



# The Housing Finance Corporation

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## Tax Strategy

### 1. OVERVIEW OF THE HOUSING FINANCE CORPORATION GROUP

This tax strategy applies to all The Housing Finance Corporation Group companies (please see Appendix 1).

The Housing Finance Corporation Group ('the Group') is the UK's leading affordable housing aggregator. Set up in 1987, the Group issues long-term bonds in the Sterling capital markets and on-lends the proceeds to housing associations.

Our purpose is to enable regulated housing associations to achieve their social objectives and meet housing needs in their local communities. We do this by:

- sourcing funding from a range of institutional investors to deliver cost-efficient, responsible funding through the economic cycle; and
- operating as a non-profit-distributing finance company utilising our expertise, reputation, and strong relationships.

The Group's principal activity is to provide cost-effective, long-term funding to not-for-profit UK Registered Providers of Social Housing (housing associations, or 'HAs') by sourcing funding from institutional investors either through issuing long dated sterling denominated bonds in the capital markets or providing secured loans.

The Group is an unregulated, not-for-profit corporation registered under the Co-operative and Community Benefit Societies Act 2014. The not-for-profit status means the Group operates a non-distributable reserves policy which further supports the principal activity as this provides additional lending and cash flow cover in the event of a borrower default.

Since the incorporation of The Housing Finance Corporation Limited in 1987, various subsidiaries have been created within the Group to cater for the different financial instruments and covenant structures which have been required over time. The Group operates on a non-profit-distributing basis. The Group is serviced by T.H.F.C. (Services) Limited ('THFCS') which employs a specialist team of 30 experienced professionals covering client relationship management, treasury, credit, risk, security asset management, information technology and finance. This allows the Group to offer full and comprehensive support to its borrowers with very limited reliance on consultants and contractors.

Our activities generate a variety of tax liabilities. We pay Corporate Income Taxes, Stamp Duties, Value Added Tax and Employment Taxes.

Our aim is to comply with all aspects of UK tax legislation and work towards paying the right amount of tax at the right time. We seek to do so by acting with integrity and harnessing robust governance controls that are embedded into the organisation.



## 2. TAX PLANNING

Our attitude and approach towards tax planning is to maximise our tax position by utilising available tax reliefs, exemptions, and incentives. We work to achieve this by referring to established legislation, case law and concessions. External advice will be sought where required in relation to the tax impact of business transactions.

The pursuit of aggressive or artificial tax practices that may harm our reputation is not undertaken. Transactions will have a sound business purpose or commercial objective; they will not be transacted solely for the reason of reducing tax liabilities.

## 3. TAX RISK MANAGEMENT

The finance team has clear support internally and externally with a consistent tax reporting system. Training is provided to finance staff to assist with queries. Support from external advisors is also received by the finance team. The calculation and submission of tax returns has been outsourced to external advisors. The aim is to submit all returns correctly and on time, comprehensively document those submissions and embed control processes within the wider organisation.

Changes in either tax legislation, our business or our staffing may from time to time give rise to tax risk. However, these risks are continuously mitigated by committing to full compliance and operating a system of risk assessment and controls and support from external advisors.

His Majesty's Revenue and Customs ('HMRC') also assists when required for additional support and advice.

## 4. WORKING WITH HMRC

We act with honesty and integrity in our dealings with the tax authorities. Our approach to working with HMRC is to enter and maintain a long-term relationship, based on trust and transparency.

We do our utmost to ensure that our tax declarations are true, timely and transparent. Where errors are identified whether current or historic, we will follow due process to disclose these as soon as practically possible.

Our dealings with HMRC and other governing bodies are and will be open, transparent and collaborative.

## 5. GOVERNANCE

The Group regards the publication of this tax strategy as complying with the duty under paragraph 16(2) of Schedule 19 of the Finance Act 2016 to publish the group tax strategy for the financial year ended 31 March 2026.

The Senior Accounting Officer owns the Tax Strategy that is approved by the Group Board. The strategy is implemented through the consistent application and maintenance of policies and procedures. These are applicable across the entire Group.



## Appendix 1

### GROUP COMPANIES

The Housing Finance Corporation Limited  
Affordable Housing Finance Plc  
Blend Funding Plc  
Housing Finance Trustee Limited  
Shared Ownership Funding Plc  
Social Housing Finance 1 Plc  
Social Housing Finance 2 Plc  
T.H.F.C. (Capital) Plc  
T.H.F.C. (Indexed 2) Limited  
T.H.F.C. (Services) Limited  
T.H.F.C. (Social Housing Finance) Limited  
T.H.F.C. Sustainable Finance (No.2) Plc  
Temporary Accommodation Funding Plc  
The Housing Finance Corporation Operations Limited  
THFC Sustainable Finance plc  
UK Rents (Holdings) Ltd  
UK Rents (No.1) Plc  
UK Rents Trustee Ltd  
Urban Housing Finance Plc

### ASSOCIATED ENTITIES

SOF2 Limited  
SOF3 Limited  
Salvus Homes Limited



## Appendix 1 (cont.)

### MANAGED ENTITIES AND RELATED PARTIES

This tax strategy applies to T.H.F.C. (Services) Limited and the associated entities listed below. While these entities are separate legal bodies not owned by the Group, they are managed by T.H.F.C. (Services) Limited under specific corporate services and administrative agreements.

Harbour Funding Plc  
T.H.F.C. (Funding No.1) Plc  
T.H.F.C. (Funding No.2) Plc  
T.H.F.C. (Funding No.3) Plc

For the purposes of [HMRC's tax strategy requirements](#), we include these entities because they are subject to the same governance, risk management, and tax compliance frameworks as the wider group. This ensures a consistent approach to tax transparency and adherence to [Schedule 19 of the Finance Act 2016](#).