Registration Number: 3194469

HOUSING ASSOCIATION FUNDING PLC

ANNUAL REPORTING AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

HOUSING ASSOCIATION FUNDING PLC

COMPANY INFORMATION

Directors	Sean Martin Link Corporate Services Limited Link Trust Corporate Limited
Company secretary	Link Trust Corporate Limited
Registered number	3194469
Registered office	6th Floor 65 Gresham Street London EC2V 7NQ
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

HOUSING ASSOCIATION FUNDING PLC

CONTENTS

HOUSING ASSOCIATION FUNDING PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2018

BUSINESS REVIEW

Housing Association Funding Plc (the "Company" or "HAF"), registered in England and Wales No. 3194469, is a special purpose company whose only activity is to advance loans to certain Housing Associations and to service notes and bank borrowings issued or raised to finance such advances and is likely to remain so in the foreseeable future. The Housing Association loans have been pledged to Royal Exchange Trust Company Limited as security for the notes.

The Company only operates in the UK and provides funding only to social housing providers.

The Company operated as expected during the year with demand for social housing remaining very high. The rent collection performance of the property portfolio over the year to 31 May 2018 was 99% (2017: 98%) of the £30 million (2017: £41 million) collectible if the properties had been fully occupied and all rents paid on their due date. Overall rent collection performance remains significantly better than the 95% level specified under the Loan Agreements. The net rental income was 148% (2017: 164%) of the amount required by the Company to service its debt obligations on the long-term notes. The notes and the loans continued to redeem during the year. The balance of the notes at year end was £94 million (2017: £127 million) and that of the loans was £94 million (2017: £128 million). The cash balance at year end was at £19 million (2017: £23 million), the Company continues to operate an additional liquidity facility originally set up by Barclays held at BNY Mellon. The Company has not been required to make any drawdowns from this facility during the year.

Three Borrowers prepaid during the accounting period ending 31 May 2018.

Details as follows:

- The Riverside Group Limited (formerly Riverside Housing Association Limited – repaid June 2017
- Midland Heart Limited (formerly Touchstone Housing Association Limited and Touchstone 2 Housing Association Limited) - repaid June 2017
- Your Housing Limited (formerly Knightstone Housing Association Limited) – repaid Dec 2017

After the period end date, a further Borrower prepaid at the June 2018 payment date, and notice has been received that a further Borrower intends to repay at the December 2018 payment date.

- Liverty Limited (formerly Knightstone Housing Association Limited - prepaid June 2018
- Paradigm Homes Charitable Housing Association Limited (formerly Chiltern Hundred Housing Association Limited) – intention to repay in December 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's business is predicated on demand for rented housing. Therefore the principal risk facing the Company is based on changes in demographic conditions leading to a significant reduction in the demand to rent the housing which is security for its loan. Demand could reduce if there was an oversupply of housing, if the housing was not kept in a good and tenantable condition, if the rents for the housing were uncompetitive or, if the housing were located in an undesirable or dangerous area. Management mitigate these risks by ensuring that the dwellings are let and kept in a good and tenantable condition. It does this by checking monthly reports of rental collection, which reflect occupancy, against the targets laid down in the loan agreements and by examining the triennial stock condition surveys.

The directors do not currently consider credit risk to be a significant risk to the Company. The reason is that if there if a default by a borrower, the transaction is structured to transfer the management of the charged dwellings allowing the rents to continue to be collected and the dwellings to continue to be managed and maintained and the debt to be serviced out of the rental cash flow. There has not been a default by a borrower in the past eighteen years.

The directors consider the Company's overall exposure to interest rate risk to be immaterial for the purposes of these financial statements.

For more information on the principal risks and how they are managed, please see note 13.

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 May 2018

INTERNAL CONTROL AND RISK MANAGEMENT

Each of the borrowers is obliged under its loan agreement to provide the Company with monthly and quarterly reports about the performance of the dwellings which are charged as security for its borrowing. The administration team monitors the receipt of these investor reports.

Borrowers are also obliged to provide the Company with a solvency certificate every 6 months and an annual certificate confirming the income and rent which has been reported over the preceding year. It is a requirement that the annual certificate be verified by an accompanying Independent auditor's certificate. The administration team also reviews these certificates and any irregularities are immediately followed up.

FINANCIAL KEY PERFORMANCE INDICATORS

The loans made to Housing Associations by the Company are serviced out of the rental income generated by a portfolio of social housing properties owned and managed by the Housing Associations. The targets in the Loan Agreements represent the measure to which the Company monitors its business.

The rent collection performance of the property portfolio over the year to 31 May 2018 was 99% (2017: 98%) of the £30 million (2017: £41 million) collectible if the properties had been fully occupied and all rents paid on their due date. Overall rent collection performance remains significantly better than the 95% level specified under the Loan Agreements.

As at 31 May 2018 the net rental income (being gross rent less provision for management, maintenance, services and credit losses primarily from empty dwellings) of the properties charged to the Company was 148% (2017: 164%) of the amount required by the Company to service its debt obligations on the long-term notes. Overall debt service remains significantly higher than the 105% level specified under the Loan Agreements between the Company and the relevant Housing Associations.

STRATEGY AND FUTURE DEVELOPMENT

The strategy of the Company is to ensure that it continues to service its debt obligations under the Notes in a full and timely manner up to and including the final maturity of the Notes in June 2027.

FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise lending to Housing Associations and borrowings that arise directly from its operations. The main purpose of these borrowings is to raise finance for the Company's operations. Further information regarding the risks arising from the use of all the Company's financial instruments is included within note 13. It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The Board reviews and agrees the policy for managing the financial risk profile of the Company.

This report was approved by the board on 30 November 2018 and signed on its behalf.

for and on behalf of
Link Trust Corporate Limited
Director

Carl Baldry

HOUSING ASSOCIATION FUNDING PLC

DIRECTORS REPORT
FOR THE YEAR ENDED 31 May 2018

The directors present their report and the audited financial statements for the year ended 31 May 2018.

DIVIDENDS

The directors do not recommend the payment of a dividend for the current year (2017: nil).

DIRECTORS

The directors who served during the year were as follows:

Sean Martin
Link Trust Corporate Limited (formerly Capita Trust Corporate Limited effective 6 November 2017)
Link Corporate Services Limited (formerly Capita Trust Corporate Services Limited effective 6 November 2017)

EVENTS SINCE THE END OF THE YEAR

Repayment of loan

Liverty Limited

After the year-end, Liverty Limited (formerly Knightstone Housing Association Limited) made a full repayment of its loan balance back to the Housing Association fund which was due to be repaid in 2027. In accordance with the terms of the transaction documents a total payment of £11,983,835 was received. The amount represents the full payment of the loan capital, interest accrued, prepayment premium and their share of expenses due to the Group.

CORPORATE GOVERNANCE STATEMENT

The Directors have a supervisory role in overseeing the business, strategic direction, organisational structure and risk management activities of the Company. The Director membership represents an appropriate mix of experience and knowledge relevant to the Company's business lines. Board meetings are held at least four times a year, and additional meetings can be held at any time to discuss urgent issues. The day-to-day activities of the Company are controlled by Link Trust Corporate Limited.

GOING CONCERN

During the year there were several reviews performed by credit rating agencies on the Housing Association sector. The Company's credit rating was downgraded on 28 September 2017 by Moody's to Aa2 (previously Aa1). This was cited because of the future issues that could arise and affect the underlying Housing Associations. The downgrade reflected the external view that default rates and higher losses of credit borrowers were more probable given the current economic environment.

The Housing Association loans include full recourse to the borrower and are secured by social housing properties in the United Kingdom (UK), however additional factors in the Moody's review contributed towards the rerating of the Housing Association bonds. These factors included, higher leverage based on Moody's value assessment, less scheduled amortisation and the exposure to relatively weaker credit borrowers.

Subsequently on 21 September 2018, a second review of the ratings applied to Housing Associations, Moody's downgraded its rating on 12 classes of UK commercial mortgage backed securities including Housing Association Funding Plc. The new rating A2 (previously Aa2) is a reflection of the enactment of the Housing Administration regime on 05 July 2018 under the Housing and Planning Act 2016.

Under the regime, creditors have a lack of ability to enforce security during an administration of a Housing Association. This weakens the credit structure of the security provided to Housing Associations by the borrowers. There is uncertainty around timing and costs associated with an administration of an insolvent Housing Association. A longer administration process decreases the likelihood of enforcement of the security but also increases the risk of a disruption to the payments on the Notes.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 May 2018

On 09 February 2018 another credit rating agency, S&P, affirmed the A- rating applied to the Company and removed the Credit Watch status applied.

On 23 June 2016 the UK voted to exit the European Union. With negotiations ongoing between the UK and EU, it is premature to determine the full impact of the Brexit vote at this stage.

The strength of the UK economy and possible Brexit implications could undermine or support the ability for the Housing Association borrowers to continue collecting rents from credit borrowers. Details of how credit risk is managed is disclosed in Note 13.

Despite there being a challenging economic environment for the housing association sector, the Company continues to satisfy all its key performance indicators and to make payments to Noteholders in full and on time without recourse to its additional facility. Additionally, the Housing Associations underlying the structured deal have seen increases in rental collection rates and there is no evidence that the Housing Associations are experiencing higher default rates than usual and all covenants under the original loan agreements being consistently met.

As with previous years the Company continues to hold a £9.4 million 364-day additional fund, equivalent to more than six months' debt service for the Company (and equivalent to more than two years' debt service for any one of the Housing Associations) if this is required. To date there have been no requirements to utilise the funds drawn down on this facility and the directors have no reason to believe the Company will not meet its liabilities as they fall due.

Overall, the housing market is continually supported by Government initiatives which underpin demand for new and existing properties. To this extent house prices are, generally speaking, continuing to rise across the United Kingdom and there has not been any material events to date that would reverse this trend and, as far as the directors are aware, there is no near term regulation proposed by the UK Government which would put greater pressure on the headroom of existing interest cover or the revenue generated from housing association development activities.

Based on this information, the directors have no reason to believe that the Company will not meet its liabilities as they fall due. Consequently the going concern basis continues to be appropriate in preparing the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

As permitted in paragraph 1A of Schedule 7 to large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1 and 2. These matters relate to the business review, financial instruments, future developments and financial risk management and policies.

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.

It is not considered appropriate to have an audit committee as the sole business of the Company is to act as the issuer of Asset Backed Securities.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 May 2018

INDEPENDENT AUDITOR

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 30 November 2018 and signed on its behalf.

for and on behalf of
Link Trust Corporate Limited
Director

Carl Baldry

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 May 2018

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

Independent auditor's report to the members of Housing Association Funding PLC

Opinion

We have audited the financial statements of Housing Association Funding PLC (the 'company') for the year ended 31 May 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changed in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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, as applied to public interest entities 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued) to the members of Housing Association Funding PLC

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed this key audit matter
Credit risk – impairment of loan receivables The company is a special purpose vehicle established to issue fixed rate loans notes, the proceeds of which were used to advance loans to certain Housing Associations. As set out in accounting policy 2.8 to the Financial Statements, which is in line with the requirements under FRS102, at each reporting date, a provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due from these Housing Associations according to the contractual terms. The recoverability of loan receivables is dependent on the ability of the Housing Associations to service these loans from the rents they receive on their properties. If there is a significant reduction in rent receivable or net rental income, this can impact the value of the loans and an impairment may be required. Furthermore, any impairment of the loans could have a direct impact on the ability of the company to meet its obligations in relation to the issued loan notes. Therefore we consider the assessment of the loans for indicators of impairment to be a key audit matter.	We performed the following procedures: • We reviewed management's procedures for identifying impairment and management's assessment as to whether the loans have been impaired. • Obtaining independent confirmation of loan balances at year-end from the corresponding Housing Associations. • We obtained and reviewed the quarterly compliance reports which set out how each Housing Association has performed against set metrics and are used for monitoring the credit quality of the loans. We assessed whether there were any instances of non-compliance and whether these were indicative of impairment of the underlying loan. • We reviewed payments during the year and subsequent to year-end to assess whether there were any impairment indications due to, inter-alia, non-payment of interest or principal or reduction in rent recoverability rates. • We obtained the latest available financial information from the Housing Associations to evaluate whether there were indicators of financial stress that would be indicative of possible impairment of the loans. We found that the methodology used by the directors in their impairment assessment is consistent with the requirements of FRS 102 and appropriate.

Independent auditor's report (continued) to the members of Housing Association Funding PLC

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows;

Overall materiality	£1,165k
How we determined it	1% of total assets
Rationale for benchmark applied	We consider total assets as the key benchmark as it is the main driver of repayments to the loan note holders. As such, we based our materiality levels based on this benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Performance materiality of £758k was applied in the audit based on 65% overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £35k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements such as significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the company, and the industry in which it operates. We considered the risk of acts by the company which were contrary to the applicable laws and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the company, accounting processes and controls and its environment and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our tests included, but not limited to, obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error, review of minutes of directors meeting in the year and enquiries of management. As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Independent auditor's report (continued) to the members of Housing Association Funding PLC

Other information

The directors are responsible for the 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

HOUSING ASSOCIATION FUNDING PLC

Independent auditor's report (continued) to the members of Housing Association Funding PLC

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.

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

Other matters which we are required to address

We were appointed by the directors on 12 November 2018 to audit the financial statements for the year ended 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is 9 years, covering the years ended 31 May 2010 to 31 May 2018.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with our additional report to the Directors.

Use of the audit 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.

Greg Simpson (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katherine's Way
London
E1W 1DD

Date 30 November 2018

HOUSING ASSOCIATION FUNDING PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 May 2018

	Note	2018 £	2017 £
Interest receivable on Housing Association loans and bank balances	4	**6,888,363**	9,141,174
Interest payable on Loan notes		**(6,882,679)**	(9,133,859)
GROSS PROFIT		**5,684**	7,315
Administrative expenses		**(497,031)**	(824,621)
Fees receivable		**497,031**	824,599
Profit on ordinary activities before taxation		**5,684**	7,293
Tax on profit on ordinary activities	6	**(1,080)**	(1,444)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,604**	5,849

All amounts relate to continuing operations.

The notes on pages 16 to 27 form part of these financial statements.

HOUSING ASSOCIATION FUNDING PLC
REGISTERED NUMBER: 3194469

STATEMENT OF FINANCIAL POSITION
AS AT 31 May 2018

	Note	£	2018 £	£	2017 £
NON CURRENT ASSETS					
Housing Association loans	7		**86,552,774**		*118,920,166*
CURRENT ASSETS					
Debtors	8	**10,506,167**		*13,138,878*	
Cash at bank and in hand	9	**19,484,905**		*23,145,739*	
		29,991,072		*36,284,617*	
CREDITORS: amounts falling due within one year	10	**(29,786,534)**		*(35,995,583)*	
NET CURRENT ASSETS			**204,538**		*289,034*
TOTAL ASSETS LESS CURRENT LIABILITIES			**86,757,312**		*119,209,200*
CREDITORS: amounts falling due after more than one year	11		**(86,548,799)**		*(119,005,291)*
NET ASSETS			**208,513**		*203,909*
CAPITAL AND RESERVES	12				
Called up share capital			**50,000**		*50,000*
Profit and loss account			**158,513**		*153,909*
SHAREHOLDERS' EQUITY			**208,513**		*203,909*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2018.

Carl Baldry

for and on behalf of
Link Trust Corporate Limited
Director

The notes on pages 16 to 25 form part of these financial statements.

HOUSING ASSOCIATION FUNDING PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 May 2018

	Share capital	Profit and loss account	Total equity and reserves
	£	£	£
As at 1 June 2016	50,000	148,060	198,060
Total comprehensive income for the year	-	5,849	5,849
As at 31 May 2017	50,000	153,909	203,909
As at 1 June 2017	50,000	153,909	203,909
Total comprehensive income for the year	-	4,604	4,604
As at 31 May 2018	**50,000**	**158,513**	**208,513**

This reserve represents cumulative profits and losses of the Company.

HOUSING ASSOCIATION FUNDING PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 May 2018

	2018 £	*2017 £*
Operating activities		
Profit before taxation	**5,684**	*7,293*
Decrease in debtors	**1,357,903**	*433,267*
Decrease in creditors	**(4,974,297)**	*(781,913)*
Net cash outflow from operating activities before tax	**(3,610,710)**	*(341,353)*
Cash flow from investing activities		
Redemption of loans	**33,642,201**	*7,973,637*
Net cash inflow from investing activities	**33,642,201**	*7,973,637*
Cash flow from financing activities		
Increase in liquidity facility	**-**	*6,520*
Redemption of loan notes	**(33,692,325)**	*(7,992,025)*
Net cash outflow from financing activities	**(33,692,235)**	*(7,985,505)*
Net decrease in cash and cash equivalents	**(3,660,834)**	*(353,221)*
Cash and cash equivalents at the beginning of the year	**23,145,739**	*23,498,960*
Cash and cash equivalents at end of the year	**19,484,905**	*23,145,739*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

1. GENERAL INFORMATION

The Company has debt listed on the London Stock Exchange and is registered in England and Wales with registration number 3194469. The address of its registered office and principal place of business is:

6th Floor, 65 Gresham St, London EC2V 7NQ

2. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102") and applicable legislation, as set out in the Companies Act 2006. These financial statements have been prepared under the historical cost convention.

In accordance with paragraph 4(1) of Schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the directors have adapted the arrangement of certain headings in the profit and loss account to reflect more accurately the nature of the Company's activities. A summary of important and material accounting policies is set out below.

2.2 Going concern

During the year there were several reviews performed by credit rating agencies on the Housing Association sector. The Company's credit rating was downgraded on 28 September 2017 by Moody's to Aa2 (previously Aa1). This was cited because of the future issues that could arise and affect the underlying Housing Associations. The downgrade reflected the external view that default rates and higher losses of credit borrowers were more probable given the current economic environment.

The Housing Association loans include full recourse to the borrower and are secured by social housing properties in the United Kingdom (UK), however additional factors in the Moody's review contributed towards the rerating of the Housing Association bonds. These factors included, higher leverage based on Moody's value assessment, less scheduled amortisation and the exposure to relatively weaker credit borrowers.

Subsequently on 21 September 2018, a second review of the ratings applied to Housing Associations, Moody's downgraded its rating on 12 classes of UK commercial mortgage backed securities including Housing Association Funding Plc. The new rating A2 (previously Aa2) is a reflection of the enactment of the Housing Administration regime on 05 July 2018 under the Housing and Planning Act 2016.
Under the regime, creditors have a lack of ability to enforce security during an administration of a Housing Association. This weakens the credit structure of the security provided to Housing Associations by the borrowers. There is uncertainty around timing and costs associated with an administration of an insolvent Housing Association. A longer administration process decreases the likelihood of enforcement of the security but also increases the risk of a disruption to the payments on the Notes.

On 09 February 2018 another credit rating agency, S&P, affirmed the A- rating applied to the Company and removed the Credit Watch status applied.

2. ACCOUNTING POLICIES (continued)

2.2 Going concern (continued)

On 23 June 2016 the UK voted to exit the European Union. With negotiations ongoing between the UK and EU, it is premature to determine the full impact of the Brexit vote at this stage.

The strength of the UK economy and possible Brexit implications could undermine or support the ability for the Housing Association borrowers to continue collecting rents from credit borrowers. Details of how credit risk is managed is disclosed in Note 13.

Despite there being a challenging economic environment for the housing association sector, the Company continues to satisfy all its key performance indicators and to make payments to Noteholders in full and on time without recourse to its additional facility. Additionally, the Housing Associations underlying the structured deal have seen increases in rental collection rates and there is no evidence that the Housing Associations are experiencing higher default rates than usual and all covenants under the original loan agreements being consistently met.

As with previous years the Company continues to hold a £9.4 million 364-day additional fund, equivalent to more than six months' debt service for the Company (and equivalent to more than two years' debt service for any one of the Housing Associations) if this is required. To date there have been no requirements to utilise the funds drawn down on this facility and the directors have no reason to believe the Company will not meet its liabilities as they fall due.

Overall, the housing market is continually supported by Government initiatives which underpin demand for new and existing properties. To this extent house prices are, generally speaking, continuing to rise across the United Kingdom and there has not been any material events to date that would reverse this trend and, as far as the directors are aware, there is no near term regulation proposed by the UK Government which would put greater pressure on the headroom of existing interest cover or the revenue generated from housing association development activities.

Based on this information, the directors have no reason to believe that the Company will not meet its liabilities as they fall due. Consequently the going concern basis continues to be appropriate in preparing the financial statements.

2.3 Value added tax

Value added tax is not recoverable by the Company and is included with its related cost.

2.4 Interest

Interest receivable and interest payable are recognised in the profit and loss account using the effective interest method.

The effective interest method is a method of allocating the interest income or interest expense evenly in proportion to the amount outstanding over the period to maturity or repayment. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument.

2.5 Fees receivable

Fees recognised in the financial statements relate to the recharge of administrative costs incurred by the Company. These costs are recharged to the Housing Associations. Fees receivable are recognised on an accruals basis in the year in which the costs have been incurred.

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

The Company has elected to be taxed under the Taxation for Securitisation Companies 2006 (Regulations) i.e., the permanent regime. Corporation tax is therefore calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangements.

2.7 Segmental analysis

The Company only operates in the UK and there are no reportable segments which are managed separately based on the Company's management and internal reporting structure.

2.8 Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds only basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, and trade and other creditors. The company has chosen to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

Financial assets — classified as basic financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other debtors and Housing Association loans (Fixed Assets)

Trade and other debtors and *Housing Association loans (Fixed Assets)* are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

At each reporting date, the company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the financial asset. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities — classified as basic financial instruments

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are initially measured at their transaction price, including any transaction costs and are subsequently amortised cost using the effective interest rate method.

The Company's financial liabilities include notes listed on the London Stock Exchange with final maturity of June 2027. The notes are non-derivative financial liabilities with fixed or determinable payments. Financial Liabilities are derecognised when the Company has paid all of the cash flows due on the notes (including principal) or is legally released from primary responsibility for the liability (or part of it) either by process of law or by the noteholders.

2. ACCOUNTING POLICIES (continued)

2.9 Critical accounting estimates and judgements

The preparation of the Company financial statements in accordance with FRS 102 requires management to make judgements, estimates and assumptions in applying accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and based on historical experience and factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty in these financial statements, which together are deemed critical to the Company's results and financial position, are as follows:

(i) Provision for impairment of loans receivable
To the extent it is necessary to impair a financial asset as a result of having received objective evidence of impairment significant judgement may be needed to estimate the amount and timing of cash flows that would be recovered from the asset

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	**2018** **£**	*2017* *£*
Audit of the annual financial statements of the Company	**27,000**	*20,394*
Administrative expenses	**474,531**	*805,206*

During the year the Company accrued audit fees of £2,500 (2017: £2,420) to H.A. Funding Limited, these fees are not recharged.

4. INTEREST INCOME

Interest income comprises:	**2018** **£**	*2017* *£*
Interest receivable on Housing Association loans	**6,888,363**	*9,141,096*
Interest receivable on cash and bank balances	**-**	*78*
Total	**6,888,363**	*9,141,174*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 May 2018

5. DIRECTORS' REMUNERATION

Directors

The following were directors of the Company during the year, Link Corporate Services Limited, Link Trust Corporate Limited and Sean Martin. Link Corporate Services Limited received £9,218 (2017: £8,850) for the provision of the directors' services based on a schedule set out in 1997. No other remuneration was paid to the directors for the year ended 31 May 2018 (2017: £nil).

Employees

No employees were employed by the Company during the year ended 31 May 2018 (2017: none).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2018	*2017*
	£	*£*
UK corporation tax charge on profit for the year	**1,080**	*1,444*

Factors affecting tax charge on profit for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19%. In 2017 the applicable rate of corporation tax in the UK changed to 19% *(2017: 19.83%):*

	2018	*2017*
Tax on profit	**£**	*£*
Profit on ordinary activities before tax	**5,684**	*7,293*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.83%)	**1,080**	*1,444*
Total tax	**1,080**	*1,444*

The Company has elected to enter the permanent tax regime for securitisation companies. The directors are satisfied that the Company meets the definition of a securitisation company' as defined by both. The Finance Act 2005 and subsequent secondary legislation confirms that no incremental unfunded tax liabilities will arise.

The directors are satisfied that the Company currently satisfies the conditions to be taxed under the permanent regime.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 May 2018

7. HOUSING ASSOCIATION LOANS – Amounts falling due after one year

	2018	*2017*
	£	*£*
Balance as at 1 June 2017	**118,920,166**	*127,485,058*
Loans due in one year (see note 8)	**(7,290,084)**	*(8,564,892)*
Capital repayments from Housing Association	**(25,077,308)**	*-*
Balance as at 31 May 2018	**86,552,774**	*118,920,166*
Repayable as follows:		
In more than one year but not more than five years	**34,584,290**	*40,776,488*
In more than five years	**51,968,484**	*78,143,678*
Balance as at 31 May 2018	**86,552,774**	*118,920,166*

Capital repayments from Housing Association represents balances repaid early.

8. DEBTORS – Amounts falling due within one year

	2018	*2017*
	£	*£*
Accrued interest	**3,143,076**	*4,360,563*
Housing Association loans	**7,290,084**	*8,564,892*
Amounts recoverable from Housing Associations	**35,509**	*175,926*
Share capital due – due more than one year	**37,498**	*37,498*
	10,506,167	*13,138,878*

The Company has not recognised any allowances against debtors and there are no amounts past due on the amounts set out above.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 May 2018

9. CASH AT BANK AND IN HAND

	2018 £	2017 £
Amounts held on behalf of Housing Associations	**9,806,093**	*13,595,806*
Operating account	**231,035**	*102,156*
Liquidity facility	**9,447,777**	*9,477,777*
Total	**19,484,905**	*23,145,739*

Amounts held on behalf of Housing Associations can only be used to pay the interest due on the notes on each interest payment date. Any balance left after payment of the note interest is repaid to the Housing Associations.

In the event that the Company does not have sufficient funds to continue operations, the operating bank will provide the Company with a liquidity facility and this can be used as and when required.

10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Amounts due to Housing Associations	**9,806,373**	*13,596,085*
Additional Facility Provider	**9,447,777**	*9,447,777*
Corporation tax	**4,066**	*2,985*
Other creditors	**139,947**	*151,485*
Loan notes payable in less than one year	**7,333,132**	*8,568,965*
Accrued interest	**3,055,239**	*4,228,286*
	29,786,534	*35,995,583*

11. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Loan notes outstanding in issue at amortised cost	**86,548,799**	*119,005,291*
Repayable		
In more than one year but not more than five years	**34,584,290**	*40,799,016*
In more than five years	**51,964,509**	*78,206,275*
	86,548,799	*119,005,291*

The Notes are repayable by equal semi-annual instalments of principal and interest on 07 June and 07 December in each year up to and including 07 June 2027 at the effective interest rates shown in note 13. The debt is secured against the loans to the Housing Associations.

12. SHARE CAPITAL

The Company has 50,000 ordinary shares at £1 each. Each share is entitled to one voting rights. £2 has been allocated and fully paid for and £49,998 have been allotted and partially paid for. These shares do not have rights to dividends or preferences.

13. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because the payment and receipt of interest on the Notes and Loans respectively is matched and the expenses are received upfront or reimbursed by the borrowers, there is limited interest rate risk. Movements in interest rates set by the BoE affecting the price of the bond will not impact on the Company's ability to continue.

The Company has securitised receivables which consist of a portfolio of fixed rate loans to Housing Associations. The Company finances its operations through the issue of long term notes. The notes are denominated in sterling at fixed rates. The directors believe that the Company's exposure to both fair value and cash flow interest rate risk has been minimised due to the loans and notes being at fixed interest rates and same repayment terms.

Notes

Interest on the fixed rate liabilities is determined and payable on a semiannual basis at the following rate:

	Carrying value 2018 £	*Carrying value 2017 £*	**Effective rate**
1997: 68,250,000 8.25% notes	**29,985,993**	*42,432,989*	8.28%
1998: 64,600,000 8.25% notes	**24,874,953**	*43,013,420*	6.81%
2001: 28,100,000 8.25% notes	**17,954,585**	*19,358,979*	6.10%
2005: 31,320,000 8.25% notes	**21,171,197**	*22,768,867*	4.84%

The difference between the coupon rate and effective rate on the notes is due to the notes being issued at a premium/discount.

Loans

Interest on the fixed rate assets is determined and payable on a semiannual basis at the following rates:

	Carrying value 2018 £	*Carrying value 2017 £*	**Effective rate**
1997	**29,849,174**	*42,255,040*	8.57%
1998	**24,723,070**	*42,892,509*	7.03%
2001	**17,975,429**	*19,322,242*	6.31%
2005	**21,295,185**	*23,015,267*	4.94%

The directors believe that the Company's overall exposure to interest rate risk is insignificant and therefore interest rate sensitivity analysis has not been performed.

Foreign currency risk

Foreign currency risk is the risk of exposure to changes in exchange rates. The Company is not exposed to any foreign exchange risk as all assets and liabilities of the Company are denominated in sterling and the Company does not carry out any transactions in foreign denominated currencies.

13. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Under its Loan Agreement, each Housing Association has granted security in respect of its own obligations to Housing Association Funding Plc. The underlying security of each Housing Association includes a legal charge over its property portfolio. This constitutes a first priority legal mortgage, an assignment by way of security of the benefit of all insurance monies arising in respect of the relevant borrower's title to the portfolio and a charge on the relevant buildings insurance monies. The net rental income of the properties charged to Housing Association Funding Plc is monitored on a monthly and quarterly basis to ensure that the Housing Associations are able to service their debt on the loans. If there is a default by a borrower, the transaction is structured to transfer the management of the charged dwellings allowing the rents to continue to be collected and the dwellings to continue to be managed and maintained and the debt to be serviced out of the rental cash flow. Consequently, management assess the quality of the underlying security of each Housing Association rather than performing credit checks on the Housing Associations when arranging the Loan Agreements.

The maximum exposure to credit risk arising on the Company's financial assets at 31 May 2018 is disclosed in the table below:

Assets	**Carrying value 2018 £**	**Maximum exposure 2018 £**
Loans	**93,842,858**	93,842,858
Other receivables	**3,216,083**	3,216,083
Cash at bank and in hand	**19,484,905**	19,484,905

The maximum exposure to credit risk arising on the Company's financial assets at 31 May 2017 is disclosed in the table below:

Assets	*Carrying value 2017 £*	*Maximum exposure 2017 £*
Loans	127,485,058	127,485,058
Other receivables	4,573,986	4,573,986
Cash at bank and in hand	23,145,739	23,145,739

13. FINANCIAL INSTRUMENTS (continued)

Liquidity risk

The table below reflects the undiscounted contractual cash flows of financial liabilities at the reporting date.

	2018	*2017*
	£	*£*
In one year or less, or on demand	**43,468,677**	*53,397,020*
In more than one year, but no more than two years	**13,682,143**	*17,401,437*
In more than two years but no more than five years	**41,046,430**	*52,204,310*
In more than five years	**61,569,645**	*95,707,902*
Total	**159,766,895**	*218,710,669*

Financial assets

The financial assets of the Company comprise loans to Housing Associations (including accrued interest), cash at bank balances, amounts recoverable from Housing Associations and share capital due. Loans to Housing Associations and cash at bank balances are interest bearing and are at fixed and variable rates respectively. The cash at bank balances are available on demand.

Book value and fair value of financial assets

Loans and receivables	**2018 Book value**	**2018 Fair value**	*2017 Book value*	*2017 Fair value*
	£	**£**	*£*	*£*
Housing Association loans	**93,842,858**	**106,728,929**	*127,485,058*	*159,878,161*
Accrued interest	**3,143,076**	**3,143,076**	*4,360,563*	*4,360,563*
Cash at bank and in hand	**19,484,905**	**19,484,905**	*23,145,739*	*23,145,739*
Amounts recoverable from Housing Associations	**35,509**	**35,509**	*175,925*	*175,925*
Share capital due	**37,498**	**37,498**	*37,498*	*37,498*
Total	**116,543,846**	**129,429,917**	*155,204,783*	*187,597,886*

The fair value of the Loans is derived by cash flow analysis discounted by yield to maturity on the notes as at 31 May 2018.

Financial liabilities

The financial liabilities of the Company comprise debt in issue (including accrued interest) together with certain amounts held on behalf of the Housing Associations. The assets and liabilities of the Company are based on fixed interest rates and the same repayment terms.

13. FINANCIAL INSTRUMENTS (continued)

Financial liabilities at amortised cost

	2018 Book value £	2018 Fair value £	*2017 Book value £*	*2017 Fair value £*
Debt in issue	**93,881,931**	**106,990,110**	*127,574,255*	*159,802,940*
Amounts due to Housing Associations	**7,333,132**	**7,333,132**	*8,568,964*	*8,568,964*
Accrued interest	**3,143,076**	**3,143,076**	*4,360,563*	*4,360,563*
Other creditors	**144,013**	**144,013**	*154,483*	*154,483*
Additional Facility Provider	**9,477,777**	**9,477,777**	*9,477,777*	*9,477,777*
Total	**113,979,929**	**127,088,108**	*150,106,042*	*182,334,727*

The fair value of the notes is derived from quoted yield to maturity as at 31 May 2018. The fair value of the loans is derived from cash flow analysis discounted at the same yield as the notes, since the quoted price of the notes depends on the performance of the loans.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (derived from prices) (Level 2); and

c) inputs for the asset or liability that are not based on observable market date (unobservable inputs) (Level 3).

The notes are classified as level 1 since they are valued using quoted prices.
The loans are classified as level 2 since they are valued using observable market data.

14. CAPITAL MANAGEMENT

The Company considers its capital to comprise its ordinary share capital and its accumulated retained earnings. The primary objective of this special purpose company is to ensure the obligations to the noteholders are met and to monitor the cash flows from the borrowing Housing Associations. In order to achieve its objectives in this area, the Company seeks to maintain a capital structure appropriate to its size and the underlying risk of the entity.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary of H.A. Funding Limited which is registered in England and Wales with registered number 3230346. Financial statements are prepared for H.A. Funding Limited. Copies may be obtained from its registered office at H.A. Funding Limited, 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

The issued share capital of the parent company is held by Royal Exchange Trust Company Limited subject to a declaration of trust ultimately for charitable purposes. The directors therefore consider H.A. Funding Limited to be the ultimate controlling party.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 May 2018

16. RELATIONSHIP OF CORPORATE DIRECTOR TO CORPORATE TRUSTEE

The directors of the Company and the corporate secretary are either employed by, or are provided by, companies whose ultimate parent is Link Administration Holdings Limited, a company listed on the Australian Stock Exchange. The fees for these services are borne by the Housing Associations.

17. RELATED PARTY TRANSACTIONS

The directors of the Company are shown on page 3 of this Annual Report. As well as the fees received for director services of £9,218 (2017: £8,850) (see note 5), Link Trust Corporate Limited received the following fees during the year for services rendered to Housing Association Funding Plc: administration manager services for £20,111 (2017: £19,725), services relating to the provision of Note Trustee £42,131 (2017: £14,048), and additional services of £101,095 (2017: £64,160). The total amount paid to Link Trust Corporate Limited during the year was £172,555 (2017: £102,382). At year-end, £34,910 was pre-paid (2017: £4,473) and £11,237 was accrued (2017: £17,658). The other directors of the Company received no remuneration for the year ended 31 May 2018 (2017: nil).

During the year the Company paid for audit fees of £2,500 (2017: £2,420) for H.A. Funding Limited, these fees are not recharged.

18. POST BALANCE SHEET EVENTS

Repayment of loans

Liverty Limited

After the year-end, Liverty Limited (formerly Knightstone Housing Association Limited) made a full repayment of its loan balance back to the Housing Association fund which was due to be repaid in 2027. In accordance with the terms of the transaction documents a total payment of £11,983,835 was received, the amount represents the full payment of the loan capital, interest accrued, prepayment premium and their share of expenses due to the Group.