THFC SUSTAINABLE FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

COMPANIES HOUSE NUMBER: 13650359

THFC SUSTAINABLE FINANCE PLC

Annual Report and Financial Statements for the year ended 31 March 2024

Contents

Secretary

J. Coetzee
E. Hoareau (Resigned 13 October 2023)
K Shallcross (Appointed 13 October 2023)

Company Number

13650359

Registered Office

3rd Floor
17 St. Swithin's Lane
London
EC4N 8AL

Independent Auditor

CLA Evelyn Partners Limited
Chartered Accountants and Statutory Auditor
45 Gresham Street
London
EC2V 7BG

The Directors present their Strategic Report, Directors' Report and audited financial statements of THFC Sustainable Finance Plc (the "Company") for the year ended 31 March 2024.

STRATEGIC REPORT

The Strategic Report has been prepared in compliance with the provisions of Section 414C of the Companies Act 2006 and covers matters relating to the Company's future developments and a summary of how the Directors have acted in good faith to promote the success of the Company for the benefit of its stakeholders. The Company is a wholly owned subsidiary of T.H.F.C. (Services) Limited, (the "Immediate Parent Company") and the Ultimate Parent Company is The Housing Finance Corporation Limited ("THFC") and along with THFC's related subsidiaries, are known as the "Group".

PRINCIPAL ACTIVITY

The Company's principal activity is to raise debt, for the purpose of on-lending to provide funding to registered providers of social housing, registered social landlords and registered housing associations, in England, Wales, Scotland and Northern Ireland ("HAs"), through the issue of notes under a Secured Euro Medium Term Note Programme established on 24 March 2024 or through other secured debt instruments or borrowings.

T.H.F.C. (Services) Limited ("THFCS") provides all services to the Company to ensure it, and its borrower, fulfil their obligations under the respective funding and loan agreements.

The Company expects to continue its principal activity for the foreseeable future.

REVIEW OF BUSINESS

The Company established a Secured Euro Medium Term Note Programme on 24 March 2024. To date no debt has been raised, as such the Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance, and position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors are responsible for adequate risk management and establishing an integrated and Company-wide risk culture but can delegate general day to day business conduct to a number of Committees that serve both the Company and THFC as they share the same Board.

Detail on the governance structures and processes in place for assessing and managing risk is discussed in greater detail in THFC's group accounts *'Corporate Governance'* section located at: www.thfcorp.com.

The principal risks and uncertainties facing the Group are discussed in greater detail in THFC's group accounts *'Principal risk and uncertainties'* section located at: www.thfcorp.com.

FUTURE TRENDS

For a detailed analysis of the future trends this information is presented at a Group level within THFC's consolidated financial statements. A copy of these financial statements can be obtained at www.thfcorp.com.

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Statement by the Directors in performance of their statutory duties in accordance with S172(1) of the Companies Act 2006.

The Company is required to comply with Section 172(1) of the Companies Act 2006. Section 172(1) is a part of the section of the Act which defines the duties of a Company Director and concerns the "duty to promote the success of the Company" for the benefit of its stakeholders whose interests are in the future success of the Company. Stakeholders include shareholders, employees, suppliers, and the local communities affected by the Company's activities.

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions on the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers, and others;
- the impact of the Company's operations on the community and environment;
- maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The following paragraphs summarise how the Directors fulfil their duties:

Long-term consequences of decisions made

To meet the Company's principal objective of providing cost-effective long-term funding to HAs, the Board has set a strategy to promote steady, sustainable growth.

Culture and conduct
The Group's long-term sustainable success relies upon a healthy business culture and high standards of business and workplace conduct. The Group has in place several mechanisms to promote this. Further detail is in THFC's group accounts *'Culture and Conduct'* section located at: www.thfcorp.com.

Governance
The Company benefits from having eight independent non-executive Directors which enables independent constructive challenge. Detail on the governance structures and processes in place for assessing and managing risk is discussed in greater detail in THFC's group accounts *'Corporate Governance'* section located at: www.thfcorp.com.

Interests of employees

The Company has no employees except for its Board of Directors who are party to, and therefore consulted on, all decisions made by the Company. All management services are provided to the Company by THFCS, its Immediate Parent Company, in accordance with the Master Services Agreement ("MSA").

Diversity and inclusion
The Company has adopted THFC's 'Diversity, Equality and Inclusion' ("DEI") ambition.

Key initiatives undertaken include:

- DEI training sessions for all staff and Board members;
- A review of policies, procedures and structures to ensure these can support DEI ambitions;
- DEI focus groups and interviews engaging both staff and Board members on what good DEI practice should look like for the Group; and
- Review of the Group's values and culture, ensuring that DEI considerations are embedded throughout the organization.

See the Group report at www.thfcorp.com for more detail.

Fostering business relationships

The Board is aware of the need to foster on-going business relationships to ensure the success of the business.

The Board ensures that THFCS, the Company's service provider and Immediate Parent Company, has the appropriate skill set amongst employees to allow for an operational structure that incorporates the following:

- Relationship Management (for liaison with borrowers to whom funds have been on-lent as well as potential new borrowers);
- Treasury (who maintain relationships with current and potential investors in the Company's bonds through regular updates and meetings);
- Finance (who manage relationships with suppliers and ensure the efficient collection and distribution of coupons between the borrower and investors (or their duly appointed agent)); and
- Secretarial (who manage compliance obligations with various stakeholders).

Lending requires a constant focus on maintaining stakeholder relationships and the service provider has a wealth of experience in all relevant areas. THFCS fosters close relationships with sector specialists, such as valuers, lawyers, accountancy firms, treasury advisers and maintains close relationships with its investment banks and the investor community at large.

The Board receives regular presentations from key stakeholders as part of a 'Stakeholder Speaker Series'. This was introduced in the previous financial year and allows the Board to develop its knowledge of the landscape in which the Company operates; ensures Board members are familiar with the Company's key stakeholders and their objectives; and provides an opportunity for the Company to strengthen these relationships.

Impact of operations on community and environment

The Board makes every effort to minimise its carbon footprint, aided by the move to new premises in 2019. Staff of THFCS are encouraged to cycle for all or part of their commute to the office and effective recycling policies have been implemented to minimise office waste.

In delivering cost-effective funding to housing associations the Company aims to boost the number and quality of affordable housing for the benefit of tenants and communities throughout the UK.

The Board ensures the service provider's employees are aware of the changing landscape of regulation and best practice, whether environmental or social in nature. Every effort is made to consider the environmental impact of decisions taken, although due to the nature of its activities the Company's direct environmental impact is limited.

See the Group report at www.thfcorp.com for more detail.

Maintaining reputation for high standards of business conduct

The Board operates the business responsibly and in line with good industry practice and the highest level of governance expected of a lending business and in so doing maintains an exceptional reputation amongst investors and borrowers alike. High levels of integrity are key in the success of our business and delivery of our objectives. This includes:

- A code of conduct based on the seven principles of public life identified by the Nolan Committee;
- The Company complies with relevant legislation beyond its statutory obligations as best practice; and
- Regular compliance training for Directors including anti-money laundering and data protection.

Acting fairly between members of the Company

As a Board of Directors, we have a responsibility to act fairly between members of the Company. The entire issued share capital of the Company is held by the Immediate Parent Company, THFCS. THFCS and the Company have common Board membership. Each Director of the holding Company is therefore closely involved in the key strategic decisions and has the right to challenge on a regular basis.

This report was approved by the Board of Directors and signed on its behalf on 30 July 2024 by:

Julie Coetzee
Director

The Directors present their report together with the audited Financial Statements of THFC Sustainable Finance Plc (the "Company") for the year ended 31 March 2024.

GOING CONCERN

The Directors have concluded that the Company has adequate resources to continue in operational existence for the 12 months from the date on which the financial statements are approved. For this reason, the Company will continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are set out below:

Non-Executive and Chair
George Blunden

Other Non-Executives
Scott Bottles
Peter Impey (resigned 27 July 2023)
Anthony King
Fiona MacGregor (appointed 28 July 2023)
David Montague
Gill Payne (resigned 27 July 2023)
Will Perry (resigned 27 July 2023)
Shirley Smith
Gail Teasdale
William Guy Thomas

Executive Directors
Piers Williamson, Chief Executive (resigned 1 April 2024)
Priyanka Nair, Chief Executive (appointed 1 April 2024)
Fenella Edge, Treasurer (resigned 27 July 2023)
Julie Coetzee, Finance Director
Arun Poobalasingam, Funding & Marketing Director (appointed 28 July 2023)
David Stokes, Credit & Risk Director (appointed 28 July 2023)

SHARE CAPITAL AND COMPANY STRUCTURE

The company is incorporated and domiciled in England and Wales. The entire issued share capital is owned by T.H.F.C. (Services) Limited, (the "Immediate Parent Company") or ("THFCS").

DIVIDEND

The directors do not propose the payment of a dividend (2023: £Nil).

INSURANCE OF DIRECTORS

The company maintains third-party liability insurance in respect of proceedings brought by third parties in respect of their duties as Directors of the Company.

CHARITABLE AND POLITICAL CONTRIBUTIONS

There were no charitable donations nor any contributions for political purposes made by the Company during the year (2023: £nil).

FUTURE TRENDS

The Company's outline on future developments is set out within the Strategic Report.

STATEMENT IN RELATION TO SUPPLIERS, CUSTOMERS AND OTHERS

The Company's approach to fostering business relationships is set out within the Strategic Report.

STREAMLINED ENERGY AND CARBON REPORTING ("SECR")

In line with the SECR reporting requirements, the Company has elected to report on its energy use. The Company shares its premises with THFC, the Company's Ultimate Parent Company and this information is presented at a Group level within THFC's consolidated financial statements. A copy of these financial statements can be obtained at www.thfcorp.com.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each Director in office at the date the Directors' report is approved:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) they have taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

CLA Evelyn Partners Limited has been engaged by the Board as auditor of the Company and a resolution for their reappointment will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Also under that law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board of Directors and signed on its behalf by:

Julie Coetzee
Director
30 July 2024

Opinion

We have audited the financial statements of THFC Sustainable Finance Plc (the 'company') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its result for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 6-7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation or claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The Directors ensuring that the wider The Housing Finance Corporation Limited Group management implement, monitor and update operating procedures, manuals and internal controls as legal and regulatory requirements change; and
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and international accounting standards in respect of the preparation and presentation of the financial statements.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above:

- Performing a review of Board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations;
- Performing a review of any legal correspondence with the Company's legal advisors;
- We made enquiries of management; and
- We obtained written management representations regarding the adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing a sample of manual journal entries, selected based on specific risk assessments applied based on the Company's processes and controls surrounding manual journals.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

L Manson

Lindsay Manson
Senior Statutory Auditor, for and on behalf of
CLA Evelyn Partners Limited
Statutory Auditor
Chartered Accountants

45 Gresham Street
London
EC2V 7BG

30 July 2024

THFC SUSTAINABLE FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2024

	Note	**2024**	2023
		£	£
OPERATING INCOME			
Interest on bank deposits	2	**856**	-
		856	-
OPERATING EXPENDITURE			
Management fees charged by group companies		**856**	-
		856	-
PROFIT BEFORE TAXATION		**-**	-
Taxation	4	**-**	-
PROFIT AFTER TAXATION		**-**	-
OTHER COMPREHENSIVE INCOME			
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	-

THFC SUSTAINABLE FINANCE PLC

STATEMENT OF FINANCIAL POSITION
At 31 March 2024

		2024	2023
ASSETS	Note	**£**	£
Current assets			
Cash and cash equivalents	2	**13,356**	12,500
TOTAL ASSETS		**13,356**	12,500
Current liabilities			
Intercompany Creditors		**856**	-
TOTAL LIABILITIES		**856**	-
Equity			
Share capital	3	**12,500**	12,500
Retained earnings		-	-
TOTAL EQUITY		**12,500**	12,500
TOTAL EQUITY AND LIABILITIES		**13,356**	12,500

The Financial Statements on pages 12 to 16 were approved by the Board of Directors on 30 July 2024 and signed on its behalf by:

Priya Nair
Priya Nair (Jul 30, 2024 16:54 GMT+1)

Priyanka Nair
Director

THFC Sustainable Finance Plc **Registered Number: 13650359**

1. GENERAL INFORMATION

THFC Sustainable Finance Plc ("the Company"), a wholly owned subsidiary of T.H.F.C. (Services) Limited ("THFCS"), raises debt for the purpose of on-lending to provide funding to registered providers of social housing, registered social landlords and registered housing associations, in England, Wales, Scotland and Northern Ireland ("HAs") through the issue of notes under a Secured Euro Medium Term Note Programme established on 24 March 2024 or through other secured debt instruments or borrowings.

The Company is a public limited liability company incorporated in England and Wales. The address of the registered office is 3rd Floor, 17 St. Swithin's Lane, London, EC4N 8AL.

2. ACCOUNTING POLICIES

a) Significant accounting policies

The accounting policies applied in the preparation of the financial statements of the Company are described in this note. These policies have been consistently applied to all years presented unless otherwise stated.

As permitted by Section 400 of the Companies Act 2006 no group financial statements have been prepared as the Company is a wholly owned subsidiary of an undertaking which is itself preparing group financial statements, which are publicly available, see note 6.

Presentational currency
The Company's financial statements are presented in pound sterling, which is also the Company's functional currency with no transactions in foreign currency.

Basis of preparation
The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern
The Company continues to adopt the going concern basis, as disclosed in the Directors' Report on page 5. At the date of signing the accounts there is no evidence to suggest that the Company will be unable to meet its covenants in the foreseeable future. Having reviewed its own financial position the Board has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future being a period of no less than 12 months from approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Other interest
Interest income on cash and cash equivalents as well as short-term deposits is recognised on an accruals basis.

Cash and cash equivalents
Cash and cash equivalents comprise balances with an original maturity of three months or less, including cash and money market products.

Equity instruments
Equity instruments issued by the Company are recorded at proceeds received net of direct issue costs.

ACCOUNTING POLICIES (continued)

b) Standards and Interpretations effective for the Company in these financial statements

The following new and amended Standards and Interpretations are effective for periods beginning on or after 1 January 2023, but were adopted early by the Company in the prior year:

- IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of accounting estimates
- IAS 1 Presentation of Financial Statements: Disclosure initiative – accounting policies

In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves or the accounting policy information disclosed in this note.

The adoption of these amendments has not had a material impact on the reported results or financial position of the Company and has not given rise to any additional disclosure requirements.

c) Standards and Interpretations effective for the Company in future periods

- Effective for periods beginning on or after 1 January 2024
  - IAS 1 Presentation of Financial Statements: Classification of Liabilities
  - IAS 7/IFRS 7 Supplier Finance Arrangements
  - IFRS 16 Lease Liability in a Sale and Leaseback

- Effective for periods beginning on or after 1 January 2025
  - IAS 21 Lack of Exchangeability

These changes to standards effective on or after 1 January 2024 or 1 January 2025 are not expected to have a material effect on the financial statements.

3. ADMINISTRATION EXPENSES

The Company employed no staff during the year. All administrative services, including audit and Directors' services, are provided under a management agreement with T.H.F.C. (Services) Limited ("THFCS").

The fee for auditing the Company's financial statements included in the management fee amounted to £4,713 (2023: £3,840).

4. SHARE CAPITAL

	2024	2023
	£	£
Authorised		
50,000 (2023: 50,000) ordinary shares of £1 each	**50,000**	50,000
Alloted, called up and one quarter paid		
50,000 (2023: 50,000) ordinary shares of £1 each	**12,500**	12,500
	12,500	12,500

Management of capital

The Company's capital comprises only its share capital and reserves which the Directors consider adequate for its ongoing working capital requirements. The Company is not subject to externally imposed capital requirements.

5. RELATED PARTY TRANSACTIONS

The Company incurs a management charge annually from THFCS, a fellow subsidiary. The charge is for the services of staff and other office overheads not incurred directly by the Company. The charge in 2024 was £856 (2023: £nil). The amount due to THFCS at 31 March 2024 was £856 (2023: £nil).

6. ULTIMATE PARENT UNDERTAKING AND INCORPORATION

The Company's immediate parent company is T.H.F.C. (Services) Limited which is incorporated and registered in England and Wales. The Company's ultimate parent undertaking and controlling party is The Housing Finance Corporation Limited ("THFC") which is incorporated and registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014. THFC is the only company to prepare consolidated financial statements which include the Company. The consolidated financial statements of THFC may be obtained from the Company Secretary, The Housing Finance Corporation Limited, 3rd Floor, 17 St. Swithin's Lane, London EC4N 8AL, the Company's registered office.