Registered number: 13650359

THFC SUSTAINABLE FINANCE PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2026

THFC SUSTAINABLE FINANCE PLC

COMPANY INFORMATION

DIRECTORS	S. Bailey (appointed 1 April 2026, resigned 19 June 2026) M. Fent (resigned 31 March 2026) M. Gheerawo Skilbeck (appointed 1 April 2026) A. Jelic (appointed 1 April 2026) P. Nair B. Rick
COMPANY SECRETARY	T.H.F.C. (Services) Limited
REGISTERED NUMBER	13650359
REGISTERED OFFICE	3rd Floor 17 St. Swithin's Lane London EC4N 8AL
INDEPENDENT AUDITOR	S&W Audit Chartered Accountants and Statutory Auditor 45 Gresham Street London EC2V 7BG

THFC SUSTAINABLE FINANCE PLC

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2026

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 2026.

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.

During the year and at the balance sheet date, the Company was a wholly owned subsidiary of T.H.F.C. (Services) Limited ("THFCS"), its immediate parent undertaking, and the ultimate parent company was The Housing Finance Corporation Limited. The Housing Finance Corporation Limited, its subsidiaries and related entities are together referred to as the "Group".

Subsequent to the year end, with effect from 1 July 2026, the Group implemented a corporate reorganisation under which the Company became a wholly owned subsidiary of The Housing Finance Holding Corporation Limited, and The Housing Finance Holding Corporation Limited became the Group's ultimate parent undertaking.

The provision of staff, premises and other services to the Company is delivered by a service company within the Group (the "Service Company") under a Management Services Agreement ("MSA"). THFCS acted as the Service Company during the year and until 30 June 2026. With effect from 1 July 2026, The Housing Finance Corporation Operations Limited succeeded THFCS as the Service Company.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide the guaranteed unsecured element of The Housing Finance Corporation's government backed retrofit funding scheme. Under this scheme, the Company issues notes under a Secured Euro Medium Term Note Programme, or other debt instruments, with the benefit of a National Wealth Fund guarantee, and onlends the proceeds as unsecured funding for retrofit to registered providers of social housing in the UK.

The Service Company provides all services to the Company to ensure that it, and its borrowers, fulfil their obligations under the respective funding and loan agreements.

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

BUSINESS REVIEW

The Company was established to support future issuances under a Secured Euro Medium Term Note Programme. To date no debt has been raised and the Company has not commenced lending operations. Accordingly, 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 is responsible for ensuring that appropriate risk management is in place and for embedding an integrated, Company-wide risk culture. The Company operates within the Group's established governance and risk management framework. In discharging its responsibilities, the Board has regard to the Group's policies, procedures, and control environment, which are designed to support effective decision-making, robust risk management and regulatory compliance across the Group.

Detail on the governance structures and processes in place for assessing and managing risk is discussed in greater detail in the Group's annual report located at: thehousingfinancecorp.com.

FUTURE TRENDS

For a detailed analysis of the future trends this information is presented at a Group level within The Housing Finance Corporation's consolidated financial statements. A copy of these financial statements can be obtained at: thehousingfinancecorp.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.

Foster business relationships

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 the Group's annual report located at: thehousingfinancecorp.com.

Governance

Detail on the governance structures and processes in place for assessing and managing risk is discussed in greater detail in the Group's annual report located at: thehousingfinancecorp.com.

Interests of employees

The Company benefits from the services of the Service Company as defined under the MSA. The Company has no employees, and the executive directors are employed by the Service Company. All management services are provided to the Company by the Service Company, in accordance with the MSA.

Diversity, equity and inclusion

The Company's Diversity, Equity and Inclusion ("DEI") ambition is to support an inclusive environment where everyone can contribute to its success. The Company is committed to achieving a diverse workforce and Board, fostering an inclusive culture, and promoting DEI values to better serve its customers and wider stakeholders.

Further detail is in the Group's annual report located at: thehousingfinancecorp.com.

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 the Service 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);
- Capital Markets and 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
- Governance and Compliance (who manage compliance obligations with various stakeholders).

Long-term lending requires a constant focus on maintaining stakeholder relationships and the service provider has a wealth of experience in all relevant areas. This includes fostering 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.

Impact of operations on community and environment

In delivering long-term funding to HAs, the Company aims to boost the number and quality of affordable homes for the benefit of tenants and communities throughout the UK. The Group is a not-for-profit organisation. Reserves are retained to support the Group's purpose of providing financial solutions that enable the Affordable Housing Sector to build and improve homes and create sustainable communities across the UK. As such dividends are not permissible under the Group's rules.

The Company recognises that climate change represents an existential threat to our planet and society. As such, we are committed to minimising our negative impact on the environment as much as possible. The Company considers the environmental impact of decisions taken but also acknowledges that due to the nature of its activities, its direct environmental impact is limited.

Further detail is in the Group's annual report located at: thehousingfinancecorp.com.

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. During the year and at the balance sheet date, the entire issued share capital of the Company was held by THFCS, the immediate parent company, and Directors of the parent company were therefore involved in the Company's key strategic decisions.

This report was approved by the board on 5 August 2026 and signed on its behalf.



B. Rick
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The Directors present their report and the financial statements for the year ended 31 March 2026.

GOING CONCERN

The Directors have concluded that the Company has adequate resources to continue in operation 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 who served during the year and up to the date of signing were:

S. Bailey (appointed 1 April 2026, resigned 19 June 2026)
M. Fent (resigned 31 March 2026)
M. Gheerawo Skilbeck (appointed 1 April 2026)
A. Jelic (appointed 1 April 2026)
P. Nair
B. Rick

RESULTS AND DIVIDENDS

THFC Sustainable Finance Plc ("the Company") made neither a profit nor a loss for the year (2025: £Nil). The Directors do not propose the payment of a dividend (2025: £Nil).

SHARE CAPITAL AND COMPANY STRUCTURE

The Company is incorporated and domiciled in England and Wales. The entire issued share capital of the company was owned by T.H.F.C. (Services) Limited ("THFCS") at the balance sheet date.

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 (2025: £nil).

FUTURE DEVELOPMENTS

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 the Group, and this information is presented at a Group level within The Housing Finance Corporation's consolidated financial statements. A copy of these financial statements can be obtained at: thehousingfinancecorp.com.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether international accounting standards 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

Subsequent to the year end, the Group implemented a corporate reorganisation which resulted in a change in the Company’s immediate parent and the establishment of a new ultimate parent undertaking for the Group. These changes in ownership occurred after the reporting date and do not affect the amounts recognised in these financial statements as at 31 March 2026.

AUDITOR

S&W Audit (a trading name of S&W Partners Audit Limited) has been engaged by the Board as auditor of the Company.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2026

This report was approved by the board on 5 August 2026 and signed on its behalf.



B. Rick
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THFC SUSTAINABLE FINANCE PLC

Opinion

We have audited the financial statements of THFC Sustainable Finance Plc (the 'Company') for the year ended 31 March 2026 which comprise the Statement of Profit or Loss and Other 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 2026 and of its profit 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, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. 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 directors' responsibilities statement set out on page 6, 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 overseeing the operation of the Company's management services agreement with The Housing Finance Corporation Group, which requires T.H.F.C. (Services) Limited to 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 UK-adopted 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THFC SUSTAINABLE FINANCE PLC (CONTINUED)

Lindsay Manson (Senior statutory auditor)

for and on behalf of

S&W Audit
Chartered Accountants and Statutory Auditor

45 Gresham Street
London
EC2V 7BG

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 £	*2025 £*
Interest on bank deposits		**545**	*648*
Administration expenses	3	**(545)**	*(648)*
PROFIT BEFORE TAX		**-**	-
Tax expense		**-**	-
PROFIT FOR THE YEAR		**-**	-

The notes on pages 16 to 19 form part of these financial statements.

There is no other comprehensive income (2025: £Nil).

THFC SUSTAINABLE FINANCE PLC
REGISTERED NUMBER: 13650359

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	2026 £	*2025 £*
Assets			
CURRENT ASSETS			
Trade and other receivables	4	**401,836**	-
Cash and cash equivalents		**14,477**	*14,004*
TOTAL ASSETS		**416,313**	*14,004*
Liabilities			
CURRENT LIABILITIES			
Intercompany creditors	5	**403,813**	*1,504*
TOTAL LIABILITIES		**403,813**	*1,504*
Net assets		**12,500**	*12,500*
ISSUED CAPITAL AND RESERVES			
Share capital	6	**12,500**	*12,500*
TOTAL EQUITY		**12,500**	*12,500*

The financial statements on pages pages 12 to 19 were approved and authorised for issue by the board of Directors on 5 August 2026 and were signed on its behalf by:



P. Nair
Director

The notes on pages 16 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2026

	Share capital	Total equity
	£	£
At 1 April 2025	12,500	12,500
Profit for the year	-	-
Total comprehensive income for the year	-	-
At 31 March 2026	**12,500**	**12,500**

	Share capital	Total equity
	£	£
At 1 April 2024	12,500	12,500
Profit for the year	-	-
Total comprehensive income for the year	-	-
At 31 March 2025	**12,500**	**12,500**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	2026 £	*2025* *£*
CASH FLOWS FROM OPERATING ACTIVITIES		
Result before taxation	**-**	-
ADJUSTMENTS FOR		
Increase in other receivables	**(401,836)**	-
Increase in other payables	**402,309**	*648*
NET CASH GENERATED FROM OPERATING ACTIVITIES	**473**	*648*
Cash and cash equivalents at the beginning of the year	**14,004**	*13,356*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**14,477**	*14,004*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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 limited by shares, 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.

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. 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 its operation for the foreseeable future from approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

Prepayments

Strategic project costs incurred in establishing the debt capital markets programme are presented as prepayments and held at historical cost until the programme becomes available for use. On completion of the financing, the costs will be considered for treatment as debt issuance transaction costs in accordance with IFRS 9, where the recognition criteria are met. At that point the costs will be amortised using the effective interest method over the term of the related debt.

No amortisation is recognised as the programme is not yet available for use. The carrying amount is reviewed at each reporting date to assess whether the costs may not be recoverable and is written down where appropriate. Costs relating to ongoing administration, annual renewals, general retainers, maintenance activities, and other recurring operating costs are expensed as incurred.

Other interest

Interest income on cash and cash equivalents as well as short-term deposits is recognised on an

2. ACCOUNTING POLICIES (CONTINUED)

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.

Changes in accounting policies and disclosures

(b) New standards, interpretations and amendments effective from 1 April 2025

The following new and amended Standards and Interpretations effective for the financial year beginning 1 April 2024 have been adopted:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The adoption of these standards has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(c) Effective for periods beginning on or after 1 April 2026

As at the date of authorisation of these accounts, there were a number of Standards and Interpretations that were in issue but not yet effective.

- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures);
- Annual Improvements to IFRS Accounting Standards – Volume 11 (amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7); and
- IFRS 18 – Presentation and Disclosure in Financial Statements.

The effect of all new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to materially impact the company.

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 with costs incurred by THFCS amounted to £4,448 (2025: £4,236).

4. TRADE AND OTHER RECEIVABLES

	2026 £	2025 £
Prepayments	**401,836**	-
	401,836	-

Strategic project costs incurred in establishing the debt capital markets programme are presented as prepayments and held at historical cost until the programme becomes available for use.

5. TRADE AND OTHER PAYABLES

	2026 £	2025 £
Intercompany creditors	**403,813**	1,504
	403,813	1,504

THFCS incurred £401,836 of Strategic project costs in establishing the debt capital markets programme and will be reimbursed by the Company with income generated by arrangement fees on future loans signed.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6. SHARE CAPITAL

The company's capital comprises only its share capital of 50,000 (2025: 50,000) ordinary shares which the Directors consider adequate for its ongoing working capital requirements in relation to its obligations under the bonds. The company is not subject to externally imposed capital requirements.

Allotted and part paid

	2026 Number	2026 £	*2025 Number*	*2025 £*
Ordinary shares of £1 each of which 25p per share is paid	**50,000**	**12,500**	*50,000*	*12,500*

7. RELATED PARTY TRANSACTIONS

The Company incurs a management charge annually from THFCS, its immediate parent Company. The charge is for the services of staff and other office overheads not incurred directly by the Company. The charge in 2026 was £473 (2025: £648). The amount due to THFCS at 31 March 2026 was £1,977 (2025: £1,504).

8. 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.

9. POST BALANCE SHEET EVENTS

The Group completed a reorganisation of the corporate structure on 1st July 2026. As a result, the Company is now a subsidiary of The Housing Finance Holding Corporation Limited, and the administrator of the Company is The Housing Finance Corporation Operations Ltd.