traction with the media as we had hoped.
- IMLA also continued issuing its 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 tracker index and press release commentary on key issues of the day has resulted in a significantly higher profile for IMLA 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 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 2016 along with our third and for the moment last Great Mortgage Debate.

Directors' report continued

With a growing membership, IMLA strengthened its financial position in 2016/17 but also took the decision to expand services to members as discussed above. This reduced the surplus but enhanced our position. In the 2016/17 elections the directors, Charles Haresnape, John Heron, Kevin Purvey and Philip Rickards were re-elected and joined by Paul Darwin who had previously been a co-option. With Charles Haresnape standing down in early 2017 on leaving Aldermore the Directors asked Louisa Sedgwick who had been a co-opted Director to fill the vacancy until the next election. Kevin Purvey remained chairman and he will step down in November 2017. Peter Williams, IMLA's Executive Director for the last 10 years, announced at the start of 2017 that he intended to stand down at the end of the year. Directors moved to seek a replacement and were delighted to announce that Kate Davies, an experienced and highly respected trade body staffer (currently at the FLA and the ERC and previously at the BSA and the CML) had been appointed to work alongside Peter before succeeding him at the end of the year.

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 £23,526 (2016: £11,294).

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 2017:

Alan Cleary (resigned 1 December 2016)	Precise Mortgages
Paul Darwin (appointed 1 December 2016)	Skipton Building Society
Charles Haresnape (resigned 30 March 2017)	Aldermore Bank
John Heron	Paragon Mortgages Limited
Kevin Purvey	Coventry Building Society
Philip Rickards	Lloyds Banking Group
Peter Williams	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 (resigned 1 December 2016)
Paul Darwin (appointed 1 December 2016)
Charles Haresnape (resigned 30 March 2017)
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.

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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 'Kevin Purvey', with a long horizontal stroke extending to the right.

Kevin Purvey
Director

23 November 2017

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 2017 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 2017 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.

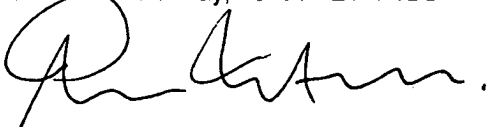
Matters on which we are required to report by exception

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

30 November 2017



INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	2016 £
Subscriptions – members & associate members		152,392	135,475
Annual dinner - profit share		30,890	22,793
Member events		-	7,200
Other income		-	-
		183,282	165,468
Expenses	5	(158,699)	(153,476)
Surplus on ordinary activities before interest	3	24,583	11,992
Interest receivable	6	645	616
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		25,228	12,608
Taxation	7	(1,702)	(1,314)
Surplus for the financial year		23,526	11,294
Reserves brought forward		190,591	179,297
Reserves carried forward		214,117	190,591

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

All results arose from continuing operations.

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Notes	£	2017 £	£	2016 £
Current assets					
Debtors and prepayments	8	2,848		6,399	
Cash at bank		<u>223,201</u>		<u>235,746</u>	
			226,049		242,145
Creditors: amounts falling due within one year	9		<u>(11,932)</u>		<u>(51,554)</u>
Net assets			<u>214,117</u>		<u>190,591</u>
Reserves			<u>214,117</u>		<u>190,591</u>

These financial statements were approved and authorised for issue by the board of directors on 23 November 2017 and were signed on its behalf by:



Kevin Purvey
Director

NOTES TO THE ACCOUNTS – 30 JUNE 2017
(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 2017 the company had recourse to the guarantees of members totalling £46 (2016:£43).

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.

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.

3 Surplus on ordinary activities before interest

	2017 £	2016 £
Surplus on ordinary activities before interest is stated after charging:		
Auditor's remuneration		
- Audit services	2,800	2,900
- Non audit services	2,700	2,150
	<u>5,500</u>	<u>5,050</u>

Notes *(continued)*

4 Directors and staff

The company had nil (2016: nil) employees in the current year. The directors did not receive any remuneration during either year.

5 Expenses

	2017 £	2016 £
Member events	-	7,233
Administrative expenses	<u>158,699</u>	<u>146,243</u>
	<u>158,699</u>	<u>153,476</u>

6 Interest receivable

	2017 £	2016 £
Bank deposit interest	<u>645</u>	<u>616</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	2017 £	2016 £
UK corporation tax on surplus for the period	1,702	1,314
Tax charge	<u>1,702</u>	<u>1,314</u>
 b) Factors affecting tax charge for the period		
Surplus on ordinary activities before tax	<u>25,228</u>	<u>12,608</u>
Surplus on ordinary activities multiplied by UK standard rate of corporation tax of 19.75% (2016: 20%)	4,983	4,818
Effects of:		
Expenses not deductible for tax purposes	31,343	30,695
Non-taxable income	(34,624)	(31,903)
Current tax charge for period	<u>1,702</u>	<u>1,314</u>

Notes (continued)

8 Debtors

	2017 £	2016 £
Trade debtors	-	960
Prepayments & accrued income	<u>2,848</u>	<u>5,439</u>
	<u>2,848</u>	<u>6,399</u>

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	5,670	2,109
Taxation payable	624	1,295
Accruals	5,638	5,050
Deferred income	<u>-</u>	<u>43,100</u>
	<u>11,932</u>	<u>51,554</u>

10 Related Parties

The company purchases administration and accounting services from the Council of Mortgage Lenders ("CML"). The company paid £13,000 (2015/16: £12,963) 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 2017 (2016: nil).

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List of members as at 30 June 2017

Accord Mortgages 1 Filey Street Bradford BD1 5AT	Fleet Mortgages Ltd Flagship House Reading Road North Fleet Hants GU51 4WP
Aldermore Bank plc 2nd Floor, Crown House Station Road Wilmslow SK9 1BH	Foundation Home Loans PO Box 4238 Bracknell Berkshire
Axis Bank UK Limited 4th Floor, Kings House 36 - 37 King St London EC2V 8BB	Hinckley & Rugby Building Society 81 Upper Bond St Hinckley Leicestershire LE10 1DG
Bank of Ireland 1 Temple Quay Bristol BS1 6DX	Kensington Reading International Business Park Basingstoke Road Reading RG2 6DB
Barclays 53 High Street Shanklin Isle of Wight PO37 6JJ	Landbay 10 Greycoat Place London SW1P 1SB
CHL Mortgages Admiral House Harlington Way Fleet Hampshire GU51 4YA	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	Metro Bank One Southampton Row London WC1B 5HA
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
Family Building Society Ebbisham House 30 Church Street Epsom KT14 4NL	Nottingham Building Society Nottingham House 3 Fulford St Nottingham NG1 3DL

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List of members as at 30 June 2017 (continued)

OneSavings Bank plc Reliance House, Sun Pier Chatham Kent ME4 4ET	Skipton Building Society The Bailey Skipton BD23 1DN
Paragon Mortgages Ltd St Catherine's Court Herbert Road Solihull B91 3QE	Tesco Bank Interpoint House 22 Haymarket House Edinburgh EH12 5BH
Precise Mortgages 2 Charter Court Wolverhampton Business Park Wolverhampton WV10 6TD	The Mortgage Lender Atrium Court 50 Waterloo Street Glasgow G2 6HQ
Principality Building Society PO Box 89 Queen Street Cardiff CF10 1UA	Vida Homeloans One London Road Staines Upon Thames Surrey TW18 4EX
Santander 2 Triton Square, Regents Place, London NW1 3AN	Virgin Money Northern Rock House Gosforth Newcastle upon Tyne NE3 4PL
Shawbrook Bank Ltd Lutea House, Warley Hill Business Park The Drive, Great Warley Brentwood CM13 3BE	West Bromwich Building Society 2 Providence Place West Bromwich B70 8AF

List of associate members as at 30 June 2017

Capita Mortgage Services Crown House Crown St Ipswich IP1 3HS	Legal Marketing Services LMS House, Cheshire Oaks Business Park Lloyd Drive Ellesmere Port CH65 9HQ
Countrywide Group Countrywide House 88-103 Caldecotte Lake Drive Milton Keynes MK7 8JT	LSL Property Services plc 2 Methuen Park Chippenham Wiltshire SN14 0GB
Equifax plc 54 Deerdykes View Westfield Cumbernauld G68 9HN	Mortgage Brain Ltd 6 The Courtyard, Buntsford Gate Buntsford Drive Bromsgrove B60 3DJ
Genworth Financial Mortgage Insurance Building 11, Chiswick Park 566 Chiswick High Rd London W4 5XR	Solution Cell Ltd 34 Bell Street Reigate RH2 7SL
Homeloan Management Gateway House Gargrave Road Skipton BD23 1UD	Sutherland Mortgage Services 33 rd Floor 30 St Mary Axe London EC3A 8EP