



TriplePoint
Social Housing REIT plc

ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER

2017



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Company Overview

The Value Of Home

Who we are

Triple Point Social Housing REIT plc invests in UK social housing assets, in particular homes in the Supported Housing sector which have been adapted to provide care and support to vulnerable tenants.

We believe our tenants deserve accommodation that feels like home. Our properties offer tenants greater independence than institutional care accommodation, at the same time as meeting their specialist care needs.

Our ambition is to be a leading UK social housing investor, helping guarantee a secure future for people in need across the country while ensuring that our shareholders have an ethical, attractive, long-term income source.

What we do

We invest in providing greater opportunities and stability for vulnerable people across the UK. The properties we invest in provide sustainable, good quality accommodation for people with specific care requirements. These needs often result from mental health problems, learning difficulties, or physical and sensory impairment. Our accommodation differentiates itself by being a home rather than the care facilities that are a mainstay for vulnerable people with care needs similar to our tenants.

Our portfolio assets benefit from long term leases to Approved Providers, who are bodies that receive their funding from central and local government. Through these long leases we offer our shareholders an attractive level of inflation-linked income.

At a glance

During the period, from our oversubscribed £200 million IPO in August 2017 to 31 December 2017, we deployed over £130 million in UK social housing assets. Over the period, we acquired an average of 23 properties per month, made possible by our Investment Manager's ability to complete deals quickly and efficiently after selecting quality counterparties with assets that meet our strict investment criteria.

Since the end of the period, we have deployed substantially all of the remaining net proceeds of IPO. In buying our properties, we have acquired a diverse portfolio with wide geographical spread. The assets are located throughout England, with a slight focus in the North and Midlands. All the assets have been acquired subject to long-term index-linked leases, with the majority of our lessees being Registered Providers regulated by the Regulator of Social Housing. Care for the occupants of our properties is generally provided by providers regulated by the Care Quality Commission.

"We invest in providing greater opportunities and stability for vulnerable people across the UK while ensuring that our shareholders have an ethical, attractive, long-term income source."

£130m+

Deployed
in UK social
housing assets

2017 in Brief

8 August 2017

£200 million

The Company completed its oversubscribed IPO, successfully raising its maximum £200 million target through the issue of 200 million new Ordinary Shares at an issue price of 100 pence per share.

15 August 2017

5 new-build properties

The Group successfully completed the purchase of the seed portfolio of 5 new-build Supported Housing properties for £17.9 million with Inclusion Housing as our lessee and Registered Provider.



CLARIDGE COURT, NORTHAMPTONSHIRE

Acquired	15 August 2017
Acquisition price	£3.9 million
Gross internal area	12,764 sq ft
Built/renovated	2016
Unexpired lease term	58.7 years (including exercise of put options), RPI-linked
On/off-market	Off-market

- A new-build purpose-built property providing specialised Supported Housing for 16 occupants.
- Benefits from a garden and a car park, with an office and overnight accommodation for staff.
- Enjoys high demand for its accommodation from East Northamptonshire District Council.



CORNMILL HOUSE, LEEDS

Acquired	15 August 2017
Acquisition price	£3.6 million
Gross internal area	11,130 sq ft
Built/renovated	2016
Unexpired lease term	58.7 years (including exercise of put options), RPI-linked
On/off-market	Off-market

- A new-build purpose-built housing apartment block of 16 one-bedroom apartments, 8 of which are for those with physical impairment with the other 8 for those with learning disabilities.
- Includes a car park, a garden and an office and overnight accommodation for staff.
- Located in a residential area on the outskirts of Leeds close to local amenities.

31 August 2017

£3 million

The Group completed its next post-IPO acquisition, buying a portfolio of 3 Supported Housing assets in Leeds, Leek and Wolverhampton for £3 million, comprising an aggregate of 18 beds.

13 October 2017

12 homes

The Group announced further acquisitions, having bought 12 specialist, high quality Supported Housing homes around England for £10.5 million between 20 September 2017 and 12 October 2017.

3 November 2017**£2.4 million****LEYBOURNE AVENUE, SOUTHAMPTON**

Acquired	3 November 2017
Acquisition price	£2.4 million
Gross internal area	26,547 sq ft
Built/renovated	2017
Unexpired lease term	24.9 years, CPI-linked
On/off-market	Off-market

- A block of 12 one-bedroom apartments across 0.4 acres of land.
- Secure communal gardens and spaces to park cars.
- Within walking distance of the city centre and good transport facilities.

15 November 2017**£3.2 million**

The Group completed the £3.2 million acquisition of a pioneering Supported Housing development at the eighteenth-century formerly Grade II listed Newall Green Farm, developed in partnership with Manchester City Council and providing sector-leading accommodation for 27 occupants.

**NEWALL GREEN FARM, MANCHESTER**

Acquired	15 November 2017
Acquisition price	£3.2 million
Gross internal area	7,912 sq ft
Built/renovated	2017
Unexpired lease term	24.9 years, CPI-linked
On/off-market	Off-market

- Two re-developed barns from a farmhouse built in the eighteenth-century and formerly Grade II listed.
- Historical building conversion received local press acclaim for the scheme's positive community impact.
- Provides high specification specialised supported residential accommodation for all occupants.

28 November 2017**28 properties****SOROGOLD CLOSE, ST HELENS**

Acquired	28 November 2017
Acquisition price	£6.9 million
Gross internal area	26,547 sq ft
Built/renovated	2012
Unexpired lease term	16.4 years, CPI-linked
On/off-market	Off-market

- A high specification, purpose-built development of two and three bedroom bungalows providing accommodation for 27 occupants.
- Includes a bungalow providing a communal area for occupants and 2 staff offices.
- Benefits from a nominations and voids agreement with St Helens Council until July 2032.

6 December 2017**12 properties**

The Group completed the acquisition of a portfolio of 12 properties with 160 units for £25.9 million.

31 December 2017**828 units**

At the end of its first accounting period, the Group had acquired 116 Supported Housing properties, comprising 828 units, for a total investment value including costs of £131.8 million.

Key Highlights

Financial

Dividend per Share

1.00p

Dividend to be declared in respect of the period from Admission to 31 December 2017 totals 1.00 pence per share, in line with the Group's target

IFRS NAV

100.84p

IFRS NAV per share at 31 December 2017. The IFRS NAV per share at IPO was 98.0 pence. This is an increase of 2.90%

Market Capitalisation

£208.75m

£208.75 million as at 31 December 2017

IFRS Valuation

£137.5m

Portfolio independently valued at £137.5 million by Jones Lang LaSalle

Ongoing Charges Ratio

1.34%

Ongoing charge is a ratio of annualised ongoing charges expressed as a percentage of average net asset value from IPO to the end of the period

Equity Raised

£200m

The IPO in August 2017 raised gross proceeds of £200 million (£196 million net proceeds) at an issue price of 100 pence per share



Operational

Investment Portfolio¹**116**

In the period from IPO, the Group purchased 116 properties with an aggregate purchase price including costs of £131.8 million (£128.5 million net of costs)

Portfolio**100%**

Let or pre-let

The Group's portfolio was fully let and income producing during the period

WAULT**30.6 years**

As at 31 December 2017, the weighted average unexpired lease term was 30.6 years (assuming exercise of put and call options)

Units**828**

As at 31 December 2017, the investment portfolio comprised 828 self-contained units

Leases**65**

As at 31 December 2017, the investment portfolio comprised 65 leases

Approved providers**11**

As at 31 December 2017, the Group had leases with 11 Approved Providers

Inflation Measure**100%**

Index Linked

As at 31 December 2017, the contracted rental income was either CPI or RPI linked

Contracted Rental Income**£7.8m**

As at 31 December 2017, the annualised rental income was £7.8 million per annum

IFRS Blended NIY**5.32%**

The blended portfolio yield based on the IFRS portfolio valuation including assumed purchaser's costs was 5.32%

Post Balance Sheet Activity

Further Investment

The Group has announced the acquisition of 31 supported housing properties, comprising 207 units in total, deploying £33.5 million (including transaction costs)

¹ Includes a caretaker unit which was purchased as part of a larger supported housing asset portfolio.



"We believe in the value that a home can bring to people with specialist care needs and in the impact that our investments have in the community at large."

Strategic Report

Chairman's Statement



Chris Phillips, Chairman

Dear Shareholder,

It is a pleasure to write to you for the first time in our maiden annual report. Since our oversubscribed IPO last year, the Group has made strong progress. We have been busy implementing our strategy of acquiring and managing recently developed Supported Housing properties across the UK so that we can benefit from the compelling supply and demand imbalance that exists in our market.

During the initial financial period, we completed a number of portfolio acquisitions and cemented relationships with a select group of high quality developers. Through these relationships, we were able to successfully deploy funds into a pool of high quality, diversified assets. At the same time, our developer relationships have enabled us to gain large, allocated future pipelines of newly developed and renovated Supported Housing properties. These pipelines provide us with strong deployment prospects in the near future.

As at 31 December 2017, all of our investments had been into completed, leased properties. This included Newall Green Farm, leased to Hilldale Housing Association, which helped house people with complex care needs in Manchester, and Sorogold Close, managed by Inclusion Housing, which assisted in alleviating the undersupply of housing for people complex mental health needs in St. Helens, Merseyside.

We see further opportunities in forward funding pre-let assets. Shortly after the period end, we closed our first forward funding transaction through which we will own the land for and fund the construction of an 18 unit Supported Housing scheme in Bradford, pre-let to Westmoreland Supported Housing. The property will be custom built for tenants with a range of specialised care needs. Since then, we have completed a further forward funding project and we expect this to be a strong source of deal flow over the financial year ending 31 December 2018.

Being able to provide forward funding enables us to acquire new build assets that have been designed in conjunction with Approved Providers and local authorities to meet specified local demand. This gives us a competitive advantage over our peer group, by giving us off-market access to high quality assets while strengthening our relationships with local authorities, Approved Providers and developers.

Deployment

In 2017 we acquired 116 assets at a total investment value including costs of £131.8 million. This has resulted in a portfolio diversified by geography and Approved Provider. Since the period end, we have acquired a further 31 assets for £33.5 million, including transaction costs, and have now substantially invested the net proceeds from IPO.

The 116 assets we acquired by 31 December 2017 have the capacity to house 828 tenants, are leased to 11 Approved Providers, are located in 51 different local authorities and are serviced by 25 care providers. The portfolio at 31 December 2017 benefitted from a weighted average unexpired lease term of 30.6 years. Since 31 December 2017, the Group has acquired a further 31 properties, housing 207 tenants. A map setting out the location of our properties can be found on page 32.

Investment Performance

We benefit from the Investment Manager's strong, growing network, market intelligence and capital discipline. Through its network, we have been able to source the majority of our properties off-market and at attractive yields. The Investment Manager's capital discipline manifests itself through its diligence process. Before completing an acquisition, it scrutinises properties and developers in a comprehensive and timely manner, ensuring the assets we acquire are of high build quality and enjoy robust occupant demand. This means, now and in the longer term, the Group will possess a premium portfolio of attractive, occupied assets.

In the current economic environment, investors have demonstrated that there is appetite for companies that offer reduced risk and secure inflation-linked income. Since IPO, we have deployed funds into property investments that are subject to long leases with upwards-only, inflation-linked rent reviews. The lessees are Approved Providers who receive funding for the rent due directly from local government. We have enjoyed a strong share price performance over the reported period, with our shares trading at a sustained premium against their launch price at IPO.

Financial Results

At the period end, the portfolio of investment property was independently valued at £137.5 million on an IFRS basis, reflecting a valuation uplift of 4.37% against the portfolio's aggregate purchase price (including

transaction costs). The valuation reflects a portfolio yield of 5.32%, compared to the portfolio's blended net initial yield of 5.91%. This yield arbitrage of 59 basis points underpins the quality of the Group's asset selection and acquisition process.

The Group's assets were valued at £146.9 million on a portfolio valuation basis, reflecting a portfolio premium of £9.4 million against the IFRS valuation. A portfolio valuation basis assumes the portfolio of properties is held in a single company holding structure, is sold to a third party on arm's length terms, and attracts purchaser's costs of 2.3%.

Earnings per share was 3.94 pence for the period. The audited IFRS NAV per share was 100.84 pence, which has increased since IPO by 2.9%. The Group's EPRA NAV per share was the same as the IFRS NAV per share for the period.

Dividends

The Board shortly plans to declare its maiden dividend of 1 pence per share in respect of the period from IPO to 31 December 2017. This dividend will be paid on or around 29 March 2018 to shareholders on the register on 16 March 2018. Going forward, we intend to pay four equally weighted interim dividends in respect of the preceding quarter in each of June, September, December and March.

Further capital raising

It has always been our intention to use prudent amounts of leverage to enhance returns for our investors. The Board remains of the opinion that in the medium term we should be targeting gearing of not more than 40% of the value of our portfolio. As current domestic borrowing rates remain well below our portfolio yields, we intend to take advantage of the positive lending environment. The Group is therefore seeking a bilateral term facility with an institutional lender at a loan-to-value ratio of up to 40%. It is expected that the term debt will have a minimum duration of 10 years and will be on an interest only basis with a fixed all-in coupon.

Furthermore, given the strong pipeline of investment opportunities identified by the Investment Manager, allowing the Group to acquire further high quality assets with a wide geographical spread, the Board believes it would be in shareholders' best interests to grow the Group through a raise of further equity. This will, together with our intentions to raise future debt, enhance our already attractive investment proposition. I am looking forward to updating the market on these developments in the near future.

Chairman's Statement (Continued)

Investment Manager

The Board and the Investment Manager, Triple Point Investment Management LLP, work closely together, meeting regularly to discuss developments in the Group and the market. We will continue this approach going forward to help maintain the efficient and effective management of the Group. The Board is grateful for the continued hard work and support of the Investment Manager.

Social Impact

In 2016, in order to promote a reduction in reliance on residential and in-patient care, and following on from the 2012 Winterbourne View Scandal and Sir Stephen Bubb's report highlighting systemic issues in the care system, the Department of Health launched the Transforming Care programme. Supported Housing provides housing for vulnerable adults who require care in adapted homes. These homes are based in communities, often near families, and they help promote independence. Supported Housing is therefore fundamental to achieving the system-wide move away from residential and in-patient care promoted by the Transforming Care programme.

Through acquiring newly developed and refurbished Supported Housing properties and providing forward funding to developers, the Group is committed to the important social aim of helping to provide more and appropriate accommodation to some of the most vulnerable in society such that they can aspire to live more autonomously in local communities. At the same time, our consistent, high-quality approach to due diligence and development, combined with significant investment in the sector, is helping to drive quality in constructors and developers of Supported Housing.

Outlook

The outlook is positive and we expect the strong performance of 2017 to continue into 2018. The Investment Manager has identified a significant future pipeline of Supported Housing properties that are high quality and in line with the Group's yield expectations. We expect to acquire a high percentage of the assets in the pipeline within the next 12 months, however we will continue to turn down these or other investment opportunities if we believe them to be a poor fit for the Group following due diligence based on factors such as asset suitability, lessor covenant, rent sustainability and location.

The market fundamentals remain strong and are epitomised by a stark undersupply and strong central and local government support for Supported Housing. We are therefore optimistic about the performance of our existing portfolio and our ability to deliver on the pipeline of assets that have already been identified for 2018.

I would like to take this opportunity to thank my fellow directors for their support and commitment since IPO, and to all shareholders for your continued support.



Chris Phillips

Chairman

1 March 2018

"The outlook is positive and we expect the strong performance of 2017 to continue into 2018."



Strategy and Business Model

The Board is responsible for the Group's Investment Objective and Investment Policy and has overall responsibility for the Group's activities (except for any alternative investment fund management functions which are provided by the AIFM). The Group's published Investment Policy and Objective are set out below.

Investment Objective

The Group's investment objective is to provide shareholders with stable, long term, inflation-linked income from a portfolio of social housing assets in the United Kingdom with a particular focus on Supported Housing assets. The portfolio comprises investments into operating assets and the forward funding of pre-let development assets, the mix of which the Group seeks to optimise to enable it to pay a covered dividend increasing in line with inflation and so generate an attractive risk-adjusted total return.

Investment Policy

In order to achieve its Investment Objective, the Group invests in a diversified portfolio of freehold or long leasehold social housing assets in the UK. Supported Housing assets account for at least 80% of the Group's gross asset value. The Group acquires portfolios of social housing assets and single social housing assets, either directly or via special purpose vehicles. Each asset is subject to a lease or occupancy agreement with an Approved Provider for terms primarily ranging from 20 years to 30 years, with the rent payable thereunder subject to adjustment in line with inflation (generally CPI). Title to the assets remains with the Group under the terms of the relevant lease. The Group is not responsible for any management or maintenance obligations under the terms of the lease or occupancy agreement, all of which are serviced by the Approved Provider lessee. The Group is not responsible for the provision of care to occupants of Supported Housing assets.

The social housing assets acquired by the Group are sourced by the Investment Manager.

The Group intends to hold its portfolio over the long term, taking advantage of long-term, upward-only, inflation-linked leases. The Group will not be actively seeking to dispose of any of its assets, although it may sell investments should an opportunity arise that would enhance the value of the Group as a whole.

The Group may forward fund the development of new social housing assets when the Investment Manager

believes that to do so would enhance returns for shareholders and/or secure an asset for the Group's portfolio at an attractive yield. Forward funding will only be provided in circumstances in which:

- a. there is an agreement to lease the relevant property upon completion in place with an Approved Provider;
- b. planning permission has been granted in respect of the site; and
- c. the Group receives a return on its investment (at least equivalent to the projected income return for the completed asset) during the construction phase and prior to the commencement of the relevant lease.

For the avoidance of doubt, the Group will not acquire land for speculative development of social housing assets.

In addition, the Group may engage third party contractors to renovate or customise existing social housing assets as necessary.

Gearing

The Group seeks to use gearing to enhance equity returns. The directors will employ a level of borrowing that they consider to be prudent for the asset class and will seek to achieve a low cost of funds whilst maintaining flexibility in the underlying security requirements and the structure of both the Group's portfolio and the Group itself.

It is the directors' intention that the Group will target a level of aggregate borrowings over the medium term equal to approximately 40% of the Group's gross asset value. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50% of the Group's gross asset value.

Debt will typically be secured at the asset level, whether over a particular property or a holding entity for a particular property (or series of properties), without recourse to the Group and having consideration for key metrics including lender diversity, cost of debt, debt type and maturity profiles.

Use of derivatives

The Group may utilise derivatives for efficient portfolio management. In particular, the Group may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred in accordance with the Investment Policy as part of the Group's portfolio management. The Group will not enter into derivative transactions for speculative purposes.

Investment restrictions

The following investment restrictions apply:

- the Group will only invest in social housing assets located in the United Kingdom;
- the Group will only invest in social housing assets where the counterparty to the lease or occupancy agreement is an Approved Provider. Notwithstanding that, the Group may acquire a portfolio consisting predominantly of social housing assets where a small minority of such assets are leased to third parties who are not Approved Providers. Provided that the assets leased to third parties who are not Approved Providers are acquired as part of a portfolio acquisition where no less than 90% (by value) of the assets are leased to Approved Providers and, in aggregate, all such assets within the Group's total portfolio represent less than 5% of the Group's gross asset value at the time of acquisition, such an acquisition will remain within the Investment Policy;
- at least 80% of the Group's gross asset value will be invested in Supported Housing assets;
- the unexpired term of any lease or occupancy agreement entered into (or in the case of an acquisition of a portfolio of assets, the average unexpired term of such leases or occupancy agreements) shall not be less than 15 years, unless the Investment Manager reasonably expects the term of such shorter lease or occupancy agreement (or in the case of an acquisition of a portfolio of assets, the average term of such leases or occupancy agreements) to be extended to at least 15 years;
- the maximum exposure to any one asset which, for the avoidance of doubt, will include houses and/or apartment blocks located on a contiguous basis, will not exceed 20% of the Group's gross asset value;
- the maximum exposure to any one Approved Provider will not exceed 30% of the Group's gross asset value, other than in exceptional circumstances for a period not to exceed three months;
- the Group may forward fund social housing units in circumstances where there is an agreement to lease in place and where the Group receives a coupon (or equivalent reduction in the purchase price) on its investment (generally slightly above or equal to the projected income return for the completed asset) during the construction phase and prior to the entry into the lease. The sum of the total forward financing equity commitments will be restricted to an aggregate

value of not more than 20% of the Group's net asset value, calculated at the time of entering into any new forward funding arrangement;

- the Group will not invest in other alternative investment funds or closed-ended investment companies (which, for the avoidance of doubt, does not prohibit the acquisition of special purpose vehicles which own individual, or portfolios of, social housing assets);
- the Group will not set itself up as an Approved Provider; and
- the Group will not engage in short selling.

The investment limits detailed above apply at the time of the acquisition of the relevant asset in the portfolio. The Group will not be required to dispose of any investment or to rebalance its portfolio as a result of a change in the respective valuations of its assets or a merger of Approved Providers.

Investment Strategy

We specialise in investing in UK social housing, with a particular focus on Supported Housing social homes. Our strategy is underpinned by strong local authority demand for more social housing, which is reflected in our focus on acquiring recently developed and refurbished properties across the country. The assets within our portfolio have typically been developed for pre-identified tenants and in response to demand specified by local authorities. On acquisition, the properties are subject to inflation-adjusted, long-term (typically from 20 years to 30 years), fully repairing and insuring leases with expert Approved Providers in receipt of direct payment from local government (usually Registered Providers regulated by the Regulator of Social Housing). The portfolio comprises investments made into properties already subject to a fully repairing and insuring lease as well as forward funding of pre-let developments. Our portfolio will not include any direct development or speculative development investments.

Business Model

The Group owns and manages social housing properties that are leased to expert housing managers (typically Registered Providers, which are often referred to as housing associations) through long-term, inflation-linked, fully repairing and insuring leases. The vast majority of the portfolio and future deal pipeline is made up of Supported Housing homes which are residential

Strategy and Business Model (Continued)

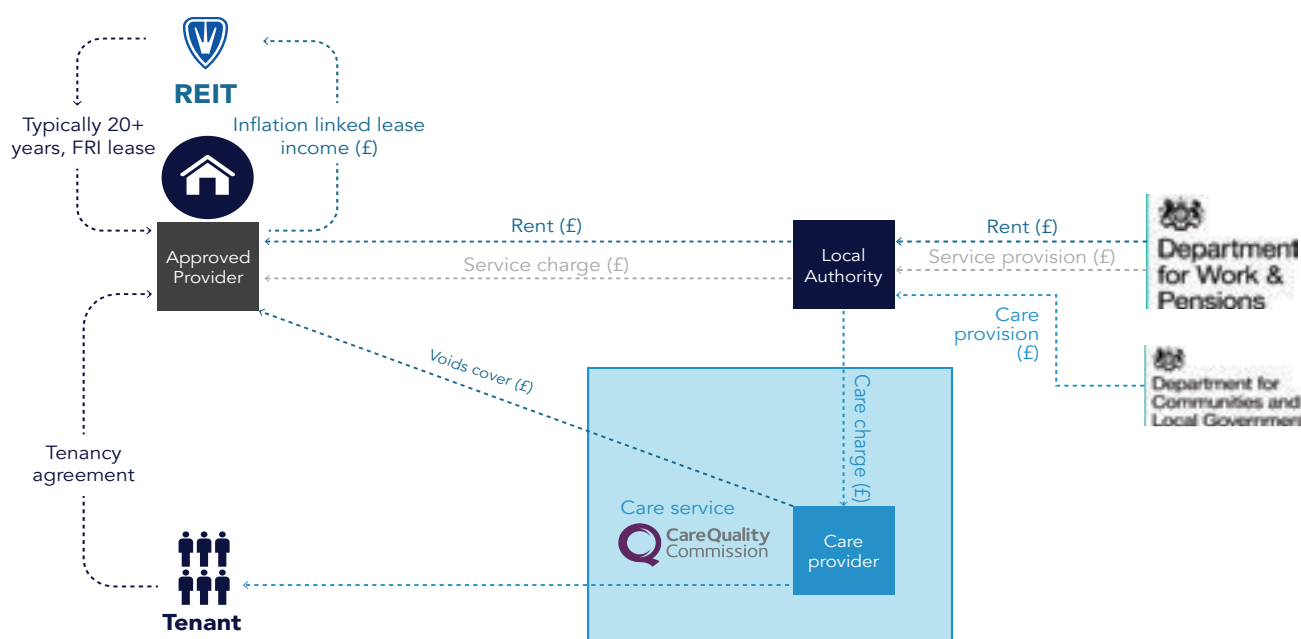
properties that have been adapted such that care and support can easily be provided to vulnerable tenants who may have mental health issues, learning difficulties or physical disabilities. We are focused on acquiring recently developed properties in order to help local authorities meet increasing demand for suitable accommodation for vulnerable tenants (the drivers of this demand are discussed in the Investment Manager's report on pages 26 to 30. The local authorities are responsible for housing these tenants and for the provision of all care and support services that are required.

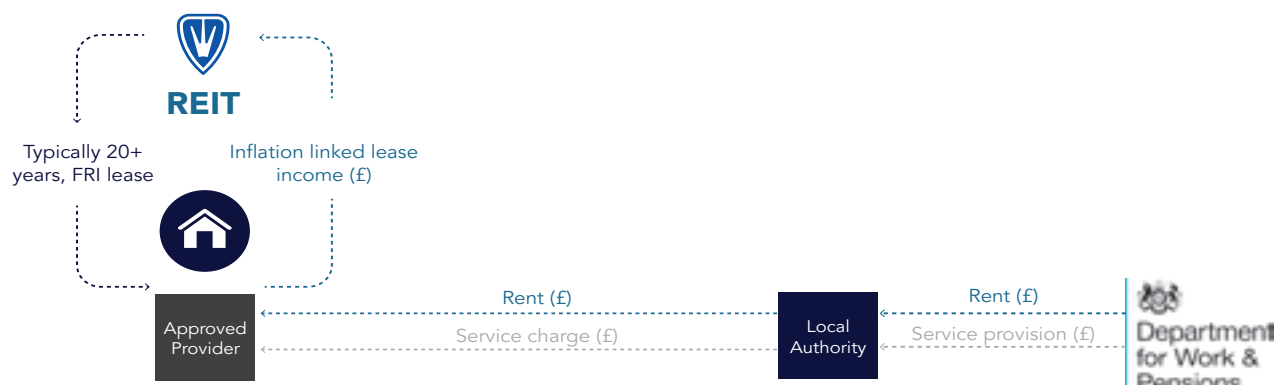
The Supported Housing properties owned by the Group are leased to Approved Providers who are usually not-for-profit organisations whose focus is on developing, tenancing and maintaining housing assets in the public (and private) sectors. Approved Providers are approved and regulated by the Government through the Regulator of Social Housing (or in rare instances, where the Group contracts with care providers, the Care Quality Commission). All of the Group's leases with Approved Providers are linked to inflation, may be extended to a total lease length of 20 years or longer (at the Group's discretion) and are 'fully repairing and insuring'. 'Fully repairing and insuring' means that the obligations for management, repair and maintenance of the property are passed on to the Approved Provider and are not borne by the Group. The Approved Provider is also responsible

for tenancing its let properties. Typically, the government funds both the rent of the individuals housed in Supported Housing and the maintenance costs associated with managing the property. In addition, because of the vulnerable nature of the tenants, the rent and maintenance costs are paid directly from the local authority to the Approved Provider. The rent received from the local authority by the Approved Provider is then paid to the Group via the lease. Ultimate funding for the rent and maintenance comes from the Department of Work and Pensions in the form of housing benefit.

Nearly all of the tenants housed in Supported Housing properties require support and care. This is usually provided by a separate care provider regulated by the Care Quality Commission. The agreement for the provision of care for the tenants is between the local authority and the care provider. The care provider is paid directly by the local authority. Usually the Group has no direct financial or legal relationship with the care provider and the Group never has any responsibility for the provision of care to the tenants housed in properties the Group owns. The care provider will often be responsible for nominating tenants into the properties and, as a result, will normally provide some voids cover to the Approved Provider should they be unable to fill the asset (i.e. if occupancy is not 100% it is often the care provider rather than the Registered Provider that will cover the cost).

Specialist Supported Housing: Rental Income





Many assets that the Investment Manager sources for the Group have been recently developed and are either new build properties or renovated existing houses or apartment blocks that have been adapted for Supported Housing. The benefits of buying recently developed stock is that there can be certainty that it has been planned in response to local authority demand and is designed to meet the specific requirements of the intended tenants. In addition, it enables the Group to work with a select stable of high quality developers on pipelines of deals (rather than being reliant on acquiring portfolios of assets on the open market). This has two advantages: firstly, it enables the Group to source the majority of its deals off market through trusted developer partners and, secondly, it ensures that the Group has greater certainty over its pipeline as the Group has visibility over the long-term deal flow of the developers it works with and knows it will not have to compete with other funders.

As well as acquiring recently completed properties, the Group also has the ability to provide forward funding to developers of new social housing properties. Being able to provide forward funding gives the Group a competitive advantage over other acquirers of Supported Housing assets as it enables the Group to offer itself to developers as a single partner for both construction and longer term property (also known as 'take-out') funding. This is often more appealing to developers than having to work with two separate funders during the build of a new property

as it reduces practical and relationship complexity. Forward funding also enables us to have a greater portion of new build properties in our portfolio, which is attractive as they typically attract higher valuations, are modern and have been fully custom built to meet the needs of the tenants they house. The Group benefits from the Investment Manager's long track record of successfully forward funding a range of property and infrastructure assets. The Group will only provide forward funding when the property has been pre-let to an Approved Provider and other protections, such as fixed priced build contracts and deferred developer profits, have been put in place to mitigate against construction risk.

Since IPO, we have set out to build a diversified portfolio that contains assets leased to a variety of Approved Providers, in a range of different counties and serviced by a number of care providers. This has been possible due to the Investment Manager's 13 year track record of asset-backed investments, its active involvement in the Supported Housing sector since 2014 and the strong relationships it has enjoyed with local authorities for over a decade. These relationships have enabled the Group, in a relatively short space of time, to work with a number of different housing associations, care providers and local authorities to help deliver new Supported Housing assets to provide homes to some of the most vulnerable members of society.

Key Performance Indicators

In order to track the Group's progress the following key performance indicators are monitored:

1. DIVIDEND

KPI and Definition	Relevance to Strategy	Performance	Explanation
Dividends paid to shareholders and declared in relation to the period	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio	The Company will pay a dividend of 1 pence per share in respect of the period to 31 December 2017 calculated based on the weighted average number of shares held during the period	The Company will pay a dividend of 1 pence per share in respect of the period to 31 December 2017, and is targeting a 5 pence per share dividend in respect of its first full financial year to 31 December 2018

2. IFRS NAV PER SHARE

KPI and Definition	Relevance to Strategy	Performance	Explanation
The value of our assets attributable to shareholders, based on an independent valuation of our investment properties and the book value of other assets less the book value of our liabilities	The IFRS NAV reflects our ability to grow the portfolio and to add value to it throughout the life cycle of our assets	100.84 pence per share at 31 December 2017	The IFRS NAV per share at IPO was 98.0 pence. This is an increase of 2.90% since IPO driven by growth in the underlying asset value of the investment properties

3. LOAN TO GROUP'S GROSS ASSETS

KPI and Definition	Relevance to Strategy	Performance	Explanation
It is envisaged that a proportion of our investment portfolio will be funded by borrowings. Our medium-to-long term target loan-to-GAV is 40%, with a maximum of 50%	The Group will seek to use gearing to enhance equity returns	0.0% at 31 December 2017	Although no gearing is in place as of 31 December 2017, appropriate gearing will be introduced in the financial year 2018

4. EARNINGS PER SHARE

KPI and Definition	Relevance to Strategy	Performance	Explanation
The post-tax earnings generated that are attributable to shareholders	The earnings per share reflect our ability to generate earnings from our portfolio, including valuation increases	3.94 pence per share for the period to 31 December 2017	The outlook remains positive and our priority remains to achieve a fully covered dividend from operations, whilst continuing to invest to generate an attractive total return

5. WEIGHTED AVERAGE UNEXPIRED LEASE TERM

KPI and Definition	Relevance to Strategy	Performance	Explanation
The average unexpired lease term of the investment portfolio, weighted by annual passing rents. Our target is a WAULT of at least 15 years	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream	30.6 years at 31 December 2017 (assuming exercise of put and call options)	The portfolio's WAULT stood at 30.6 years 31 December 2017 and remains ahead of the Group's minimum term of 15 years

6. ADJUSTED EARNINGS PER SHARE (UNAUDITED)

KPI and Definition	Relevance to Strategy	Performance	Explanation
The post-tax earnings adjusted for the portfolio valuation (including portfolio premium)	The adjusted EPS reflect the application of a valuation on a portfolio basis	10.48 pence per share for the period to 31 December 2017, as shown on page 108 of the Financial Statements	The adjusted EPS shows the value per share on a long term basis under the special assumption of a hypothetical sale of the underlying property investment portfolio in one single transaction

7. PORTFOLIO NET ASSET VALUE (UNAUDITED)

KPI and Definition	Relevance to Strategy	Performance	Explanation
The IFRS NAV adjusted for the portfolio valuation (including portfolio premium)	The Portfolio NAV measure highlights the long term fair value of net assets on the basis of a portfolio valuation	The Portfolio NAV of £211 million equates to a Portfolio NAV of 105.5 pence per Ordinary Share, as shown on page 108 of the Financial Statements	The Portfolio NAV shows the net asset value on a long term basis under the special assumption of a hypothetical sale of the underlying property investment portfolio in one single transaction

8. EXPOSURE TO LARGEST APPROVED PROVIDER

KPI and Definition	Relevance to Strategy	Performance	Explanation
The percentage of the Group's gross assets that are leased to the single largest Approved Provider	The exposure to the largest Approved Provider must be monitored to ensure that we are not overly exposed to one Approved Provider in the event of a default scenario	20.4%	Our target is lower than 30%. We are substantially below our maximum exposure target with our largest Approved Provider, Inclusion Housing

EPRA Performance Measures

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). We provide these measures to aid comparison with other European real estate businesses.

1. EPRA EARNINGS PER SHARE

KPI and Definition	Purpose	Performance
EPRA earnings per share as defined by EPRA Best Practice Recommendations 2016	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings	0.02 pence per share for the period to 31 December 2017. A reconciliation to IFRS earnings per share as shown in note 30

2. EPRA NAV PER SHARE

KPI and Definition	Purpose	Performance
EPRA NAV per share as defined by EPRA Best Practice Recommendations 2016	Provides stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy	£201.7m / 100.84 pence per share as at 31 December 2017. As at 31 December 2017 no adjustments were required resulting in both the EPRA NAV and IFRS NAV being equivalent

3. EPRA NET INITIAL YIELD (NIY)

KPI and Definition	Purpose	Performance
Annualised rental income based on the cash rents passing at the reporting date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge for themselves how the valuation of a portfolio compares with others	4.26% at 31 December 2017

4. EPRA 'TOPPED-UP' NIY

KPI and Definition

This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents)

Purpose

The topped-up net initial yield is useful in that it allows investors to see the yield based on the full rent that is contracted at 31 December 2017

Performance

5.32% at 31 December 2017

5. EPRA VACANCY RATE

KPI and Definition

Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio

Purpose

A 'pure' percentage measure of investment property space that is vacant, based on ERV

Performance

0.00% as at 31 December 2017



"An increasing number of people in the UK are finding themselves priced out of both the private rental and property ownership markets which, combined with a growing population, is creating considerable additional demand for social housing assets."



Investment Manager's Report



**Ben Beaton, Co-Managing Partner,
Triple Point Investment Management LLP**

Review of the Business

Since IPO in August 2017, the Group has implemented its strategy of investing in good quality Supported Housing properties. It has now substantially deployed all of the IPO proceeds within the target deployment period of nine months from listing. We are pleased to report strong financial performance of the Group, which at 31 December 2017 had achieved an IFRS NAV per share of 100.84 pence, a 2.9% increase since IPO.

During the period to 31 December 2017, the Group acquired 116 assets. All assets are fit for purpose, sustainable and benefit from strong local authority support. The assets all benefit from inflation-linked, fully repairing and insuring long term leases (typically 20 to 30 years). The properties are leased to a diversified range of 11 specialist Approved Providers, who have different areas of geographical focus and expertise. The portfolio has a good geographical balance, with a slight focus to the Midlands and North of England. We expect the portfolio to retain a geographical balance in 2018, with potential acquisitions in both the North and South of England anticipated. During the period, the Group also rejected a number of potential acquisitions that fell within its investment strategy but were not deemed to be of sufficiently high quality to warrant investment.

As well as acquiring and managing the assets currently owned by the Group, we have successfully established a strong pipeline of deals with a carefully selected pool of high quality developers and private owners of Supported Housing assets. Currently, we have visibility of strong future deal flow, the vast majority of which we expect to be available for purchase in the next 12 months. All potential acquisitions remain subject to our robust due diligence process and pricing analysis to ensure the Group only acquires premium assets that will provide robust returns for shareholders in the longer term.

Market Review

Inherent in the current UK social housing market is a well-documented and sizeable mismatch between supply and demand. An increasing number of people in the UK are finding themselves priced out of both the private rental and property ownership markets which, combined with a growing population, is creating considerable demand for social housing assets.

This substantial increase in demand, labelled the "housing crisis", has been fuelled by the consistent and well-documented domestic inability to meet national

(private and public) house building targets. This inability to build houses has been exacerbated by a significant reduction in the number of social housing assets available for rent, the reduction of which began with the public sell-off of social housing stock initiated in 1980 under the "Right to Buy" government scheme. This selling off has since continued under successive UK governments. The reduction in social housing stock has been compounded during this time by the lowering of grant subsidies from government to the sector.

Although there is now an upward trend in new house completions in the UK, and the Government has recently announced that additional funding will be made available to fund new social housing developments, there is still a severe shortage. As of April 2017, there were 1.16 million households on social housing waiting lists. In 2016/17, fewer than 160,000 new homes were built against an estimated 300,000 were required.

The impact of insufficient social housing supply is exacerbated in the Supported Housing market. Alongside structural supply issues, local authorities are facing additional regulatory and downward cost pressures which is creating further housing demand over and above that caused by a growing population. This demand is two-fold; firstly from improvements in healthcare increasing the number of people requiring long-term accommodation adapted to provide care services, and secondly from the recent acceleration of the long-term move away from institutional care homes for those who are able to live a relatively independent life. The acceleration of the move away from institutional care homes began following the 2012 Winterborne View care home scandal and the resultant government policy review. Resulting from this, the Care Act 2014 placed a statutory obligation on local authorities to house people needing care in independent living opportunities based in communities where possible (as opposed to providing in-patient care). In light of these developments, not only do local authorities have more people needing care, but they also have a responsibility to rehouse people already receiving care in more suitable accommodation of the sort provided by the Group's Supported Housing assets.

The increase in local authority demand is to some degree accommodated by specialist Supported Housing Approved Providers. These Approved Providers look to achieve scale through helping home vulnerable people traditionally housed in publicly-owned social housing. However, insufficient grant funding has meant that, increasingly, Approved Providers have to look to the

private sector to fund the development of new social housing assets. This has created the opportunity for the Group to deploy funds into newly developed social housing assets leased to Approved Providers with support from local authorities.

Financial Review

As at 31 December 2017, the annualised rental income of the Group was £7.8 million. During the period, the amount of rental income recognised was limited to £1 million due to the short reporting period and the timing of asset acquisitions.

Earnings per share was 3.94 pence for the period. Adjusted earnings per share were 10.48 pence for the period, where post-tax earnings were adjusted for a valuation on a portfolio basis (as opposed to an individual asset basis). The audited IFRS NAV per share was 100.84 pence, which has increased since IPO by 2.9%. The Group's EPRA NAV per share and the IFRS NAV per share were equivalent for the period. The IFRS NAV adjusted for the portfolio valuation (including portfolio premium) was £211 million, which equates to a Portfolio NAV of 105.5 pence per share.

The Group has a low cost base, with an Association of Investment Companies ongoing charges ratio of 1.34%. A gain of £5.6 million on revaluation of the Group's properties was recognised in the period.

The Group is a UK REIT for tax purposes and is exempt from corporation tax on its property rental business.

At the period end, the portfolio was independently valued at £137.5 million on an IFRS basis, reflecting a valuation uplift of 4.37% against the portfolio's aggregate purchase price (including transaction costs). The valuation reflects a portfolio yield of 5.32%, against the portfolio's blended net initial yield of 5.91%. This yield arbitrage of 59 basis points reflects the quality of the Group's rigorous asset selection process.

The Group's properties were valued at £146.9 million on a portfolio valuation basis, reflecting a portfolio premium of £9.4 million against the IFRS valuation. A portfolio valuation basis assumes the portfolio of properties is held in a single company holding structure, is sold to a third party on arms length terms, and attracts purchaser's costs of 2.3%.

Investment Manager's Report (Continued)

Strategic Alignment and Asset Selection

Between IPO and 31 December 2017, the Group was focused on deploying the IPO net proceeds of £196 million in line with its Investment Policy. It was, in this time, able to create a geographically diverse portfolio of Supported Housing assets in the UK. The Group purchased properties with an aggregate net purchase price of £128.5 million which, including acquisition costs for the properties, totalled £131.8 million of invested capital as at 31 December 2017.

The properties are all let to carefully selected Approved Providers on fully repairing and insuring leases, with a weighted average unexpired lease term of 30.6 years, exceeding the Group's target WAULT of 15 years by a multiple of more than 2.

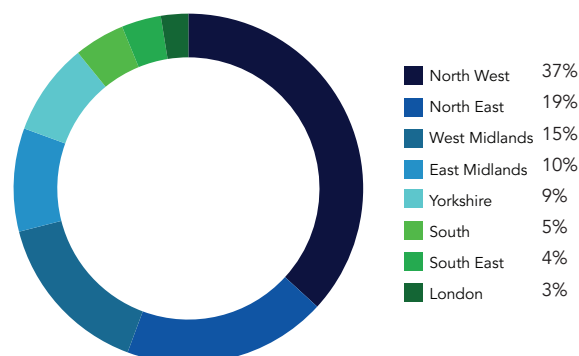
During the investment period ending 31 December 2017, the Group analysed properties in excess of £350 million in order to filter out the best suitable stock in line with the Investment Policy. Assets with a potential net purchase price of over £140 million were withdrawn from and not presented to the Board as they did not pass the Group's due diligence process.

After completion, properties are immediately handed over to our in-house asset management team, who monitor and maintain the Group's portfolio. No forward funding deals were undertaken up to 31 December 2017, nor any disposals considered. This was to be expected, as the work required to forward fund a property can necessitate a longer execution timeline than that required for new build properties or refurbishments.

Property Portfolio

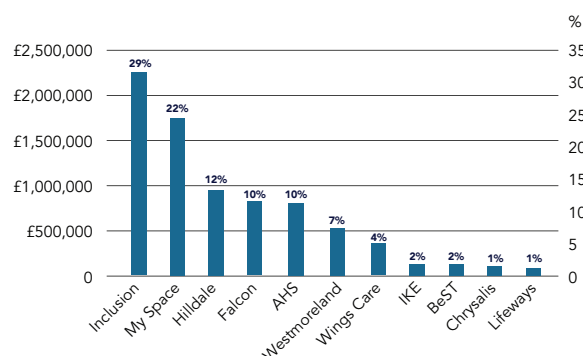
As at 31 December 2017, the property portfolio comprised of 116 properties with 828 units and showed a broad geographic diversification across the UK. The portfolio has a focus to the North West (39%), North East (19%) and West Midlands (15%). The average property value in the portfolio was £1.2 million.

Market Value by Region

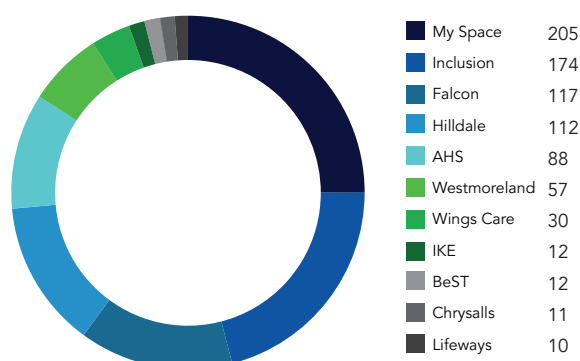


The property portfolio at 31 December 2017 was fully let with the assets either being let or pre-let on completion. The portfolio comprised of 65 fully repairing and insuring leases with 11 Approved Providers with a total annualised rental income of £7.8 million. The aggregate level of rent across the portfolio represented an average of £180 per bed space per week. The top three Approved Providers by rental income were Inclusion Housing (29%), My Space Housing Solutions (22%) and Hilldale Housing (12%). The top three Approved Providers by units were My Space Housing Solutions (205), Inclusion Housing (174) and Falcon Rural Housing (117). As a percentage of the Group's total gross assets, the top three Approved Providers were Inclusion Housing (20%), My Space Housing Solutions (15%) and Hilldale Housing (8%).

Rental Income by AP

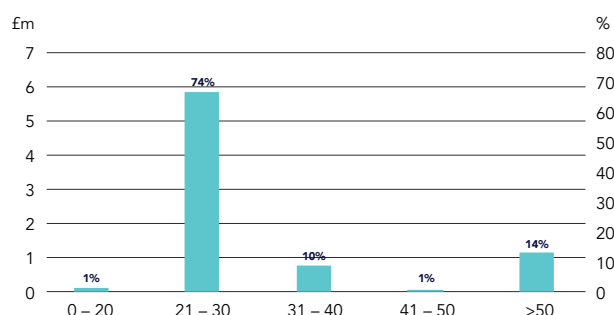


Units by RP



The property portfolio had a WAULT of 30.6 years, with 74% of the portfolio having an unexpired lease term between 21 and 30 years. If the seed portfolio acquired soon after IPO is excluded (as it had a WAULT of 59.1 years on acquisition), the WAULT of the remaining portfolio was 25.9 years. The WAULT includes the initial lease term upon completion as well as any reversionary leases and put and call options available to the and tenant at expiry.

Rental Income by Lease Length available to the Group and tenant



The long term income stream of the property portfolio is indexed to inflation-linked rent reviews against either CPI (76% of the 31 December 2017 portfolio) or RPI (24% of the 31 December 2017 portfolio), which provides investors the security that the rental income is in line with inflation. For the purposes of the portfolio valuation, Jones Lang LaSalle assumed CPI and RPI to increase at 2.00% per annum and 2.50% per annum respectively over the term of the relevant leases.

Between IPO and 31 December 2017, there were five leases showing a rental uplift linked into RPI equating to a total rental value increase of £20,000 more than the initially contracted rent.

Rental Income by Index



The combination of strong lessee covenants and long fully repairing and insuring leases should make the portfolio attractive to lenders and will allow the Group to implement a prudent debt strategy from 2018 onwards, using modest gearing levels to achieve a low cost of funds to enhance equity returns.

Pipeline and Outlook

Since IPO, the Group has benefited from demand for new Supported Housing assets and the reliance of specialist Supported Housing Approved Providers on private funders such as the Group. This has enabled us to build up a strong pipeline for the Group that we expect to acquire in the next 12 months. The pipeline has principally been developed through our relationships with a number of high quality developers of Supported Housing assets. The developers, in conjunction with local authorities, care providers and housing associations, have identified where the need for more Supported Housing assets is most acute and have begun to develop new Supported Housing assets in these areas. It is these assets that make up the majority of the pipeline.

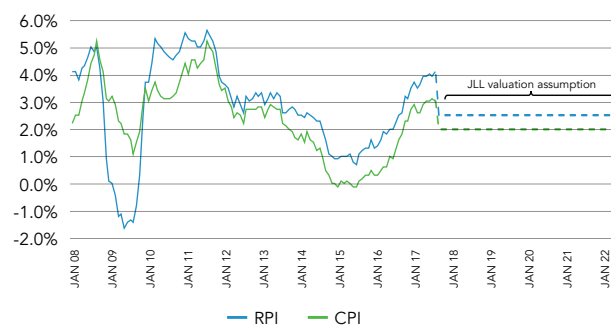
The properties in the pipeline are at various stages of development. For example, some may require planning permission, some are still at the design stage and some are nearly ready to be acquired by the Group. It is important to note that we will only acquire an asset when a lease with an Approved Provider, such as a housing association, is in place or, in the case of forward funding, when the assets are pre-let so as to prevent us taking planning or design risk. All properties that we plan to acquire from developers in 2018 are off-market transactions, as they are sold directly to us and are not marketed to other funds.

Investment Manager's Report (Continued)

Whilst our focus has been on working with developers, we have also acquired portfolios of assets for the Group. Some of these portfolios were off-market and some were marketed to a limited number of funders. We do not tend to participate in large auction processes. We expect to continue to acquire portfolios in 2018, however we have not included any in our Group pipeline calculations. This is because portfolio acquisitions tend to be more opportunistic (and therefore harder to predict) and if they become competitive processes the probability of successfully completing the acquisition is considerably lower than for deals that come through our developer pipelines.

The Group's future pipeline, like its current portfolio, has a good geographical spread. This makes us confident that the Group will maintain a balanced, diverse portfolio into the future. In addition, the pipeline should enable the Group to broaden the range of Approved Providers that it works with. This, in turn, should lead to additional opportunities to fund Supported Housing assets in 2018 and further in the longer term.

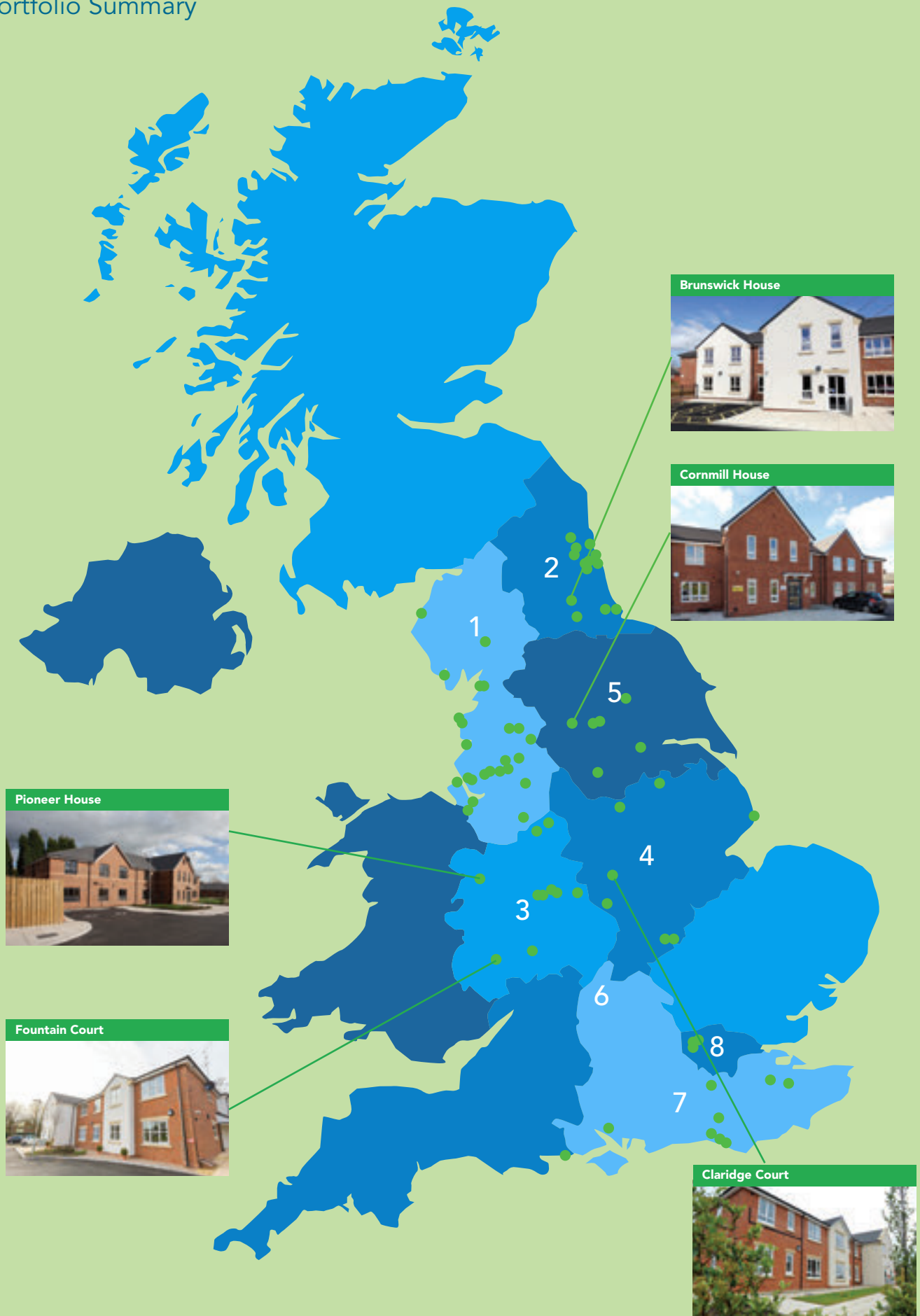
CPI & RPI inflation





"The Group's future pipeline, like its current portfolio, has a good geographical spread"

Portfolio Summary



LOCATION

Key	County	Properties	% of funds invested*
1	North West	54	38.6
2	North East	27	18.7
3	West Midlands	10	14.7
4	East Midlands	7	8.8
5	Yorkshire	6	7.9
6	South	4	4.9
7	South East	5	3.7
8	London	3	2.7
Total		116	100.0

*excluding purchase costs

"In 2017, we invested in an average of 23 properties per month, made possible through our ability to complete deals with counterparties quickly and efficiently."

PORTFOLIO HIGHLIGHTS AS AT 31 DECEMBER 2017

£131.8m

Aggregate consideration

116

Properties
828 units

100%

Supported Housing

11

Approved Providers

65

Leases with APs

100%

Let or pre-let

£7.8m

Contracted rental income

30.6 years

WAULT

100%

Index-linked

The Investment Manager



JAMES CRANMER
Co-Managing Partner

James joined Triple Point in 2006 to establish its flagship leasing business, Triple Point Lease Partners, which has grown to be one of the UK's most active providers of operating lease finance into Local Authorities and NHS Trust Hospitals. James has over 20 years' experience in structured, asset and vendor finance, and has been responsible for in excess of £1 billion of funding into UK Local Authorities, NHS Hospital Trusts, FTSE 100 and small and medium-sized companies. James is a graduate of St. Andrews University. He became co-Managing Partner in 2016.



BEN BEATON
Co-Managing Partner

Ben joined Triple Point in 2007 to lead the sourcing and execution of a broad spectrum of investments including renewable energy, long leased infrastructure and property bridge lending. He has spent his career building innovative products for investors and offering attractive and flexible funding solutions to a range of businesses, both in the public and private sector. Ben has a BSc (Hons) in Biological Sciences from the University of Edinburgh. He became co-Managing Partner in 2016.



MAX SHENKMAN
Head of Investment

Max joined Triple Point in 2011 and has led investments across the product range. He has arranged both debt and equity funding for a number of property backed transactions in the social housing, infrastructure and agricultural sectors. Max has led over £150 million of investment into Supporting Housing assets for the Group. Prior to joining Triple Point, Max was an Associate in the Debt Capital Markets team at Lazard where he advised private equity clients on both the buy and sell side. Max graduated from the University of Edinburgh.

**RALPH WEICHELT****Investment Director**

Ralph joined Triple Point in 2017 as a member of the Investment Team. Prior to joining Triple Point, Ralph was a partner in Chalkhill Partners LLP, a debt advisory firm focusing on commercial real estate debt origination via institutions and debt capital markets. Prior to this, he held a number of positions in pan-European real estate entities spanning fund management, transactional work (sourcing/underwriting/execution) and advisory. His over 20 years' experience spans across all investment strategies, ranging from core, value added to opportunistic. Ralph is also a qualified Chartered Surveyor.

**ISOBEL GUNN-BROWN****Head of Fund Management Services**

Isobel joined Triple Point in 2010 and leads the financial reporting responsibilities of the Group in conjunction with the AIFM. At Triple Point, Isobel is head of the Fund Management Services department. Isobel is ACCA qualified with over 30 years' experience in the financial services sector. Her experience is wide-ranging and includes managing the financial reporting for eight listed venture capital trusts, managing Triple Point's FCA regulation and reporting requirements and monitoring investee company compliance with HMRC regulation.

Corporate Social Responsibility Report

Sustainable Business

Acting in a sustainable and responsible manner is fundamental to the achievement of our long-term financial objectives. Our business model seeks to ensure that not only are our properties suitable for individuals with complex living needs but our portfolio continues to meet occupiers' evolving needs in the future. With ethical objectives in mind, we strive to provide value for investors and the wider community at the same time.

Environment

We always seek to ensure that our properties maximise shareholder value, improve the lives of occupiers and have a minimal detrimental impact on the local and wider environment.

Offering occupiers resource-efficient and adapted living areas is critical to ensure our investments are fit for purpose and sustain their value over the long term. As a landlord, we have the opportunity to help reduce running costs for our lessees and occupiers, increase occupier well-being and contribute to the prosperity of a location through supporting new building design and development.



Ignoring these issues when considering asset management and investments would risk the erosion of income and value as well as missing opportunities to enhance investment returns. Through construction, long-term use and eventual demolition, the built-up environment accounts for over a third of global energy consumption. In supporting the construction of new build properties, we hope to encourage best practice, in turn helping to reduce the industry's impact on emissions and the consumption of depleting resources. This is especially the case now, when issues such as climate change are in the public eye, meaning the property sector remains a prime target for policy action.

Policy presents new challenges and opportunities for the real estate industry and the social housing market, with potentially profound implications for both owners and occupiers. A good investment strategy must incorporate environmental and social issues alongside traditional economic considerations.

When acquiring assets, we look closely at their environmental impact, and encourage a sustainable approach for new development as well as the maintenance and upgrading of existing properties. Through our rigorous due diligence process, the high standards we expect from developers and significant investment in the Supported housing sector, we have been able to provide capital and expertise that has enabled parties in the industry to professionalise. This increased professionalisation in the industry will lead to further high quality housing being made available, alleviate the issue of low supply and enable us and the Approved Providers to support vulnerable occupants further.

The Board has considered the requirements to disclose the annual quantity of emissions in tonnes of carbon dioxide equivalent for activities for which the Group is responsible. The Board has considered the requirement and believes that the Group has no reportable emissions for the period ended 31 December 2017, and therefore has not included the information or methodologies for the calculation of emissions, for the following reasons:

- emissions from the Group's properties were the lessees' responsibility rather than that of the Group;
- emissions produced from either the registered office of the Group or from the offices of other service providers are deemed to fall under the responsibility of other parties; and
- the Group has not leased or owned any vehicles which fall inside the scope of the GHG Protocol Corporate Standard.

Community and Employees

Our assets provide multiple benefits to their local communities. They provide occupiers with safe and secure accommodation, tailored to meet their individual care needs, and Approved Provider lessees with a sustainable finance option, allowing them to expand the number of individual lives they can support and improve. In a circumstance where carers are needed – which is the case for the majority of our occupiers – this can stimulate local economies by moving jobs to the area. In development and refurbishment, we help create employment. At the same time, our assets contribute a solution to the critical housing shortage in the UK.

The Group has no employees and accordingly no requirement to separately report on this area.

The Investment Manager is an equal opportunities employer who respects and seeks to empower each individual and the diverse cultures, perspectives, skills and experiences within its workforce.

Diversity

We are an externally managed business and do not have any employees or office space. As such the Group does not operate a diversity policy with regards to any administrative, management and supervisory functions. A description of the Board's policy on diversity can be found on page 58.

Human rights

The Group is not within the scope of the Modern Slavery Act 2015 because it has not exceeded the turnover threshold and is therefore not obliged to make a slavery and human trafficking statement.

The Board is satisfied that, to the best of its knowledge, the Group's principal advisers, which are listed in the Shareholder Information section on page 110, comply with the provisions of the UK Modern Slavery Act 2015.

The Group's business is solely in the UK and therefore we consider there is a low risk of human rights abuses.

“Triple Point's ethical and value driven approach to meeting the needs of tenants helps us to transform the lives of vulnerable adults, providing them with flexible housing solutions and life opportunities”

Neil Brown

CEO Inclusion Housing



"Our assets provide occupiers with safe and secure accommodation, tailored to meet their individual care needs, and Approved Provider lessees with a sustainable finance option, allowing them to expand the number of individual lives they can support and improve."

Principal Risks and Uncertainties

The Board has overall responsibility for the Group's risk management and internal controls, with the audit committee reviewing the effectiveness of the Group's risk management process on its behalf.

We aim to operate in a low-risk environment, focusing on a single sub-sector of the UK real estate market to deliver an attractive, growing and secure income for shareholders. The Board recognises that effective risk management is key to the Group's success. Risk management ensures a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

Managing risk

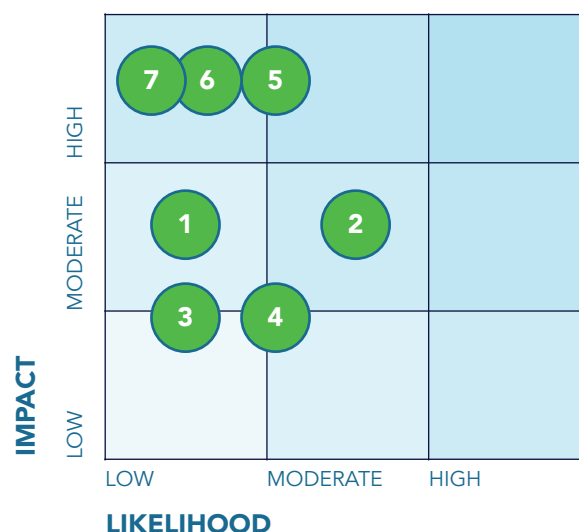
Our risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant risks we face. The process can therefore only provide reasonable, and not absolute, assurance. As an externally managed investment company, we outsource key services to the Investment Manager and other service providers and rely on their systems and controls.

The Board will undertake a formal risk review, with the assistance of the audit committee, twice a year to assess the effectiveness of our risk management and internal control systems. A description of the process in place for identifying, evaluating and managing the principal risks faced by the Group can be found on pages 54 to 55. As yet, the Board has not identified or been advised of any failings or weaknesses which it has determined to be material.

Risk appetite

Our risk appetite is low. Accordingly, we do not undertake speculative development. Furthermore, we have high-quality tenants in our properties and we possess a portfolio of high quality assets with a robust WAULT.

We have a specific Investment Policy, as outlined on pages 16 to 17, which we adhere to and for which the Board has overall responsibility.



1. Expensive or lack of debt finance may limit our ability to grow
2. Property valuations may be subject to change over time
3. Default of one or more Approved Provider tenants
4. Forward-funding properties involves a higher degree of risk than that associated with completed investments
5. Risk of changes to the Social Housing regulatory regime
6. Risk of not being qualified as REIT
7. Reliance on the Investment Manager

Principal risks and uncertainties

Further details of our principal risks and uncertainties are set out on the following pages. The identified risks have the potential to materially affect our business, either favourably or unfavourably. Some risks may currently be unknown, while others that we currently regard as immaterial, and have therefore not been included here, may turn out to be material in the future.

Principal Risks and Uncertainties (Continued)

1. RISK CATEGORY: FINANCIAL

Expensive or lack of debt finance may limit our ability to grow

Risk impact

Without sufficient debt funding at sustainable rates, we will be unable to pursue suitable investments in line with our Investment Policy. This would significantly impair our ability to pay dividends to shareholders at the targeted rate.

Mitigation

When raising debt finance the Investment Manager adopts a flexible approach involving speaking to multiple funders offering various rates, structures and tenors. Doing this allows the Investment Manager to maintain maximum competitive tension between funders. After selecting a funder, the Investment Manager will agree heads of terms early in the process to ensure a streamlined, transparent fund raising process. The Board also keeps our liquidity under constant review and we will always aim to have headroom in our debt facilities ensuring that we have a level of protection in the event of adverse fund raising conditions.

Impact

Moderate

Likelihood

Low

2 RISK CATEGORY: FINANCIAL

Property valuations may be subject to change over time

Risk impact

Property valuations are inherently subjective and uncertain. Market conditions, which may impact the creditworthiness of lessees, may adversely affect valuations. The portfolio is valued on a Market Value basis, which takes into account the expected rental income to be received under the leases in future. This valuation methodology provides a significantly higher valuation than the Vacant Possession value of a property. In the event of an unremedied default of an Approved Provider lessee, the value of the assets in the portfolio may be negatively affected. Any changes could affect the Group's net asset value and the share price of the Company.

Mitigation

All of the Group's property assets are independently valued quarterly by Jones Lang LaSalle Limited, a specialist property valuation firm who are provided with regular updates on portfolio activity by the Investment Manager. The Investment Manager meets with the external valuers to discuss the basis of their valuations and their quality control processes. Default risk of lessees is mitigated in accordance with the lessee default principal risk explanation provided above.

Impact

Moderate

Likelihood

Moderate

3. RISK CATEGORY: PROPERTY

Default of one or more Approved Provider lessees

Risk impact

The default of one or more of our lessees could impact the revenue gained from relevant assets. If the lessee cannot remedy the default or no support is offered to the lessee by the Regulator of Social Housing, we may have to terminate or negotiate the lease, meaning a sustained reduction in revenues while a replacement is found.

Mitigation

Under the terms of our Investment Policy and restrictions, no more than 30% of the Group's gross asset value may be exposed to one lessee, meaning the risk of significant rent loss is low. The lessees are predominantly regulated by the Regulator of Social Housing, meaning that, if a lessee was to suffer financial difficulty, it is likely that the Regulator of Social Housing would assist in making alternative arrangements to ensure continuity for residents who are vulnerable members of the community.

Impact

Low to Moderate

Likelihood

Low

4. RISK CATEGORY: PROPERTY

Forward-funding properties involves a higher degree of risk than that associated with completed investments

Risk impact

Our forward funded developments are likely to involve a higher degree of risk than is associated with standing investments. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. If any of the risks associated with our forward funded developments materialised, this could reduce the value of these assets and our portfolio.

Mitigation

Before entering into any forward funding arrangements the Investment Manager undertakes substantial due diligence on developers and their main subcontractors, ensuring they have a strong track record. We enter into contracts on a fixed price basis and then, during the development work, we defer development profit until work has been completed and audited by a chartered surveyor. No forward funding transactions were completed by the period end, and less than 10% of our portfolio is forward funded as at the date of signing the financial statements. By period end, and less than 10% of our portfolio is forward-funded at present. We are limited by our Investment Policy, which once our IPO proceeds and any external debt are fully invested restricts us to forward funding a maximum of 20% of the Group's net asset value at any one time. Ultimately, with these mitigants in place, the flexibility to forward fund allows us to acquire high quality assets which will provide resilient revenues in future years.

Impact

Low to moderate

Likelihood

Low to moderate

5. RISK CATEGORY: REGULATORY

Risk of changes to the social housing regulatory regime

Risk impact

Future Governments may take a different approach to the social housing regulatory regime, resulting in changes to the law and other regulation or practices of the Government with regard to social housing.

Mitigation

As demand for social housing remains high relative to supply, the Group is confident there will continue to be a viable market within which to operate, notwithstanding any future change of government. Even if government funding was to reduce, the nature of the rental agreements the Group has in place means that the Group will enjoy continued lessee rent commitment for the term of the agreed leases.

Impact

High

Likelihood

Low to moderate

6. RISK CATEGORY: REGULATORY

Risk of not being qualified as a REIT

Risk impact

If the Group and Company fail to remain in compliance with the REIT conditions, the members of the Group will be subject to UK corporation tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the funds available to distribute to investors.

Mitigation

The Group and Company intend to stay as a REIT and work within its Investment Objective and Policy. The Investment Manager will retain legal and regulatory advisers and consult with them on a regular basis to ensure it understands and complies with the requirements. In addition the Board oversees adherence to the REIT regime, maintaining close dialogue with the Investment Manager to ensure we remain compliant with legislation.

Impact

High

Likelihood

Low

7. RISK CATEGORY: CORPORATE

Reliance on the Investment Manager

Risk impact

We continue to rely on the Investment Manager's services and its reputation in the social housing market. As a result, our performance will, to a large extent, depend on the Investment Manager's abilities in the property market. Termination of the Investment Management Agreement would severely affect our ability to effectively manage our operations and may have a negative impact on the share price of the Company.

Mitigation

Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 12 months' written notice, which may not expire before August 2020. The Board regularly reviews and monitors the Investment Manager's performance. In addition, the Board meets regularly with the Investment Manager to ensure that we maintain a positive working relationship.

Impact

High

Likelihood

Low

Going Concern and Viability

Going concern

The strategic report and financial statements set out the current financial position of the Group and parent Company and the Board have regularly reviewed the position of the Company and its ability to continue as a going concern in Board meetings throughout the period. The Company has targeted high quality properties in line with yield expectations and will continue to analyse investment opportunities to ensure that they are the right fit for the Group.

In the period, the Group has invested £131.8 million up to 31 December 2017, and £33.5 million since the period end. The cash balance of the Group at period end was £58.2 million, of which £54.8 million was readily available for use. As stated in the strategic report, the Investment Manager has identified a pipeline of over £400 million of attractive investment opportunities for acquisition over the next twelve months. The Board has evaluated the financial position of the Company and the Group and plan to raise both debt and equity capital in order to fund the Company's investments for the next 12 months and to facilitate the payment of dividends to shareholders at the targeted rate. Based on this, the Board believes that the Group is in a position to manage its financial risks for the foreseeable future.

The Board believes that there are currently no material uncertainties in relation to the Group's ability to continue in operation for a period of at least 12 months from the date of approval of the Group and parent Company's financial statements and therefore have adopted the going concern basis in the preparation of the financial statements.

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant "Going Concern" provisions. The Board has considered the nature of the Group's assets and liabilities and associated cash flows and has determined that five years, up to 31 December 2022, is the maximum timescale over which the performance of the Group can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider the viability.

In determining the length of time the Board has considered the following:

- That the business model of the Group assumes the future growth in its investment portfolio through the acquisition of social housing assets which are intended to be held for the duration of the viability period
- The length of the service level agreements between housing associations and the care providers is typically five years
- The future growth of its investment portfolio of properties is achieved through long-term, inflation linked, fully repairing and insuring leases
- The Groups's property portfolio has a WAULT of 30.6 years to expiry, representing a secure income stream for the period under consideration

In assessing the Groups's viability, the Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five year period.

The directors' assessment has been made with reference to the principal risks and uncertainties summarised on pages 39 to 41 and how they could impact the prospects of the Group both individually and in aggregate.

The business model was subject to a sensitivity analysis, which involved flexing a number of key assumptions underlying the forecasts. The sensitivities performed were designed to provide the directors with an understanding of the Group's performance in the event of severe but plausible scenarios, taking full account of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks outlined below:

- Approved Providers defaulting under a lease
- lack of availability to debt financing or other capital
- deterioration in economic outlook which could impact the fundamentals of the social housing sector, including a negative impact on valuations and rental uplifts

The remaining principal risks and uncertainties, whilst having an impact on the Group's business, are not considered by the directors to have a reasonable likelihood of impacting the Group's viability over the five year period.

Based on the results of this analysis, the directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due for the next five years.

Board Approval of the Strategic Report

The Strategic Report was approved by the Board and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'C. Phillips', is positioned above the printed name and title.

Chris Phillips

Chairman

1 March 2018



"We believe our tenants
deserve accommodation
that feels like home."

Governance

Chairman's Letter



Chris Phillips, Chairman

In my statement on pages 12 to 14 I discussed the encouraging progress of the Group since IPO. In this period the Board has also dedicated significant time to ensuring robust governance processes are in place and that suitable and thorough information is received from the Investment Manager and other third party service providers. As the Group continues to grow, the Board remains committed to the highest standards of corporate governance. We believe that good governance provides the foundation for an open, informed and transparent environment which supports good decision making and encourages constructive communications with our shareholders.

Prior to IPO the Board benefited from a detailed induction process that covered the duties and potential liabilities of directors of a company admitted to trading on the London Stock Exchange. Upon Admission the Board has had in place a programme of items to consider and has also focused on the strategic issues of the Group.

The Board's approach to these issues influences the way in which the Group conducts itself, its definition of success and its attitude to risk and social matters. The Board has implemented key policies and undertaken training to help mitigate potential risks, to the extent possible, and established best practice procedures for areas such as Market Abuse Regulations, conflicts of interest and bribery and corruption.

I am pleased with the good governance to date. I will continue to provide leadership to the Group and will build upon the standards that have already been implemented. In this section of the annual report we report on our compliance with the principles of corporate governance and highlight the key governance events which have taken place since IPO on 8 August 2017.

Corporate Governance Statement

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Group.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

On 11 August 2017, the Group became a member of the Association of Investment Companies and, as was the intention at IPO, the Board determined that the Group would comply with the AIC Code. Since IPO, the Group has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below. The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the Group, being an externally managed investment group. In particular, all of the Group's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Group has therefore not reported further in respect of these provisions.

Furthermore, in consideration of the Group's short financial period since IPO, the Group has not conducted an evaluation of the Board's own performance and that of its committees and individual directors, as explained on page 52.

The Group is committed to the principles in the AIC Code to ensure that it meets the obligations in relation to the UK Corporate Governance Code and paragraph 9.8.6 of the Listing Rules. The AIC Code is available from the Association of Investment Companies website at <https://www.theaic.co.uk/aic-code-of-corporate-governance-0>

"We believe that good governance provides the foundation for an open, informed and transparent environment which supports good decision making and encourages constructive communications with our shareholders."



Chris Phillips

Chairman

1 March 2018

Board of Directors

**CHRIS PHILLIPS (67)****Chairman**

Appointed 17 July 2017

Committee memberships

Management engagement committee (chairman)
Nomination committee

Skills and experience

Extensive experience of real estate and listed companies. Of note, Chris' role at Colliers where, after heading its residential consultancy business, he became the first Managing Director of Colliers Capital UK Limited (Colliers commercial real estate property fund), from 1998 to 2005.

Principal external appointments

Places for People Group Limited (Chairman)
London & Newcastle 2010 Holdings Limited (Chairman)

**IAN REEVES (73)****Senior Independent Director**

Appointed 17 July 2017

Committee memberships

Audit committee
Management engagement committee
Nomination committee (chairman)

Skills and experience

Wide-ranging knowledge of the construction, financial and security industries. Ian is the Senior Partner and Co-Founder of Synaps Partners LLP, an international business advisory firm. He is visiting Professor of Infrastructure Investment and Construction at Alliance Manchester Business School and was the Founder and Chairman of High-Point Rendel Group PLC where he led the development of its multi-disciplinary group of companies specialising in business, management and engineering technology consultancy.

Ian was awarded his CBE for services to business and charity in 2003.

Principal external appointments

GCP Infrastructure Investments Limited (Chairman)
Synaps Partners LLP (Senior Partner and co-founder)

**PETER COWARD (61)****Non-executive director**

Appointed 17 July 2017

Committee memberships

Audit committee (chairman)
Management engagement committee
Nomination committee

Skills and experience

Peter is a chartered accountant with international commercial and corporate finance experience. He has over 25 years experience as a Senior Tax Partner at PricewaterhouseCoopers specialising in property, and has worked with a wide range of firms to develop a knowledge and understanding of tax regimes worldwide and of organisational and project structuring to optimise the tax position.

Principal external appointments

True Potential Group Limited (Director)
Chancery Gate Limited (Director)

**PAUL OLIVER (62)****Non-executive director**

Appointed 17 July 2017

Committee memberships

Audit committee
Management engagement committee
Nomination committee

Skills and experience

Paul has over 35 years experience in real estate development and investment management, and has been at the forefront of the establishment of property funds since 1991 launching Teesland plc on the LSE building funds under management to €6.5 billion in 2007.

Principal external appointments

Curlew Alternative Asset Management Limited (CEO)

Corporate Governance

Responsibilities

The Board is responsible for leading and controlling the Group and has oversight of the management and conduct of the Group's business, strategy and development. The Board determines the Group's Investment Objective and Investment Policy and has overall responsibility for the Group's activities, including a review of investment activity and performance.

The Board is also responsible for the control and supervision of the AIFM and the Investment Manager and compliance with the principles and recommendations of the AIC Code. The Board ensures the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place. The Board is responsible for approval of any changes to the capital, corporate and/or management structure of the Group.

The Board's main focus is the sustainable long-term success of the Group to deliver value for shareholders. The Board does not routinely involve itself in day to day business decisions but there is a formal schedule of matters that requires the Board's specific approval, as well as those which can be delegated to committees, the AIFM or the Investment Manager. The Board retains responsibility for all such delegated matters.

The AIFM is responsible for portfolio management and risk management of the Group pursuant to the AIFMD. The AIFM has delegated the portfolio management of the Group to the Investment Manager. The Investment Manager also provides certain property management services to the Group, including the preparing of budgets for the properties and co-ordinating with third parties providing services to the Group.

The key matters reserved to the Board are:

- Board membership and powers including the appointment and removal of Board members
- establishing the overall control framework, Stock Exchange related matters, including the approval of communications to the Stock Exchange, and communications with shareholders, other than announcements of a routine nature
- key commercial matters, including review of all investments and divestments, and any significant changes in lease terms

- the appointment, termination, and regular assessment of the performance of the principal advisers, including the AIFM, Investment Manager, Tax Advisers, Legal Advisers, Joint Financial Advisers, Company Secretary, Broker, Registrar, PR Adviser and Auditor
- the approval of the budget and financial plans,
- the approval of annual and half yearly financial reports, to 31 December and 30 June respectively, dividends, accounting policies and significant changes in accounting practices
- the approval of the net asset value calculation prepared by the Investment Manager on a quarterly basis at 31 March, 30 June, 30 September and 31 December each year
- the review of the adequacy of corporate governance procedure
- the review of the risk inventory and the effectiveness of internal controls
- approval of changes to the Group's capital structure, dividend policy, treasury policy, borrowing facilities and any banking relationships, cash management, the Group's business strategy, acquisitions and disposals of investments and capital expenditure
- approval of any related party transactions subject to further regulatory requirements
- oversight of the Group's operations ensuring compliance with statutory and regulatory obligations

Board membership and meeting attendance

During the period to 31 December 2017, the number of scheduled Board meetings attended by each director was as follows:

DIRECTOR*	ATTENDANCE**
Chris Phillips (chairman)	6/6
Ian Reeves	6/6
Peter Coward	6/6
Paul Oliver	6/6

* Ben Beaton and Justin Hubble served as directors prior to IPO. Both attended the one meeting they were eligible to attend and resigned as directors at the same meeting on 17 July 2017.

** Number of scheduled meetings attended/maximum number of meetings that the director could have attended.

Composition

The Group has a non-executive chairman and three other non-executive directors, including a senior independent director, all of whom were considered independent on and since their appointment. All of the directors are independent of the Investment Manager and the AIFM.

Chris Phillips is the chairman of the Company. The chairman is responsible for leadership and oversight of the Board to ensure that it functions effectively. Chris sets the agenda for the Board and ensures that accurate, timely and clear information is received and sufficient time is given in meetings to review all agenda items thoroughly. He promotes constructive debate and facilitates a supportive, co-operative and open environment between the Investment Manager and the directors. He is also responsible for ensuring that the views of shareholders are communicated to the Board as a whole.

Ian Reeves is the senior independent director and, if required, will deputise for the chairman. In addition to the chairman, he is available to talk to shareholders if they have any issues or concerns or if there are any unresolved matters that shareholders believe should be brought to his attention.

The non-executive directors hold, or have held senior positions in industry and commerce and contribute a wide range of skills, experience and objective perspective to the Board. Through the Board committees, the non-executive directors bring focus and independence to strategy, governance, internal controls and risk management.

The directors' other principal commitments are listed on pages 48 to 49. During the period, the Board was satisfied that all directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration of the chairman's and the other directors' external appointments. The directors were advised on appointment of the expected time required to fulfil their roles and have confirmed that they remain able to make that commitment. All material changes in any director's commitments outside the Group are required to be, and have been, disclosed prior to the acceptance of any such appointment.

Board committees

The Board has established a management engagement committee, an audit committee and a nomination committee. Given that the Company has no executive directors or other employees; the Board does not consider it necessary to establish a separate remuneration committee. The functions of each of the committees are described in their respective reports.

Board meetings

During a full financial period, the Board will meet formally at least on a quarterly basis with additional meetings as the Board may decide from time to time dedicated to specific events. There were six meetings during the period, attended by those directors available at the time. The additional meetings in the period were in connection with the approval of allotment of shares and admission to trading on the London Stock Exchange, the establishment of the Group's investment procedures and for the purpose of considering potential transactions and associated due diligence.

The chairman sets the agenda for the meetings, the papers for which are circulated by the Company Secretary prior to each meeting to ensure that the directors receive accurate, clear and timely information to help them to discharge their duties. For this purpose, the Board receives periodic reports from the AIFM and the Investment Manager detailing the performance of the Group. The primary focus at the meetings are a review of investment opportunities, investment performance and associated matters such as gearing, asset allocation, level of the share price discount or premium, marketing and investor relations, peer group information and industry issues.

Discussions of the Board

During the period the Board spent time discussing the following items:

- approval of various matters in connection with the Company's placing and offer for Admission
- approval of the Delegated Investment Management Agreement and AIFM Agreement
- approval of the acquisition of seed assets
- capital deployment, investment pipeline and review of rejected deals
- the Investment Manager's partnership programmes with specialist vendors
- the potential acquisition of land and the Group's first forward funding arrangement
- the Group's compliance with the REIT regime
- working capital and dividend cover models
- the need for debt financing
- the Group's due diligence process
- the Group's proposed structure of special purpose vehicles
- the Group's communication strategy
- the Group's property insurance
- the key performance indicators by which the Group measures success

Corporate Governance (Continued)

- updates on government or regulatory developments within the social housing sector
- review of quarterly management accounts
- half yearly broker report regarding the Company's share price rating, performance and trading the Group's NAV performance
- analysis of the Company's shareholder register
- quarterly review of corporate governance compliance, Group subsidiary activity and depositary report

Performance evaluation

The directors recognise that the evaluation process is a significant opportunity to review the practices and performance of the Board, its committees and its individual directors and to implement actions to improve the Board's focus and effectiveness which contribute to the Group's success. However, given the Group's short period of operation prior to the Group's financial period end, the Board believes that conducting an evaluation at this time would not have been appropriate nor produced a constructive output on which the Board develop its effectiveness.

The Board will establish a formal process to evaluate its own performance each year. The chairman will lead the assessment and the review of the chairman will be led by the senior independent director. Disclosure of the annual evaluation will be made in the next annual report in accordance with the provisions of the AIC Code.

Conflicts of interests

The Group operates a conflicts of interests policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where a director, or such other persons to whom the Board has determined the policy applies, has an interest which conflicts, or potentially may conflict, with the interests of the Group. Under the policy and the Company's articles of association, the Board may authorise potential conflicts that may arise, subject to imposing limits or conditions when giving authorisation if this is appropriate.

The Group reserves the right to withhold information relating, or relevant, to a conflict matter from the director concerned and/or to exclude the director from any Board information, discussions or decisions which may or will relate to that matter of conflict or where the chairman considers the it would be inappropriate for a director to

take part in such discussion or decision or receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively.

In order to avoid any potential conflicts of interest, due to his position as chairman of Places for People, Chris Phillips does not, in his capacity as a director of the Company, vote on, or participate in a quorum in connection with, any matter to be decided on by the Board which concerns an agreement or other arrangement between the Group and Places for People or any group company of Places for People.

The AIFM and Investment Manager maintain a policy to avoid and manage any conflicts of interest that may arise between themselves and the Group. The Investment Manager has established a clear and robust framework to ensure that any conflicts of interest are appropriately governed that includes:

- potential conflicts where the Investment Manager is party to the transaction
- the Investment Manager's obligation to, as far as reasonably practical, exclusively offer all new investment opportunities to the Group
- other conflict matters, in particular regarding the value, quality or other terms relating to the acquisition or disposal of assets from or to the Group or provision of debt funding by the Investment Manager to the Group.

Professional development

All directors received a comprehensive induction programme on joining the Board that covered the Investment Manager's investment approach, the role and responsibilities of a director and guidance of corporate governance and applicable regulatory and legislative landscape. The directors' training and development will be assessed as part of the annual effectiveness evaluation. The chairman regularly reviews and discusses the development needs with each director. Each director is fully aware that he should take responsibility for his own individual development needs and take the necessary steps to ensure he is wholly informed of regulatory and business developments. During the period the directors undertook training on anti-money laundering and anti-bribery and corruption training.

Shareholder engagement

The Group encourages active interest and contribution from both its institutional and private investors and responds promptly to all queries received by the Group. The Board recognises the importance of maintaining strong relationships with shareholders, and the directors place a great deal of importance on understanding shareholder sentiment.

The Investment Manager and the Group's joint financial advisers regularly meet and receive calls from shareholders and analysts in order to understand their views, and the Group's broker speaks to shareholders regularly, ensuring shareholder views are communicated to the Board. The Board takes responsibility for, and has a direct involvement in, the content of communications regarding major corporate issues.

Shareholders are encouraged to attend and vote at the Company's shareholder meetings, so they can discuss governance and strategy and the Board can enhance its understanding of shareholder views. The Board attends the Company's shareholder meetings to answer any shareholder questions and the chairman makes himself available, as necessary, outside of these meetings to speak to shareholders.

The Board is committed to providing investors with regular announcements of significant events affecting the Group and all investor documentation is available to download from the Group's website <https://www.triplepointreit.com>.

"We believe that good governance provides the foundation for an open, informed and transparent environment which supports good decision making and encourages constructive communications with our shareholders."

Audit Committee Report

Responsibilities

The audit committee has the primary responsibility for reviewing the financial statements and the accounting principles and practices underlying them, liaising with the external auditors and reviewing the effectiveness of the Group's internal controls.

The main role of the audit committee is to:

- provide formal and transparent arrangements for considering how to apply the financial reporting and internal control principles set out in the AIC Code and to maintain an appropriate relationship with the external auditors
- where requested, provide advice to the Board on whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy
- monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained in them
- review the Group's internal financial controls and the Group's internal control and risk management systems
- make recommendations to the Board to put to the shareholders for their approval in general meeting in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements
- develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm
- report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken
- report to the Board on how it has discharged its responsibilities

Committee membership

The audit committee consists of three independent non-executive directors. The Board is satisfied that at least one member of the audit committee has recent and relevant financial experience and that the committee as a whole have competence relevant to the sector in which the Company operates.

Meeting attendance

The committee comprises all the directors, with the exception of Chris Phillips, and is chaired by Peter Coward.

The audit committee has met twice in the financial period which was attended by each member as follows:

DIRECTOR	ATTENDANCE*
Peter Coward (chairman)	2/2
Paul Oliver	2/2
Ian Reeves	1/2

* Number of scheduled meetings attended/maximum number of meetings that the director could have attended.

Activities

The audit committee meets at least twice a year to consider the annual report and interim report and any other matters as specified under the committee's terms of reference. During the period, the audit committee discussed the annual audit process and risk areas, reviewed the Group's KPIs and principal risks and uncertainties and reviewed and recommended to the Board the Group's non-audit services policy. In addition, the committee considered the Group's short and medium term cash flows and dividend cover.

Internal control and risk management

The Group has an ongoing process in place for identifying, evaluating and managing the principal risks faced by the Group. From Admission, the Board satisfied itself that the procedures for identifying the information needed to monitor the business and manage risk so as to make proper judgements on the financial position and prospects were robust. These processes have remained in place since IPO and are regularly reviewed and monitored by the audit committee. The Group has in place the following key internal controls:

- a risk register identifying risks and controls to mitigate their potential impact and/or likelihood is maintained by the AIFM subject to the supervision and oversight of the committee
- a procedure to ensure that the Group can continue to operate as a REIT
- internal control reports of the Investment Manager, administrator and depositary are reviewed by the committee
- the Investment Manager and administrator prepare forecasts and management accounts which allow the Board to assess performance
- there is an agreed and defined Investment Policy, specified levels of authority and exposure limits in relation to investments, leverage and payments

The Board also receives a quarterly depositary report prepared by Langham Hall UK Depositary LLP who is responsible for cash monitoring, asset verification and oversight of the Group and the Investment Manager in performing its function under the AIFMD. The depositary reports its findings on a quarterly basis during which it monitors and verifies all new acquisitions, share issues, loan facilities, shareholder distributions and other key events. In addition, on an ongoing basis, the depositary tests the quarterly management accounts, bank reconciliations and performs a quarterly review of the Group when discharging its duties.

Taking into account the review of the reports provided and its knowledge of the business, the audit committee has reviewed and approved any statements included in the annual report concerning internal controls and risk management and have determined that the effectiveness of the internal controls were satisfactory. The principal risks and uncertainties identified from the risk register can be found on pages 39 to 41.

Significant issues considered by the audit committee

The audit committee considered the key accounting judgements underlying the preparation of the financial statements focusing specifically on:

Viability and going concern

The Board is required to consider and report on the longer-term viability of the business as well as assess the appropriateness of applying the going concern assumption.

The audit committee has taken account of the solvency and liquidity position of Group through a review of the financial statements and the information provided from the Investment Manager on the forecasted cash flow for the Group, expected pipeline and the potential of any fund raising plans either through the issue of equity or debt finance over the period to March 2019. As a result, the audit committee consider that it is appropriate to adopt the going concern basis of preparation of the financial statements.

Valuation of property portfolio

The valuation of the Group's property portfolio is fundamental to the Group's statement of financial position and reported results.

The valuations of the properties at the end of the financial period were performed by Jones Lang LaSalle, whom the audit committee consider to have sufficient local and national knowledge of social housing and specialist Supported Housing and to have the skills and knowledge to undertake the valuations competently.

The external auditor meets with the valuer separately from the audit committee, using real estate specialists where applicable, and reports back to the audit committee. The audit committee considered the underlying assumptions of IFRS valuation basis and portfolio valuation and gains comfort from the valuer's methodology and other supporting market information. The audit committee have considered the subjectivity of the property valuations which could affect the NAV and share price of the Group and these were discussed with the Investment Manager and external auditor.

Internal audit

The Board has considered the appropriateness of establishing an internal audit function and, having regard to the structure and nature of the Group's activities, has concluded that the function is unnecessary. The audit committee will review on an annual basis the need for this function and make appropriate recommendations to the Board.

External auditors, audit fees and non-audit services

BDO were appointed as the external auditors of the Group on 18 July 2017 with Thomas Edward Goodworth as the audit partner. It is the committee's responsibility to monitor the performance, objectivity and independence of the external auditors and this is assessed by the committee

Audit Committee Report (continued)

each year. In evaluating BDO's performance, the committee examines the robustness of the audit process, independence and objectivity and the quality of delivery.

The audit committee has approved a non-audit services policy that determines the services that BDO can provide and the maximum fee that may be raised for non-audit services in comparison to the statutory audit fee. The audit committee will review the policy on a regular basis to ensure that the external auditor remains objective and independent.

In accordance with the policy, the approval of the audit committee must be obtained before the external auditor is engaged to provide any permitted non-audit services above a fee threshold of £5,000. BDO are prohibited from providing services to the Group that would be considered to jeopardise their independence, such as tax services, bookkeeping and preparation of accounting records, financial systems design and implementation, valuation services, internal audit outsourcing and services linked to the financing, capital structure and allocation. The policy is reviewed annually to ensure it continues to be in line with best practice.

The total fees for non-audit services provided by the auditor to the Group shall be limited to no more than 70% of the average of the statutory audit fee for the Group paid to the auditor in the last three consecutive financial years. This provision does not apply until three years of audit fee data are available. The total fees paid to BDO during the period totalled £178,000, of which £83,000 was received for non-audit services, being 87% of the audit services fee. The committee noted that £53,000 of the non-audit services fee was received for their role as reporting accountant in connection with the IPO, and, having carried out a review, are content that the non-audit services and fees were appropriate and did not compromise BDO's objectivity or independence. The committee was satisfied with the auditor's performance during the period.



Peter Coward

Audit Committee Chairman

Management Engagement and Committee Report

Responsibilities

The main responsibility of the management engagement committee is to review and make recommendations on any proposed amendment to the Investment Management Agreement or the AIFM Agreement and keep under review the performance of the Investment Manager and the AIFM. The committee will examine the effectiveness of the Group's internal control systems and perform a review of the performance of other key service providers to the Group.

Committee membership

The management engagement committee comprises all of the directors and is chaired by Chris Phillips.

Activities

Due to the short financial period, the management engagement committee had no meetings during the period.

Management arrangements

The Company operates as an externally managed alternative investment fund for the purposes of the AIFMD. The AIFM is responsible for portfolio management and risk management of the Group pursuant to the AIFMD. However, the AIFM has delegated the portfolio management of the Group to the Investment Manager, Triple Point Investment Management LLP.

The AIFM receives a recurring annual fee of £52,500, subject to any additional fees depending on increased activities of the Group or increased assets under management over £150 million. All such fees and expenses are exclusive of VAT. No performance fee is payable to the AIFM.

The AIFM Agreement is terminable by the AIFM on it giving the Group not less than six months' written notice and using its reasonable endeavours to assist with the appointment of a successor alternative investment fund manager of the Company or the Company giving to the AIFM not less than twelve months' written notice to the AIFM. The AIFM Agreement may be terminated earlier by either party with immediate effect in certain circumstances, including, if an order or resolution for liquidation is passed for the other party or the other party has committed a breach of its obligations under the AIFM Agreement that is material in the context of the AIFM Agreement.

The Group has given certain market standard indemnities in favour of the AIFM in respect of the AIFM's potential losses in carrying on its responsibilities under the AIFM Agreement.

The Investment Manager is entitled to receive an annual management fee which is calculated and paid quarterly in arrears based upon a percentage of the last published Basic NAV of the Group (not taking into account cash balances) on the following basis:

GROUP BASIC NAV (EXCLUDING CASH BALANCES)	ANNUAL MANAGEMENT FEE (PERCENTAGE OF BASIC NAV)
Up to and including £250 million	1.0 %
Above £250 million and up to and including £500 million	0.9 %
Above £500 million and up to and including £1 billion	0.8 %
Above £1 billion	0.7 %

On a semi-annual basis, once the Group's NAV has been announced, 25% of the fee (net of any applicable tax) for the relevant six month period is applied by the Investment Manager in subscribing for, or acquiring, Ordinary Shares.

The Investment Manager is also entitled to be reimbursed for all disbursements, fees and costs payable to third parties properly incurred by the Investment Manager on behalf of the Group pursuant to provision of the services under the Delegated Investment Management Agreement.

There are no performance, acquisition, exit or property management fees.

The Investment Manager agreement has an initial term of three years, and may be terminated after the initial term by the Investment Manager by giving at least six months' notice and by the Group by giving at least twelve months' notice. In the event of termination, fees will be calculated to the date of expiry or termination payable pro rata on the day of such expiry or termination.

Continuing appointment of the Investment Manager

The management engagement committee will meet in the next financial year to review the continuing appointment of the Investment Manager and other key service providers to ensure that their appointment remains in the best interests of shareholders as a whole.



Chris Phillips

Management Engagement Committee Chairman

Nomination Committee Report

Responsibilities

The nomination committee has the main responsibility of reviewing the structure, size and composition of the Board and considering succession planning for directors, in particular the role of the chairman, and the membership of the Board's committees.

Committee membership

The nomination committee comprises all of the directors and is chaired by Ian Reeves.

Activities

As the directors of the Company have only been recently appointed and have not yet completed a full year, the Company did not hold a nomination committee meeting in the financial period.

The committee will undertake a review of the structure of the Board in the next financial period, taking into account the results of an evaluation on the balance of skills, experience, independence and knowledge on the Board to give full consideration to succession planning of the Board.

Appointment and replacement of directors

During the period, Justin Hubble and Ben Beaton resigned as directors and the current Board were appointed in preparation for IPO.

The nomination committee will meet during the next financial period to consider the structure of the Board.

Re-election of directors

Under the terms of their letters of appointment and in line with principle 3 of the AIC Code, all the directors will be subject to re-election at the first AGM of the Company in May 2018. Thereafter, the directors will be subject to re-election by shareholders at intervals of no more than three years and annual re-election for directors serving for a continuous period of more than nine years.

In determining the directors that will retire by rotation at each AGM, the directors to retire by rotation shall include those directors who are due to retire by reason of age or who wish to retire. Any further directors to retire by rotation shall include those who have been longest in office since their last re-election.

Tenure policy

The Board considers that the length of time each director, including the chairman, serves on the Board should not be limited and has not set a finite tenure policy. Continuity, self-examination and the ability to do the job are the relevant criteria on which the Board assess a director's independence. Length of service of current directors and future succession planning will be reviewed each year as part of the Board evaluation process.

Diversity policy

The Board's objective is to maintain effective decision-making, including the impact of succession planning. The Board recognises the benefits of diversity and supports the recommendations of the Davies Report. All Board appointments will be made on merit and have regard to diversity regarding factors such as gender, skills, background and experience.

Whilst recognising the importance of diversity in the boardroom, the Board does not consider it to be in the interest of the Group and its shareholders to set prescriptive diversity criteria or targets. The Board will continue to monitor diversity, taking such steps as it considers appropriate to maintain its position as a meritocratic and diverse business.

External search consultancy

In identifying suitable candidates for an appointment to the Board, the nomination committee may use open advertising or the services of external advisers to facilitate the search.

Company's succession plans

The nomination committee will give full consideration to the succession planning of the Board as part of the Board's formal annual evaluation to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Board and the balance of skills and expertise that are required in the future.



Ian Reeves

Nomination Committee Chairman

Directors' Remuneration Report

Dear Shareholder,

Our first Directors' Remuneration Report since our IPO is presented here. It is set out in two sections in line with legislative reporting regulations:

- **Directors' Remuneration Policy** – This sets out our Remuneration Policy for directors of the Company for the future and will be subject to a binding shareholder vote for the first time at our 2018 AGM.
- **Annual Report on Directors' Remuneration** – This sets out how our directors were paid for the period ended 31 December 2017 and how we intend to apply our policy for the year ending 31 December 2018. There will be an advisory shareholder vote on this section of the report at our 2018 AGM.

Prior to our IPO in August 2017, the Group introduced a remuneration framework to ensure that remuneration was aligned with best market practice whilst attracting and securing the right non-executive directors to deliver our Investment Objective. The scale and structure of the directors' remuneration was determined by the Company in consultation with the sponsor and other advisors having been benchmarked against companies of a similar size in the sector, and having regard to the time commitment and expected contribution to the role.

The Group does not have any executive directors or employees, and, as a result, operates a simple and transparent remuneration policy with no variable element, that reflects the non-executive director's duties, responsibilities and time spent.

In addition to our annual fee the directors also received a fee in connection with the preparation of the prospectus dated 17 July 2017, in recognition of the additional time contribution and commitment required in anticipation of IPO. Following Admission there have been no major decisions or changes related to the directors' remuneration during the period.



Chris Phillips
Chairman

Directors' Remuneration Policy

Approval of Remuneration Policy

Under section 439A of the Companies Act 2006, a resolution to approve the Directors' Remuneration Policy will be proposed at the Annual General Meeting of the Group to be held on 10 May 2018. If the resolution is passed, the provisions of the policy will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied, in which event shareholder approval for the new remuneration policy will be sought.

The Remuneration Policy has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Company's (Accounts and Reports) Regulations 2008. The policy applies to the non-executive directors; the Company has no executive directors or employees.

Remuneration Policy overview

The Group's objective is to have a simple and transparent remuneration structure, aligned with the Group's strategy. The Group aims to provide remuneration packages with no variable element which will retain non-executive directors with the skills and experience necessary to maximise shareholder value on a long-term basis. The remuneration packages for the recruitment of non-executive directors will be set with reference to the remuneration packages of comparable businesses.

Future policy table

The directors are entitled only to the fees as set out in the table below from the date of their appointment. No element of directors' remuneration is subject to performance factors.

COMPONENT	OPERATION	LINK TO STRATEGY
Annual Fee	Each director receives a basic fee which is paid on a monthly basis.	<p>The level of the annual fee has been set to attract and retain high calibre directors with the skills and experience necessary for the role.</p> <p>The fee has been benchmarked against companies of a similar size in the sector, having regard to the time commitment and expected contribution to the role.</p>
Additional Fee	The directors are entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Group (including the prospectus published on IPO).	The additional fee has been included in recognition of the additional time commitment and contribution required in the preparation of a prospectus by the Group.
Other benefits	<p>Article 18.5 of the Company's Articles of Association permits for any director to be repaid expenses incurred in attending or returning from meetings of the Board, committees of the Board or shareholder meetings or otherwise in connection with the performance of their duties as directors of the Company.</p> <p>The Board have the power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.</p>	<p>In line with market practice, the Group will reimburse the directors for expenses to ensure that they are able to carry out their duties effectively.</p> <p>The non-executives do not currently receive any additional benefits; however, the Board has included the power to offer the additional benefits as specified to create flexibility in the approach to retain or attract high calibre Board members.</p>

Policy on payment for loss of office

The directors will be entitled to payment of the fees as specified above, notwithstanding termination of their appointment, for the initial period of 12 months from the date of their appointment. Thereafter, there is no compensation payable upon termination of office as a director of the Company becoming effective.

Annual Report on Directors' Remuneration

Consideration of remuneration matters

The Board does not consider it necessary to establish a separate remuneration committee as it has no executive directors. The Board as a whole will consider the remuneration of the directors since Admission.

Single total figure

NON-EXECUTIVE DIRECTOR*	FEE FOR PERIOD**	ADDITIONAL FEE***	OTHER TAXABLE BENEFITS****	TOTAL
Chris Phillips	£34,127	£7,500	-	£41,627
Ian Reeves	£22,751	£7,500	-	£30,251
Peter Coward	£22,751	£7,500	-	£30,251
Paul Oliver	£22,751	£7,500	-	£30,251

* Ben Beaton and Justin Hubble served as directors prior to IPO. Both resigned as directors on 17 July 2017 and were not entitled to receive a fee for the period.

**This amount covers directors' fees for the period 17 July 2017 (date of their appointment) to 31 December 2017.

***The directors received an additional fee in connection with the preparation of the prospectus dated 17 July 2017.

****The Company does not provide pension, retirement or similar benefits.

Directors' fees

The fees paid to the directors for the period ended 31 December 2017 were pro-rated amounts based on annual fees of £75,000 for the chairman and £50,000 for the other directors. In addition to the annual fee, each director was entitled to an additional fee of £7,500 in connection with the production of the Company's prospectus on IPO in recognition of the additional time contribution and commitment required. No director claimed any expenses during the period in connection with their duties.

Service Contracts

The directors are engaged under letters of appointment and do not have service contracts with the Company.

Directors' term of office

Under the terms of the directors' letters of appointment, each directorship is for an initial period of 12 months and

thereafter terminable on three month's written notice by either the director or the Company. In accordance with the AIC Code, each director will retire from office and be subject to re-election at the first AGM on 10 May 2018 and thereafter will be subject to re-election every three years. The Group's policy on director tenure is set out in the nomination committee report on page 58.

Statement of directors' shareholding and share interests

Outlined on the next page are details of the director's shareholdings as at 31 December 2017; there has been no change in shareholding in the period between 31 December 2017 and the date of this report.

The directors are not required to hold any shares of the Company by way of qualification. A director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at shareholder's meetings.

NON-EXECUTIVE DIRECTORS	NUMBER OF SHARES HELD	PERCENTAGE OF ISSUED SHARE CAPITAL AS AT 31 DECEMBER 2017
Chris Phillips	50,000*	0.025%
Ian Reeves	0	-
Peter Coward	75,000**	0.0375%
Paul Oliver	0	-

*25,000 Ordinary Shares were subscribed through Chris Phillips' self-invested personal pension with the balance subscribed by Centaurea Investments Limited

** 50,000 Ordinary Shares were subscribed through Peter Coward's self-invested personal pension

Consideration of shareholder views

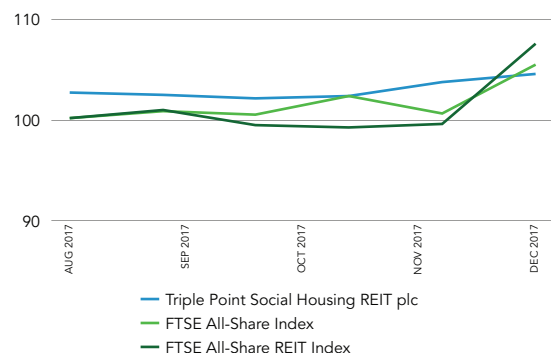
The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in the Directors' Remuneration Report.

The AGM to be held on 10 May 2018 will be the first opportunity for shareholders to vote on the Directors' Remuneration Policy.

During the period the Group did not receive any communications from shareholders specifically regarding directors' pay.

Total shareholder return

As required under regulation, the graph opposite illustrates the total shareholder return of the Group from Admission to the end of the financial period. This is mapped against the total shareholder return on a hypothetical holding over the same period in the FTSE All-Share Index and the FTSE All-Share REIT Index. As the Group did not pay any dividends in the period, total shareholder return is the growth of the Company's share price over the period.



Relative importance of spend on pay

The table below shows the total spend on remuneration compared to profit before tax to give shareholders an understanding of relative importance of spend on pay. No dividends were paid during the period. As the Group has no employees the total spend on remuneration comprises only the directors' fees.

PERIOD ENDED
31 DECEMBER 2017

Directors' fees	£132,380
Profit before tax	£5,672,454

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Chris Phillips
Chairman

1 March 2018



Directors' Report

The directors are pleased to present their report for the period ended 31 December 2017.

The information that fulfils the requirements of the Corporate Governance statement in accordance with rule 7.2 of the DTR can be found in this Directors' Report and in the Governance section on pages 46 to 62 all of which is incorporated into this directors' report by reference.

Principal activity

The Company is a closed-ended investment company and is a REIT which was incorporated in England and Wales on 12 June 2017. The Company is a holding company of a number of subsidiaries and its Ordinary Shares were admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 8 August 2017. The Group invests in properties in accordance with the Investment Policy and Investment Objective.

Directors

The names of the directors who served from IPO on 8 August 2017 to 31 December 2017 are set out in the Board of Directors section on pages 48 to 49, together with their biographical details and principal external appointments.

AIFM and Investment Manager

The names of the partners and key employees of the Group's Investment Manager are set out on pages 34 to 35. A summary of the principal contents of the AIFM agreement and the Delegated Investment Management Agreement are set out in the management engagement committee report on page 57.

Financial results and dividends

The financial results for the period can be found in the Group Statement of Comprehensive Income which can be found on page 75 of this annual report. In line with the target set out at IPO, the Company expects to declare its first dividend of 1 pence per share in respect of the period to 31 December 2017 which will be paid on or around 29 March 2018 to shareholders on the register at 16 March 2018.

Powers of the directors

The powers given to the directors are contained within the current articles of association of the Company (the "Articles"), are subject to relevant legislation and, in

certain circumstances (including in relation to the issuing or buying back by the Company of its shares), are subject to the authority being given to the directors by shareholders in general meetings.

The Articles govern the appointment and replacements of directors.

Directors' indemnity

The Group has indemnified the directors against certain liabilities which may be incurred in the course of their duties. This indemnity remains in force as at the date of this annual report and will also indemnify any new directors that join the Board. The Company maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against the directors.

Financial instruments

The information relating to the Group's financial risk management and policies can be found in Note 28 of the financial statements.

Post balance sheet events

Important events that have occurred since the end of the financial period can be found in Note 29 of the notes to the Group Financial Statements.

Amendment to the Articles

The Articles may only be amended with shareholders' approval in accordance with relevant legislation.

Share capital

As part of IPO on 8 August 2017, the Company issued a further 199,999,999 Ordinary Shares at a price of 100 pence per share. The total share capital of 200 million Ordinary Shares was admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange. No further shares have been admitted to trading since this date. As at 31 December 2017, the Company had 200 million Ordinary Shares in issue, none of which were held in treasury, as disclosed in Note 19 of the Group Financial Statements.

There are no restrictions on the transfer of securities in the Company other than certain restrictions which may be imposed by law, for example, Market Abuse Regulations, and the Company's Share Dealing Code.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company. There are no securities of the Company carrying special rights with regards to the control of the Company in issue.

As a REIT, the Company's Ordinary Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments.

Purchase of own Ordinary Shares

At the Company's General Meeting on 17 July 2017, the Company was granted authority to make market purchases of 14.99% of the issued Ordinary Shares, such authority to expire at the AGM on 10 May 2018. A resolution to renew the Company's authority to purchase shares in accordance with the terms laid out in Notice of AGM will be put to shareholders at the 10 May 2018 AGM.

Change of control

As at the date of this report the Group does not have a borrowing facility or other arrangements in place that include a change of control provision.

Major shareholdings

In accordance with DTR 5, the Company was advised of the following significant direct and indirect interests in the issued ordinary share capital of the Company as at 31 December 2017 and up to the date of this report:

	NO. OF SHARES DISCLOSED AS AT 31 DECEMBER 2017	% INTEREST IN ISSUED SHARE CAPITAL AS AT 31 DECEMBER 2017	NO. OF SHARES DISCLOSED AS AT 1 MARCH 2018	% INTEREST IN ISSUED SHARE CAPITAL AS AT 1 MARCH 2018
Investec Wealth & Management Limited	34,004,147	17.00	33,955,440	16.98
State Street Nominees Limited	19,000,000	9.50	19,000,000	9.50
CCLA Investment Management Limited	19,000,000	9.50	19,000,000	9.50
Schroders PLC	14,797,133	7.40	14,797,133	7.40
Brewin Dolphin Limited	10,068,701	5.03	10,068,701	5.03
Smith and Williamson Holdings Limited	10,000,833	5.00	10,000,833	5.00
Close Asset Management Limited	9,987,644	4.99	9,987,644	4.99

Information provided to the Company pursuant to DTR 5 is available via the Regulatory News section on the Group's website.

Directors' Report (Continued)

Contracts of significance

There are no contracts of significance of the Company or a subsidiary in which a director is or was materially interested or to which a controlling shareholder was a party.

Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware.

The directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Related party transactions

Related party transactions for the period to 31 December 2017 are disclosed in Note 26 of the Group Financial Statements.

Research and development

No expenditure on research and development was incurred during the period.

Donations and contributions

No political or charitable donations were made during the period.

Branches outside the UK

There are no branches of the business located outside the United Kingdom.

Annual General Meeting

The Annual General Meeting of the Company will be held on 10 May 2018 at 4.30pm at the offices of Taylor Wessing LLP, 5 New Street Square, London, EC4A 3TW.

Information included in the Strategic Report

The information that fulfils the reporting requirements relating to the following matters can be found on the pages identified.

SUBJECT MATTER	PAGE REFERENCE
Likely future developments	12 to 14
Greenhouse gas emissions	37
Employee engagement	37
Employment of disabled persons	37

The Directors' Report was approved by the Board and signed on its behalf by:



Chris Phillips
Chairman

1 March 2018

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the Group and parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company Financial Statements;
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so; and
- prepare a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its

Financial Statements comply with the Companies Act 2006 and, as regards to the Group Financial Statements, Article 4 of the IAS regulation. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and Article 4 of the IAS Regulation and, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the financial position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Approval

This Directors' responsibilities statement was approved by the Board and signed on its behalf by:



Chris Phillips
Chairman

1 March 2018

Independent auditor's report to the members of Triple Point Social Housing REIT plc

Opinion

We have audited the financial statements of Triple Point Social Housing REIT PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the period from 12 June 2017 to 31 December 2017 which comprise the Group statement of comprehensive income, the Group statement of financial position, the Group statement of changes in equity, the Group statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparing the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS's) adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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 Group and the Parent 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 listed 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures on page 39 of the annual report that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 39 of the annual report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 42 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group and the Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 42 of the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

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) that we

identified. These matters included 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.

The table below shows the risks that we identified as key audit matters together with our audit response to these risks. This is not a complete list of risks identified by our audit.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Investment property valuations (Note 14)</p> <p>Investment properties are held at fair value in the Group financial statements. The Group's investment property portfolio is comprised of geographically diverse, UK social housing properties with long leases.</p> <p>The valuation of investment property requires significant judgement and estimates by management and the independent valuer. It is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation.</p> <p>Any input inaccuracies or unreasonable bases used in the valuation judgements (such as in respect of estimated rental value and yield profile applied) could result in a material misstatement of the Group statement of comprehensive income and the Group statement of financial position.</p> <p>There is also a risk that management may influence the significant judgements and estimates in respect of property valuations in order to achieve performance targets to meet market expectations.</p>	<p>We assessed and considered the external valuer's reports, their qualifications, independence and basis of valuation.</p> <p>We obtained a copy of the instructions provided to the independent valuer and reviewed for any limitations in scope.</p> <p>We developed expectations for yields on each property using available independent industry data, reports and comparable transactions in the market around the period end.</p> <p>We obtained the valuation report prepared by the independent valuer and discussed the basis of the valuations with them. We confirmed that the basis of the valuations was in accordance with the requirements of IFRS.</p> <p>We discussed the assumptions used and the valuation movement in the period with both management and the independent valuer. Where the valuation was outside of our expected range we discussed with the independent valuer specific assumptions and reasoning for the yields applied and corroborated their explanations.</p> <p>We reviewed the acquisition and lease agreements for all properties that were acquired in the period. We agreed this information to the underlying information used by the independent valuer in their valuations.</p>

Independent auditor's report to the members of Triple Point Social Housing REIT plc (continued)

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Revenue recognition (Note 5)</p> <p>The Group's revenue solely comprises of rental income from investment property assets.</p> <p>Rental income is recognised on a straight line bases over the lease term based upon the rental agreements that are in place. Management judgements are required to determine whether they are reasonably certain whether options to extend the lease term, as contained within a number of leases, will be exercised. This has an impact in determining the period over which the incentives should be recognised. There is a risk that lease incentives may not have been recognised over the expected lease term.</p> <p>The Group has multiple tenants and leases with different terms and as such there is a risk that revenue is either not supported by the underlying tenancy agreement or is inappropriately recognised. There is also a risk over the correct level of income being accrued or deferred depending on the period which the revenue relates to.</p>	<p>We obtained a copy of a sample of leases in place and checked the calculation and recognition of rental income.</p> <p>We checked the lease agreements for any incentives, including rent free periods, that required accounting for in line with SIC 15 and checked that these had been appropriately recognised.</p> <p>We checked the timing of revenue recognised in proximity to the period end to ensure that an appropriate level of income was deferred or accrued.</p>

Our application of materiality

We apply the concert of materiality both in planning and performing our audit, and in evaluating the effect of misstatement on the audit and in forming our opinion. Materiality is assessed on both quantitative and qualitative grounds.

	GROUP FINANCIAL STATEMENT	GROUP SPECIFIC
Materiality	£2,050,000	£15,000
Performance materiality	£1,025,000	£7,500
Clearly trivial	£41,000	£300

Materiality

We consider materiality to be the magnitude by which misstatements, individually or in aggregation, could reasonably be expected to influence the economic decisions of the users of the financial statements.

We determined that Group total assets would be the most appropriate basis for setting overall financial statement materiality, as we consider this to be one of the principal considerations for members of the Company in assessing the financial performance of the Group. As such, the materiality for the Group financial statements as a whole was determined to be £2,050,000, which represents approximately 1% of the Group's total assets.

We also determined that for other classes of transactions, balances or disclosures that impact EPRA earnings, a misstatement of less than materiality for the financial statements as a whole could influence the economic decisions of the users of the financial statements. As a result, we applied a specific materiality of £15,000 to these areas, based on profit before tax adjusted to

exclude property fair value gains and the related asset value based management fee.

We determined that the same measures as the Group was appropriate for the Parent Company, and the materiality and specific materiality applied were £1,950,000 and £12,000 respectively.

Performance materiality

The application of materiality at the individual account or balance level is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessment together with the Group's overall control environment, as well as this being the first period of audit, our judgement was that overall performance materiality for the Group should be 50% of overall materiality. As such, performance financial statement materiality was set at £1,025,000 and specific performance materiality was set at £7,500.

We determined that the same measure as the Group was appropriate for the Parent Company, and the performance materiality and specific performance materiality applied were £975,000 and £6,000 respectively.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £41,000 for all items audited to financial statement materiality, and £300 for items audited to specific materiality. We also agreed to report on any other differences that, in our view, warranted reporting on qualitative grounds.

We determined that the same measure as the Group was appropriate for the Parent Company, and the reporting threshold and specific report threshold applied were £39,000 and £240 respectively.

We evaluate any uncorrected misstatements against both the qualitative measures of materiality discussed above and in the light of other relevant qualitative considerations.

An overview of the scope of our audit

We designed our audit by determining materiality and assessing the risk of material misstatements in the financial statements. In particular, we looked at where the Directors make subjective judgements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The Group operates solely in the UK and through one segment, investment property. The audit team performed all the work necessary to issue the Group and Parent Company audit opinions, including undertaking all of the audit work on the key audit matters.

We consider that the audit procedures we planned and performed in accordance with ISAs (UK) have provided us with reasonable assurance that irregularities, including fraud, would have been detected to the extent that they could have resulted in material misstatements in the financial statements. Our audit was not designed to identify misstatements or other irregularities that would not be considered to be material to the financial statements.

Other information

The other information comprises the information included in the annual report including the Strategic Report, the Directors' Report and the Governance section, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable, set out on page 67 – the statement by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting, set out on pages 54 to 56 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code, set out on page 50 – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 period for which the financial statements are prepared is consistent with the financial statements; and
- those reports 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 Group and the Parent 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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited 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 as set out on page 67, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 18 July 2017 to audit the financial statements for the period ending 31 December 2017 and subsequent financial periods. This is the first period of engagement.

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

Our audit opinion is consistent with the additional report to the audit committee.



Thomas Edward Goodworth (Senior Statutory Auditor) For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

1 March 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Group Statement of Comprehensive Income

For the period from 12 June 2017 to 31 December 2017

	Note	Period from 12 June 2017 to 31 December 2017 £'000
Income		
Rental income	5	1,027
Total income		1,027
Expenses		
Directors' remuneration	6	(147)
General and administrative expenses	9	(446)
Management fees	8	(472)
Total expenses		(1,065)
Gain from fair value adjustment on investment property	14	5,639
Operating profit		5,601
Finance income	11	79
Finance costs	12	(8)
Profit for the period before tax		5,672
Taxation	13	-
Profit and total comprehensive income attributable to shareholders for the period		5,672
Earnings per share – basic and diluted	30	3.94p

All amounts reported in the Group Statement of Comprehensive Income for the period ended 31 December 2017 relate to continuing operations.

The accompanying notes on pages 79 to 99 form an integral part of these Group Financial Statements.

Group Statement of Financial Position

As at 31 December 2017

	Note	31 December 2017 £'000
Assets		
Non-current assets		
Investment properties	14	138,512
Total non-current assets		138,512
Current assets		
Trade and other receivables	15	12,002
Cash and cash equivalents	16	58,185
Total current assets		70,187
Total assets		208,699
Liabilities		
Current liabilities		
Trade and other payables	17	5,876
Total current liabilities		5,876
Non-current liabilities		
Other payables	18	1,151
Total non-current liabilities		1,151
Total liabilities		7,027
Total net assets		201,672
Equity		
Share capital	19	2,000
Share premium reserve	20	-
Capital reduction reserve	21	194,000
Retained earnings	22	5,672
Total Equity		201,672
Net asset value per share – basic and diluted	31	100.84p

The Group Financial Statements were approved and authorised for issue by the Board on 1 March 2018 and signed on its behalf by:



Chris Phillips

Chairman

1 March 2018

The accompanying notes on pages 79 to 99 form an integral part of these Group Financial Statements.

Group Statement of Changes in Equity

For the period from 12 June 2017 to 31 December 2017

	Note	Share capital £'000	Share premium reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 12 June 2017		-	-	-	-	-
Total comprehensive income for the period		-	-	-	5,672	5,672
Transactions with owners						
Ordinary Shares issued in the period at a premium	19, 20	2,000	198,000	-	-	200,000
Share issue costs capitalised	20	-	(4,000)	-	-	(4,000)
Cancellation of share premium	20, 21	-	(194,000)	194,000	-	-
Balance at 31 December 2017		2,000	-	194,000	5,672	201,672

The accompanying notes on pages 79 to 99 form an integral part of these Group Financial Statements.

Group Statement of Cash Flows

For the period from 12 June 2017 to 31 December 2017

	Note	Period from 12 June 2017 to 31 December 2017 £'000
Cash flows from operating activities		
Profit before income tax		5,672
Adjustments for:		
Gain from fair value adjustment on investment property	14	(5,639)
Finance income	11	(79)
Finance costs	12	8
Operating results before working capital changes		(38)
(Increase) in trade and other receivables		(722)
Increase in trade and other payables		1,555
Net cash flow generated from operating activities		795
Cash flows from investing activities		
Purchase of investment properties		(127,401)
Prepaid acquisition costs	15	(11,280)
Restricted cash held as retention money		(3,427)
Net cash flow used in investing activities		(142,108)
Cash flows from financing activities		
Proceeds from issue of Ordinary Shares at a premium	19	200,000
Share issue costs capitalised	20	(4,000)
Interest received		73
Interest paid		(2)
Net cash flow generated from financing activities		196,071
Net increase in cash and cash equivalents		54,758
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	16	54,758

The accompanying notes on pages 79 to 99 form an integral part of these Group Financial Statements.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

1. CORPORATE INFORMATION

Triple Point Social Housing REIT PLC (the "Company") is a Real Estate Investment Trust ("REIT") incorporated in England and Wales under the Companies Act 2006 as a public company limited by shares on 12 June 2017. The address of the registered office is 18 St. Swithin's Lane, London, United Kingdom, EC4N 8AD. The Company is registered as an investment company under section 833 of the Companies Act 2006 and is domiciled in the United Kingdom.

The principal activity of the Company is to act as the ultimate parent company of Triple Point Social Housing REIT PLC and its subsidiaries (the "Group") and to provide shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of social homes.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. All accounting policies have been applied consistently. These are the Group's first financial statements prepared under IFRS.

The Group's Financial Statements have been prepared on a historical cost basis, as modified for the Group's investment properties, which have been measured at fair value. Gains or losses arising from changes in fair values are included in profit or loss.

The following are new standards, interpretations and amendments, which are not yet effective and have not been early adopted in these financial statements, that will or may have an effect on the Group's future financial statements:

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 Revenue From Contracts With Customers (effective for annual periods beginning on or after 1 January 2018).
- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019).

The Group's only revenue is currently generated from rental income from leases that do not contain any service components. As such the Group currently has no revenue that falls within the scope of IFRS 15.

The directors are of the opinion that IFRS 9 and IFRS 16 will not have a material impact on the financial statements. However, the assessment of the potential impact of these standards on the financial statements is ongoing and the final conclusions of the directors will be disclosed in the interim financial statements to 30 June 2018.

2.1. Going concern

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The directors have reviewed the Group's forecasts which show the expected annualised rental income exceeds the expected operating costs of the Group. This is explained further within the Going Concern and Viability section included in the Strategic Report.

As a result, the directors believe that the Group is well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meets its liabilities as they fall due.

The directors believe that there are currently no material uncertainties in relation to the Group's ability to continue in operation for the period of at least 12 months from the date of approval of the Group's Financial Statements. The Board is, therefore, of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

2. BASIS OF PREPARATION (continued)

2.2. Reporting period

The financial statements have been prepared for the period from the Company's incorporation on 12 June 2017 to 31 December 2017 with no prior period information therefore being applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in note 4, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Estimates:

3.1. Investment properties

The Group uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and the appropriate discount rate. The valuers also make reference to market evidence of transaction prices for similar properties. Further information is provided in note 14.

The Group's properties have been independently valued by Jones Lang LaSalle Limited ("JLL" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2017, Global and UK Editions (commonly known as the "Red Book"). JLL is one of the most recognised professional firms within social housing valuation and has sufficient current local and national knowledge of both social housing generally and specialist supported housing ("SSH") and has the skills and understanding to undertake the valuations competently.

With respect to the Group's Financial Statements, investment properties are valued at their fair value at each Statement of Financial Position date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

Level 1 – Unadjusted, quoted prices for identical assets and liabilities in active (typically quoted) markets;

Level 2 – Quoted prices for similar assets and liabilities in active markets;

Level 3 – External inputs are "unobservable". Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and a determination of which assumptions should be applied in valuing such assets and with particular focus on the specific attributes of the investments themselves

Given the bespoke nature of each of the Group's investments, all of the Group's investment properties are included in Level 3.

Judgements:

3.2. Asset acquisitions

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The directors consider the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or deferred tax arises.

All corporate acquisitions during the period have been treated as asset purchases rather than business combinations because no integrated set of activities were acquired.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3.3. the Group as lessor

The Group has acquired investment properties that are subject to commercial property leases with Registered Providers. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the duration of the lease terms and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

3.4. the Group as lessee

Leases where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group are accounted for as finance leases. The asset is treated as if it had been purchased outright and held within the Group's investment properties. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Statement of Comprehensive Income over the period of the lease. The capital element reduces the balance owed to the lessor.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below.

4.1. Basis of consolidation

The financial statements comprise the financial information of the Group as at the period end date.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The financial information of the subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

If an equity interest in a subsidiary is transferred but a controlling interest continues to be held after the transfer then the change in ownership interest is accounted for as an equity transaction.

Accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

4.2. Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. After initial recognition, investment property is stated at its fair value at the Statement of Financial Position date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the Statement of Comprehensive Income.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be obtained from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recorded in profit or loss in the period in which the property is derecognised.

Significant accounting judgements, estimates and assumptions made for the valuation of investment properties are discussed in note 3.

4.3. Leases - Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group has determined that it retains all the significant risks and rewards of ownership of the properties it has acquired to date and accounts for the contracts as operating leases as discussed in note 3.

Properties leased out under operating leases are included in investment property in the Statement of Financial Position. Rental income from operating leases is recognised on a straight line basis over the term of the relevant leases.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4. Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivables.

4.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash held by lawyers and liquidity funds with a term of no more than three months that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

4.6. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation.

4.7. Trade and other payables

Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting period. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost until settled.

4.8. Taxation

Taxation on the element of the profit or loss for the period that is not exempt under the UK REIT regulations would be comprised of current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movement in equity, in which case it is recognised as a direct movement in equity. Current tax is the expected tax payable on any non REIT taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

4.9. Dividends payable to shareholders

Dividends to the Company's shareholders are recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved. In the UK, interim dividends are recognised when paid.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10. Rental income

Rental income from investment property is recognised on a straight-line basis over the term of ongoing leases and is shown gross of any UK income tax. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, where the directors are reasonably certain that the rental uplift will be agreed.

Rental income is invoiced in advance and any rental income that relates to a future period is deferred and appears within current liabilities on the Statement of Financial Position.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease, but once the practical completion has taken place the formal lease is signed at which point rental income commences to be recognised in the Statement of Comprehensive Income.

4.11. Finance income and finance costs

Finance income is recognised as interest accrues on cash balances held by the Group. Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings. These costs are expensed in the period in which they occur.

4.12. Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

4.13. Investment management fees

Investment advisory fees are recognised in the Statement of Comprehensive Income on an accruals basis.

4.14. Share issue costs

The costs of issuing or reacquiring equity instruments (other than in a business combination) are accounted for as a deduction from equity.

4.15. Impairment of financial assets

All financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

5. RENTAL INCOME

Period from 12 June 2017
to 31 December 2017

£'000

1,027

1,027

The lease agreements between the Group and the Registered Providers are full repairing and insuring leases. The Registered Providers are responsible for the settlement of all present and future rates, taxes, costs and other impositions payable in respect of the property. As a result, no direct property expenses were incurred.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

6. DIRECTORS' REMUNERATION

**Period from 12 June 2017
to 31 December 2017**
£'000

Directors' fees	132
Employer's National Insurance Contributions	15
	147

The directors are remunerated for their services at such rate as the directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum, and the other directors of the Board receive a fee of £50,000 per annum. The directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company (including the initial Issue).

A summary of the directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report within the Corporate Governance Report. None of the directors received any advances or credits from any group entity during the period.

The management fee is an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published Net Asset Value of the Group (not taking into account cash balances) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

(a) on that part of the Net Asset Value up to and including £250 million, an amount equal to 1% of such part of the Net Asset Value;

(b) on that part of the Net Asset Value over £250 million and up to and including £500 million, an amount equal to 0.9% of such part of the Net Asset Value;

(c) on that part of the Net Asset Value over £500 million and up to and including £1 billion, an amount equal to 0.8% of such part of the Net Asset Value;

(d) on that part of the Net Asset Value over £1 billion, an amount equal to 0.7% of such part of the Net Asset Value.

7. PARTICULARS OF EMPLOYEES

The Group had no employees during the period other than the directors.

8. MANAGEMENT FEES

**Period from 12 June 2017
to 31 December 2017**
£'000

Management fees	472
	472

On 20 July 2017 Triple Point Investment Management LLP was appointed as the delegated investment manager of the Company by entering into the property management services and delegated portfolio management agreement. Under this agreement the delegated investment manager will advise the Company and provide certain management services in respect of the property portfolio.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

9. GENERAL AND ADMINISTRATIVE EXPENSES

Period from 12 June 2017 to 31 December 2017

£'000

Legal and professional fees	201
Audit fees	114
Administration fees	88
Other administrative expenses	43
	446

10. AUDIT FEES

Period from 12 June 2017 to 31 December 2017

£'000

Audit fees	95
	95

BDO LLP has also received £53,000 for its role as reporting accountant upon admission of the Company to the specialist fund segment of the main market of the London Stock Exchange. The fees relating to the share issuance have been treated as share issue costs and offset against share premium arising on the issue of these shares.

BDO LLP has in addition received £25,000 for corporate finance services related to the acquisition of Sorogold Street Limited. These have been capitalised in the cost of the investment property.

The audit fee for Norland Estates Limited, a subsidiary, has been borne by the Company.

11. FINANCE INCOME

Period from 12 June 2017 to 31 December 2017

£'000

Head lease interest income	6
Interest on liquidity funds	73
	79

12. FINANCE COSTS

Period from 12 June 2017 to 31 December 2017

£'000

Head lease interest expense	6
Bank charges	2
	8

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

13. TAXATION

As a UK REIT, the Group is exempt from corporation tax on the profits and gains from its property investment business, provided it meets certain conditions as set out in the UK REIT regulations. For the current period, the Group did not have any non-qualifying profits and accordingly there is no tax charge in the period. If there were any non-qualifying profits and gains, these would be subject to corporation tax.

It is assumed that the Group will continue to be a Group UK REIT for the foreseeable future, such that deferred tax has not been recognised on temporary differences relating to the property rental business.

Period from 12 June 2017 to 31 December 2017

£'000

Current tax

Corporation tax charge for the period	-
Total current income tax charge in the profit or loss	-

The tax charge for the period is less than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

Period from 12 June 2017 to 31 December 2017

£'000

Profit before tax	5,672
Tax at UK corporation tax standard rate of 19%	1,078
Change in value of investment properties	(1,071)
Exempt REIT income	(50)
Amounts not deductible for tax purposes	4
Unutilised residual current period tax losses	39
	-

The Government has announced that the corporation tax standard rate is to be reduced from 19% to 17% with effective date from 1 April 2020.

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of CTA 2010.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

14. INVESTMENT PROPERTY

31 December 2017

£'000

Balance at beginning of period	-
Property acquisitions at cost	131,382
Subsequent expenditure on properties	411
Head lease ground rent	1,080
Change in fair value during the period	5,639
Balance at end of period	138,512
Valuation provided by Jones Lang LaSalle Limited	137,546
Adjustment to fair value – head lease ground rent	1,080
Adjustment to fair value – rent free debtors	(114)
Total investment property per the Statement of Financial Position	138,512

The carrying value of leasehold properties at 31 December 2017 was £24.1 million.

In accordance with "IAS 40: Investment Property", the Group's investment properties have been independently valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited external valuer with recognised and relevant professional qualifications. The independent valuers provide their fair value of the Group's investment property portfolio every six months.

JLL were appointed as external valuers by the Board on 11 December 2017. JLL has provided valuation services to the Group. The proportion of the total fees payable by the Company to JLL's total fee income is minimal. Additionally, JLL has a rotation policy in place whereby the signatories on the valuations rotate after 7 years.

In order to achieve its Investment Objective, the Company will invest in a diversified portfolio of freehold or long leasehold Social Housing assets in the UK. Supported Housing assets will account for at least 80 per cent of Gross Asset Value (once fully invested). The Company will acquire portfolios of Social Housing assets and single Social Housing assets to be acquired and/or held, either directly or via an SPV. Each asset will be subject to a Lease or occupancy agreement with an Approved Provider for terms primarily ranging from 20 years to 25 years, with the rent payable thereunder subject to adjustment in line with inflation (generally CPI). Title to the assets will remain with the Group under the terms of the relevant lease. The Group will not be responsible for any management or maintenance obligations under the terms of the lease or occupancy agreement, all of which will be serviced by the Approved Provider lessee. The Group will not be responsible for the provision of care to occupants of Supported Housing assets.

The Group intends to hold its investment property portfolio over the long term, taking advantage of long-term upward only inflation linked leases. The Group will not be actively seeking to dispose of any of its assets, although it may dispose of investments should an opportunity arise that would enhance the value of the Group as a whole.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

14. INVESTMENT PROPERTY (continued)

% Key Statistics

The metrics below are in relation to the total investment property portfolio held as at 31 December 2017.

Portfolio metrics

Capital Deployed*	£128,525,090
Number of Properties	116
Number of Tenancies	65
Number of Registered Providers	11
Number of Local Authorities	51
Number of Care Providers	25
Average NIY*	5.32%

*calculated excluding acquisition costs

Regional exposure

Region	*Cost £'000	% of portfolio
North West	49,664	38.6%
North East	24,037	18.7%
West Midlands	18,912	14.7%
East Midlands	11,374	8.8%
Yorkshire	10,140	7.9%
South	6,245	4.9%
South East	4,732	3.7%
London	3,421	2.7%
Total	128,525	100.0%

*excluding acquisition costs

Fair value hierarchy

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant ob- servable inputs (Level 2) £'000	Significant un- observable inputs (Level 3) £'000
Assets measured at fair value:					
Investment properties	31 December 2017	138,512	-	-	138,512

There have been no transfers between Level 1 and Level 2 during the period, nor have there been any transfers between Level 2 and Level 3 during the period.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

14. INVESTMENT PROPERTY (continued)

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) by JLL, one of the leading professional firms engaged in the social housing sector.

As noted previously all of the Group's investment properties are reported as Level 3 in accordance with IFRS 13 where external inputs are "unobservable" and value is the directors' best estimate, based upon advice from relevant knowledgeable experts.

In this instance, the determination of the fair value of investment property requires an examination of the specific merits of each property that are in turn considered pertinent to the valuation.

These include i) the regulated social housing sector and demand for the facilities offered by each SSH property owned by the Group; ii) the particular structure of the Group's transactions where vendors, at their own expense, meet the majority of the refurbishment costs of each property and certain purchase costs; iii) detailed financial analysis with discount rates supporting the carrying value of each property; iv) underlying rents for each property being subject to independent benchmarking and adjustment where the Group considers them too high (resulting in a price reduction for the purchase or withdrawal from the transaction); and v) a full repairing and insuring lease with annual indexation based on CPI or CPI+1% and effectively 25 years outstanding, in most cases with a Housing Association itself regulated by the Homes and Communities Agency.

Descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques: Discounted cash flows

The discounted cash flow model considers present value of net cash flows to be generated from a property, taking into account the expected rental growth rate and lease incentive costs such as rent-free periods. The expected net cash flows are then discounted using risk-adjusted discount rates.

There are two main unobservable inputs that determine the fair value of the Group's investment property:

1. The rate of inflation as measured by CPI; it should be noted that all leases benefit from either CPI or RPI indexation.
2. The discount rate applied to the rental flows.

Key factors in determining the discount rates applied include the performance of the regulated social housing sector and demand for each specialist supported housing property owned by the Group, costs of acquisition and refurbishment of each property, the anticipated future underlying cash flows for each property, benchmarking of each underlying rent for each property (passing rent), and the fact that all of the Group's properties have the benefit of full repairing and insuring leases entered into by a Housing Association.

All of the properties within the Group's portfolio benefit from leases with annual indexation based upon CPI or RPI. The fair value measurement is based on the above items highest and best use, which does not differ from their actual use.

Sensitivities of measurement of significant unobservable inputs

As set out within the significant accounting estimates and judgements in Note 3, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature.

As a result the following sensitivity analysis has been prepared:

Average discount rate and range:

The average discount rate used in the Group's property portfolio valuation is 6.9%.
The range of discount rates used in the Group's property portfolio valuation is from 6.4 to 7.5%.

	-0.5% change in Discount Rate	+0.5% change in Discount Rate	+0.25% change in CPI	-0.25% change in CPI
	£'000	£'000	£'000	£'000
Change in the IFRS fair value of investment properties as at 31 December 2017	9,360	(8,415)	4,796	(4,561)

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

15. TRADE AND OTHER RECEIVABLES

31 December 2017

	£'000
Prepayments and other receivables	11,530
Rent receivable	472
	12,002

Prepaid acquisition costs include the cost of acquiring FPI Co 211 Limited (£4,030,000) and a PUMA pipeline deposit (£7,213,552), both of which were not completed as at 31 December 2017.

The directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date.

16. CASH AND CASH EQUIVALENTS

31 December 2017

	£'000
Cash held by lawyers	38,496
Liquidity funds	15,872
Restricted cash	3,427
Cash at bank	390
	58,185

Liquidity funds refer to money placed in money market funds. These are highly liquid funds with accessibility within 24 hours and subject to insignificant risk of changes in value. Interest at a market rate of 0.01% per annum is earned on these deposits.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

Restricted cash represents retention money held by lawyers in relation to repair, maintenance and improvement works by the vendors to bring the properties up to satisfactory standards for the Group and the tenants. Currently that amount of cash is held in escrow by the lawyers. The cash is committed on the acquisition of the properties.

Cash and cash equivalent reported in the Statement of Cash Flows totalled £54.76 million as at the period end, which excludes restricted cash totalling £3.4 million.

17. TRADE AND OTHER PAYABLES

Current liabilities

31 December 2017

	£'000
Other creditors	3,427
Accruals	2,031
Trade payables	380
Head lease ground rent	29
Deferred income	9
	5,876

The directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

18. OTHER PAYABLES

Non current liabilities

31 December 2017

£'000

Head lease ground rent

1,051

Rent deposit

100

1,151

19. SHARE CAPITAL

31 December 2017

£'000

Authorised:

200 million Ordinary Shares of £0.01 each

2,000

Issued and fully paid:

200 million Ordinary Shares of £0.01 each

2,000

The Company achieved admission to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, raising £200 million. As a result of the IPO, at 8 August 2017, 200,000,000 shares at one pence each have been issued and fully paid.

20. SHARE PREMIUM RESERVE

The share premium relates to amounts subscribed for share capital in excess of nominal value.

31 December 2017

£'000

Balance at beginning of period

-

Share premium arising on Ordinary Shares issued in the period

198,000

Share issue costs capitalised

(4,000)

Transfer to capital reduction reserve

(194,000)

Balance at end of period

-

During the board meeting on 3 August 2017 a resolution was passed authorising the cancellation of the share premium reserve. The amount standing to the credit of the share premium reserve of the Company following completion of the Issue (less any issue expenses set off against the share premium reserve) was, as a result, credited as a distributable reserve to be established in the Company's books of account which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the CA 2006) are able to be applied.

In order to cancel the share premium reserve the Company needed to obtain a court order, which was received on 15 November 2017. An SH19 form was filed at Companies House with a copy of the court order and the certificate of cancellation was issued by Companies House on 15 November 2017.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

21. CAPITAL REDUCTION RESERVE

31 December 2017

	£'000
Balance at beginning of period	-
Transfer from share premium reserve	194,000
Balance at end of period	194,000

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve.

22. RETAINED EARNINGS

31 December 2017

	£'000
Balance at beginning of period	-
Total comprehensive income for the period	5,672
Balance at end of period	5,672

23. LEASES

A. Leases as lessee

The Group leases a number of properties under finance leases.

At 31 December 2017, the future minimum lease payments under non-cancellable finance leases were payable by the Group as follows:

	< 1 year £'000	2-5 years £'000	> 5 years £'000	Total £'000
Minimum lease payments	33	114	6,023	6,170
Interest	(4)	(16)	(5,070)	(5,090)
Present value at 31 December 2017	29	98	953	1,080
				£'000
Current liabilities (Note17)				29
Non-current liabilities (Note18)				1,051

The above is in respect of properties held by the Group under leasehold. There are 18 properties held under leasehold with lease ranges from 125 years to 999 years.

B. Leases as lessor

The Group leases out its investments properties (see Note 14)

At 31 December 2017, the future minimum lease payments under non-cancellable operating leases were receivable by the Group as follows:

	< 1 year £'000	2-5 years £'000	> 5 years £'000	Total £'000
31 December 2017	7,315	29,484	113,463	150,262

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

23. LEASES (continued)

Leases are direct-let agreements with Registered Providers for a term of at least 15 years and usually between 20 to 25 years with rent linked to CPI or RPI. All leases are full repairing and insuring (FRI) leases, the tenants are therefore obliged to repair, maintain and renew the properties back to the original conditions.

The lease payments were calculated using the Weighted Average Unexpired Lease Term ("WAULT"). WAULT is the average unexpired lease term across the property investment portfolio, weighted by the contracted rental income. The WAULT includes all parts of the lease term, including additional leases which are triggered by landlords' put options, but not those triggered by Tenants' call options unless the options are mutual.

The following table gives details of the percentage of annual rental income per Registered Provider:

Registered Provider	% of total annual rent
Inclusion Housing CIC	29%
My Space	22%
Hilldale	12%
Falcon Housing Association CIC	10%
Auckland Home Solutions	10%

24. CONTROLLING PARTIES

As at 31 December 2017 there is no ultimate controlling party of the Company.

25. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal financial reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (which in the Group's case is delegated to the Delegated Investment Advisor TPIM).

The internal financial reports received by TPIM contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the financial statements.

The Group's property portfolio comprised 116 Social Housing properties as at 31 December 2017 in England and Wales. The directors consider that these properties represent a coherent and diversified portfolio with similar economic characteristics and, as a result, these individual properties have been aggregated into a single operating segment. In the view of the directors there is accordingly one reportable segment under the provisions of IFRS 8.

All of the Group's properties are engaged in a single segment business with all revenue, assets and liabilities arose in the UK, therefore, no geographical segmental analysis is required by IFRS 8.

26. RELATED PARTY DISCLOSURES

Directors

Directors are remunerated for their services at such rate as the directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum, and the other directors of the Board receive a fee of £50,000 per annum. The directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company (including the Issue).

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

26. RELATED PARTY DISCLOSURE (continued)

Upon admission of the Company to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, the directors purchased the following number of £0.01 nominal Ordinary Shares of £1.00 each of the Company:

Chris Phillips (Chairman) - 50,000 Ordinary Shares
Peter Coward - 75,000 Ordinary Shares

For the period from 12 June 2017 to 31 December 2017, fees of £147,000 were incurred and payable to the directors.

Chris Philips is also chairman for Places for People, an investor in the Company, details are provided under the Conflicts of Interest within the Corporate Governance section of the report.

Triple Point Investment Management LLP ("TPIM")

On 20 July 2017 TPIM was appointed as the delegated investment advisor of the Company (Note 8).

For the period from 12 June 2017 to 31 December 2017, fees of £472,000 were incurred and due to TPIM. Information on how the management fee is calculated is provided in Note 8.

Pantechnicon Capital Limited

The Group acquired 5 assets for a purchase price of £17.9 million, as part of a single transaction, from Pantechnicon Capital Limited during the period. Ben Beaton, James Cramner and Claire Ainsworth are all directors of Pantechnicon Capital Limited and they are also all partners of TPIM, the delegated investment advisor.

The Board reviewed the transaction and concluded it was conducted on an arm's length basis.

Redemption of Redeemable Preference Shares

On 12 June 2017 the Company issued 50,000 £1 redeemable preference shares to TPIM in order to ensure that the Company had sufficient share capital to enable it to be registered as a Public Listed Company. These preference shares were redeemed on 9 August 2017 out of the net proceeds of the Ordinary Shares issued by the Company on 8 August 2017.

27. CONSOLIDATED ENTITIES

The Group consists of a parent company, Triple Point Social Housing REIT plc, incorporated in the UK and a number of subsidiaries held directly by the Company, which operate and are incorporated in the UK and Guernsey. The principal place of business of each subsidiary is the same as their place of incorporation.

The Group owns 100% of the equity shares of all the subsidiaries listed below and has the power to appoint and remove the majority of The Board of those subsidiaries. The relevant activities of the below subsidiaries are determined by The Board based on simple majority votes. Therefore the directors of the Company concluded that the Company has control over all these entities and all these entities have been consolidated within the financial statements.

The principal activity of all the subsidiaries relates to property investment.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

27. CONSOLIDATED ENTITIES (continued)

Name of Entity	Registered Office	Country of Incorporation	Ownership %
Bloxwich Developments Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Court Developments Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Rushden Developments Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Supported Developments Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Stoke Central Developments Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Soho SPV 3 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Soho SPV 4 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Soho SPV 5 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Soho SPV 6 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 153 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (21) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (28) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (30) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (42) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (25) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
MSL (37) Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 150 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 159 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 173 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 22 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 110 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
FPI Co 175 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
TP REIT Super HoldCo Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
TP REIT HoldCo 1 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
TP REIT HoldCo 2 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
TP REIT PropCo 2 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Norland Estates Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Soho SPV 1 Limited	5 Old Bailey, London, EC4M 7BA	UK	100%
Soho SPV 8 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Allerton SPV 1 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Allerton SPV 2 Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Sorogold Street Limited	18 St. Swithin's Lane, London, EC4N 8AD	UK	100%
Puma Properties UK (Elm Place) Limited	Bond Street House, London, W1S 4JU	UK	100%
Puma Properties UK (Barnsley) Limited	Bond Street House, London, W1S 4JU	UK	100%
Puma Properties UK (Eskdale) Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Puma Properties UK (Workington) Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Puma Properties UK (CTP 1) Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Puma Properties UK (CTP 2) Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Puma Properties UK (Prescott Court) Limited	Bond Street House, London, W1S 4JU	UK	100%
Puma Properties (Springside) Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
HB Villages St Helens Limited	Bond Street House, London, W1S 4JU	UK	100%
SL Boathouse Limited	42-50 Hersham Road, Surrey, KT12 1RZ	UK	100%

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk in the current and future periods. The Board oversee the management of these risks. The Board's policies for managing each of these risks are summarised below.

28.1. Market risk

The Group's activities will expose it primarily to the market risks associated with changes in property values.

Risk relating to investment in property

Investment in property is subject to varying degrees of risk. Some factors that affect the value of the investment in property include:

- changes in the general economic climate;
- competition for available properties;
- obsolescence; and
- Government regulations, including planning, environmental and tax laws.

Variations in the above factors can affect the valuation of assets held by the Group and as a result can influence the financial performance of the Group.

28.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has funds invested in liquidity funds and the Board has assessed that there was no significant exposure to the interest income from the fluctuation in market interest rates.

28.3. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and other institutions as detailed in note 16.

Credit risk related to financial instruments and cash deposits

One of the principal credit risks facing the Group arises with the funds it holds with banks and other institutions. The Board believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks with high credit ratings.

Credit risk related to leasing activities

In respect of property investments, in the event of a default by a tenant, the Group will suffer a rental shortfall and additional costs concerning re-letting the property to another Social Housing Registered Provider. Credit risk is primarily managed by testing the strength of covenant of a tenant prior to acquisition. The Board also monitors the rent collection in order to anticipate and minimise the impact of defaults by occupational tenants.

28.4. Liquidity risk

The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of customers to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available to fund the Group's operating activities.

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

28. FINANCIAL RISK MANAGEMENT (continued)

The following table details the Group's liquidity analysis:

31 December 2017		< 3 months	3-12 months	1-5 years	> 5 years
	£'000	£'000	£'000	£'000	£'000
Loans and other receivables	655	655	-	-	-
	655	655	-	-	-
Headleases	6,170	8	25	114	6,023
Trade and other payables	5,938	2,433	3,405	100	-
	12,108	2,441	3,430	214	6,023

28.5 Financial instruments

The Group's principal financial assets and liabilities are those that arise directly from its operations: trade and other receivables, trade and other payables and cash held at bank.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are included in the financial statements:

	Book value 31 December 2017 £'000	Fair value 31 December 2017 £'000
Financial assets:		
Trade and other receivables	655	655
Cash held at bank	58,185	58,185
Financial liabilities:		
Trade and other payables	5,938	5,938
Headleases	1,080	1,080

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

29. POST BALANCE SHEET EVENTS

Property acquisitions

Subsequent to the end of the period, the Group has acquired portfolios of 31 supported Social Housing properties deploying £33.5 million (including acquisition costs).

Forward Funding Arrangements

Since the 31 December 2017 the Group has entered into two forward funding agreements at a total project cost of £5.94 million. In both cases the land has been acquired by the Group and a developer has been contracted to carry out the construction. Jones Lang LaSalle Limited have been appointed as the fund monitor for both sites and will be overseeing the projects on behalf of the Group.

30. EARNINGS PER SHARE

Earnings per share (EPS) amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are the same.

The calculation of basic and diluted earnings per share is based on the following:

	Net Profit attributable to Ordinary Shareholders	Weighted average number of Ordinary Shares	Earnings per share
For the period from 12 June 2017 to 31 December 2017	£'000	Number	Pence
Basic earnings per share	5,672	143,842,365	3.94
Adjustment for dilutive shares to be issued	-	-	-
Diluted earnings per share	5,672	143,842,365	3.94
Adjustments to:			
Changes in fair value of investments properties (note 14)	(5,639)		
EPRA* basic and diluted earnings per share	33	143,842,365	0.02

* European Public Real Estate Association

Notes to the Group Financial Statements

For the period from 12 June 2017 to 31 December 2017

31. NET ASSET VALUE PER SHARE

Basic Net Asset Value ("NAV") per share is calculated by dividing the net assets in the Group Statement of Financial Position attributable to ordinary equity holders of the parent by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	31 December 2017
	£'000
Net assets at the end of the period	201,672
Shares in issue at end the of the period	200,000,000
Dilutive shares in issue	-
Basic and diluted NAV per share	100.84p
Basic and diluted NAV per share (EPRA)	100.84p

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group considers proceeds from share issuance and retained earnings as capital.

Until the Group is fully invested and pending re-investment or distribution of cash receipts, the Group will invest in cash equivalents, near cash instruments and money market instruments.

The directors may use gearing to enhance equity returns. The level of borrowing will be on a prudent basis for the asset class and will seek to achieve a low cost of funds, whilst maintaining the flexibility in the underlying security requirements and the structure of both the investment property portfolio and the Group.

The directors currently intend that the Group should target a level of aggregate borrowings over the medium term equal to approximately 40% of the Group's Gross Asset Value. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50% of the Gross Asset Value.

Company Statement of Financial Position

As at 31 December 2017

Company Registration Number: 10814022

	Note	31 December 2017 £'000
Assets		
Non-current assets		
Investments in subsidiaries	4	82,187
Total non-current assets		82,187
Current assets		
Trade and other receivables	5	59,704
Cash and cash equivalents	6	57,915
Total current assets		117,619
Total assets		199,806
Liabilities		
Current liabilities		
Trade and other payables	7	4,796
Total current liabilities		4,796
Total liabilities		4,796
Total net assets		195,010
Equity		
Share capital	8	2,000
Share premium reserve	9	-
Capital reduction reserve	10	194,000
Accumulated losses	11	(990)
Total Equity		195,010
Net asset value per share – basic and diluted	12	97.50p

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss of the Company for the period was £990,000.

The Company Financial Statements were approved and authorised for issue by The Board on 1 March 2018 and signed on its behalf by:



Chris Phillips
Chairman

1 March 2018

The accompanying notes on pages 102 to 106 form an integral part of these Company Financial Statements.

Company Statement of Changes in Equity

For the period from 12 June 2017 to 31 December 2017

	Note	Share capital £'000	Share premium reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 12 June 2017		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(990)	(990)
Transaction with Owners						
Ordinary Share capital issued in the period	8,9	2,000	198,000	-	-	200,000
Issue costs capitalised	9	-	(4,000)	-	-	(4,000)
Cancellation of share premium	9,10	-	(194,000)	194,000	-	-
Balance at 31 December 2017		2,000	-	194,000	(990)	195,010

The accompanying notes on pages 102 to 106 form an integral part of these Company Financial Statements.

Notes to Company Financial Statements

For the period from 12 June 2017 to 31 December 2017

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

1.1. Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with other wholly owned members of the Company

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Group Financial Statements. These financial statements therefore do not include certain disclosures in respect of:

- Financial instruments;
- Fair value measurement other than certain disclosures required as a result of recording financial instruments at fair value.

The principal accounting policies applied in the preparation of the financial statements are set out below.

2. PRINCIPAL ACCOUNTING POLICIES

2.1. Currency

The Company financial information is presented in Sterling which is also the Company's functional currency.

2.2. Investments in subsidiaries

Investments in subsidiaries are included in the Company's Statement of Financial Position at cost less provision for impairment.

2.3. Trade and other receivables

Trade and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence the Company will not be able to collect all amounts due in accordance with the original terms of the receivables.

2.4. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash held by lawyers and liquidity funds with a term of no more than three months that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

2.5. Trade and other payables

Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting period. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost until settled.

2.6. Dividends payable to shareholders

Dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved. In the UK, interim dividends are recognised when paid.

Notes to Company Accounts

For the period from 12 June 2017 to 31 December 2017

2.7. Finance income and finance costs

Finance income is recognised as interest accrues on cash balances held by the Company. Finance costs consist of interest and other costs that the Company incurs in connection with bank and other borrowings. These costs are expensed in the period in which they occur.

2.8. Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

2.9. Investment management fees

Investment advisory fees are recognised in the Statement of Comprehensive Income on an accruals basis.

2.10. Share issue costs

The costs of issuing or reacquiring equity instruments (other than in a business combination) are accounted for as a deduction from equity.

2.11. Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires the directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. There were no significant accounting judgements, estimates or assumptions in preparing these financial statements.

Notes to Company Accounts

For the period from 12 June 2017 to 31 December 2017

4. INVESTMENTS IN SUBSIDIARIES

31 December 2017

£'000

Balance as at 12 June 2017	-
Acquisitions during the period	82,187
Balance as at 31 December 2017	82,187

Investments in subsidiaries are included in the Company's Statement of Financial Position at cost less provision for impairment.

A list of the Company's subsidiary undertakings as at 31 December 2017 is included in Note 27 of the Group Financial Statements.

5. TRADE AND OTHER RECEIVABLES

31 December 2017

£'000

Amounts due from subsidiaries	48,358
Prepayments and other receivables	11,346
	59,704

Prepaid acquisition costs include the cost of acquiring FPI Co 211 Limited (£4,030,000) and a PUMA pipeline deposit (£7,213,552), both of which were not completed as at 31 December 2017.

The directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date.

6. CASH AND CASH EQUIVALENTS

31 December 2017

£'000

Cash held by lawyers	38,496
Liquidity funds	15,872
Restricted cash	3,427
Cash at bank	120
	57,915

Liquidity funds refer to money placed in money market funds. These are highly liquid funds with accessibility within 24 hours and subject to insignificant risk of changes in value. Interest at a market rate of 0.01% per annum is earned on these deposits.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

Restricted cash represents retention money held by lawyers in relation to repair, maintenance and improvement works by the vendors to bring the properties up to satisfactory standards for the Group and the tenants. Currently that amount of cash is held in escrow by the lawyers.

Notes to Company Accounts

For the period from 12 June 2017 to 31 December 2017

7. TRADE AND OTHER PAYABLES

31 December 2017

	£'000
Other creditors	3,016
Amounts due to subsidiaries	601
Accruals	866
Trade and other payables	313
	4,796

The directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date.

8. SHARE CAPITAL

31 December 2017

	£'000
Authorised:	
200 million Ordinary Shares of £0.01 each	2,000
Issued and fully paid:	
200 million Ordinary Shares £0.01 each	2,000

The Company achieved admission to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, raising £200 million. As a result of the IPO, at 8 August 2017, 200,000,000 shares at one pence per share have been issued and fully paid.

9. SHARE PREMIUM RESERVE

The share premium relates to amounts subscribed for share capital in excess of nominal value.

31 December 2017

	£'000
Balance at beginning of period	-
Share premium arising on Ordinary Shares issued in the period	198,000
Share issue costs capitalised	(4,000)
Transfer to capital reduction reserve	(194,000)
Balance at end of period	-

During the board meeting held on 3 August 2017 a resolution was passed authorising the cancellation of the share premium reserve. The amount standing to the credit of the share premium reserve of the Company following completion of the Issue (less any issue expenses set off against the share premium account) was, as a result, credited as a distributable reserve to be established in the Company's books of account which shall be capable of being applied in any manner in which the Company's profits available for distribution (as determined in accordance with the CA 2006) are able to be applied.

In order to cancel the share premium account the Company needed to obtain a court order, which was received on 15 November 2017. An SH19 form was sent to Companies House with a copy of the court order and the certificate of cancellation was issued by Companies House on 15 November 2017.

Notes to Company Accounts

For the period from 12 June 2017 to 31 December 2017

10. CAPITAL REDUCTION RESERVE

31 December 2017

	£'000
Balance at beginning of period	-
Transfer from share premium reserve	194,000
Balance at end of period	194,000

11. ACCUMULATED LOSSES

31 December 2017

	£'000
Balance at beginning of period	-
Total comprehensive loss for the period	(990)
Balance at end of period	(990)

12. NET ASSET VALUE PER SHARE

Net Asset Value per share is calculated by dividing net assets in the Company Statement of Financial Position attributable to ordinary equity holders of the parent by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

31 December 2017

	£'000
Net assets at end of period	195,010
Shares in issue at end of period	200,000,000
Dilutive shares in issue	-
Basic and diluted per share	97.50p

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company Financial Statements are presented together with the Group Financial Statements.

Note 26 of the notes to the Group Financial Statements includes details of other related party transactions undertaken by the Company and its subsidiaries.

14. POST BALANCE SHEET EVENTS

Subsequent to the end of the period, the Company has acquired 8 subsidiaries for a total purchase price of £20.9 million.

Information

Unaudited Performance Measures

For the period from 12 June 2017 to 31 December 2017

PORTFOLIO NET ASSET VALUE

The objective of the Portfolio Net Asset Value "Portfolio NAV" measure is to highlight the fair value of the net assets on an ongoing, long term basis, which aligns with the Group's business strategy as an ongoing REIT with a long-term investment outlook. This Portfolio NAV is made available on a quarterly basis on the Company's website and announced via RNS.

In order to arrive at Portfolio NAV, two adjustments are made to the IFRS Net Asset Value ("IFRS NAV") reported in the financial statements such that;

- i. The hypothetical sale of properties will take place on the basis of a sale of a corporate vehicle rather than a sale of underlying property assets. This assumption reflects the basis upon which the Company's assets have been assembled within specific SPVs.
- ii. The hypothetical sale will take place in the form of a single portfolio disposal.

NAV

£'000

Net Asset Value per the financial statements 196,672

Effect of the adoption of the assumed, hypothetical sale of the properties as a portfolio and on the basis of sale of a corporate vehicle 9,400

Portfolio Net Asset Value as at 31 December 2017 211,072

After reflecting these amendments, the movement in net assets since inception is as follows:

Net issue proceeds 196,000

Operating profits 33

Capital appreciation 15,039

Dividend paid -

Portfolio Net Asset Value as at 31 December 2017 211,072

Property assets 147,912

Net cash¹ 63,160

211,072

Portfolio Net Asset Value per share 105.5p

¹ adjusted for net current assets

The Portfolio Net Asset Value as at 31 December 2017 is based upon an issued share capital of 200,000,000 Ordinary Shares

Stated below is the Group Statement of Comprehensive Income for the period from 12 June 2017 to 31 December 2017, reflecting the application of the above two assumptions.

GROUP STATEMENT OF COMPREHENSIVE INCOME – PORTFOLIO NAV BASIS

For the period from 12 June 2017 to 31 December 2017

Period from 12 June 2017 to 31 December 2017

£'000

Rental Income 1,027

Expenses (1,065)

Gain from fair value adjustment on investment property 15,039

Net Finance income 71

Profit being total comprehensive income attributable to shareholders for the period 15,072

Adjusted Earnings per share 10.48p

Glossary

"Admission"

the admission of all of the Ordinary Shares to trading on the Specialist Fund Segment of the Main Market becoming effective;

"AIC Code"

AIC Code of Corporate Governance produced by the Association of Investment Companies;

"AIC Guide"

AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies;

"AIFM"

the alternative investment fund manager of the Company, Langham Hall Fund Management LLP;

"AIFMD"

the EU Alternative Investment Fund Managers Directive 2011/61/EU;

"Approved Provider"

a housing association, local authority or other regulated organisation including a care provider in receipt of direct payment from local government;

"Basic NAV"

the value, as at any date, of the assets of the Group after deduction of all liabilities determined in accordance with the accounting policies adopted by the Group from time to time;

"Board"

the directors of the Company from time to time;

"Company"

Triple Point Social Housing REIT plc (company number 10814022);

"DTR"

the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers;

"GAV"

the gross assets of the Company in accordance with applicable accounting rules from time to time;

"Group"

the Company and its subsidiary undertakings from time to time;

"Investment Manager"

Triple Point Investment Management LLP (partnership number OC321250);

"IPO"

the admission by the Company of 200 million Ordinary Shares to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, which were the subject of the Company's initial public offering on 8 August 2017;

"NIY"

net initial yield, being the annual rent generated under a lease in respect of a property divided by the combined total of that property's acquisition price and acquisition costs;

"Ordinary Shares"

Ordinary Shares of £0.01 each in the capital of the Company;

"Registered Provider"

a housing association or local authority;

"REIT"

a qualifying real estate investment trust in accordance with the UK REIT regime introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of the Corporation Tax Act 2010;

"SPV"

Special Purpose Vehicle purchased to acquire an investment property;

"Supported Housing"

accommodation that is suitable, or adapted, for residents with special needs, which may (but does not necessarily): (a) include some form of personal care provided by a supported housing care provider; and/or (b) that enable those tenants to live independently in the community; and;

"WAULT"

the average unexpired lease term across the portfolio, weighted by contracted rental income. We have included all contracted parts of the term certain, including lease extensions which can be triggered by landlords' put options, but not those triggered by Tenants' call options unless the options were mutual.

Shareholder Information

Directors

Chris Phillips (Chairman)
Ian Reeves CBE (Senior Independent Director)
Peter Coward (Non-executive director)
Paul Oliver (Non-executive director)

Registered Office

18 St. Swithin's Lane
London
EC4N 8AD

Investment Manager

Triple Point Investment Management LLP
18 St. Swithin's Lane
London
EC4N 8AD

Alternative Investment Fund Manager

Langham Hall Fund Management LLP
5 Old Bailey
London
EC4M 7BA

Joint Financial Advisers

Akur Limited
66 St James's Street
London
SW1A 1NE

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

Legal Adviser

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Tax Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Depository

Langham Hall UK Depository LLP
5 Old Bailey
London
EC4M 7BA

Administrator and Company Secretary

Langham Hall UK Services LLP
5 Old Bailey
London
EC4M 7BA

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Valuers

Jones Lang LaSalle Limited
30 Warwick Street
London
W1B 5NH



