Triple Point
Social Housing REIT plc

ANNUAL REPORT

2020

Cherry Tree Lane, North Walsham

CONTENTS

Company Overview

THE VALUE OF HOME

AT A GLANCE

Who We Are

Triple Point Social Housing REIT plc invests in UK social housing properties, focusing on homes in the Supported Housing sector which have been adapted for vulnerable people with care and support needs.

We believe our residents deserve a home that offers greater independence than traditional institutional accommodation, at the same time as meeting their specialist care needs.

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

What We Do

We seek to optimise the opportunities and stability for vulnerable people across the UK. The properties we invest in provide sustainable, high-quality accommodation for people with specific care and support requirements. These needs often result from mental health problems, learning disabilities, or physical and sensory impairment.

Our accommodation differentiates itself by being a home within a community rather than the care facilities that have historically been the mainstay for vulnerable people with care needs similar to our residents. We also seek to provide value-for-money to local authorities by offering housing that is both more suitable and cost-effective than traditional alternatives.

Our ability to forward fund the development of custom-built properties allows us to bring high-quality new housing stock to market, unlocking new homes for vulnerable adults and enabling local authorities to reduce their social housing waiting lists.

Our portfolio benefits from long-term leases to Approved Providers, who are bodies that receive their funding from central or local government to provide long-term homes for people in need of housing. Through these leases we offer our shareholders an attractive level of inflation-linked income.

THE YEAR IN BRIEF

During 2020, despite some delays caused by Covid-19, the Group deployed a further £78.9 million into UK Supported Housing, acquiring an average of five properties each month.

Over the last 12 months, the Group successfully deployed the proceeds of the £60 million extension to the revolving credit facility agreed in October 2019. In October 2020, the Group raised gross proceeds of £55 million of equity to meet the continued strong demand for new Supported Housing properties throughout the UK. In December 2020, the Group further extended the revolving credit facility by an additional £30 million.

During the year, the Group received 100% of rent due despite the challenges of Covid-19[1].

A timeline of the key events that took place during in the year is outlined below.

Completed the lease on a forward funding asset in Scunthorpe, comprising an agreement for 20 units.

PORTFOLIO ACQUISITION

INTERIM DIVIDEND

The Company declared an interim dividend of 1.285 pence per Ordinary Share for the period from 1 October to 31 December 2019.

Jan Feb Mar Apr May Jun

INTERIM DIVIDEND

The Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 January to 31 March 2020.

PORTFOLIO ACQUISITION

The Group acquired a portfolio of four Supported Housing properties, comprising an aggregate 69 units in Yorkshire and the West Midlands, for £15.2 million (including acquisition costs).

1 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

The Group acquired a portfolio of five properties, comprising 74 individual units. In addition, the Group acquired a further six properties, comprising 59 individual units in total. The aggregate consideration for all the properties was approximately £28.9 million (excluding acquisition costs).

PORTFOLIO ACQUISITION

The Group announced a £30 million increase and extension to its existing £130 million revolving credit facility with Lloyds Bank plc and National Westminster Bank plc.

REVOLVING CREDIT FACILITY

Jul Aug Sep Oct Nov Dec

INTERIM DIVIDEND

The Company declared an interim dividend of 1.295 pence per Ordinary Shares for the period from 1 April to 30 June 2020.

NEW ORDINARY SHARES

The Company announced the results of its equity issue, raising £55 million through the issue of 51,886,792 new Ordinary Shares at a price of 106 pence per Ordinary Share.

INTERIM DIVIDEND

The Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 April to 30 June 2020.

POST PERIOD EVENTS

Since the period end the Group has acquired 1 property comprising 7 units and exchanged on 1 property comprising 10 units, for £2.9 million (including acquisition costs) at net initial yields in line with the Company's existing portfolio.

On 4 March 2021, the Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 October to 31 December 2020.

KEY HIGHLIGHTS

Dividend Per Ordinary Share

5.18p

(31 December 2019: 5.095 pence)

Dividends paid or declared in respect of the year ended 31 December 2020 totalled 5.18 pence.

Market Capitalisation

£449.1m

(December 2019: £315.8 million)

As at 31 December 2020, the market capitalisation of the Company was £449.1 million, a 42.2% increase from 31 December 2019, primarily due to the equity raise and the increase in the share price.

This is discussed further on pages 18 to 19 of the Chairman's Statement.

Portfolio Valuation

£571.5m[2]

(December 2019: £471.6 million)

As at 31 December 2020, the portfolio was independently valued at £571.5 million on an IFRS basis, an uplift of 7.7% against total invested funds of £530.7 million.

The Group's properties were valued at £611.6 million on a portfolio valuation basis, reflecting a portfolio premium of 7.0% or a £40.1 million uplift against the IFRS valuation.

EPRA Net Initial Yield (NIY)

5.27%

(31 December 2019: 5.29%)

EPRA NIY was 5.27% as at 31 December 2020. EPRA NIY is equal to an annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

Ongoing Charges Ratio

1.57%

(December 2019: 1.63%)

The ongoing charges ratio was 1.57% as at 31 December 2020 and is a ratio of annualised ongoing charges expressed as a percentage of average net asset value throughout the year.

Committed Capital

£2.8m

(December 2019: £24.3 million)

The Group had outstanding commitments totalling £2.8 million (including transaction costs) as at 31 December 2020.

EPRA Net Tangible Assets

106.42p

(December 2019:105.37 pence)

The EPRA Net Tangible Assets was equal to the IFRS NAV and was 106.42 pence per share as at 31 December 2020.

Dividend Cover

97.6%

(December 2019: 89.4%)

Dividend cover on an EPRA earnings run-rate basis at 31 December 2020 was 97.6%.

2 Including acquisition costs

Units

3,124 units

(December 2019: 2,728)

As at 31 December 2020, the portfolio comprised 3,124 units.

Leases

341

(December 2019: 300)

As at 31 December 2020, the portfolio had 341 leases.

Approved Providers

20

(December 2019: 16)

As at 31 December 2020, the Group had leases with 20 Approved Providers.

Rental Uplifts

100% index linked

(December 2019: 100%)

As at 31 December 2020, 100% of contracted rental income was either CPI or RPI linked.

Contracted Rental Income

£31.6m

(December 2019: £25.4 million)

As at 31 December 2020, the contracted rental income was £31.6 million per annum.

Yield Compression

63 basis points

(December 2019: 64 basis points)

As at 31 December 2020, the portfolio's blended weighted average net initial yield at purchase was 5.90% compared to the blended valuation net initial yield of 5.27%, reflecting our ability to continue buying high quality properties at off-market prices.

Forward Funding Agreements

22

(December 2019: 22)

As at 31 December 2020, the Group had entered into 22 Forward Funding Agreements.

Forward Funding Completions

20

As at 31 December 2020, 20 forward funding schemes had achieved practical completion with two schemes still in works.

Forward Funding Commitments

£2.8m

As at 31 December 2020, the Group had outstanding commitments of £2.8 million (including acquisition costs), for undrawn forward funding commitments with an aggregate maximum commitment of £56.2 million.

Total Investment Portfolio

445[3]

(December 2019: 388)

During the period, the Group purchased 58 properties with an aggregate purchase price of £78.9 million bringing the total investment portfolio to 445 properties.

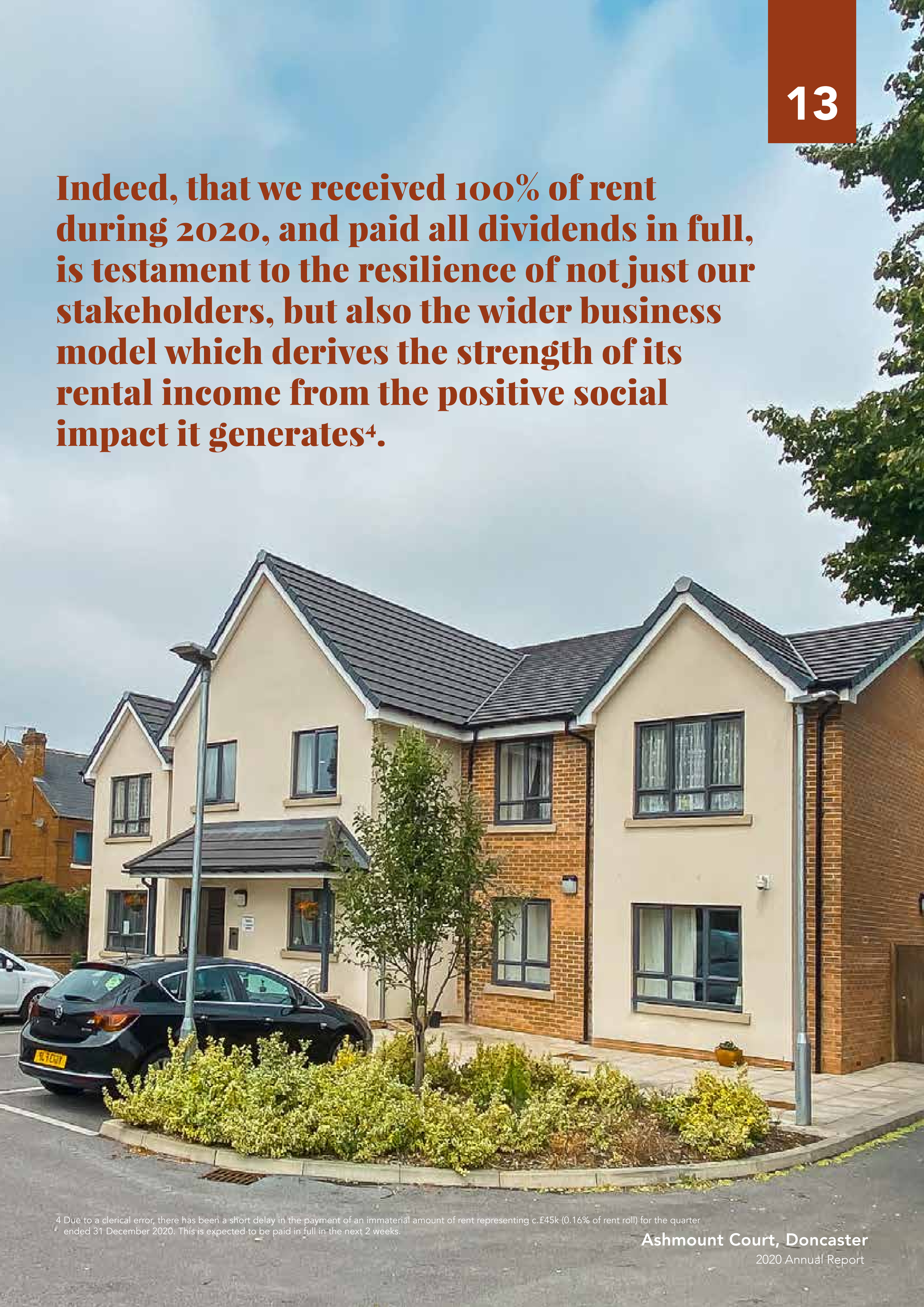
WAULT

26.2 years

(December 2019: 25.7 years)

As at 31 December 2020, the WAULT was 26.2 years (including put/call options and reversionary leases).

3 One asset within the existing portfolio is currently being held for sale.



Indeed, that we received 100% of rent during 2020, and paid all dividends in full, is testament to the resilience of not just our stakeholders, but also the wider business model which derives the strength of its rental income from the positive social impact it generates[4].

4 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

Ashmount Court, Doncaster

Strategic Report

CHAIRMAN'S STATEMENT

Chris Phillips, Chairman

For all the challenges the year brought us in the short-term, there may well be some benefits over the longer-term. The social care system, which is often overlooked, saw renewed political support. This translated into a number of accelerated referrals into specialised supported housing properties.

When I wrote to shareholders in our Annual Report at the start of last year, I said that we looked forward to 2020 with optimism. I noted that we had challenges to tackle – particularly in terms of accommodating increased regulation and our share price – but our continued operational success left us well equipped to meet those challenges and more as we moved forward into 2020. Little did I know that 2020 would bring a challenge unique in our history. The social and economic damage it has wrought does not need repeating here. But I am pleased to report that, a year on, with vaccines having helped turn the tide in our fight against the pandemic, that optimism for our business seems justified. As this report shows, 2020 has been another year of strong performance, made possible by the tireless work of all our stakeholders.

Despite – or perhaps because of – the unprecedented pressures of 2020, our stakeholders across the board rose to the challenge. Commissioners continued to support our business model, referring residents into our housing whenever possible to relieve pressure on the NHS. Local Authorities continued to pay rent and care fees to ensure the viability of schemes. Approved Providers continued to provide essential housing services to keep properties as safe and suitable as possible for our residents. Care providers continued to provide care, implementing their infectious disease control policies and managing the challenges of social distancing to ensure our residents remained safe. As chairman of our Board, and a long-term participant in social housing, I was proud to see everyone pulling together in a time of adversity to focus on the ultimate purpose of our business: to provide better, safer, more affordable housing for some of the most vulnerable people in our society in a way that benefits our shareholders precisely because it benefits society.

Indeed, that we received 100% of rent during 2020, and paid all dividends in full, is testament to the resilience of not just our stakeholders, but also the wider business model which derives the strength of its rental income from the positive social impact it generates.[5] As you know, the capital that we raise from investors is typically used to acquire, or fund the development of, newly-built or newly-renovated community-based homes, supported by local health Commissioners, that provide long-term homes for some of the most vulnerable people in society. In doing so, our properties can

5 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

improve the health and wellbeing of our residents while generating cost-savings for the government. In light of these benefits, it is hardly surprising that the sector has received such widespread support during the pandemic. Investments that meet a social need are often the most resilient precisely because they provide the services that our society cannot live without. In this context, we were pleased to be shortlisted for Property Investor of the Year at the Laing Buisson Awards.

For all the resilience of our business model during 2020, we should not forget the tragic human cost of the pandemic. Inevitably in a portfolio of our size, a limited number of the individuals living in our properties were infected with the virus. This was despite the best efforts of our Approved Providers and care providers to protect our residents as much as possible – the heroic efforts of our key workers deserve particular gratitude. But it is also true that our portfolio was spared the widely-publicised high rates of infections in care homes during 2020, and we did not have any reports of Covid-19-related deaths. In part, this reflects the nature of our properties, which are smaller residential properties rather than institutional facilities with large common areas. But it also reflects the commitment of our counterparties who worked hard to contain and manage the virus, with much-needed PPE and handcreams donated to care workers.

Beyond its human impact, Covid-19 also caused some difficulties during 2020 by delaying the deployment of our funds and the progress of our construction projects. As discussed more below, in the early weeks of the first lockdown Approved Providers understandably hesitated before signing long-term leases given the uncertainty of referrals. Building sites suffered from temporary shortages in personnel and materials because of social distancing and supply chain disruption. Despite these delays, we achieved full dividend cover on an EPRA earnings run-rate basis in August 2020 and was 97.6% as at 31 December 2020 (31 December 2019: 89.4%).

For all the challenges the year brought us in the short-term, there may well be some benefits over the longer-term. The social care system, which is often overlooked by the media and politicians, saw renewed political support as the importance of the social care system in easing the burden on the NHS became clear. This translated into a number of accelerated referrals into Supported Housing properties as Commissioners sought to create more capacity in hospitals, a trend which we think and hope will continue beyond the pandemic. Politically and medically, the pandemic may have reminded our country of the benefits of better integration between healthcare and social care, and the persistent demand for this type of housing helped us successfully complete both an equity raise and an extension to our debt facility during the year, as discussed more below.

Evesham Street, Redditch

CHAIRMAN'S STATEMENT (Continued)

445
Assets acquired to date

100%
Rent collected to date[6]

3,124
Total units to date

Deployment

During March and April of 2020, our plans for deployment during 2020 looked set to fall short. With our country entering a sudden and unprecedented lockdown, the ability of our stakeholders to successfully launch new schemes became difficult. Commissioners were distracted by the challenges of Covid-19. Care providers were focused on protecting existing residents, sourcing PPE, and managing complex staffing schedules in the new world of social distancing. Without certainty of referrals and limited contact with care providers, Approved Providers were understandably cautious about signing new long-term lease commitments. All this resulted in a slow-down in the number of schemes that we completed in the second quarter of 2020, meaning that schemes did not launch as fast as we had hoped, and funds were deployed slower than expected.

But once the initial shock of the lockdown had passed, and operating conditions stabilised, our ability to acquire or develop properties continued. During the first half of the year, we acquired 16 properties, comprising 144 units, for a total investment cost of £29.9 million. From the start of lockdown in March until the end of the year, we acquired 51 properties, comprising 309 units, for a total investment cost of £59.6 million. Across the entire year, we bought 58 properties, comprising 400 units, for a total investment cost of £78.9 million at net initial yields in line with the Company's existing portfolio. The continued demand for this type of housing reflects not only the commitment of everyone – including government – to providing much-needed new housing to vulnerable individuals, but also the heightened awareness of the benefits that investment in the social care system provides to the NHS and wider society.

At the start of the year, we had seven forward funding projects under construction. All seven projects that were yet to be completed by the time the first national lockdown was imposed on 23 March 2020 inevitably suffered delays. Through maintaining close relationships with both the developers and contractors responsible for delivering these projects, we were able to work with all stakeholders to ensure that, by adapting operating practices to manage the virus, any resultant interruptions were minimised. It's testament to the success of this approach that we suffered no major setbacks on any of our projects and by the end of the year all but two had been completed. As of 31 December 2020, we have committed £56.2 million to 22 projects, with 20 projects already successfully completed (providing homes for 280 residents). Of the remaining 2 schemes, one completed on 26 February 2021 and the final project is due to complete imminently.

As a result of all this deployment, at the end of the year we owned 445 properties (31 December 2019: 388), providing accommodation for 3,124 residents (31 December 2019: 2,728), having deployed since IPO an aggregate £530.7 million. A map showing the location of our properties can be found on page 12. In the period, we started leasing to five new Approved Providers (bringing the total to 20), 10 new care providers (bringing the total to 98) and working in six new Local Authorities (bringing the total to 155). The portfolio's weighted average unexpired lease term (including put/call options and reversionary leases) is 26.2 years (31 December 2019: 25.7 years).

Share Price

At the start of the year, our share price ranged between 90 pence and 100 pence. Our business was not immune from the turbulence caused by Covid-19 that swept across global financial markets. Our share price dropped sharply in mid-March, reaching a floor of 68 pence, before recovering to above 90 pence by the end of March. Since then, it has continued to gain momentum, consistently remaining above 100 pence and reaching an all-time high of 113.50 pence in November. On 31 December 2020, we traded at a premium of 4.77% to our net asset value of 106.42 pence per share.

It is worth noting that, despite all that happened last year, our share price was higher at the end of 2020 than it was at the beginning. This reflects not only the resilience of our rental income, but also our

6 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

106.42p
IFRS NAV

£571.5m
IFRS Valuation

5.27%
Valuation NIY

shareholders' endorsement of our impact-focused investment strategy. Our ambition in 2021 is to build upon our success in 2020 and maintain the upward momentum in our share price.

Debt and Equity

Our deployment at the start of 2020 was funded by the £38.3 million that we drew down from our revolving credit facility with Lloyds and NatWest in November 2019 (leaving £29.4 million undrawn). The facility had been increased from £70 million to £130 million in October 2019. Following further deployment, we drew down an additional £16.0 million in May 2020 and the final £13.4 million in October 2020.

In order to maintain target gearing levels following the recent equity raise and continue to meet demand for new properties, in December we signed a further £30 million increase in the revolving credit facility. This increased the total facility amount to £160 million and extended the initial term for a further 12 months, to 20 December 2023. The term of the revolving credit facility may be extended by a further year, to 20 December 2024 (subject to the consent of the lenders).

In terms of equity, in October 2020 we successfully raised a further £55 million of gross proceeds (£53.3 million net of costs) through an issuance of new ordinary shares. This was part of a 12-month placing programme (which will remain in place until the end of September 2021) undertaken with our joint financial advisers, Stifel Nicolaus Europe Limited and Akur Limited. During the raise, we were pleased to see further investment from existing shareholders, as well as first investments from new investors.

The debt facility increase and equity raise do, of course, provide us with further capital to meet our attractive pipeline and persistent demand for Supported Housing. But they are also an endorsement from our lenders and investors of our investment strategy, even in the challenging circumstances.

Financial Results

As at 31 December 2020, our property portfolio was independently valued at £571.5 million on an IFRS basis. This reflects a valuation uplift of £40.7 million, or 7.7%, over our total investment cost (including acquisition costs). The valuation of £571.5 million equates to a blended valuation yield of 5.27%, an improvement over the portfolio's blended net initial yield of 5.90%. This yield compression of 63 basis points reflects our ability to buy high-quality properties at discounted prices off-market through the Investment Manager's network of trusted contacts in the sector.

As at 31 December 2020, our portfolio was also valued at £611.6 million on a portfolio valuation basis. This assumes a single sale of the property-holding SPVs to a third-party on an arm's length basis, with purchasers' costs of 2.3%. The portfolio valuation reflects a portfolio premium of £40.1 million, 7.02%, against the IFRS valuation.

In June 2020, the Royal Institute of Chartered Surveyors published guidance on the removal of material uncertainty clauses when valuing Supported Housing. Our independent valuer, Jones Lang LaSalle Limited, therefore no longer considers that there is material uncertainty when valuing Supported Housing. This reflects the timely receipt of rents in line with pre-Covid-19 levels and continued market activity.

EPRA earnings per share was 4.61 pence in the year and IFRS earnings per share was 6.82 pence. The EPRA NTA and audited IFRS NAV per share was 106.42 pence, an increase of 1.0% since 31 December 2019.

Dividends

On 14 May 2020, we paid a dividend of 1.285 pence per share for the period from 1 October 2019 to 31 December 2019, bringing our total dividends for 2019 to our target level of 5.095 pence per share.

CHAIRMAN'S STATEMENT (Continued)

During the rest of 2020, we paid three interim dividends of 1.295 pence per share each for the first three quarters of the year. On 4 March 2021, we declared a dividend of 1.295 pence per share for the final quarter of 2020, bringing the total dividend for 2020 to our full year target of 5.18 pence per share. This represents a 1.7% increase over 2019's aggregate dividend, reflecting the CPI-based rent reviews typically contained in our leases.

Full dividend cover on a look-through EPRA earnings run-rate basis was achieved in August 2020 and was 97.6% as at 31 December 2020.

Social Impact

From the day we launched, the central thesis of our investment strategy has been that, when deployed judiciously, private capital can be used to benefit society at the same time as shareholders. More than that, the strength of the returns we provide to shareholders derives precisely from the social impact that the investments generate. By funding the development of high-quality newly-built and newly-renovated homes for residents whose rent is funded by government, we save the government money at the same time as improving the well-being of residents and generating a steady, resilient income stream for our investors.

Although social impact is in our investment strategy's DNA, we welcome the rise and growing adoption of Environmental, Social and Governance metrics across the market and are committed to ensuring ESG and impact metrics are explicitly considered throughout our entire investment lifecycle. During 2020, the Investment Manager helped pioneer and design sector-wide ESG and impact metrics, signing up to become an early adopter. of sector-wide metrics which are to be tested and implemented throughout 2021 and beyond. This is further discussed in the Investment Manager's report on pages 34 to 35. Likewise, you will see elsewhere in this report an excerpt from an independent impact report by social impact consultants The Good Economy. We commissioned this report to ensure that we are publicly held up to our own high impact standards and continue to deliver a positive impact to society.

Outlook

Making predictions at a time like this is even more hazardous than usual. Circumstances are changing with such speed, and such consequence, that stating our outlook is particularly difficult. But if 2020 taught our business anything, it is that a well-executed investment strategy, predicated on meeting a critical social need, can prove resilient even in a time of significant disruption. I hope it is therefore not rash of me to predict that, if we and our stakeholders continue to manage the risk of the virus, and the government continues to support our investment model, in 2021 we will achieve further strong financial and operational performance as a result of the positive social impact we deliver.

Indeed, the fundamentals of our sector remain strong. The need is as great – if not greater – than ever before. Our counterparties remain committed to providing high-quality housing. In light of all this, we look forward to 2021, conscious of the challenges that lie ahead, but cautiously optimistic about the success that we can achieve if we work hard to deliver the housing that our country, and our residents, so desperately need.

Before I finish, I would like to say that much of our continued success is thanks to the Investment Manager's hard work. It has built on its strong relationships, and continually refined its processes, to deliver the high-quality homes that are central to our positive social impact alongside financial and operational performance. Likewise, we have benefited hugely from the hard work of our corporate broker and joint financial adviser Stifel Nicolaus Europe Limited, as well as our joint financial adviser Akur Limited, both of which were instrumental in the success of our equity raise during 2020.

Finally, I would like to thank our shareholders for their continued support, and my fellow Board members for their ongoing support and commitment throughout the year.

Chris Phillips
Chairman
4 March 2021

Dunwoody Way, Crewe

STRATEGY AND BUSINESS MODEL

The Board is responsible for the Group's Investment Objective and Investment Policy and has overall responsibility for ensuring the Group's activities are in line with such overall strategy. The Group's Investment Policy and Investment Objective are published 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 focus on Supported Housing assets. The portfolio comprises investments in operating assets and the forward funding of pre-let development assets, the Company seeks to optimise the mix of these assets to enable it to pay a covered dividend increasing in line with inflation and so generate an attractive risk-adjusted total return.

Investment Policy

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 SPVs. 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 residents of Supported Housing assets.

The social housing assets are sourced in the market 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 before the start of the 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 uses gearing to enhance equity returns. The Directors will employ a level of borrowing that they consider prudent for the asset class and will seek to achieve a low cost of funds while maintaining flexibility in the underlying security requirements and the structure of both the Company's portfolio and the Group.

The Directors intend 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 Company and having consideration for key metrics including lender diversity, cost of debt, debt type and maturity profiles.

Use of Derivatives

The Group may use 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. The acquisition of such a portfolio will remain within the Investment Policy provided that at least 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;
- 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 before entry into the lease. Forward funding 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 SPVs 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

The Group specialises in investing in UK social housing, with a focus on Supported Housing. The strategy is underpinned by strong local authority demand for more social housing, which is reflected in the focus on acquiring recently developed and refurbished properties across the United Kingdom. The assets within the portfolio have typically been developed for pre-identified residents and in response to demand specified by local authorities or NHS commissioners. On acquisition, the properties are subject to inflation-adjusted, long-term (typically from 20 years to 30 years), fully repairing and insuring leases with specialist 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. The portfolio will not include any direct development or speculative development investments.

STRATEGY AND BUSINESS MODEL (Continued)

Business Model

The Group owns and manages social housing properties that are leased to experienced 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 properties that have been adapted or built such that care and support can easily be provided to vulnerable residents who may have mental health issues, learning difficulties or physical disabilities. We are focused on acquiring specially or recently developed properties in order to help local authorities meet increasing demand for suitable accommodation for vulnerable residents (the drivers of this demand are discussed in the Investment Manager's report on pages 34 to 35). Local authorities are responsible for housing these residents and for the provision of all care and support services that are required.

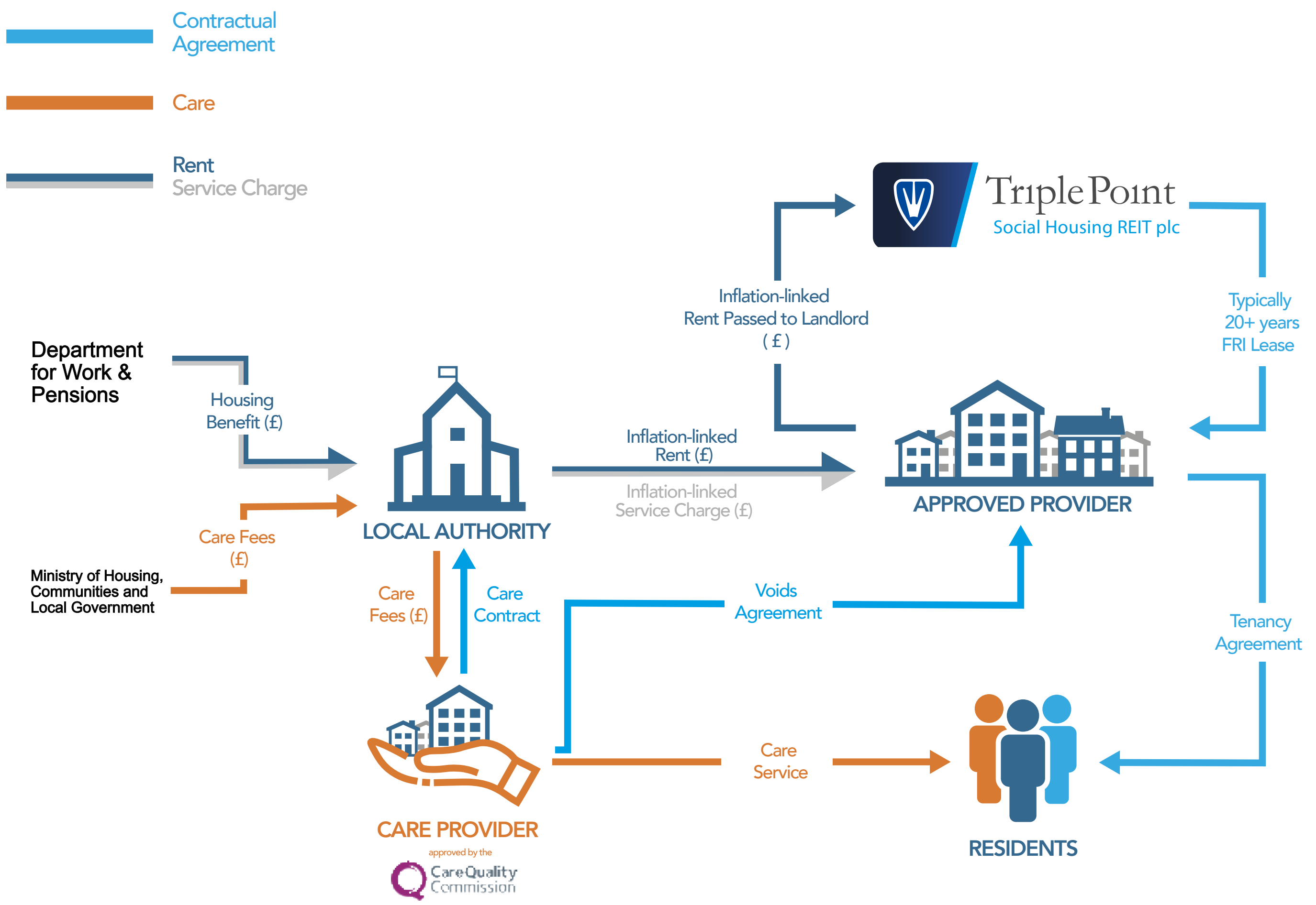
The Supported Housing properties owned by the Group are leased to Approved Providers which are usually not-for-profit organisations focused on developing, tenanting and maintaining housing assets in the public (and private) sectors. Approved Providers are approved and regulated by the Government through the Regulator of Social Housing (or in rare instances, where the Group contracts with care providers, the Care Quality Commission). All the Group's leases with Approved Providers are linked to inflation, have a duration of 20 years or longer, and are fully repairing and insuring – meaning that the obligations for management, repair and maintenance of the property are passed to the Approved Provider. The Approved Provider is also responsible for tenanting the 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 residents, 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 for Work and Pensions in the form of housing benefit.

The majority of residents housed in Supported Housing properties require support and/or care. This is typically provided by a separate care provider regulated by the Care Quality Commission. The agreement for the provision of care for the residents 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 residents in properties the Group owns. The care provider will often be responsible for nominating residents into the properties and, as a result, will normally provide some voids cover to the Approved Provider should they not be able to fill the asset (i.e. if occupancy is not 100% it is often the care provider rather than the Approved Provider that will cover the cost). The Group receives full rent regardless of underlying occupancy, but monitors occupancy levels and the payment of voids cover by care providers, to ensure that Approved Providers are appropriately protected.

Many assets that the Investment Manager sources for the Group have been recently developed and are either specifically designed new build properties or renovated existing houses or apartment blocks that have been adapted for Supported Housing. The benefit of buying recently-developed stock is that it has been planned in response to local authority demand and is designed to meet the specific requirements of the intended residents. 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 already-built 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 the Group has greater certainty over its pipeline with 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-developed properties, the Group can provide forward funding to developers of new Supported 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 developers a single funding partner for both construction and the acquisition of the completed property. 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. As well as strengthening developer relationships, forward funding enables the Group to have a greater portion of new build properties in its portfolio which typically attract higher valuations, are modern and have been custom-built to meet the needs of the residents they house, helping to achieve higher occupancy levels. 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 construction risk.

Since the Company's IPO, the Group has 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 17-year track record of asset-backed investments, its active investment 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 numerous Approved Providers, care providers and local authorities to help deliver new Supported Housing assets that 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. Since the year ended 31 December 2019 the Group has revised the key performance indicators that it reports as the Board believes that the metrics below provide the most useful measures by which to assess the Company's performance and best aligns with market practice.

1. Dividend

KPI and Definition	Relevance to Strategy	Performance	Comment
Dividends paid to shareholders and declared during the year.	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio.	Total dividends of 5.18 pence per share were paid or declared in respect of the period 1 January 2020 to 31 December 2020. (2019: 5.095 pence)	The Company has declared a dividend of 1.295 pence per Ordinary share in respect of the period 1 October 2020 to 31 December 2020, which will be paid on 26 March 2021. Total dividends paid and declared for the period are in line with the Company's target.

2. EPRA Net Tangible Assets (NTA) (NEW)

KPI and Definition	Relevance to Strategy	Performance	Comment
The EPRA NTA is equal to IFRS NAV as there are no deferred tax liabilities or other adjustments applicable to the Group under the REIT regime.	EPRA NTA measure that assumes entities buy and sell assets, thereby crystalising certain levels of deferred tax liability.	106.42 pence at 31 December 2020. (31 December 2019: 105.37 pence)	The EPRA NTA per share at IPO was 98.0 pence. This is an increase of 8.59% since IPO driven by growth in the underlying asset value of the investment properties.

3. Loan to Value (LTV)

KPI and Definition	Relevance to Strategy	Performance	Comment
A proportion of our investment portfolio is funded by borrowings. Our medium to long- term target LTV is 40% with a hard cap of 50%.	The Company uses gearing to enhance equity returns. The LTV covenant on the revolving credit facility with Lloyds is < 50%.	31.5% LTV at 31 December 2020. (31 December 2019: 31.1% LTV)	Borrowings comprise a £68.5 million private placement of loan notes with MetLife and a £160 million secured revolving credit facility with Lloyds/ NatWest of which £130 million was drawn as at 31 December 2020.

4. EPRA Earnings per Share (NEW)

KPI and Definition	Relevance to Strategy	Performance	Comment
EPRA Earnings per share excludes gains from fair value adjustment on investment property that are included in the IFRS calculation for Earnings per share.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	4.61 pence per share for the year ended 31 December 2020, based on earnings excluding the fair value gain on properties, calculated on the weighted average number of shares in issue during the year. (31 December 2019: 3.39 pence)	EPRA EPS increased year-on-year by 36.0%. The outlook remains positive and we continue to invest to generate an attractive total return.

5. Adjusted Earnings per Share

KPI and Definition	Relevance to Strategy	Performance	Comment
Adjusted earnings per share includes adjustments for non-cash items. The calculation is shown in Note 35.	A key measure which reflects actual cashflows supporting dividend payments.	4.90 pence per share for the period ended 31 December 2020, based on earnings after deducting the fair value gain on properties, amortisation of loan arrangement fees and adding back capitalised interest; calculated on the weighted average number of shares in issue during the year. (31 December 2019: 3.50 pence)	This demonstrates the Group's ability to meet dividend payments from net cash inflows. It represents a dividend cover for the year to 31 December 2020 of 94.5.

6. Weighted Average Unexpired Lease Term (WAULT)

KPI and Definition	Relevance to Strategy	Performance	Comment
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.	26.2 years at 31 December 2020 (includes put and call options). (31 December 2019: 25.7 years)	As at 31 December 2020, the portfolio's WAULT stood at 26.2 years and remains well ahead of the Group's minimum term of 15 years.

7. Adjusted Portfolio Earnings per Share

KPI and Definition	Relevance to Strategy	Performance	Comment
The post-tax earnings adjusted for the market portfolio valuation including portfolio premium.	The Adjusted Portfolio EPS reflects the application of using the portfolio value and reflects the potential increase in value the Group could realise if assets are sold on a portfolio basis.	17.94 pence per share for the period ended 31 December 2020, as shown on page 140. (31 December 2019: 15.92 pence)	The Adjusted Portfolio EPS shows the value per share on a long-term basis. The increase in the Adjusted Portfolio EPS from the previous period is reflective of the larger portfolio size.

8. Portfolio NAV

KPI and Definition	Relevance to Strategy	Performance	Comment
The IFRS NAV adjusted for the market portfolio valuation including portfolio premium.	The Portfolio NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis and reflects the potential increase in value the Group could realise under the special assumption of a hypothetical sale of the underlying property investment portfolio in one single transaction.	The Portfolio NAV of £468.8 million equates to a Portfolio NAV of 116.39 pence per Ordinary Share, as shown on page 140. (31 December 2019: Portfolio NAV £401.9 million equated to 114.53 pence per Ordinary Share)	The Portfolio NAV per share shows a good market growth in the underlying asset value of the investment properties.

9. Exposure to Largest Approved Provider

KPI and Definition	Relevance to Strategy	Performance	Comment
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.	29.8% at 31 December 2020. (31 December 2019: 20.6%)	Our maximum exposure limit is 30%. The Group increased its target from 25% to 30% in order to acquire properties at a significant discount to market value that are leased to the Group's largest Approved Provider which provides high-quality housing services.

10. Total Return

KPI and Definition	Relevance to Strategy	Performance	Comment
EPRA NTA plus total dividends paid during the year.	The total return measure highlights the gross return to investors including dividends paid since the prior year.	EPRA NTA 106.42 pence at 31 December 2020. Total dividends paid during the year ended 31 December 2020 were 5.18 pence per share. Total return was 5.9% for the year to 31 December 2020. (31 December 2019: 6.5%)	The EPRA NTA per share at 31 December 2020 was 106.42 pence. Adding back dividends paid during the year of 5.18 pence per Ordinary Share to the EPRA NTA at 31 December 2020 results in an increase of 5.9%.

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.

Full reconciliations of EPRA Earnings and NAV performance measures are included in Notes 35 and 36 of the consolidated financial statements respectively. A full reconciliation of the other EPRA performance measures are included in the Unaudited Performance Measures section.

1. EPRA Earnings per share

KPI and Definition	Purpose	Performance
EPRA Earnings per share excludes gains from fair value adjustment on investment property that are included in the IFRS calculation for Earnings per share.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	**4.61 pence per share for the period to 31 December 2020.** (31 December 2019: 3.39 pence) Full dividend cover on a look-through EPRA earnings run-rate basis was achieved in August 2020 and following the equity raise in October 2020 was 97.6% as at 31 December 2020.

2. EPRA Net Reinstatement Value (NRV) per share

KPI and Definition	Purpose	Performance
The EPRA NRV adds back the purchasers' costs deducted from the IFRS valuation.	A measure that highlights the value of net assets on a long-term basis.	**£463.3 million / 115.02 pence per share as at 31 December 2020.** £397.2 million / 113.20 pence per share as at 31 December 2019.

3. EPRA Net Tangible Assets (NTA) per share

KPI and Definition	Purpose	Performance
The EPRA NTA is equal to IFRS NAV as there are no deferred tax liabilities or other adjustments applicable to the Group under the REIT regime.	A measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	**£428.6 million / 106.42 pence per share as at 31 December 2020.** £369.7 million / 105.37 pence per share as at 31 December 2019.

4. EPRA Net Disposal Value (NDV)

KPI and Definition	Purpose	Performance
The EPRA NDV provides a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability.	A measure that shows the shareholder value if assets and liabilities are not held until maturity.	**£420.9 million / 104.50 pence per share as at 31 December 2020.** £364.7 million / 103.93 pence per share as at 31 December 2019.

5. EPRA Net Initial Yield (NIY)

KPI and Definition	Purpose	Performance
Annualised rental income based on the cash rents passing at the balance sheet 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.	**5.27% at 31 December 2020.** 5.29% at 31 December 2019.

6. EPRA "Topped-Up" NIY

KPI and Definition	Purpose	Performance
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).	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 2020.	**5.28% at 31 December 2020.** 5.29% at 31 December 2019.

7. EPRA Vacancy Rate

KPI and Definition	Purpose	Performance
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' percentage measure of investment property space that is vacant, based on ERV.	**0.29 % as at 31 December 2020[7].** 0.00% as at 31 December 2019.

8. EPRA Cost Ratio

KPI and Definition	Purpose	Performance
Administrative & operating costs (including & excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a Group's operating costs.	**23.27% as at 31 December 2020.** 28.35% as at 31 December 2019.

7 This has increased from 0.00% due to there being two properties in the portfolio without a lease, which are therefore vacant

THE INVESTMENT MANAGER

Pictured above: Max Shenkman, James Cranmer, Ben Beaton, Freddie Cowper-Coles, Ralph Weichelt, Isobel Gunn-Brown and Justin Hubble

Ben Beaton, Managing Partner

Ben joined the Investment Manager 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.

James Cranmer, Managing Partner

James joined the Investment Manager 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.

Max Shenkman, Partner & Head of Investment

Max joined the Investment Manager 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 £500 million of investment into Supporting Housing assets for the Group. Prior to joining the Investment Manager, 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.

Freddie Cowper-Coles, Investment Director

Freddie is an Investment Director in the Property Investment Team at Triple Point. He works exclusively on social and affordable housing, with responsibility for origination, execution and general operations. He began his career as a solicitor, qualifying at Mishcon de Reya where he worked in the property department. Since joining Triple Point in 2015, Freddie has worked on a number of investments, including the firm's first investment into a construction company, and he has overseen the investment of over £150 million into social housing. Freddie has degrees in history from the University of Edinburgh and King's College, London, and holds the Investment Management Certificate and the Corporate Finance Certificate.

Ralph Weichelt, Investment Director

Ralph joined the Investment Manager in 2017 as an Investment Director in the Investment Team. Prior to joining the Investment Manager, 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 experience of over 20 years spans across all investment strategies, ranging from core, value added to opportunistic. Ralph is also a qualified Chartered Surveyor.

Isobel Gunn-Brown, Partner & REIT CFO

Isobel joined the Investment Manager in 2010 and acts as Finance Director to the Group leading the financial reporting responsibilities of the Group. At the Investment Manager 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 the Investment Manager's FCA regulation and reporting requirements and monitoring investee company compliance with HMRC regulation.

Justin Hubble, Partner & General Counsel

Justin joined the Investment Manager in 2017 as General Counsel. He began his legal career as a barrister in New Zealand before moving to the UK where he worked as a private practice lawyer at City firm Ashurst during the dot-com era. On leaving private practice he pursued in-house roles as the General Counsel of several high growth, disruptive tech businesses from start-up to float. Justin is qualified as a barrister & solicitor in New Zealand and as a solicitor in the UK. He is a graduate of Otago University, New Zealand and holds a Master of Laws degree from University College London.

INVESTMENT MANAGER'S REPORT

Max Shenkman, Head of Investment
Triple Point Investment Management LLP

In terms of forward funding, during 2020 5 of the Group's projects successfully completed. We were able to continue deploying capital into new schemes, our forward funding projects continued, and existing schemes continued to operate well and safely.

Review of the Business

The Chairman has described well both the challenges that Covid-19 brought to the Group's business, and the impressive way that all stakeholders rose to the challenges. As Investment Manager, our priority was the safety and wellbeing of the Group's residents and the people who support them. As the lockdown began in early 2020, we moved quickly to speak to our Approved Providers and care providers to understand how they were coping and to offer help however we could. We made sure to share 'best practices' among counterparties with a focus on ensuring resident safety. Inevitably there have been cases of Covid-19 among individuals housed in our properties. But our Approved Provider and care provider partners have worked tirelessly to ensure that these were kept to a minimum, and for that we are incredibly grateful.

The diligence, collaboration and resourcefulness of all stakeholders is worth commenting on. Approved Providers postponed non-essential maintenance wherever necessary as a way of minimising the spread of infection while ensuring schemes remained safe and a good standard of housing was maintained. Care providers continued to provide the care and support that residents need and deserve, implementing their infectious diseases policies and successfully managing their complex staffing schedules at a time of social distancing. Regulatory obligations were eased during the height of lockdown, while government funding continued to flow uninterrupted. Although the continuing lockdowns present further challenges, we are pleased that Covid-19 was managed so capably and collaboratively by all stakeholders during 2020.

In this context, it is worth reflecting on the resilience of the Group's investment model, and its portfolio, during 2020. After some initial delays, we were able to continue deploying capital into new schemes, our forward funding projects continued, and existing schemes continued to operate well and safely. The Group received 100% of rent[8]. It paid all dividends due in full, and achieved full dividend cover on a run-rate basis before the new equity raise on 23 October. The share price ended the year higher than it began, achieving an all-time high of 113.50 pence in November. The Group drew £29.4 million of debt from its revolving credit facility, secured a further £30 million increase to that facility, and raised £55 million of equity capital from both existing and new investors. This resilience may have contributed towards the Group being shortlisted for Property Investor of the Year at the Laing Buisson Awards, with the announcement of the results of the awards postponed until early 2021.

8 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

As mentioned in our Chairman's Statement above, during 2020 the Group bought 58 new schemes for a total investment cost (i.e. including acquisition costs) of £78.9 million using the proceeds of the extended revolving credit facility. These schemes provide 400 new units of accommodation. At the year end, the Group had 445 properties, containing 3,124 units of accommodation, leased to 20 Approved Providers, operating in 155 Local Authorities, with care provided by 98 different care providers. In terms of forward funding, during 2020 five of the Group's projects successfully completed. As such, as at 31 December 2020, 20 of the 22 projects that the Group has funded since inception were complete, and of the remaining 2 schemes, one completed on 26 February 2021 and the final project is due to complete imminently. Covid-19 caused some construction delays from staff and materials shortages, but the successful completion of the projects reflects the resourcefulness and strength of the Group's counterparties as well as the continued demand by all stakeholders for high-specification properties in areas of proven demand that add to the country's overall housing stock.

Operational performance is always a function of the quality of the investment processes in place. Strong performance is only possible when good investments are made in the first place. We therefore continually iterate our due diligence processes on the principle that, as the market is always evolving and every transaction is different, our processes should be continually updated to reflect all of our latest experience. We continue to reject at least as many deals as we invest in, and during the year we piloted, and have begun adopting, a market-leading property management system, Coyote. This software drives efficiencies by managing properties through the entire investment lifecycle on a single digital platform, and by automating the generation of reports. It also gives us access to more data, which we can more easily analyse, and it enables us to use third-party analytics software.

This meticulous approach to due diligence has been developed over the 17 years that we have been an investment manager. Since 2004, Triple Point Investment Management LLP has been investing in high-impact investments which generate long-term predictable income streams. We invest where there is a social challenge because the greater the social need, the greater the demand, which in turn drives long-term financial performance. Over the years of investing in the social housing sector, we have developed a strong network which enables us to successfully source off-market deals and work with the sector's leading providers. We have also


Evesham Street, Redditch


Hollingwood, Bradford


The Academy, Warrington

INVESTMENT MANAGER'S REPORT (Continued)

organically built a multi-disciplinary social housing team which contains a diverse blend of fund managers, social housing professionals, accountants, lawyers and surveyors. Being part of a wider fund management business means that we are able to keep in-house our business functions including finance, marketing, legal, property management and company secretary. We were recently authorised by the Financial Conduct Authority as a full scope Alternative Investment Fund Manager ("AIFM") and were appointed as the Company's AIFM, taking over the Group's risk and portfolio management from 1 July 2020, with the Board continuing to provide oversight and ensure the Group acts within the Company's Investment Policy.

As the number of properties under our management has grown, it has become more important than ever that we pro-actively manage the portfolio. Central to that is ensuring that all properties are properly maintained, and are looked after by the Approved Provider which has the most suitable processes, Commissioner relationships, and geographical focus for the specific properties. As part of this strategy, during 2020 we transferred away all 15 properties that the Group had with Westmoreland as part of Westmoreland's stock rationalisation programme. To that end, we selected one of the Group's existing Approved Providers which is already operating in the local areas with strong Commissioner relationships. 12 of the properties have already transferred with no material valuation impact, and the Approved Provider has already begun managing the properties to a high standard. Of the remaining three properties, we expect one property to transfer shortly to the same Approved Provider, and another property to transfer to another existing Approved Provider of the Group. The final property is a two-bedroom property with a value of less than £200,000 which is in the process of being sold. If and when we identify the need for further property transfers in future, we will take the same approach to ensure we remain a responsible, pro-active landlord focused on optimising the portfolio for the benefit of all stakeholders.

Market Review

One of the major themes for the Supported Housing market in 2020 was the robustness of its performance – reflected in its strong rent collection and resultant continuing market activity – at a time when many other property sectors suffered from the effects of the pandemic. As described elsewhere, the Group's investment model proved its resilience amid the disruptions of Covid-19, with all rent received and its valuations upheld. Supported Housing was in fact one of the first three property sectors to have its 'material uncertainty' clause removed from valuations by the Royal Institute of Chartered Surveyors.

Demand for supported housing remains strong – perhaps stronger than ever. The last available data forecast a shortfall of 46,771 units by 2024-2025.[9] This demand has been driven by a growing UK population; a growing incidence of people with long-term care needs living to adulthood as a result of medical advances; and a government policy of moving people with care needs out of institutions and into the community, as enshrined in the Care Act 2014 and the Transforming Care Programme 2015. We do not have up-to-date demand data since the pandemic began, but our experience on the ground suggests that demand has grown as many Commissioners have found a way through the obstacles that too often prevent people being moved out of inappropriate institutional settings into community-based homes. Commissioners have sought to create space in hospitals for Covid-19 patients, and to achieve the long-term health and financial benefits unlocked through Supported Housing. Evidence suggests that every person living in Supported Housing saves the government about £200 per week compared to them being in a care home, and about £2,000 per week compared to them being in a hospital.[10] At the same time, the independence that comes with living in the community improves the health and well-being of residents.[11]

The need for more, and better, community-based care settings was powerfully reinforced by a report by the Care Quality Commission published in October 2020 called Out of Sight – Who Cares?: Restraint, segregation and seclusion review.[12] The report describes how too many people in the UK with mental health conditions, learning disabilities or autism are restrained, secluded and segregated when they would be better served by a tailored package of care based in the community. In the words of the CQC, "This lack of support in the community often led to people becoming increasingly distressed and, in some cases, suicidal or violent" and most hospitals visited by the CQC were "not therapeutic environments" that "could add to people's distress" which was then "used as a rationale for using restraint, seclusion and segregation". In conclusion, the CQC's first recommendation is that "People with a learning disability and/or autistic people who may also have a mental health condition should be supported to live in their communities". To deepen its engagement with issues like these, in January 2021 the Company became a Supporter Member of Care England.

9 National Housing Federation, Supported housing: Understanding need and supply (2015)
10 Mencap, Funding Supported Housing for All
11 Mencap, Funding Supported Housing for All
12 https://www.cqc.org.uk/publications/themed-work/rssreview

Another major theme in 2020, which was accelerated by Covid-19, was the growing awareness of the value of socially-impactful investments. The Group was established in 2017 to generate shareholder returns by investing where there is identified local need across the UK to deliver a positive social impact. As the Impact Report by The Good Economy states, the Group has delivered £136.1 million of Total Social Value in the year to December 2020. This is divided into £53.9 million of Social Impact (the value of improved personal outcomes for residents) and £82.1 million of fiscal savings (savings generated for public budgets through reduced costs). Overall, The Good Economy have calculated that, for every £1 invested, the Group will generate £3.62 in social value over the duration of the investment. Likewise, 65% of residents in a survey by The Good Economy reported a greater independence after moving into their accommodation. So it was encouraging in 2020 to see growing collaboration between market participants eager to enhance the positive impact that investing in high-quality social housing can have on society. In May 2020, a White Paper, Building a Sector Standard Approach for ESG Reporting, was published to create a set of sector-wide ESG metrics. Because of the benefits that standardised metrics will bring, we have signed up as early adopters of those metrics which will be tested throughout 2021. Likewise, we are active participants in the Equity Impact Project being run by The Good Economy and Big Society Capital to standardise impact metrics for equity investors in social housing. This should create another set of valuable cross-sector metrics which will drive up impact performance by creating comparability for investors.

Our investment strategy has always been focused on investing where there is clear long-term social need, and where our properties will be managed by high-quality, well-governed counterparties. But the importance of environmental efficiency is becoming increasingly integral to our investment strategy. Residential housing contributes to 15% of carbon emissions in the UK, and the recent Energy White Paper is pushing for all social housing properties to have an Energy Performance Certificate ("EPC") rating of 'C' or above by 2035 – which is only 14 years away.[13] Although the government minimum for new tenancies is currently still only an 'E', we want to do better – and believe that, as a sector, we can do better. At the end of 2020, the entire portfolio of the Group had an EPC rating of 'E' or above except for 3 units which dropped to an 'F' after further testing, though they expect to be upgraded to at least an 'E' by April following works. 70% of the portfolio is rated 'C' or above, and 33% is rated 'B' or above. This compares favourably to the market, with only 56% of socially rented homes across the UK rated 'C' or above.[14] Moreover, the portfolio's rating will improve over time as we require an EPC rating of at least 'C' for existing or renovated properties that the Group buys, and at least a 'B' for new-build properties that the Group buys. Likewise, we require building contractors on forward funding projects to sign up to the guidelines of the Code of Considerate Contractors scheme as well as the Site Waste Management Plan 2008, both of which encourage environmental efficiency.

As mentioned, regulatory engagement reduced during Covid-19. The Regulator of Social Housing sensibly paused its In-Depth Assessments to enable Registered Providers to focus on operations. When the full lockdown eased in the summer, regulatory engagement re-started. In December 2020 one of the Group's Approved Providers, My Space Housing Solutions, which comprised 8.5% of the investment value of the Group's property portfolio at 31 December 2020, received a non-compliant rating of G3, V3. The Group's independent valuer, Jones Lang LaSalle Limited, confirmed that there should be no impact on the value of the Group's portfolio as a result of this rating. In October 2020, Westmoreland Supported Housing also received a Regulatory Notice concerning its compliance with the Rent Standard, though since the notice was published the Group has reduced its exposure to Westmoreland from less than 0.5% of the Group's portfolio value to 0%. We continue to speak directly to the Regulator to better understand the areas they want the sector to focus on and to ensure that our processes continue to evolve to reflect the latest regulatory guidance.

Financial Review

The annualised rental income of the Group was £31.6 million as at 31 December 2020. Excluding forward funding transactions, the rental income of the Group for 2020 was £28.4 million, compared to £21.1 million in the previous 12 months. The Group is a UK REIT for tax purposes and is exempt from corporation tax on its property rental business.

A fair value gain of £8.0 million was recognised during the period on the revaluation of the Group's properties.

Earnings per share was 6.82 pence for the year, compared to 6.75 pence for the year ending 31 December 2019. EPS includes the fair value gain on investment property which was lower this year compared to last year due to slower deployment.

13 HM Government, Energy White Paper: Powering our Net Zero Future, 2020
14 HM Government, Energy White Paper: Powering our Net Zero Future, 2020

INVESTMENT MANAGER'S REPORT (Continued)

The EPRA earnings per share excludes the fair value gain on investment property and was 4.61 pence for the year, compared to 3.39 pence for the year ending 31 December 2019. Adjusted portfolio earnings per share were 17.94 pence for the year, where post-tax earnings were adjusted for a valuation on a portfolio basis (as opposed to individual property IFRS basis) (2019: 15.92 pence).

From the beginning of this year, the EPRA NAV has been replaced by three EPRA NAV metrics which are shown in the Financial Statements on page 141. The one most comparable to the previously reported EPRA NAV measure is EPRA Net Tangible Asset (NTA), which, therefore, the Group has adopted as its primary reporting metric. The EPRA NTA per share as at the period end is 106.42 pence per share, the same as the IFRS NAV per share. The IFRS NAV adjusted for the portfolio valuation (including portfolio premium) was £468.8 million, which equates to a Portfolio NAV of 116.39 pence per share.

The audited IFRS NAV per share was 106.42 pence, a 1.0% increase from 105.37 pence as at 31 December 2019.

The EPRA ongoing charges ratio is calculated as a percentage of the average net asset value for the period under review. The ongoing charges ratio for the period was 1.57% compared to 1.63% at 31 December 2019.

At the year end, the portfolio was independently valued at £571.5 million on an IFRS basis, reflecting a valuation uplift of 7.7% against the portfolio's aggregate purchase price (including acquisition costs). The valuation reflects a portfolio yield of 5.27%, against the portfolio's blended net initial yield of 5.90% at the point of acquisition. This equates to a yield compression of 63 basis points, reflecting the quality of the Group's asset selection and off-market acquisition process.

The Group's properties were valued at £611.6 million on a portfolio valuation basis, reflecting a portfolio premium of 7.0%, or £40.1 million, against the IFRS valuation, compared to a portfolio valuation of £503.8 million and a portfolio premium of 6.82% or £32.2 million uplift for the year ending 31 December 2019. The portfolio valuation assumes a single sale of the property-holding SPVs to a third-party on an arm's length basis with purchaser's costs of 2.3%.

The Group held cash and cash equivalents of £53.7 million at 31 December 2020 of which £0.9 million was restricted and £2.8 million was committed for the completion of forward funded transactions, leaving available cash of £50 million. During the year cash from operating activities increased by £8.2 million.

Debt Financing

During 2020, the Group drew and deployed the remaining £29.4 million of its £130 million revolving credit facility. The facility had been increased from £70 million to £130 million with Lloyds Bank Plc and National Westminster Bank in October 2019. Following a successful equity raise in October 2020 (with net proceeds of £55 million), the Group signed a further £30 million increase to the revolving credit facility, bringing the total facility to £160 million. As part of this, the facility's term was extended for a further 12 months to 20 December 2023 and, subject to lender consent, may be extended by a further year to 20 December 2024.

Under the increase and extension of the RCF, the interest rate for drawn funds remains at 1.85% per annum over three-month LIBOR. In the light of the ceasing of LIBOR as a benchmark rate during 2021, the Group has negotiated and agreed provisions within the terms of the increase and extension of the RCF setting pre-agreed terms for the transition of LIBOR to the new benchmark rate SONIA. The date for the transition from LIBOR to SONIA is 1 July 2021. The facility remains unhedged, though the Board regularly reviews potential hedging arrangements which can be put in place at any time during the term of the facility. Once fully utilised, the facility will have a loan-to-value of 40% against a defined security pool of the Group's properties in a separate, wholly-owned subsidiary. Once the increased facility is fully drawn, the gearing of the Group will be in the region of 40%.

The Group's facility with MetLife in the amount of £68.5 million requires the Group to maintain an asset cover ratio of 2.25x and an interest cover ratio of 1.75x. The RCF requires the Group to maintain on drawn funds a loan-to-value ratio of lower than 50% and an interest cover ratio in excess of 2.75x. At all times, the Group has complied with the debt covenants on both credit facilities.

The Group will continue to monitor capital requirements as the extended capacity under the revolving credit facility is drawn down.

Further information is set out in Note 19 of the financial statements.

Strategic Alignment and Asset Selection

Despite the challenges presented by Covid-19, the Group continued to execute on its investment strategy and secured both new equity and debt funding to deploy, allowing it to continue delivering inflation-protected income underpinned by a careful selection of secure, long-let and index-linked properties. During the year, the Group bought 58 properties for a total investment cost of £78.9 million (including acquisition costs).

	31 December 2020	31 December 2019	Change in 2020
Number of Assets	445	388	+57[1]
Number of Leases	341	300	+41
Number of Units	3,124	2,728	+396[2]
Number of Approved Providers	20	16	+4[3]
Number of Forward Funding Agreements	22	22	0
WAULT (years)	26.2	25.7	+0.5

1 One asset within the existing portfolio is currently being held for sale.
2 Unit adjustments have been made to assets within the existing portfolio as a result of ongoing asset management activities and one asset within the existing portfolio being currently held for sale.
3 The Group transferred away all 15 properties that were leased with Westmoreland Supported Housing.

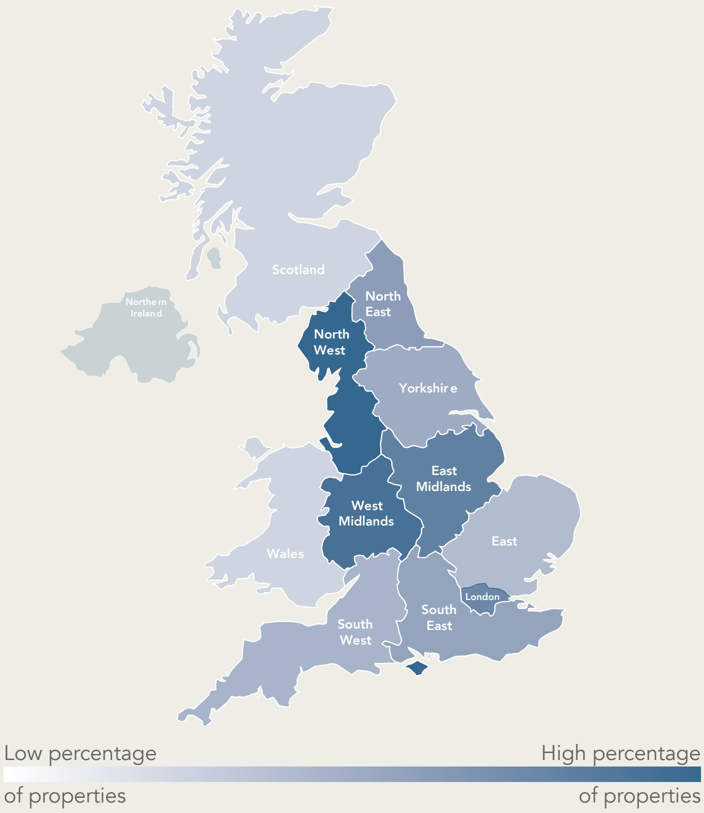
In addition, as at 31 December 2020 the Group had outstanding commitments of £2.8 million (including acquisition costs), for undrawn forward funding commitments.

Committed Capital	Total Funds (m)
Total Invested since IPO	£530.7
Commitments to Forward Funding projects	£2.8
Total Invested and Committed Capital	£533.5

Property Portfolio

As at 31 December 2020, the portfolio comprised 445 properties with 3,124 units and showed a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (22.2%), West Midlands (17.7%), East Midlands (12.7%) and London (9.4%). The IFRS value of the portfolio at 31 December 2020 was £571.5 million.

As at 31 December 2020, the Group had entered a total of 22 forward funding projects with 20 schemes having reached practical completion, with one scheme having completed on 26 February 2021 and the final project due to complete imminently.



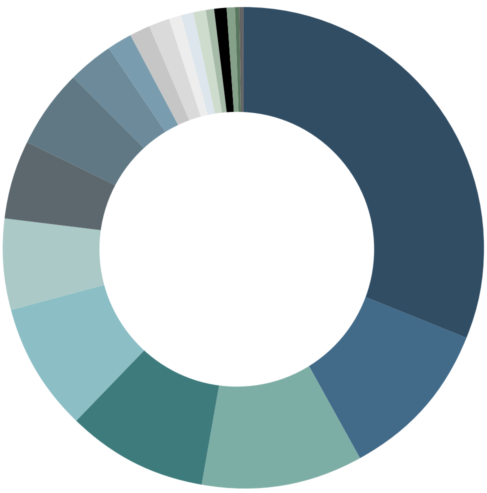
INVESTMENT MANAGER'S REPORT (Continued)

Rental Income

In total, the Group had 339 fully repairing and insuring leases (excluding agreement for leases on forward funding transactions). The Group had a total annualised rental income of £31.6 million on its standing investments.

During 2020, the Group entered into leases with another five Approved Providers and removed SOHO's exposure to Westmoreland, increasing its total to 20. This enhanced the Group's counterparty diversification. The Group's three largest Approved Providers by rental income were Inclusion Housing (31.1%), Falcon (11.0%) and Parasol Homes (10.7%).

Rental Income by Approved Provider

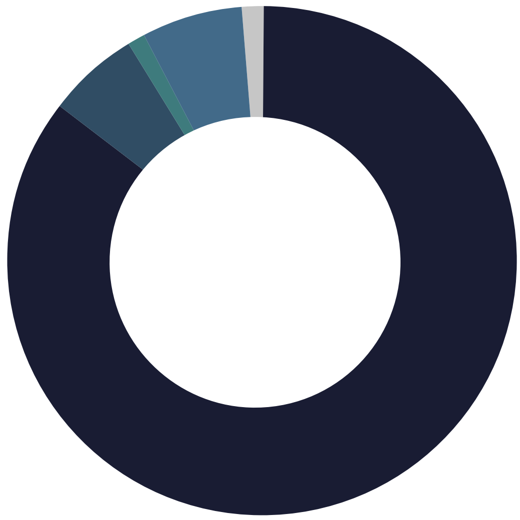


Inclusion 31.1% | Falcon 11.0% | Parasol Homes 10.7%
Hilldale 9.5% | My Space 8.6% | BeST 6.0%
AHS 5.3% | Chrysalis 5.2% | Care Housing Association 3.0%
Blue Square 1.9% | Sunnyvale 1.4% | Sandwell 1.3%
Wings Care 0.9% | IKE 0.8% | Lifeways 0.7%
Pivotal 0.7% | IHL 0.7% | Encircle Housing 0.6%
TBC 0.2% | Keys 0.2% | Partners Foundation 0.0%

The Group's three largest Approved Providers by units were Inclusion Housing (914), Falcon (366) and Hilldale (328).

As at 31 December 2020, the portfolio had a WAULT of 26.2 years (well in excess of the Group's minimum term of at least 15 years), with 98.5% of the portfolio's rental income showing an unexpired lease term above 21 years. The WAULT includes the initial lease term upon completion as well as any reversionary leases and put/call options available to the Group at expiry of the initial term.

Rental Income by Lease Length



0 – 20 1.5% | 21 – 30 85.0% | 31 – 40 6.0%
41 – 50 0.2% | 50 < 7.3%

Rents under the leases are indexed against either CPI (91.7%) or RPI (8.3%), which provides investors with the comfort that the rental income will increase in line with inflation. Some leases have an index 'premium' under which the standard rental increase is based upon CPI or RPI plus a further percentage point, reflecting top-ups by Local Authorities. These account for 8.5% of the Group's leases. For the purposes of the portfolio valuation, JLL assumed CPI and RPI to increase at 2% per annum and 2.5% per annum respectively over the term of the relevant leases.

Outlook and Pipeline

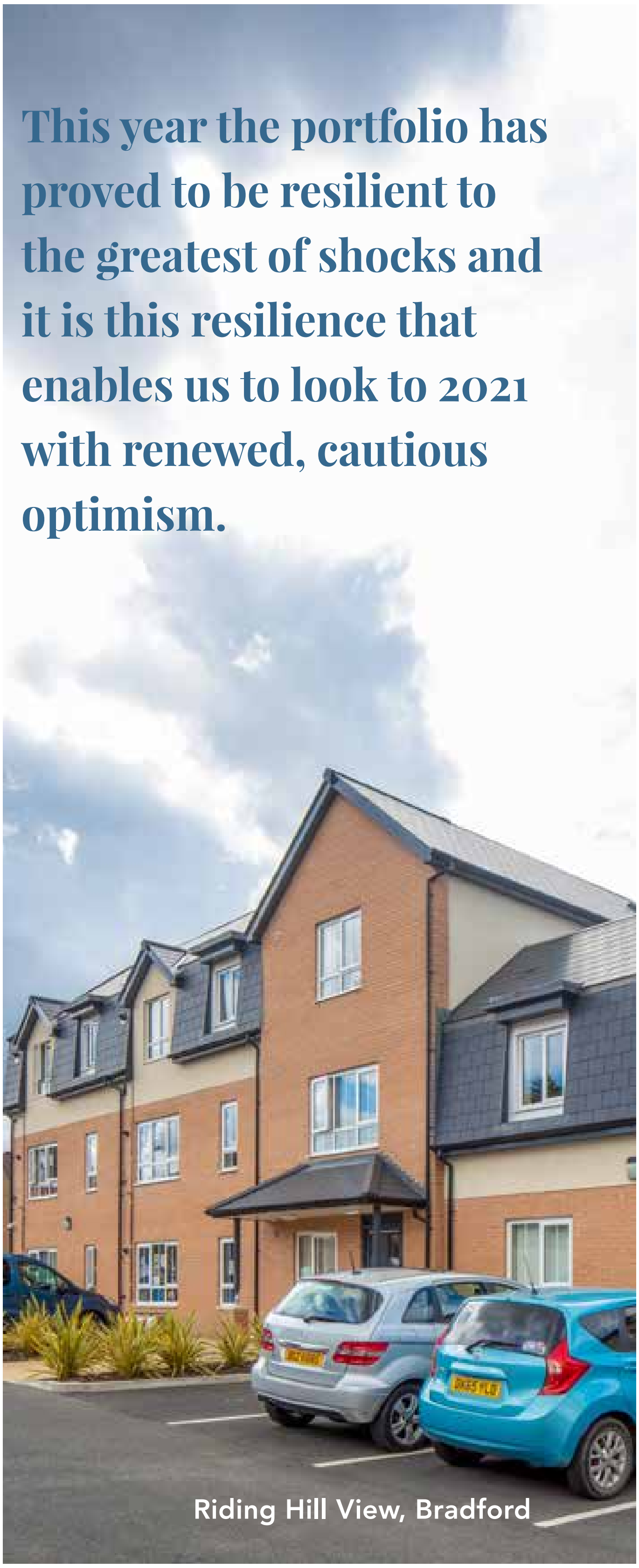
Despite the pressure on budgets exerted by the pandemic, the government has kept to its affordable housing spending commitments. On 8 September 2020 it was confirmed that, subject to the prevailing economic circumstances, over the next five years £12 billion will be made available to fund the development of new discounted homes to rent and buy. But the government also acknowledges that there is a requirement for private capital to complement public spending if this country is going to receive the homes it so desperately needs.

While Supported Housing makes up a relatively small proportion of the social housing market, we can see the positive impact that the Group's investments have on the lives of the vulnerable individuals we house, and we remain determined to continue to use the Group's capital to make more specialised supported homes available to Registered Providers and Local Authorities so that waiting lists can be reduced. Our ability to do this is underpinned by the strong pipeline that we have maintained which in turn reflects ongoing demand for adapted independent community-based homes.

The recent government Social Housing White Paper[15] focused firmly on the rights of residents, promoting higher standards among social housing providers and creating greater transparency and accountability throughout the sector. It will take time for the ideas raised to be delivered upon but we will encourage our partners to move early and do our best to support them as they adapt and improve. We want to drive positive change, both internally through constantly improving and updating our investment and asset management processes, and throughout the wider sector by helping to establish universal metrics that can better measure the impact of private capital and the quality of social housing it provides. This is why we have chosen to participate in projects such as the Equity Impact Project referred to earlier.

Our current pipeline has over £150 million of live investment opportunities which should enable us to deploy the proceeds from the Group's recent debt and equity raises. But 2020 has shown us that nothing should be taken for granted. Despite recent progress, the pandemic is sadly far from over and so we will continue to be watchful for unforeseen shockwaves that could impact the Group's business and the individuals living in its properties. This year the portfolio has proved to be resilient to the greatest of shocks and, while we will remain vigilant, it is this resilience that enables us to look to 2021 with renewed, cautious optimism.

Max Shenkman
Head of Investment
4 March 2021



Riding Hill View, Bradford

15 https://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-whitepaper

PORTFOLIO SUMMARY

Yorkshire

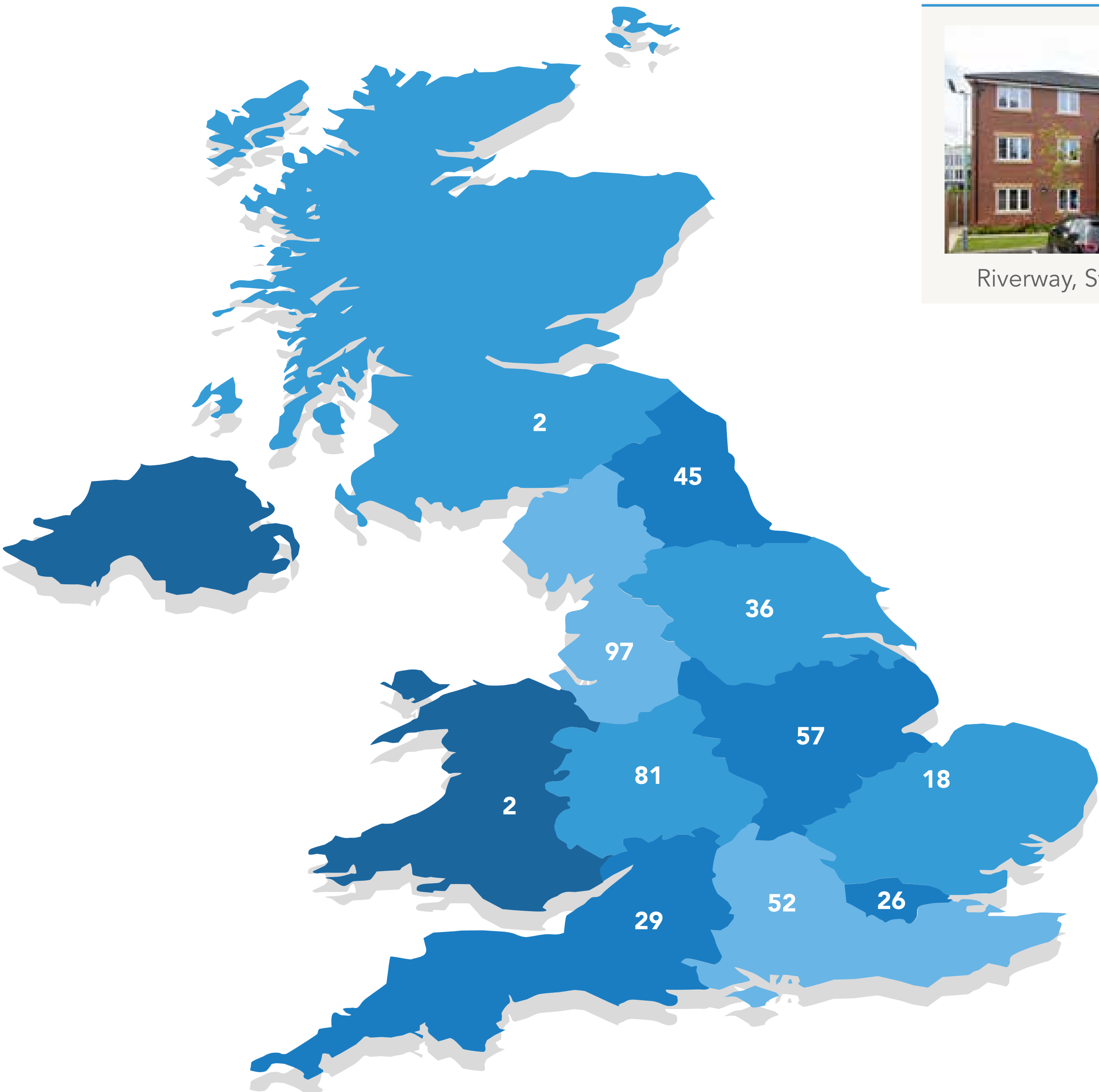

Thorne House, Yeovil


Ashmount Court, Doncaster


Halton, Leeds

West Midlands


Riverway, Stafford



Myvod House, Wednesbury

Carlton Gardens, Wolverhampton

East

Leverington, Cambridge

PORTFOLIO SUMMARY BY LOCATION

Region	Properties	% of Funds Invested*
North West	97	22.5
West Midlands	81	17.3
East Midlands	57	12.8
London	26	9.6
North East	45	9.2
South East	52	8.9
Yorkshire	36	9.0
South West	29	5.4
East	18	3.9
Scotland	2	0.9
Wales	2	0.5
	445	100.0

* calculated excluding acquisition costs

CORPORATE SOCIAL RESPONSIBILITY REPORT

A fundamental aspect of our ambition to be the leading UK Supported Housing investor, to the achievement of our long-term financial objectives, coupled with the aim of having a positive societal impact, is to ensure that we embed and drive ESG across the business.

Our business model (pages 24 to 25) seeks to ensure that our properties are suitable to meet residents' evolving needs and assist Local Authorities in meeting these demands for the benefit of the wider community. Our social impact is therefore at the heart of what we do, and we focus on investing where there is clear long-term social need. We maintain a robust corporate governance framework, and this is set out in further detail within our corporate governance report on pages 69 to 96. We recognise the importance of environmental efficiency, which is becoming increasingly integral to our investment strategy, and we have set out how we execute this strategy in practice in further detail below and on pages 34 to 35 of the Investment Manager's Report.

In conjunction with the Board's endorsement, the Investment Manager has an ESG integration policy in place, directly relating to the Company's investments with the aim of ensuring value for investors, coupled with creating value for society and the environment. Within this policy, the Investment Manager has set out principles which it will seek to incorporate throughout its business, for example, to consider the impact of operations on local communities and to uphold high standards of business integrity and honesty. Further, incorporated within the ESG integration policy, the Investment Manager has become a signatory to the United Nations Principles for Responsible Investment, committing to the principles set out therein to show dedication to strengthening environmental, social and governance considerations into its business.

Environment

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. Impact assessment is central to our investment process and is demonstrated through the environmental, social and governance assessments in our due diligence. For example, we require every property we acquire to have a minimum energy performance rating of at least a 'C' on an Energy Performance Certificate ("EPC") for renovated properties and at least a 'B' on an EPC for new-build properties, notwithstanding the legal requirement for any privately rented properties to have a minimum energy performance rating of E on an EPC.

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 and to lead to further high-quality housing. Offering residents 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 consider the opportunities we have to help reduce running costs for our lessees and occupiers, increase resident well-being and contribute to the prosperity of a location through supporting new building design and development. Ignoring these issues when considering property management and investments would risk the erosion of income and value as well as missing opportunities to enhance investment returns.

Climate Change and Greenhouse Gas Emissions

The Board is cognisant of the impact of the Group's operations on emissions. 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.

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 and believes that the Group has no reportable emissions for the year ended 31 December 2020, 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 the Group's;
- emissions produced from either the registered office of the Company 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.

In relation to the Streamlined Energy and Carbon Reporting (SECR), implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, for the year ended 31 December 2020 the Group is considered to be a low energy user.

Community

Our properties provide multiple benefits to local communities. They provide residents with safe and secure accommodation, tailored to meet their individual care needs. They provide Approved Provider lessees with a way of growing sustainably, allowing them to expand the number of individual lives they support and improve and they provide employment for local carers, housing managers and builders. While development and refurbishment can cause some minor short-term disruption to an area, these activities help create employment and, at the same time, help alleviate the UK's housing crisis.

Further information on the impact and benefits to the Community of our properties is set out in the Market Review section of the Investment Manager's Report on pages 34 to 35.

Business Relationships

As well as the critical day-to-day portfolio management, the Group has a set of corporate providers that ensure the smooth running of the Group's activities. The Group's key service providers are listed on page 143, and the Management Engagement Committee annually reviews the effectiveness and performance of these service providers, taking into account any feedback received. The Group also benefits from the commitment and flexibility of its corporate lenders for its debt facilities and works with a selection of high-quality trusted developer partners to source the majority of its deals off market and to who forward funding is provided. Each of these relationships is critical to the long-term success of the business. Therefore, the Group and the Investment Manager maintain high standards of business conduct by acting in a collaborative and responsible manner with all its business partners that protects the reputation of the Group as a whole.

Employees

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. The Investment Manager places great importance on company culture and the wellbeing of its employees and considers various initiatives and events to ensure a positive working environment.

Health and Safety

The Group is committed to fostering the highest standards in health and safety. Before the Group acquires a property, we ensure it includes all installations necessary to minimise the risk to the vulnerable people who will live in it. Day-to-day responsibility for health and safety in our properties is then shared by the Approved Providers and care providers who manage the housing and provide care. Nonetheless, our Investment Manager still requests confirmation from Approved Providers that all properties remain compliant and visit properties to verify this. Every quarter the Board is provided with updates on the health and safety of our residents.

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 pages 85 to 86.

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 are satisfied that, to the best of their knowledge, the Company's principal advisers, which are listed in the Shareholder Information section on page 143, comply with the provisions of the UK Modern Slavery Act 2015.

Our business is solely in the UK and therefore we consider there is a low risk of human rights abuses.

SECTION 172(1) STATEMENT

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under s172 and forms the directors' statement required under section 414CZA of the Act.

Stakeholder Engagement

This section describes how the Board engages with its key stakeholders, how it considers their interests and the outcome of the engagement when making its decisions, the likely consequences of any decision in the long-term, and further ensures that it maintains a reputation for high standards of business conduct.

Stakeholder	Why is it important to engage?	How the Investment Manager/ Directors engaged?
Shareholders	Investment from our shareholders plays an important role in the delivery of high-quality new housing into the Supported Housing market. Through the investment of private capital into an under-funded sector, we can achieve a positive social impact whilst ensuring our shareholders receive a long-term inflation-linked return.	The way in which we engage with our shareholders is set out on page 78 in our Corporate Governance Report.
Investment Manager	The Investment Manager is responsible for executing the Investment Objective within the Investment Policy of the Company.	The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.
Approved Providers	Our relationship with Approved Providers is integral to ensuring rent received from the Local Authority is paid to the Group and that properties are managed appropriately to safeguard tenants. All of the Group's leases with Approved Providers are fully repairing and insuring – meaning that Approved Providers are responsible for management, repair and maintenance, in addition to tenanting the properties.	The Investment Manager maintains strong relationships with Approved Providers, having meetings every six months and are in regular dialogue on a variety of matters. Quarterly key performance indicator reporting is also provided.

What were the key topics of engagement?	What was the feedback obtained and the outcome of the engagement?
1. Financial and operational performance. 2. The regulatory environment of the Supported Housing sector. 3. Environmental, social and governance considerations. 4. The Company's key service provider appointments, including the AIFM and broker arrangements.	1. Refer to shareholder engagement on page 78. 2. The Board and Investment Manager take into account shareholder concerns when speaking to the Regulator and agreed to keep shareholders updated of any developments. We understand the importance of, and are committed to, working with Registered Providers to address the concerns of the Regulator. Refer to the Market Review in the Investment Manager's Report on pages 34 to 35. 3. The Investment Manager has enhanced environmental, social and governance considerations within its investment process, and within its own business. Refer to Investment Manager's Report on page 35, and the Corporate Social Responsibility Report on pages 42 to 43. 4. Shareholders were supportive of the change of AIFM as it resulted in some improvements to operational efficiency, and were satisfied that the terms of the existing services provided by the Investment Manager remained unchanged. Shareholders were equally supportive of the appointment of the Broker, who have since engaged with shareholders, in particular in relation to the recent equity raise.
In addition to all matters related to the execution of the Company's Investment Objective, the Board engaged with the Investment Manager on the structure of the Group, developments in the market and updates from the Regulator.	As a result of the engagement between the Board and the Investment Manager the Group has been able to execute its investment strategy and has considered what adjustments can be made to the Group's model that will uphold financial and governance standards while attracting further private investment long term. Additionally, the Investment Manager produces reports to the Board every quarter on various governance and operational matters at the Board's request. Capital allocation is also considered with regard to the views of the Board.
The Investment Manager discussed a number of topics with Approved Providers including the policies and plans in place to insulate themselves from the potential operational and financial risks associated with the Covid-19 pandemic; that properties are managed in accordance with their leases; financial reporting and governance; and specific property-related issues such as occupancy, health and safety issues, rent levels, management accounts and governance.	Refer to the Investment Manager's Report on pages 34 to 35.

SECTION 172(1) STATEMENT (Continued)

Stakeholder	Why is it important to engage?	How the Investment Manager/ Directors engaged?
Care Providers	Our residents receive care from care providers. It is important to ensure that our vulnerable residents receive the best possible care. In addition, the care providers share the cost of voids with Approved Providers so we engage with care providers to ensure our Approved Providers are able to pay our rent in the event of empty units. Therefore, care providers play an essential role in the occupancy levels of our properties and strong engagement with the Group ensures the best possible care for our residents.	The Investment Manager engages with care providers as part of its due diligence process and regularly meets and engages with our provider representatives when inspecting the Group's portfolio and looking at occupancy figures every quarter.
Residents	We remain focused on providing homes to our residents which offer them greater independence than institutional accommodation, as well as meeting their specialist care needs.	The Investment Manager monitors resident welfare through engagement with Approved Providers. The Investment Manager receives quarterly reports from Approved Providers to ensure compliance with health and safety standards. Any concerns are raised to the Board. We do not generally engage with residents directly since they are vulnerable. Instead, day-to-day engagement is done by care providers and, to a lesser extent, Approved Providers.
The Regulator of Social Housing	The Regulator regulates Registered Providers of social housing to ensure providers are financially viable and properly governed. It is important to ensure that the Regulator does not object to the way the Group invests and the way Approved Providers operate.	The Investment Manager is in regular contact with the Regulator through telephone calls and regular meetings.
Lenders	The Group's investments in social housing assets are partly funded by debt. Prudent debt financing is critical to achieve the target return promised to shareholders and to meet full dividend cover once equity proceeds have been fully deployed. Further, engagement with debt funders is also a significant signal to the sector that they are aligned with shareholders' interests e.g. long-term support of the social housing sector.	The Investment Manager engages with the existing lenders mainly via the reporting of financial and information covenants under the existing loan agreements on a quarterly basis. In addition, there are regular ad-hoc engagements in relation to general topics relating to the social housing sector as well as specific topics arising from the financial and operational performance of the Group's activities and any other general matters affecting the relationship between the Group and the lenders.

	What were the key topics of engagement?	What was the feedback obtained and the outcome of the engagement?
	The Investment Manager engages with care providers on: the specific care and support requirements of residents including health and safety compliance (refer to Investment Manager's Report on pages 34 to 35); property management by Approved Providers; financial and operational capacity for new schemes; occupancy levels; and financial performance.	The Investment Manager rejected deals where care providers did not meet the high-quality standards expected or where care providers were unable to demonstrate the financial strength to meet its obligations under a Service Level Agreement. Following engagement, scope of works were agreed with care providers to produce high quality, fit for purpose properties that meet the specific care needs of residents. To maintain the Group's reputation for high standards of business conduct, care providers were changed where the standard of care expected by the Group were not met or where engagement identified care providers in financial difficulties.
	We provide oversight of resident welfare by ensuring properties are safe and secure before residents move in by: monitoring compliance with health and safety standards; ensuring residents are looked after by competent counterparties; and requesting updates on any health and safety issues every quarter.	The Investment Manager actively engaged with care providers to ensure plans and processes were in place in respect of the Covid-19 pandemic, for the health and safety of the tenants. Resident issues raised as a result of engagement through care providers were addressed. Compliance issues have been remedied and any necessary works have been undertaken. The Group's investment decisions are informed by the long-term needs of our residents.
	Discussions focused on ensuring the market evolves in line with its requirements, to discuss how standards of Registered Providers can be improved and to address its concerns. Regulatory engagement reduced during the Covid-19 pandemic, to allow for Registered Providers to focus on operations. Engagement re-started in summer 2020.	The Investment Manager is working with Registered Providers to ensure the standards of the Regulator are met. Refer to the Investment Manager's Report on pages 34 to 35 for more detail.
	The Group engaged on the following topics: financial and information covenant reporting; active asset management activities undertaken by the Group e.g. altering leases and/or any other portfolio performance enhancing activity that requires lenders' consent. The Group also engaged with the lenders in relation to a further increase and extension of the Revolving Credit Facility to make sure sufficient debt capital is available during 2021 to meet deployment and dividend cover targets. There was also frequent liaison with lenders' rates desks in order to monitor the movement of the 3M Libor forward curve as part of the Group's monitoring of interest rates for the unhedged Revolving Credit Facility.	The Group is fully compliant with its debt covenants. The Investment Manager's pro-active engagement with the Group's lenders is welcome by its lenders and to date no concerns in relation to the performance of its loans have been raised by the lenders. The Investment Manager successfully increased and extended the Revolving Credit Facility. The Board continues to monitor compliance with debt covenants and keeps liquidity under constant review to make certain the Group will always have sufficient headroom in its debt facilities.

SECTION 172(1) STATEMENT (Continued)

Principal Decisions

Principal decisions have been defined as those that have a material impact to the Group and its key stakeholders. In taking these decisions, the Directors considered their duties under section 172 of the Act.

AIFM Arrangements

The Company appointed Triple Point Investment Management LLP as AIFM from 1 July 2020, replacing Langham Hall Fund Management LLP as the previous AIFM.

The change in AIFM resulted in some improvements in operational efficiency, but in all other material respects, the provision and terms of service were effectively unchanged.

Extension of Debt Facility

During the year the Group secured a £30 million extension to its existing £130 million revolving credit facility. In considering whether to approve the transaction the Board had regard to the interests of the Group's shareholders, lenders and the community.

The Board believed that the extension of the debt facility was in the best interest of shareholders as it would provide additional capital and would allow the Group to continue to execute its pipeline and achieve a fully covered dividend. The Group was able to secure the extension of the debt facility on identical terms to its existing facility. Further, the Group maintained an active dialogue for the lender to appraise the Group's business model and its portfolio. As described in the Corporate Social Responsibility section on pages 42 to 43 the Board also considered that further funds available to be deployed into the Supported Housing sector would benefit the wider community.

Further details of the Group's debt financing are detailed on pages 36 of the Investment Manager's Report.

Equity Raise

The Board published a prospectus dated 30 September 2020, in relation to a placing, open offer and offer for subscription, and subsequently raised £55 million through the issue of 51,886,792 Ordinary Shares at a price of 106 pence per Ordinary Share (the "Issue").

The additional equity capital enabled the Company to capitalise on attractive acquisition and development opportunities available in the Supported Housing sector and have a further positive impact on society by increasing overall investment into adapted homes for vulnerable individuals who would otherwise be living in unsuitable accommodation. In addition, the Board considered that shareholders benefit from the scale up of the Group's portfolio as fixed costs are spread over a larger asset base, reducing the ongoing charges per Ordinary Share for shareholders. The Board considered that increasing the size of the Company would help to increase liquidity and make the Ordinary Shares more attractive to a wider investor base, particularly as certain institutional investors are constrained by the maximum percentage of an issuer which they can own.

RISK MANAGEMENT

The Board recognises that effective risk management is key to the Group's success and that a proactive approach is critical to ensuring the sustainable growth and resilience of the Group.

We 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. We have a specific Investment Policy, as outlined on page 22, which we adhere to and for which the Board has overall responsibility. As our risk appetite is low, we do not undertake speculative development. Furthermore, we have experienced lessees in our properties and we possess a portfolio of high-quality assets with a robust WAULT to them.

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 undertakes a formal risk review, with the assistance of the audit committee, twice a year to assess and challenge the effectiveness of our risk management and internal control systems. The Board regularly review the control reports of the key service providers and the external auditors note any deficiencies in internal controls and processes that have been identified during the course of the audit. A description of the key internal controls of the Group can be found on page 80.

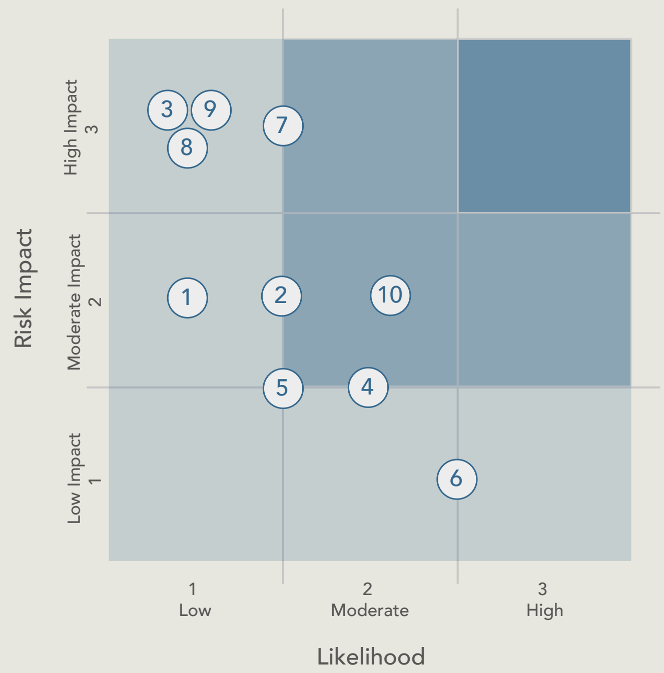
The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of recorded risks against the likelihood of occurrence and graded suitably. The principal risks that have been subject to this methodology are noted in the Risk Heat Matrix below. The Board regularly reviews the risk register to ensure gradings and mitigating actions remain appropriate.

As part of this risk management evaluation the Board has identified and undertaken a robust assessment of the Group's emerging risks by assessing upcoming or potential changes in the market or regulatory environment. The Board considers the likelihood of the emerging risk materialising and its potential impact on the Group. Emerging risks are regularly monitored, and to the extent possible or practicable, mitigating actions are implemented.

Our risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant and emerging risks we face and continues to evolve to reflect changes in the business and operating environment. The process can therefore only provide reasonable, and not absolute, assurance. It does however ensure a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

The Board has not identified or been advised of any failings or weaknesses in our risk management and internal control systems.

Risk Heat Matrix



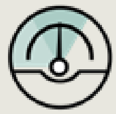
1. Expensive or lack of debt finance may limit our ability to grow and achieve a fully covered dividend
2. Floating rate debt exposes the business to underlying interest rate movements
3. Unable to operate within debt covenants
4. Default of one or more Approved Provider lessees
5. Forward funding properties involves a higher degree of risk than that associated with completed investments
6. Risk of an Approved Provider receiving a non-compliant financial viability or governance rating by the Regulator
7. Risk of changes to the social housing regulatory regime
8. Risk of not being qualified as REIT
9. Reliance on the Investment Manager
10. Property valuations may be subject to change over time

RISK MANAGEMENT (Continued)

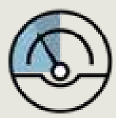
Principal Risks and Uncertainties

The table below sets out what we believe to be the principal risks and uncertainties facing the Group. The table does not cover all of the risks that the Group may face. Additional risks and uncertainties not presently known to management or deemed to be less material at the date of this report may also have an adverse effect on the Group.

1. RISK CATEGORY – FINANCIAL
Expensive or lack of debt finance may limit our ability to grow and achieve a fully covered dividend

Risk Impact	Risk Mitigation	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.	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 proceeding with a funder, the Investment Manager agrees heads of terms early in the process to ensure a streamlined, transparent fund-raising process. The Board also keeps liquidity under constant review to ensure that we have a level of protection in the event of adverse fund-raising conditions.	 Likelihood  Change in Year STABLE

2. RISK CATEGORY – FINANCIAL
Floating rate debt exposes the business to underlying interest rate movements

Risk Impact	Risk Mitigation	Impact
The Group's Revolving Credit Facility is currently non-hedged and therefore interest is payable based on a margin over 3M Libor. Any adverse movements in the 3M Libor forward curve could significantly impair our profitability and ability to pay dividends.	The Group considers cash flow forecasts and ensures 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. In addition the Board regularly reviews potential hedging arrangements which can be put in place at any time during the duration of the Revolving Credit Facility. The Group's 10-year and 15-year MetLife tranches have a fixed rate coupon.	 Likelihood  Change in Year DECREASE

3. RISK CATEGORY – FINANCIAL
Unable to operate within debt covenants

Risk Impact

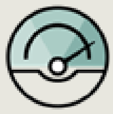
The borrowings the Group currently has and which the Group uses in the future may contain loan to value and interest covenants ratios. If property valuations and rental income decrease, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a requirement for additional cash collateral; payment of a fee to the lender; a sale of an asset or assets or a forfeit of any asset to a lender.

This may result in the Group selling assets to repay drawn loan amounts resulting in a decrease on Group's Net Asset Value.

Risk Mitigation

The Investment Manager monitors loan to value and interest covenants ratios on an ongoing basis. In the unlikely event that an event of default occurs under these covenants the Group has a remedy period during which it can cure the covenant breach by either injecting cash collateral or equity funded assets in order to restore covenant compliance.

Impact



Likelihood

Change in Year

STABLE

4. 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.

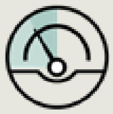
Additionally, were a care provider not to renew the service level agreement with a lessee, this may result in a lessee having to cover rental payment on void units without receiving the corresponding housing benefit payment.

Risk Mitigation

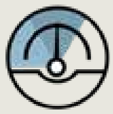
Under the terms of our Investment Policy and restrictions, no more than 30% of the Group's gross asset value may be exposed to one lessee, meaning the risk of significant rent loss is low. Were a lessee to default or were the Group to believe it likely that a lessee would default the Group would look to move the affected properties to another Approved Provider with whom the Group have a good relationship to ensure that both the provision of housing to vulnerable individuals and the income stream associated with the properties were preserved. In addition, 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 look to ensure that the vulnerable residents did not have to be rehoused, however, an Approved Provider may seek to renegotiate the lease.

The Investment Manager has continued to monitor the implications of the pandemic and maintains a specific Covid-19 related risk register with regards to the Group's Registered Providers and care providers. The Investment Manager has remained in regular communication with counterparties and monitored financial strength, occupancy and referrals closely. Details regarding the extent of the impact of Covid-19 on the Group's counterparties is detailed on pages 32 to 34.

Impact



Likelihood



Change in Year

INCREASE

5. RISK CATEGORY – PROPERTY
Forward funding properties involves a higher degree of risk than that associated with completed investments

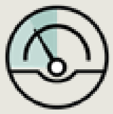
Risk Impact

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.

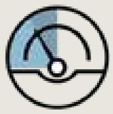
Risk Mitigation

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 typically defer development profit until work has been completed and audited by a chartered surveyor. Further, less than 1.5% of our portfolio is forward-funded at present and we are limited by our Investment Policy which restricts us to forward funding a maximum of 20% of the Group's net asset value at any one time. Ultimately, with these mitigating factors in place, the flexibility to forward fund allows us to acquire assets and opportunities which will provide prime revenues in future years.

Impact



Likelihood



Change in Year

STABLE

6. RISK CATEGORY – REGULATORY
Risk of an Approved Provider receiving a non-compliant financial viability or governance rating by the Regulator

Risk Impact

Should an Approved Provider with which the Group has one or more leases in place receive a non-compliant rating by the Regulator, in particular in relation to viability, depending on the further actions of the Regulator, it is possible that there may be a negative impact on the market value of the relevant properties which are the subject of such lease(s). Depending on the exposure of the Group to such Approved Provider, this in turn may have a material adverse effect on Group's Net Asset Value until such time as the matter is resolved through an improvement in the relevant Approved Provider's rating or a change in Approved Provider.

Risk Mitigation

As part of the Group's acquisition process, the Investment Manager conducts a thorough due diligence process on all Registered Providers with which the Company enters into lease agreements that takes account of their financial strength and governance procedures.

The Investment Manager has established relationships with the Approved Providers with whom it works. The Approved Providers keep the Investment Manager informed of developments surrounding the regulatory notices.

The Group has leases in place with four Approved Providers that have been deemed non-compliant by the Regulator. These assets did not suffer from an impairment in value as part of the Q4 valuation by the Group's independent Valuer.

More detail on this risk can be found on page 35.

Impact

Likelihood

Change in Year
STABLE

7. 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.

Risk Mitigation

As demand for social housing remains high relative to supply, the Board and the Investment Manager 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

Likelihood

Change in Year
STABLE

8. RISK CATEGORY – REGULATORY
Risk of not being qualified as REIT

Risk Impact

If the Group fails 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.

Risk Mitigation

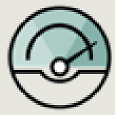
The Group intends to continue to operate as a REIT and work within its investment objective and policy. The Group will retain legal and regulatory advisers and consult with them on a regular basis to ensure it understands and complies with the requirements. In addition, the Board oversees adherence to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

Impact

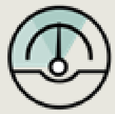
Likelihood

Change in Year
STABLE

9. RISK CATEGORY – CORPORATE
Reliance on the Investment Manager

Risk Impact	Risk Mitigation	
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.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 12 months' written notice. The Board regularly reviews and monitors the Investment Manager's performance. In addition, the Board meets regularly with the Manager to ensure that we maintain a positive working relationship.	Impact  Likelihood  Change in Year STABLE

10. RISK CATEGORY – FINANCIAL
Property valuations may be subject to change over time

Risk Impact	Risk Mitigation	
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 Group.	All of the Group's property assets are independently valued quarterly by Jones Lang LaSalle, 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. In order to protect against loss in value, the Investment Manager's property management team seeks to visit each property in the portfolio once a year, and works closely with lease counterparties to ensure, to the extent reasonably possible, their financial strength and governance procedures remain robust through the duration of the relevant lease. Details of the impact of Covid-19 are described on pages 32 to 36.	Impact  Likelihood  Change in Year STABLE

Emerging Risks

The United Kingdom's Withdrawal from the European Union. The Board has continued to monitor the potential risks associated with Brexit. Despite the trade deal reached on 24 December 2020 between the UK and EU, it still remains unclear as to the extent or precise nature of the impact of Brexit on the UK economy or the Company. Nevertheless, with care, housing and social care, being UK based, the Group remains relatively insulated from the impact of Brexit.

The Board will continue to monitor the ongoing developments between the UK and the EU and the wider potential impact of Brexit on the Group and its stakeholder base.

Covid-19 Pandemic

The outbreak of Covid-19 in early 2020 has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy (triggering a technical recession after the second quarter of 2020). The Group's financial performance has proven to be resilient to the effects of Covid-19 thus far, however, its way of operating has adapted and is likely to need to continue to adapt in the near term in response to the developments relating to the Covid-19 outbreak. The Board has considered the potential significant and wide-ranging adverse effect on the Group, including a reduction in portfolio valuations, an increase in bad debts, void rates and costs, an adverse impact on existing banking covenants and health risks to the Group's employees and residents. The Directors have performed an assessment of the ability of the Company to continue as a going concern, which includes the impact of Covid-19 further details of which can be found in Note 2.

The Board will continue to monitor economic conditions and implement appropriate controls in order to mitigate the potential impact of the pandemic on the Group.

GOING CONCERN AND VIABILITY

Going Concern

The Strategic Report and financial statements have set out the current financial position of the Group and Parent Company. The Board has regularly reviewed the position of the Company and its ability to continue as a going concern in Board meetings throughout the year. The Group 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.

The Group has invested £530.7 million up to 31 December 2020, and £2.9 million (including acquisition costs) since the year end.[16] The cash balance of the Group at year end was £53.7 million, of which £41.4 million was readily available for use. This is the cash balance at 31 December 2020 less any funds that are committed for future deployment, retentions, or working capital requirements. As stated in the Strategic Report, the Investment Manager has identified a visible pipeline of over £150 million of attractive investment opportunities for acquisition over the next 12 months. The Board has evaluated the financial position of the Group and plans to raise both debt and equity capital, as necessary, in order to fund the Group's investments for the next 12 months. Income generated from the Group's portfolio of assets is expected to substantially 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.

Impact of Covid-19

To date, Covid-19 has not impacted the Group's ability to continue as a going concern for reasons discussed below. As a result, the Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due despite the risk of Covid-19.

The Directors have performed an assessment of the ability of the Company to continue as a going concern, which includes the impact of Covid-19, for a period of at least 12 months from the date of signing these financial statements. The Directors have considered the expected obligations of the Company and its subsidiaries for the next 12 months and are confident that all will be met.

In considering the ability of the Group to continue as a going concern, the Directors also considered the impact of Covid-19 on their tenants. Tenants of the Group are Registered Providers who receive their housing benefit from Local Authorities, before it is passed to subsidiaries in the form of rental income. Local Authorities have confirmed they will not stop helping vulnerable people or paying for essential services during this time, and therefore the Directors do not foresee any issues in rent collection, however in the event of a downturn in revenue, variable costs would be reduced to enable the Group to meet its future liabilities. 100% of rental income due and payable for the period ended 31 December 2020 has been collected. 100% of all rent due and payable at 28 February 2021 has been collected.[17]

The Board believes that there are currently no material uncertainties in relation to the Group's and Company's ability to continue for a period of at least 12 months from the date of the approval of the Group and Parent Company's financial statements and, therefore, has adopted the going concern basis in the preparation of the financial statements, please see Note 2 of the financial statements for more information.

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 2025, 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 this timescale 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 Supported Housing assets which are intended to be held for the duration of the viability period
- The length of the service level agreements between Approved Providers and 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 Group's property portfolio has a WAULT of 26.2 years to expiry, representing a secure income stream for the period under consideration

16 Including an acquisition of 1 property and exchange on 1 property.

17 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

- The Group's floating rate Revolving Credit Facility has an initial term of four years (of which three remain) which may be extended by a further two years

In assessing the Company's viability, the Board has carried out a robust assessment of the emerging risks and 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 and emerging risks summarised on pages 50 to 53 and how they could impact the prospects of the Group and Company 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 a severe but plausible downturn scenario, taking full account of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks outlined below:

- **Rental income:** 10% decrease in rent received. This assumes that in the worst-case scenario of voids not being covered by care providers, the Registered Provider does not pay the Group 50% of the uncovered voids. Operational Occupancy at 31 December 2020 was 81% and so the sensitised model assumes 10% (rounded up) shortfall in rent and a 7% drop in property valuations.
- **Property valuations:** As part of the transfer of assets from Westmoreland to Inclusion, we know that assets without a lease agreement will be valued at vacant possession value. We have therefore assumed that 10% of the portfolio (the void units) will be valued at vacant possession value – 48.6% of the original purchase price – rather than investment value. To further stress test this, we have applied an additional 20% reduction to the vacant possession value, meaning that the total drop in value of the Company's portfolio is 7% in the Downside and Mitigated cases. We believe that this is a very severe and prudent reduction in value given that the valuation yields have not been affected by Covid-19 and we have collected 100% of rent[18] due throughout the pandemic, unlike many other property and healthcare sectors.
- **Inflation:** No inflation uplift on rental income but costs and dividends increase in line with inflation.
- **Interest rates:** sensitised to the average of the LIBOR curves provided by Lloyds and NatWest in September 2019, before the Covid-19 pandemic. Pre-Covid-19 forward curves for SONIA are not available so we have used the LIBOR curves and removed the additional 9bps margin from July 2021 onwards which only applies as a result of the change to SONIA. LIBOR has been confirmed at 2.55bps for Q1 2021, which compares with the pre-pandemic forecasts that have an average of 57bps. We therefore think this is a suitable and prudent downside assumption.

18 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

The outcome in the downturn scenario on the Group's covenant testing is that there are no breaches and the Group can maintain a covenant headroom on existing facilities.

In the downturn scenario mitigating actions to reduce variable costs would be required to enable the Group to meet its future liabilities.

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 has been approved by the Board of Directors and signed on its behalf by:

Chris Phillips
Chairman
4 March 2021

Social Impact

ADDRESSING THE CRITICAL UK HOUSING SHORTAGE

Challenge: Reducing the cost of housing for people with long-term care needs.

How we are helping: The government benefits from the cost-savings that typically result from moving people with care needs out of hospitals and care homes into community-based homes.

Challenge: Finding investments that deliver both positive societal and financial performance.

How we are helping: Investors help to address the lack of suitable housing for vulnerable people in the UK and benefit from sustainable long-term inflation-linked income.

Challenge: Addressing the shortfall of social housing in the UK.

How we are helping: The UK benefits from an increase in the stock of social housing through the renovation of existing properties and the construction of new properties.

Challenge: Providing adapted housing in the community to improve the wellbeing of people with long-term care needs.

How we are helping: Residents with long-term care needs benefit from a better quality of life in high-quality homes in the community adapted for their needs.

Challenge: Helping Local Authorities to reduce social housing waiting lists while providing security of tenure to residents.

How we are helping: Registered Providers are able to take on the management of high quality housing and provide long-term homes to residents.

Challenge: Providing high-quality care to improve the lives of people with long-term care needs.

How we are helping: Care Providers benefit from the opportunity to provide high-quality care in appropriate settings.

THE VALUE OF HOME

Funding high-quality, environmentally-efficient homes in the community for people with long-term care needs help address the critical need for more of this type of housing. In doing so, we are at once addressing key societal challenges faced by government, investors, residents, Registered Providers and care providers.

THE GOOD ECONOMY REPORT

EXECUTIVE SUMMARY

This is an Impact Report produced by The Good Economy ("TGE") for Triple Point Social Housing REIT Plc ("SOHO" or "the REIT") for the year to end December 2020. SOHO was launched in 2017 by Triple Point Investment Management LLP – an FCA-regulated investment manager – to invest in specialised supported housing ("SSH") across the UK.

SSH is a community-based form of housing provision in which homes are specially adapted to meet the care needs of vulnerable individuals, enabling even those with complex needs to live in their own home in the community, usually with 24/7 care available on-site. As of 31 December 2020, SOHO had invested £536 million in 445 SSH properties, with the capacity to provide homes for up to 3,214 individuals.

Impact Assessment

This report provides an assessment of SOHO's performance against its overall Impact Goal and its five underlying impact objectives:

IMPACT GOAL	IMPACT OBJECTIVES
Increasing the provision of high-quality SSH that delivers positive outcomes for people with care and support needs	Provide housing that meets a **social need** **Fund sustainable developments** of specialist housing Provide **value for money** for public budgets **Increase supply** of specialist housing Develop **strong partnerships** and deliver **quality services**

TGE considers the level of transparency shown by SOHO in assisting the preparation of this impact assessment to be best-practice. The REIT has been wholly committed to reporting on the impact of the portfolio in a transparent manner, which demonstrates its clear intent to measure and manage impact in a meaningful way.

OVERALL IMPACT GOAL

SOHO's impact goal is to increase the provision of high-quality SSH to deliver positive outcomes for people with care and support needs. To assess this goal, TGE ran a resident outcomes survey between June and July 2020 with a sample of 60 residents living in SOHO-owned SSH. The results of the survey revealed that, since moving into their current accommodation, most individuals experienced positive improvements in relation to physical health, as well as various aspects of their mental wellbeing, including feelings of confidence, independence and the quality of support networks. There were particularly marked improvements across a range of outcomes for individuals moving into SSH from hospital settings.

MEET SOCIAL NEED

SOHO's portfolio has the capacity to provide a home for up to 3,214 individuals. TGE have seen a breakdown of the portfolio's occupancy on a property-by-property basis and understand that, overall, the levels of occupancy are rising over time in line with managers' expectations based on demand. There is evidence of a small minority in the portfolio that have a low level of occupancy. For most of these properties, this is the result of works and ramp-up periods, which is to be expected with SSH properties. There are also a small number of properties where referrals have stopped due to the need to source a new care provider. TGE have been informed that, in the minority of cases where these issues do exist, SOHO is working to remedy them as quickly as possible.

SOHO's properties provide homes for individuals with varied and complex conditions including multi-diagnosis care needs, learning disabilities and mental health diagnoses. These individuals generally require a high level of care, with data suggesting that 74% of residents require at least 50 hours of care per week.

FUND SUSTAINABLE DEVELOPMENTS

Since March 2020, SOHO made progress in enhancing the sustainability of its portfolio. During this time, the percentage of units with an EPC rating of C or higher increased from 59% to 69%, with these homes achieving government targets.

In terms of the quality of SOHO's housing, TGE saw evidence to suggest a rigorous upfront due diligence process and has been assured by the asset management team all homes comfortably meet the Decent Homes Standard (DHS). The REIT is also engaged in terms of ongoing monitoring of stock, with regular property inspection visits and quarterly engagement with RPs on matters of compliance and maintenance works. It is not the legal responsibility of SOHO to fund improvement works post-acquisition. TGE is of the opinion that, as the portfolio ages, the REIT should consider working with lessees to drive further improvements in the quality of properties, in particular in terms of environmental efficiency.

PROVIDE VALUE FOR MONEY

Evidence suggests SSH is a cost-effective way to provide housing to people with complex care needs. TGE therefore partnered with monetization specialists Social Profit Calculator (SPC) in 2020 to calculate the monetised social value of SOHO's portfolio. The results reveal that the portfolio has delivered £136.1 million of Total Social Value in the year to December 2020.

This is divided into:

- **£53.9 million in Social Impact**
  The value of improved personal outcomes for residents.
- **£82.1 million in Fiscal Savings**
  The savings generated for public budgets through reduced costs.

From these values, and using the total amount invested by SOHO, TGE calculated the Social Return on Investment (SROI) ratio to be 3.62 as of December 2020. This means for every £1 invested, SOHO will generate £3.62 in social value over the duration of the investment. The method and assumptions used for the SROI calculation are in line with the practices of SROI experts Social Value UK and HM Treasury Greenbook guidance.

THE GOOD ECONOMY REPORT

INCREASE SUPPLY

SOHO's portfolio grew approximately 13% between March and December 2020. The REIT now owns a total of 445 properties, providing a home for up to 3,214 people.

Of the REIT's units, 63% are classed as 'new' to SSH at the point of acquisition - these provide the most significant demonstration of SOHO's investment increasing the supply of SSH. There is, however, a limit under SOHO's investment guidelines to how many projects SOHO can forward fund at any one time, curbing the level of additionality the REIT brings in this area until further capital is raised.

QUALITY SERVICES AND PARTNERSHIPS

TGE has assessed SOHO's due diligence process to be rigorous in the detail and disclosure it requires on prospective partners. The REIT is also proactive in engaging with and monitoring the quality of service provision delivered by those partners on an ongoing basis. RPs are required to provide quarterly surveys to SOHO on various matters including occupancy, and health and safety matters, while a more detailed bi-annual survey requires RPs to disclose compliance levels with key safety and maintenance requirements.

Care Quality Commission (CQC) data on SOHO's partner care providers also reveals that the organisations the REIT partners with are generally assessed to deliver quality services. Of the available CQC ratings of the organisations that deliver care into SOHO's homes, 86% are assessed to be 'Good' or 'Outstanding'.

The Regulator of Social Housing (RSH) has raised some general concerns about the SSH long-lease model and has issued specific judgements and notices in relation to some of the RPs that SOHO has leases with. SOHO has an ongoing dialogue with the RSH in order to better understand and accommodate any concerns they might have. This has led to a number of initiatives, including SOHO adapting its template lease in order to reflect some of the risks that the RSH wants to see RPs allow for.

SOHO also offers one-to-one support to RPs who have had issues identified by the RSH, and generally the performance of RPs in the SSH sector is improving. However, TGE concludes SOHO could utilise its position as an established and large-scale investor in the sector to play a more public leadership role in improving standards and responding to the RSH's concerns. TGE does, however, acknowledge that SOHO has made positive progress in this area during 2020, through the involvement of the Investment Manager, Triple Point, in the Equity Impact Project, which aims to develop sector-wide impact metrics, and Triple Point's decision to become an early adopter of the Sustainability Reporting Standard for Social Housing – a sector-standard approach to ESG reporting.

WE'RE AN EARLY ADOPTER OF
THE SUSTAINABILITY REPORTING STANDARD FOR SOCIAL HOUSING
RISE TO THE STANDARD.
WWW.ESGSOCIALHOUSING.CO.UK

By funding the development of high-quality newly-built and newly-renovated homes for residents whose rent is funded by government, we save the government money at the same time as improving the well-being of residents and generating a steady, resilient income stream for our investors.

Thorne House, Yeovil

CORNMILL HOUSE CASE STUDY

Cornmill House opened by the Mayor in February 2017 to provide 16 high-specification selfcontained apartments for people with long-term care needs looking to live as independently as possible in the community.

The property includes specialist adaptations – like height-adjustable worktops and hoists – that allow residents to live safely and independently.

Each day, residents receive specialist care that allows them to manage their daily lives.

We interviewed three of the residents' support workers to understand why they enjoy working at Cornmill House and what life is like there for the residents.

Alisha's Second Family

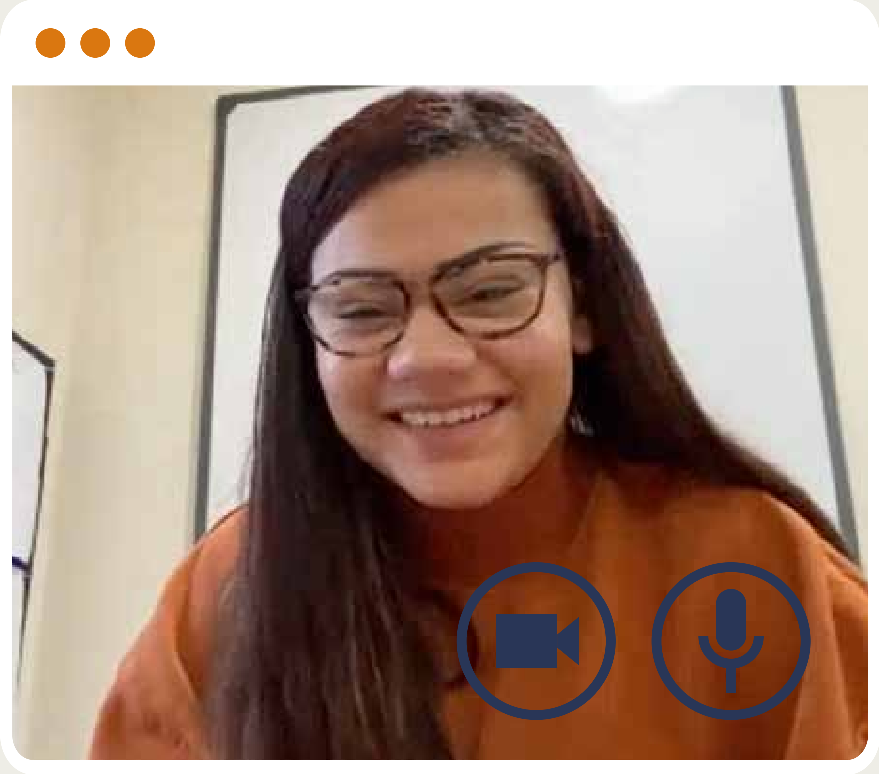
Support worker Alisha knows all about the location she works at: she lives just opposite Cornmill House, and so was over the moon when she was told she had got a job there just before the first lockdown last year. Having previously worked in nursery care, it was her first role in adult social care.

"I used to go past when I was walking my dog Scooby and could see everyone outside when it was sunny playing table tennis and laughing. It seemed such a happy place and when I applied, I thought to myself that I could be working there too and be a part of that. I didn't feel like the new girl for long. I was made so welcome and after three days one of the residents told me I was really good at this job and had fitted in really well. That meant so much to me."

Now 10 months into the role, Alisha brings Scooby, her Labrador, to Cornmill House for residents to say hello to when she's walking him. She worked her first Christmas Eve and Christmas Day at Cornmill House this year, enjoying cooking festive meals for the residents before going home to her own family for her turkey dinner. "I loved being here over Christmas. It didn't really feel like work. Now I think of it like I have my own family just over the road and my little Cornmill House family here."

It's the little things that bring Alisha the biggest rewards from the vocation, things like baking or taking a resident to go shopping. "It's those things that we can take for granted that mean so much to be able to do. I was making one of the residents a Shepherd's Pie as one of his favourite meals but he said it wouldn't be as good as his mum's recipe. We made it together and mashed the potato for the recipe side-by-side in his adapted kitchen, which has lowered worktops and a lowered sink. He facetimed his mum later on to say it was a very good Shepherd's Pie. That really made my day and I went home smiling."

Another day Alisha showed a resident how to put laundry away into a drawer. It was the first time he had done it himself and he enjoyed that new experience as a marker of his own independence.

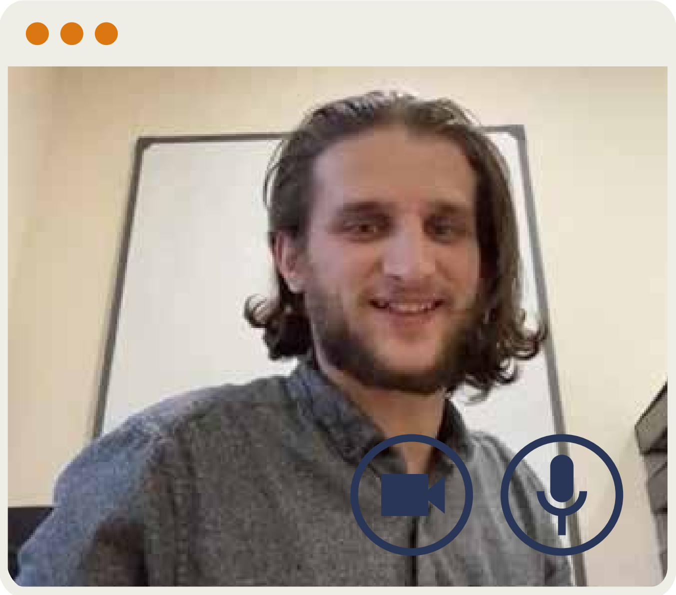


To Alisha, the spaciousness of Cornmill House seems to help residents form bonds of friendship.

"There is so much space to do things here. Residents can talk, play music together, and have nice days and when residents are smiling that makes me smile. But a resident just telling me that they've had a really good day, thanks to something I've helped them with, that's what makes me love this job."

CORNMILL HOUSE CASE STUDY

Harley's Love Of Support Work



Support worker Harley worked in a dementia care home before starting his role at Cornmill House. Having worked in a different care setting, the quality and style of Cornmill House stood out to him. "The flats here look brilliant. They're modern and you can see the quality in the materials. They are homes not rooms, and everyone has been able to put their own personality and stamp on them. Everyone has done something different.

"There's lots of space here that means there is so much free movement – nothing feels inhibited. The layout is perfectly designed for easy access including the corridors, staircases and lifts. It means our residents with power-assisted wheelchairs, for example, can really live life their own way."

For Harley, the external appearance of Cornmill House made a big impression. He said: "It just looks like a block of apartments. That helps carry any stigma or negative perception away about living in a care setting. For residents it feels like they are coming back to a place that feels like home."

As a support worker, Harley enjoys experiences that he shares with residents for the first time, even those that don't go quite to plan.

Recalling a meal he was making with a resident, he added: "There was a suggestion about making a poached egg to go with it, but neither of us had ever poached eggs before. It went terribly wrong even though we got YouTube videos involved. We were in stitches of laughter about how wrong it had gone with our pan of white froth and we had to get another support worker to show us how to do it properly. It's having moments like that that stand out as some of the little reasons why I really love support work. It gives you such amazing feelings."

Paul's Passion For Personalisation

Psychology graduate Paul has worked in the support sector for a decade, taking on the Service Manager role at Cornmill House in November 2018. He is hugely proud of the ethos he has championed in that time with a major focus on personalisation.

"Over two years, we've established a unique creative environment here where we encourage our teams to think outside the box but alongside the people who they have that support in mind for. We want to encourage independence and think of our work here as creating packages where our staff work with residents – not for them. Driving personalisation means our employees can deliver the right kind of support that means our residents can live on their own terms."

That involves establishing the right blend of long and short-term goals to move the journey of independence on. "We look at a moment in time and what we can do. It may start with helping to handle money, checking receipts and change to support a journey towards improving understanding of finances. That's built-up progression of a goal that is empowering for residents."

The design of Cornmill House and its location are both of prime importance to Paul. "There's everything residents could want in the service. It's person specific with lots of adaptations for people with mild learning disabilities through to physical disabilities that require tracking hoists.

"The environment in the service meets every resident's needs and support workers can do things without obstacles or barriers being in their way. That means we can provide fluid support. It means everything is proactive and there is no wasted time.

The service is in a great location too. We have the local shopping parade and supermarkets close by, and we are on a main route into Leeds which takes just 15/20 minutes. There's everything inside the service and outside to encourage independence.

Our residents go to local events and are seen as members of the community. People know them and understand them.

The external appearance of the building is far removed from an institutional setting as it could be. It simply looks like a flat-based building that merges into the locality seamlessly."

Paul also enjoys the little moments when he's been able to make a change in someone's life through his work. He helped a resident research and plan a very special day out last year. The resident wanted to travel from Leeds to Manchester for the first time, to enjoy an authentic meal in the city's chinatown and to use chop sticks for the first time. The train journey and itinerary were thoroughly planned and the pair took the journey together. "We had everything organised for the day but the weather, with Manchester well known for its rain. It was torrential on the day. But we carried on, looked all around the tourist areas of the city and looked at the menus of several restaurants before choosing our spot. We ordered satay chicken and chicken in black bean sauce to eat with our chopsticks. It was a really happy day. We had such a good laugh and is a great memory."

Paul also helped organise a trip for everyone at Cornmill House, taking 10 residents on a day trip to go ice skating for the first time. That included residents in wheelchairs who took to the ice too, in both hand and power-assisted chairs. "It was our very special 'Torvill and Dean' day. It was something very different and brilliant fun for everyone. It was amazing to see everyone's confidence grow on the ice and hilarious to see one of our wheelchair users circling donut shapes on the ice in his power-assisted chair and then later I skated behind him and we did our own version of the Bolero!"

Governance

CHAIRMAN'S LETTER

Chris Phillips, Chairman

As set out in the Investment Manager's Report on pages 32 to 39, 2020 has been a year of challenges brought on by the Covid-19 pandemic, but with the vaccine rollout now underway we look forward with optimism. We have seen challenges pervade through the Group's stakeholders, and as such we have focused on ensuring that the care providers and Registered Providers have robust policies and plans in place to insulate themselves from the potential operational and financial risks associated with the Covid-19 pandemic. Our relationship with our stakeholders has been critical during the period, and this engagement has been set out more fully within the s172(1) statement on pages 44 to 48.

The Board's focus this year has been on a broad range of matters, with a significant amount of time spent analysing, understanding and planning for the impact of the Covid-19 pandemic. During this period the Board drew on the significant experience in the social housing sector of both the Investment Manager and the Directors, with a focus on potential risks to the future success of the business. Despite this, the Board has continued to push forward with the opportunities for growth, including a debt and equity raise, and the effective execution of the pipeline. This period has demonstrated the robustness of our business model as we have continued to perform well, with 100% rent collection for the year[19] allowing us to pay the expected dividends to shareholders totalling 5.18 pence per Ordinary Share for the year.

The efficiency and performance of the Board is crucial for the long-term sustainable success of the Group, and as such we have conducted an external Board evaluation to enhance the objectivity, impartiality and independence of the Board evaluation process, to ensure that the composition, skills and experience of the Board, Chairs, Committees and individual Directors remain appropriate for the Group. The results of the Board evaluation illustrated that the Board remains effective, and was invaluable to highlight the key areas of focus to improve the effectiveness of the Board. Further details on identified areas of improvement and actions to be taken are set out on pages 76 to 77 of the Corporate Governance report.

The Group has leases in place with 4 Approved Providers that have been deemed non-compliant with the Regulator. The fundamentals of the Group's model remain strong and the majority of Registered Providers continue to perform well. The Investment Manager has liaised with the Group's valuer, JLL, to discuss the valuation methodology of the Group's portfolio and examine the suitability of the value of assets leased to Registered Providers that had received non-compliant ratings. The Board were satisfied that the Group's valuation remained appropriate and the strength of our income stream remains robust. The Investment Manager has maintained its relationship with its Registered Providers and is in regular dialogue with them, in particular regarding regulatory reviews. The Board recognises the importance of the work of the Regulator's ongoing review of the Specialist Supported Housing sector to bring higher levels of accountability and transparency.

Our engagement with our stakeholders this year has been significant in response to the Covid-19 pandemic, the recent equity raise, and the appointment of the Investment Manager as AIFM. The views and concerns of stakeholders were communicated to and fed into all of the Board's decisions. We will continue to engage openly with all our stakeholders to understand their views on governance and performance.

To further strengthen the broader governance structure of the Company, the Board nominated Ian Reeves as the designated Director responsible for ESG, to act as the main conduit between the Board and investors on ESG matters and drive the ESG focus of the Company.

The Board remains focused on building upon our high standards of governance in order to support the strategic direction of the Group and deliver sustainable long-term value for shareholders and stakeholders. 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 in the year.

Chris Phillips
Chairman
4 March 2021

19 Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

Statement of Compliance

The Board of Triple Point Social Housing REIT plc has considered the Principles and Provisions of the AIC Code of Corporate Governance (AIC Code). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to Triple Point Social Housing REIT plc.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code. The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

On behalf of the Board:

Chris Phillips
Chairman
4 March 2021

BOARD OF DIRECTORS

Left to right: Paul Oliver, Peter Coward, Tracey Fletcher-Ray, Chris Phillips and Ian Reeves CBE

Chris Phillips, Chairman (70)

Appointed	17 July 2017
Committee memberships	Management engagement committee (Chairman) Nomination committee
Skills and experience	Chris has extensive experience of real estate and listed companies. He was Managing Director of PB Securities, the UK subsidiary of Prudential Bache, for three years, before joining Lombard Odier as the Managing Director of its London broking business. He then joined Colliers International and after heading its residential consultancy business, became the first Managing Director of Colliers Capital UK Limited (Colliers commercial real estate property fund). Having served on the Board of Places for People for 14 years, 10 of them as Chair, Chris stood down from the role in January 2021.
Principal external appointments	London & Newcastle 2010 Holdings Limited (Chairman) NCL Technology Ventures Limited (Chairman) Apex Housing Group Limited (Chairman)

Ian Reeves CBE, Senior Independent Director (76)

Appointed	17 July 2017
Committee memberships	Audit committee Management engagement committee Nomination committee (Chairman)
Skills and experience	Ian is senior partner and co-founder of Synaps Partners LLP. He is visiting Professor of infrastructure investment and construction at The Alliance Manchester Business School, chairman of GCP Infrastructure Investments Limited and Chairman of The Estates and Infrastructure Exchange (EIX). Ian was founder and Chairman of High-Point Rendel Group a pioneering management and engineering consultancy company with a global network of offices. He has been president and CEO of Cleveland Bridge, Chairman of McGee Group, Chairman of Constructing Excellence and Chairman of the London regional council of the CBI. Ian was awarded his CBE in 2003 for services to business and charity.
Principal external appointments	GCP Infrastructure Investments Limited (Chairman) Synaps Partners LLP (Senior Partner and co-founder) The Estates and Infrastructure Exchange (Chairman)

Peter Coward, Non-executive Director (64)

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	Bradda Capital Ltd (Director) True Potential Group Limited (Director) Chancery Gate Limited (Director) Imaginatives Group Limited (Director)

Paul Oliver, Non-executive Director (65)

Appointed	17 July 2017
Committee memberships	Audit committee Management engagement committee Nomination committee
Skills and experience	Paul has over 40 years' experience in real estate development and investment management in both the UK and Europe. He has led commercial real estate development teams and has been at the forefront of the establishment of property funds since 1991. In 2002 he launched Teesland PLC on the LSE building funds under management to €6.5 billion before sale to Valad in June 2007.
Principal external appointments	Curlew Alternative Asset Management Limited (CEO)

Tracey Fletcher-Ray, Non-executive Director (56)

Appointed	1 November 2018
Committee memberships	Audit committee (appointed 24 January 2019) Management engagement committee (appointed 24 January 2019)
Skills and experience	Tracey has considerable expertise as an executive and non-executive director in the care and support sectors. Tracey is currently non-executive director to L&Q Group, one of the UK's largest Housing Associations and developers, and Managing Director of Caring Homes, a leading provider of care homes for the elderly. She spent nearly two years as Managing Director at Berendsen PLC developing the company's healthcare business, strategy and growth and eight years at Bupa UK, holding Managing Director roles in the Care Home business which involved contracting with and providing services on behalf of local authorities and the NHS, and Bupa Health Clinics.
Principal external appointments	L&Q Group (Non-executive Director) Caring Homes (Managing Director)

Changes to the Board

There have been no changes to the Board during 2020 and up until the date of this annual report.

CORPORATE GOVERNANCE

Responsibilities

The Board is responsible for leading and controlling the Group and has overall responsibility for the Group's activities. It has oversight over the management and conduct of the Group's business, strategy and development. The Board determine the Group's Investment Objective and Investment Policy, and reviews investment activity and performance. The Board's main focus is to promote the sustainable long-term success of the Group, to deliver value for shareholders and contribute to wider society cognisant of its duties under s172(1) of the Companies Act 2006.

The Board is also responsible for the control and supervision of 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 systems in place. They are responsible for approval of any changes to the capital, corporate and/or management structure of the Group.

From 1 July 2020, Triple Point Investment Management LLP was appointed as the Company's AIFM, replacing Langham Hall Fund Management LLP, and as such from that date is responsible for portfolio management and risk management of the Group pursuant to AIFMD. The Investment Manager also provides certain property management services to the Group, including the preparation of budgets for the properties and co-ordinating with third parties providing services to the Group. Further information on the AIFM arrangements can be found on pages 83 to 84.

The Board does not routinely involve itself in day-to-day business decisions, but it has a formal schedule of matters that requires the Board's specific approval, as well as decisions which can be delegated to the Board committees or the Investment Manager. The Board retains responsibility for all such delegated matters.

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, the Investment Manager, Tax Advisers, Legal Advisers, Financial Adviser, Administrator and Company Secretary, Broker, Registrar, PR Adviser and Auditor;
- the approval of the budget and financial models;
- 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 Administrator on a quarterly basis at 31 March, 30 June, 30 September and 31 December each year;
- the review of the adequacy of corporate governance procedures;
- the review of the risk inventory and the effectiveness of internal controls;
- the review of significant estimates and judgements of the Group;
- approval of changes to the Group's capital structure, dividend policy, treasury policy, borrowing facilities and any banking relationships, hedging strategy, cash management, the Group's business strategy, acquisitions and disposals and capital expenditure;
- approval of any related party transactions subject to further regulatory requirements; and
- oversight of the Group's operations ensuring compliance with statutory and regulatory obligations.

Board Membership and Meeting Attendance

During the year to 31 December 2020, the number of scheduled Board meetings attended by each Director was as follows:

Director	Attendance[20]
Chris Phillips (Chairman)	11/11
Ian Reeves CBE	11/11
Peter Coward	11/11
Paul Oliver	10/11
Tracey Fletcher-Ray	10/11

Composition

The Group has a non-executive Chairman and four other non-executive Directors, including a Senior Independent Director, all of whom were considered independent on and since their appointment. All the Directors are independent of the Investment Manager.

Chris Phillips is the Chairman of the Board. The Chairman leads the Board and is responsible for the Board's overall effectiveness in directing the Group. The Chairman, in conjunction with the Company Secretary, ensures that accurate, timely and clear information is circulated to the Directors, and sufficient time is given in meetings to review all agenda items thoroughly in preparation for and during Board meetings, following up any issues arising in the Board meetings effectively. He promotes a culture of openness and constructive debate to ensure the effective contribution of all Directors, facilitating a co-operative environment between the Investment Manager and the Directors, and encourages Directors to critically examine information and reports to constructively challenge the Investment Manager and hold third party service providers to account where appropriate.

The Chair has put mechanisms in place to ensure effective communication between shareholders and the Board, to ensure that their views, issues and concerns are considered as part of the decision-making process.

Ian Reeves is the Senior Independent Director and, if required, will act as a sounding board and intermediary for the other Directors and shareholders. In addition to the Chairman, engages with shareholders or Directors if they have any issues or concerns, or if there are any unresolved matters that shareholders or other Directors believe should be brought to his attention.

The 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, this experience being particularly invaluable through the challenges caused by the Covid-19 pandemic. The Board committees allow the Directors to focus in greater detail and depth on key matters such as strategy, governance, internal controls and risk management.

The Directors' other principal commitments are listed on pages 72 to 73. During the year, the Board was satisfied that all Directors were and remain able to commit sufficient time to discharge their responsibilities effectively having given due consideration to their other significant commitments. Changes in any Director's commitments outside the Group are required to be, and have been, disclosed and approved prior to the acceptance of any such appointment. No external appointments accepted during the year were considered to be significant for the relevant directors, taking into account the expected time commitment and nature of these roles.

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 and activities of each of the committees are described in their respective reports.

Board Meetings

The Board meets formally at least on a quarterly basis with additional meetings as they may decide are required from time to time. During 2020, the Board held four scheduled meetings and six further meetings, including one strategy meeting attended by those Directors available at the time, to deal with transactional and specific events such as debt financing and equity raises.

The Chairman sets the agenda for the meetings, and ensures in conjunction with the Company Secretary prior to each meeting 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 Investment Manager detailing the performance of the Group. The meetings focus on a review of portfolio performance and associated matters such as pipeline, gearing, asset management, occupancy, marketing/investor relations, peer group comparisons, regulatory matters and the Covid-19 pandemic.

20 Number of scheduled meetings attended/maximum number of meetings that the Director could have attended

CORPORATE GOVERNANCE (Continued)

Discussions of the Board

During the year the Board considered the following matters:

- the transfer of the leases away from Westmoreland to Inclusion in response to Westmoreland's non-compliant rating;
- the Group's longer-term strategy;
- the terms of a further debt raise by way of a £30 million extension on the Group's existing £130 million Revolving Credit Facility in December 2020;
- an equity raise through the issuance of a prospectus, which resulted in a raise of £55 million;
- impact of the Covid-19 pandemic, and contingency planning;
- reviewing recommendations of its Nomination Committee with respect to Board diversity and balance of skills, experience and knowledge;
- potential changes to and analysis of the Group's current and future lease terms;
- the valuation methodology of the Group's portfolio;
- the risks and related mitigations of the Group's lease counterparties;
- the standards of Registered Providers that had received a non-compliant rating by the Regulator and updates on regulatory developments within the social housing sector;
- the declaration of the Company's interim dividends;
- the Group's due diligence process;
- the risk profile of the Group and its counterparties;
- capital deployment, investment pipeline and review of rejected deals;
- the Group's compliance with the REIT regime;
- the Group's financial public relations and communication strategy;
- the Group's property insurance;
- the key performance indicators by which the Group measures success;
- review of quarterly management accounts;
- half yearly broker report regarding the Company's share price rating, performance and trading and NAV performance;
- analysis of the Company's shareholder register; and
- a 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 effectiveness and contribute to the Group's success.

Following the 2019 Board evaluation, the Board has made good progress on its development points. Specifically, the Board have continued to develop the Company's strategic agenda and regularly discusses what adjustments could be made to the model that will uphold financial and governance standards of Approved Providers while attracting further private investment. Furthermore, the Board has worked closely with the Investment Manager to enhance the level of reporting with a focus on counterparty due diligence and their operational performance. Further, following the change of Broker, the Board are provided with more frequent updates regarding shareholder sentiment.

Recognising the importance of this process, the Board undertook an external evaluation using an independent third-party evaluator, Satori Board Review ("Satori"). Following a beauty parade of several external Board evaluators, the Board delegated responsibility to the Chair and Company Secretary to select an appropriate evaluator and agree the scope of the performance evaluation. This is the first external Board evaluation undertaken by the Company and Satori does not have any other connection with the Company or individual Directors. Satori was considered to have sufficient experience and qualifications to undertake an effective external Board evaluation. They confirmed that as soon as is practicable they will be signatories to the Code of Practice for independent board reviewers which has recently passed through the consultation stage. Satori are broadly supportive of guidance laid out in the Code in its current form.

The evaluation looked at a wide range of categories, including: purpose and strategy development, implementation and monitoring; Board and committee structure; quality and timeliness of Board packs and other information, quality of relationships within the Board; Board operations, meeting processes, papers, agenda and forward planning; approach to risk, in particular at the strategic level; Board behaviours and dynamics; Board development and support; Board composition and succession planning; the Board's approach to diversity and inclusion; Board's approach to section 172 of the Companies Act 2006; Board approach to ESG; improving the effectiveness of Board time; and current strengths.

Satori undertook an information gathering exercise, analysing and reviewing Board governance material and previous meeting documentation, and undertook individual interviews with the Directors and key individuals from the Investment Manager and attended a Board and a committee meeting. Following this exercise, Satori discussed their observations with the Chair, and subsequently drafted a report and presented the findings to the Board. Having conducted the performance evaluation, it was demonstrated that the Board and each of its committees has been generally effective in carrying out their objectives and that each individual Director has been generally effective and demonstrated commitment to the role. Individual Directors were also recognised as appropriately experienced and collaborative in their approach. The Board discussed the key challenges and opportunities that were identified through the performance evaluation and agreed appropriate development points on which progress will be assessed in the next financial period. Some of the challenges and opportunities included:

Challenges and Opportunities	2020 Development Points
Ensuring that the Board is diverse – in its widest sense.	To keep diversity of the Board as a whole under review.
The Board is more involved operationally than is typical for an investment trust.	A review of the threshold at which deals would be reviewed by the Board and ensuring that steps are taken to limit the time that Directors generally spend operationally on Company business. The expectations of the Board and Investment Manager and the working relationship will continue to be reviewed annually.
KPIs should be more clearly linked directly to the purpose of the Company.	Defining purpose more clearly and feeding this directly into strategy development by linking to metrics to monitor progress against strategy, with KPIs linked to operational performance as a means of monitoring.
Recognising that the Committees might benefit from having fewer members to allow for more objective challenge from the Directors.	Undertake a review of the Committee membership, and look to limit Committee membership to that which is considered to be required.
Succession planning should remain high on the Board's agenda to take into account key director risk.	Build on the previous work undertaken in respect of the Board's succession planning by developing a formal written succession plan (including a comprehensive skills matrix and identifying potential successors) alongside structured contingency plan.

Satori will revisit the Board at the end of 2021 to provide further external validation of progress in making the changes outlined and agreed by the Board.

A full performance evaluation of the Board, its committees and the individual Directors will continue to be conducted annually. The Chair will regularly consider an externally facilitated Board evaluation.

Conflicts of Interests

The Group operates a conflict of interest 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 matters of conflict that may arise, subject to imposing limits or conditions when giving authorisation, if this is appropriate.

CORPORATE GOVERNANCE (Continued)

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 that it would be inappropriate for such Director to take part in the discussion or decision or to 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.

The Investment Manager maintain conflicts of interest policies 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; and
- 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

The Directors received a comprehensive induction programme on joining the Board that covered the Group's investment activities, the role and responsibilities of a Director and guidance on corporate governance and applicable regulatory and legislative landscape. The Directors' training and development was assessed as part of the annual effectiveness evaluation and, in any event, the Chairman regularly reviews and discusses the development needs with each Director. Each Director is fully aware that they should take responsibility for their own individual development needs and take the necessary steps to ensure they are wholly informed of regulatory and business developments.

During the year, the Directors received periodic guidance on regulatory and compliance changes at quarterly Board meetings, and on an ad hoc basis where necessary.

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 Financial Adviser regularly speak to discuss, amongst other things, the views of the Company's shareholders. The Company's broker speaks to shareholders regularly and ensures shareholder views are clearly communicated to the Board. The Board take responsibility for, and have a direct involvement in, the content of communications regarding major corporate matters.

Due to the government guidance in force during the Covid-19 pandemic which did not allow for gathering of individuals, the shareholder meeting during the period was held as a closed meeting.

Nevertheless, the Board encouraged shareholders to vote on the resolutions at the meeting, and further, encouraged shareholders to submit any questions that they may have with the Board in advance of the meeting.

The Chairman makes himself available, as necessary, to speak to shareholders, equally the Chairmen of the Board's committees make themselves available, as necessary, on significant matters related to their areas of responsibility when required. During the year the Chairman met with several of the Company's major shareholders to discuss a variety of topics including the regulatory environment of the Supported Housing sector and the Group's broker and AIFM appointment.

The Board is committed to providing investors with regular announcements of events affecting the Group. The Group publish quarterly factsheets that are available to download, along with all other investor documentation, from the Group's website https://www.triplepointreit.com

AUDIT COMMITTEE REPORT

Peter Coward, Audit Committee Chairman

Responsibilities

The audit committee has the primary responsibility of 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, is 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;
- liaise with the Company's Tax Adviser in relation to ensuring continuing compliance with the REIT regime;
- 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; and
- report to the Board on how it has discharged its responsibilities.

Committee Membership

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

The Board is satisfied that at least one member of the audit committee has recent and relevant financial experience. Peter Coward is qualified as a Chartered Accountant and was, until the end of June 2016, a Senior Tax Partner at PwC specialising in property. The Board is also satisfied that the committee as a whole have competence relevant to the sector in which the Group operates.

Meeting Attendance

The audit committee met twice in the financial year and the meetings were attended by each member as follows:

Director	**Attendance**[21]
Peter Coward (Chairman)	2/2
Ian Reeves CBE	2/2
Paul Oliver	2/2
Tracey Fletcher-Ray	2/2

21 Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

AUDIT COMMITTEE REPORT (Continued)

Activities

The audit committee meets at least twice a year to consider the annual report, interim report, any other formal financial performance announcements and any other matters as specified under the committee's terms of reference and reported to the Board on how it discharged its responsibilities. During the year, the audit committee discussed and considered the external audit performance, objectivity and independence, the external auditor re-appointment, accounting policies and alternative accounting treatments, significant accounting judgements and estimates, and the risk register.

Performance Evaluation

Refer to the above Corporate Governance section detailing how the review of the audit committee's performance has been conducted, and the results of such evaluation.

Internal Control and Risk Management

The Company has an ongoing process in place for identifying, evaluating and managing the principal and emerging risks faced by the Group.

During the year, the Board carried out a robust assessment of the Group's emerging and principal risks, further reviewed by the audit committee, and satisfied itself that the procedures for identifying the information needed to monitor and manage these risks were robust. 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 Investment Manager 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 Board;
- the Investment Manager and Administrator prepare forecasts and management accounts which allow the Board to assess performance; and
- 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. From 1 July 2020 INDOS Financial Limited were appointed for this function, replacing Langham Hall UK Depositary LLP, and are 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 has determined that the effectiveness of the internal controls was satisfactory. The principal risks and uncertainties identified from the risk register and a description of the Group's risk management procedures can be found on pages 49 to 53.

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 have taken account of the solvency and liquidity position of the Group from the financial statements and the information provided from the Investment Manager on the forecasted cash flow for the Group, expected pipeline and expected fund raising plans through a fund raise or debt finance over the period to December 2025. 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 Supported Housing and has the skills and knowledge to undertake the valuations competently. The audit committee met with the Group's Valuer to discuss the valuation methodology of the Group's portfolio and examine the suitability of the value of assets leased to Registered Providers that had received non-compliant ratings.

The external auditor met with the valuer separately from the audit committee and reported 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.

Revenue Recognition

The Group's revenue solely comprises of rental income from investment property assets, and therefore it is integral that the underlying assumptions for determining rental income are appropriate. Rental income is recognised on a straight-line basis over the lease term, thereby relying on the Investment Manager's determination of the lease term, based on whether they are reasonably certain the option to extend the lease term will be exercised. The audit committee gained comfort of these assumptions by reviewing the external auditor's analysis including a review of the lease documentation, investigation of differences to actual revenue recognised in the year compared to expectations, rental uplift against external market data, and how they challenged any significant assumptions made by the Investment Manager.

Accounting for forward funded assets

Investment properties under construction are financed by the Group where the Group enters into contracts for the development of a pre-let property under a forward funding agreement. Investment properties under construction are initially recognised in line with stage payments made to the developer. A coupon interest due on the funds paid in the range of 6.0-6.75% per annum is payable by the Developer. On completion, the aggregate amount of coupon interest accrued during the construction period is deducted from the gross development cost, reducing the outstanding balance payable to the developer on practical completion.

The audit committee considered the inherent risks of the contracts that are separate from those noted under the investment property valuation risk and discussed the disclosures made in the financial statements for forward funded assets with the Investment Manager and the external auditor.

AUDIT COMMITTEE REPORT (Continued)

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 Edward Goodworth as the audit partner. After undertaking a formal external audit tender process during 2019, BDO were recommended by the audit committee for re-appointment at the 2020 AGM and the resolution was duly passed.

It is the committee's responsibility to monitor the performance, objectivity and independence of the external auditors and this is assessed by the committee each year. In evaluating BDO's performance, the committee examine effectiveness of the audit process, independence and objectivity of the auditor, taking into consideration the length of tenure of the external auditors, the non-audit services undertaken during the year and relevant UK professional and regulatory requirements, and the quality of delivery of its services.

The auditors attend all audit committee meetings and the audit committee Chairman also has separate meetings with the auditors to discuss relevant matters. The auditors work with the management of the Investment Manager and discuss their findings and recommendations with the audit committee.

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, in line with the FRC Ethical Standards for Auditors.

In accordance with the policy, and to ensure that independence and objectivity is satisfactorily safeguarded, 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. The audit committee has also agreed that the role of reporting accountant, where necessary, would be undertaken by a firm other than BDO to ensure best practice compliance with the non-audit service policy.

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 asset allocation. The Company's non-audit services policy is reviewed annually to ensure it continues to be in line with best practice.

The audit committee annually reviews the level of non-audit fees to ensure that the provision of non-audit services does not impair the auditor's independence or objectivity, taking into account the relevant regulations and the FRC's Ethical Standard. The policy provides that 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.

The total audit fee in relation to the year ended 31 December 2020 for audit of the Group and subsidiaries was £173,300. The total non-audit fees received in the year ended 31 December 2020 was £48,500.The ratio of non-audit services fees to audit fees in the year was 28%.

Peter Coward
Audit Committee Chairman

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

Chris Phillips, Management Engagement Committee Chairman

Responsibilities

The main function of the management engagement committee is to review and make recommendations on any proposed amendment to the Investment Management Agreement and keep under review the performance of the Investment Manager. The committee will regularly review the composition of the key executives performing the services on behalf of the Investment Manager and monitor and evaluate 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.

Meeting Attendance

The management engagement committee met once in the financial year which was attended by each member as follows:

Director	Attendance[22]
Chris Phillips (Chairman)	1/1
Ian Reeves CBE	1/1
Peter Coward	1/1
Paul Oliver	1/1
Tracey Fletcher-Ray	1/1

22 Number of scheduled meetings attended/maximum number of meetings that the Director could have attended

Activities

During the year, the management engagement committee conducted a comprehensive review of the key agreements with its service providers, and a detailed review of the performance, composition, personnel, processes and internal control systems of the Investment Manager, a review of all of the Group's other corporate advisers and key service providers. The discussion included an assessment of performance and suitability of the services provided in the context of the fees paid to each provider, and a review of the termination period of each agreement.

The management engagement committee considered the terms of the Investment Management Agreement, to ensure it continues to reflect properly the commercial arrangements agreed between the Company and the Investment Manager and were satisfied that this was the case.

Performance Evaluation

Reference should be made to the above Corporate Governance section detailing how the review of the management engagement committee's performance has been conducted, and the results of such evaluation.

Management Arrangements

AIFM Agreement

The Company operates as an externally managed alternative investment fund for the purposes of the AIFMD. In its role as AIFM, the Investment Manager is responsible for portfolio management and risk management of the Group pursuant to the AIFMD.

The Company appointed Triple Point Investment Management LLP as AIFM from 1 July 2020, replacing Langham Hall Fund Management LLP, the previous AIFM. This has resulted in some improvements in operational efficiency, but in all other material respects, the provision and terms of service were effectively unchanged.

For the performance of the risk management function, which is set out within the AIFM Agreement, and excludes the portfolio management aspect of the role, the Investment Manager receives an annual fee which equates to 3.5 basis points on net assets of up to £300 million, and 3.0 basis points for net assets above £300 million.

MANAGEMENT ENGAGEMENT COMMITTEE REPORT (Continued)

The AIFM Agreement is terminable by the Investment Manager on giving the Group not less than 12 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 Investment Manager not less than 12 months' written notice. 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 Investment Manager in respect of the Investment Manager's potential losses in carrying on its responsibilities under the AIFM Agreement.

The annual fee paid under the AIFM Agreement for the year ended 31 December 2020 was £131,819.29 (exclusive of VAT), split 68,668.36 paid to Langham Hall Fund Management LLP for the six months to 30 June 2020 and 63,150.93 to Triple Point Investment Management LLP from 1 July 2020 to 31 December 2020. No performance fee is payable to the Investment Manager.

Investment Management Agreement

Under the Investment Management Agreement, which governs the portfolio management aspects of the AIFM role, the Investment Manager is entitled to receive an annual management fee which is calculated quarterly in arrears based upon a percentage of the NAV of the Group (not taking into account uncommitted cash balances excluding debt) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis:

Company 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%

The annual fee paid to the Investment Manager under the Investment Management Agreement for the year ended 31 December 2020 was £3,727,478.46 (exclusive of VAT).

On a semi-annual basis, once the Group's half year or year end NAV has been announced, the Investment Manager shall procure that 25% of the management fee (net of any applicable tax) for the relevant six month period immediately preceding the date of that NAV shall be applied by subscribing for, or acquiring, Ordinary Shares ('Management Shares'). The Investment Manager subscribes for or acquires Management Shares on a semi-annual basis as anticipated under the Investment Management Agreement.

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 Investment Management Agreement.

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

The Investment Management Agreement may be terminated by the Investment Manager or the Group by not less than 12 months' written 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 has reviewed the continuing appointment of the Investment Manager and based on the Group's strong investment performance, deep sector expertise and counterparty relationships, the committee are satisfied that their appointment remains in the best interests of shareholders as a whole.

Chris Phillips
Management Engagement Committee Chairman

NOMINATION COMMITTEE REPORT

Ian Reeves, Nomination Committee Chairman

Responsibilities

The nomination committee's main function is to lead the process for appointments, ensuring plans are in place for orderly succession to the Board, overseeing the development of a diverse pipeline for succession and any other matters as specified under the committee's terms of reference. This includes ensuring that any appointments and succession plans are based on merit and objective criteria, and, within this context, promotes diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

Committee Membership

The nomination committee comprises all of the Directors, with the exception of Tracey Fletcher-Ray, and is chaired by Ian Reeves.

Meeting Attendance

The nomination committee met once in the financial year which was attended by each member as follows:

Director	Attendance[23]
Ian Reeves CBE (Chairman)	1/1
Chris Phillips	1/1
Peter Coward	1/1
Paul Oliver	1/1

23 Number of scheduled meetings attended/maximum number of meetings that the Director could have attended

Activities

The committee met during the year to review the balance of skills and experience, the size and structure of the Board, and policies on tenure and diversity. The committee also focused on its long-term succession plan for all Directors and on the emergency succession planning for the Board and committee chairs. The committee also reviewed the time and significant commitments of the Board and satisfied themselves that the Directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration of external appointments.

Performance Evaluation

The above Corporate Governance section sets out the details of the performance evaluation of the Board and its committees, including the results of such performance evaluation of the nomination committee.

Re-election of Directors

All Directors will submit themselves for election or re-election on an annual basis. Therefore, all Directors in office as at the date of this report are to be proposed for re-election at the 2021 AGM.

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 ability to do the job are the relevant criteria on which the Board assesses 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 all types of diversity, and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, ensuring that such appointment will develop and enhance the operation of the Board to best serve the Company's strategy.

NOMINATION COMMITTEE REPORT
(Continued)

Whilst recognising the importance of diversity in the boardroom, the Board does not consider it to be in the interests 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. There were no appointments during the year and therefore an external search consultancy was not required during 2020.

Company's Succession Plans

The nomination committee has given full consideration to succession planning 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, factoring in the benefits of a diverse Board that are required in the future.

Ian Reeves CBE
Nomination Committee Chairman

DIRECTORS' REMUNERATION REPORT

Annual Statement

Dear shareholder,

I am pleased to present the Directors' Remuneration Report on behalf of the Board for the year ended 31 December 2020. It is set out in two sections in line with legislative reporting regulations:

- Directors' Remuneration Policy (on pages 88 to 89) – This sets out our Remuneration Policy for Directors of the Company and will be subject to a binding shareholder vote at the Company's 2021 AGM.

- Annual Report on Directors' Remuneration (on pages 90 to 92) – This sets out how the Directors were paid for the year ended 31 December 2020. There will be an advisory shareholder vote on this section of the report at our 2021 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 objectives.

The scale and structure of the Directors' remuneration was determined by the Company in consultation with the Group's Financial Adviser 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 Directors' duties, responsibilities and time spent.

Changes to the Directors' Remuneration Policy

As provided for in clause 18.4 of the Articles of Association and the Directors' appointment letter, the revised Remuneration Policy includes a provision for an additional fee where a Director undertakes any special task for, or consultancy role with, the Company which falls are outside the scope of the ordinary duties of a non-executive director. Whilst there is no present intention to exercise this provision, as was envisaged at IPO and included in the Articles of Association, the additional fee is to allow for flexibility, where it is considered appropriate, for the Director to provide such additional services as is required for the effective functioning of the Company or in furtherance of the Company's aims. The additional fee element recognises the additional time commitment required by a Director to provide such services where doing so would be in the best interest of the Company, for example, as a result of a Director's specific knowledge of the Company or for cost efficiencies.

There are no other changes to the policy.

Discretion exercised under the Directors' Remuneration Policy

At the date of this report, no discretion is intended to be exercised under the Directors' Remuneration Policy.

We value engagement with our shareholders and for the constructive feedback we receive and look forward to your support at the forthcoming AGM.

Chris Phillips
Chairman

DIRECTORS' REMUNERATION POLICY

Approval of Remuneration Policy

Our Directors' Remuneration Policy was last approved by shareholders at the Annual General Meeting of the Group held on 10 May 2018 and became effective from the conclusion of the Annual General Meeting. In accordance with section 439A of the Companies Act 2006, a resolution to approve this Directors' Remuneration Policy will be proposed at the Annual General Meeting of the Group to be held on 14 May 2021. 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 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.

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. The total aggregate fees that can be paid to the Directors in any given financial year will be calculated in accordance with the Company's Articles of Association.	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. 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.
Additional Fee	The Directors are each entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Group. A Director who performs services, which in the opinion of the Board are outside the scope of the ordinary duties of a non-executive director, may also be paid such extra remuneration or may receive such other benefits as the Board may determine.	The additional fee in connection with the production of every prospectus has been included in recognition of the additional time commitment and contribution required in the preparation of a prospectus by the Company. The additional fees for services outside of the scope of ordinary duties offers flexibilities for a Director to be awarded additional remuneration to adequately compensate a Director where this is considered appropriate for the effective functioning of, or in furtherance of, the Company's aims.
Other benefits	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. The Board has 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.	In line with market practice, the Company will reimburse the Directors for expenses to ensure that they are able to carry out their duties effectively. The Directors 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.

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 months' written notice by either the Director or the Company. Each Director will be subject to annual re-election by shareholders at the Company's Annual General Meeting in each financial year.

Policy on Payment for Loss of Office

The Directors are 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.

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.

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 considers the remuneration of the Directors.

Single Total Figure (Audited table)

Non-executive Directors	Annual Fee[1]	Additional Fee[2]	Other taxable benefits[3]	Total 2020	Total 2019	% 2020 Annual Change Annual Fee[1]	Additional Fee[2]	Other taxable benefits[3]
Chris Phillips	£75,000	£7,500	–	£82,500	£75,000	0%	N/A	N/A
Ian Reeves CBE	£50,000	£7,500	–	£57,500	£50,000	0%	N/A	N/A
Peter Coward	£50,000	£7,500	–	£57,500	£50,000	0%	N/A	N/A
Paul Oliver	£50,000	£7,500	–	£57,500	£50,000	0%	N/A	N/A
Tracey Fletcher-Ray	£50,000	£7,500	–	£57,500	£50,000	0%	N/A	N/A

[1] The Directors are paid a fixed annual fee. Their fees do not have any variable or performance related elements, however, the Directors are entitled to an additional fee of £7,500 in connection with the production of every prospectus prepared with a fundraising by the Group. Refer to 'Directors' Fees' section below.

[2] The Directors received an additional fee in connection with the preparation of the prospectus dated 30 September 2020.

[3] The Company does not provide a pension, retirement or similar benefits.

Directors' Fees

The Directors are each paid an annual fee of £50,000 other than the Chairman who is entitled to receive an annual fee of £75,000. In addition to the annual fee, each Director is entitled to an additional fee of £7,500 in connection with the production of every prospectus prepared with a fundraising by the Group in recognition of the additional time contribution and commitment required. The additional fees are treated as a cost of issue not included as an expense through the Statement of Comprehensive Income. Directors are further entitled to recover all reasonable expenses properly incurred in connection with performing his duties as a Director. There was no expenses for the year to 31 December 2020 and no other remuneration was paid or payable during the year to any Director.

Statement of Directors' Shareholding and Share Interests (Audited table)

Outlined overpage are details of the Directors' shareholdings as at 31 December 2020; there has been no change in shareholding in the period between 31 December 2020 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 shareholders' meetings.

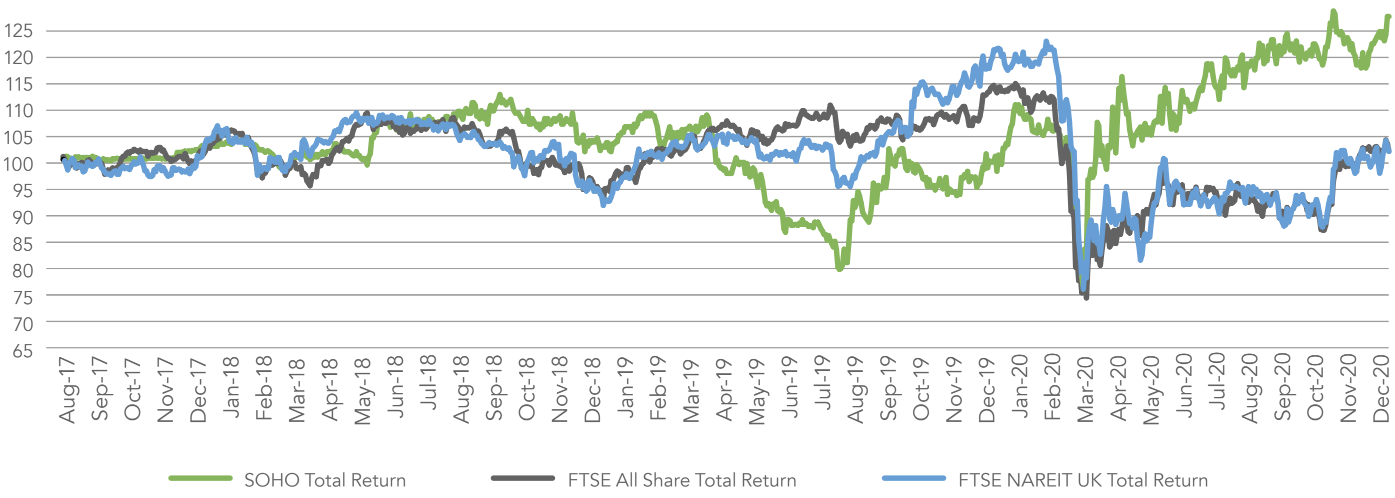
Director	Number of shares held as at 31 December 2019	Number of shares held as at 31 December 2020	Percentage of issued share capital as at 31 December 2020
Chris Phillips	54,854*	54,854*	0.01%
Ian Reeves CBE	0	0	0.00%
Peter Coward	76,179**	76,179**	0.02%
Paul Oliver	77,967	77,967	0.02%
Tracey Fletcher-Ray	0	37,735	0.01%

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

** 51,179 Ordinary Shares were subscribed through Peter Coward's self-invested personal pension.

Total Shareholder Return

The graph below illustrates the total shareholder return of the Company's Ordinary Shares over the period relative to a return on a hypothetical holding over the same period in the FTSE All-Share Index and the FTSE EPRA/NAREIT UK Index. These indices have been chosen as they are considered to be the most appropriate benchmarks against which to assess the relative performance of the Company as the FTSE All Share represents companies of a similar capital size, and the constituents of the FTSE EPRA/NAREIT UK Index are UK based real estate companies.



ANNUAL REPORT ON DIRECTORS' REMUNERATION (Continued)

Relative Importance of Spend on Pay

The table below shows the total spend on remuneration compared to the distributions to shareholders by way of dividends, share buybacks and the management fees incurred by the Company. As the Group has no employees the total spend on remuneration comprises only the Directors' fees.

	2020	2019
Directors' fees	£312,500	£275,000
Dividends paid	£18,813,578	£17,766,992
Share buybacks	–	£378,000
Management fee	£4,100,226	£3,869,442

Consideration of Shareholder Views

During the year, the Company did not receive any communications from shareholders specifically regarding Directors' pay.

The resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) was passed at the Annual General Meeting on 14 May 2020. The resolution to approve the Directors' Remuneration Policy was approved on 10 May 2018.

On behalf of the Board:

Chris Phillips
Chairman
4 March 2021

DIRECTORS' REPORT

The Directors are pleased to present the annual report, including the Group's and Company's audited financial statements as at, and for the year ended 31 December 2020.

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 70 to 92 all of which is incorporated into this Directors' report by reference.

Principal Activity

The Company is a closed-ended investment company and is a Real Estate Investment Trust which was incorporated in England and Wales on 12 June 2017. The Company is a holding company of a number of subsidiaries. The Group invests in properties in accordance with the Investment Policy and Investment Objective.

Directors

The names of the Directors who served from 1 January 2020 to 31 December 2020 are set out in the Board of Directors section on pages 72 to 73, together with their biographical details and principal external appointments.

The Articles govern the appointment and replacements of Directors

AIFM and Investment Manager

The names of the partners and employees of the Group's Investment Manager are set out on pages 30 to 31 and a summary of the principal contents of the AIFM agreement and the Investment Management Agreement are set out in the management engagement committee report on pages 83 to 84.

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.

Financial Results and Dividends

The financial results for the year can be found in the Group Statement of Comprehensive Income which can be found on page 108. In line with the target for the financial year, the Company declared the following interim dividends in respect of the year to 31 December 2020, amounting to 5.18 pence per share.

Relevant period	Dividend per share (p)	Ex dividend date	Record date	Payment date
1 January to 31 March 2020	1.295	21 May 2020	22 May 2020	26 June 2020
1 April to 30 June 2020	1.295	3 September 2020	4 September 2020	25 September 2020
1 July to 30 September 2020	1.295	12 November 2020	13 November 2020	18 December 2020
1 October to 31 December 2020	1.295	11 March 2021	12 March 2021	26 March 2021

DIRECTORS' REPORT (Continued)

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 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 Risk Management

The information relating to the Group's financial risk management and policies can be found in Note 32 of the financial statements.

Post-Balance Sheet Events

Important events that have occurred since the end of the financial year can be found in Note 33 of the notes to the financial statements.

Amendment to the Articles

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

Share Capital

The Company was admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange on 8 August 2017 and migrated to trading on the premium segment of the Main Market on 27 March 2018.

As at 31 December 2020, the Company had 403,239,002 Ordinary Shares in issue, 450,000 of which were held in treasury, as can be found in Note 21 of the financial statements. The shares held in treasury do not carry any voting rights and therefore the total number of voting rights in the Company is 402,789,002. There are no restrictions on voting rights of securities in the Company.

There are no restrictions on the transfer of securities in the Company other than certain restrictions which may be impaired by law, for example, Market Abuse Regulations, and the Group'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 Annual General Meeting on 14 May 2020, the Company was granted authority to make market purchases up to a maximum of 35,090,221 Ordinary Shares.

As at the date of this report, 450,000 Ordinary Shares were purchased in the market and held in treasury. A resolution to renew the Company's authority to purchase shares in accordance with the Notice of AGM will be put to the shareholders at the Annual General Meeting on 14 May 2021.

Change of Control

Under the Group's financing facilities, any change of control at the borrower or immediate parent company level may trigger a repayment of the outstanding amounts to the lending banks. In certain facilities, the change of control provisions also include a change of control at the ultimate parent company level.

The Directors do not receive compensation for loss of office occurring due to a change of control.

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 2020.

Shareholder	Interests in Ordinary Shares	% holding disclosed
BlackRock, Inc.	49,291,939	12.23%
CCLA Investment Management Limited	40,073,250	9.95%
East Riding of Yorkshire Council	32,879,797	9.36%
Investec Wealth & Management Limited	28,892,160	8.22%
Tilney Investment Management Services Limited	14,274,140	7.14%
Nottinghamshire County Council Pension Fund	19,417,475	5.53%
Smith and Williamsons Holdings Limited	11,788,972	4.78%
Brewin Dolphin Limited	16,032,858	4.56%
South Yorkshire Pensions Authority	11,955,713	3.40%

Since the year end, the Company was notified on 15 January 2021 by BlackRock, Inc. that they hold 53,863,461 Ordinary Shares indirectly or through financial instruments, representing 13.37% of the Company's issued share capital. The Company was also notified on 25 January 2021 by CCLA Investment Management Limited that they hold 40,108,276 Ordinary Shares, representing 9.96% of the Company's issued share capital.

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

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 2020 can be found in Note 15 of the financial statements.

Research and Development

No expenditure on research and development was made during the year (2019: Nil).

Donations and Contributions

No political or charitable donations were made during the year (2019: Nil).

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 14 May 2021 at 11.00am at the Company's registered office at 1 King William Street, London, EC4N 7AF.

Continuation Vote

At the Annual General Meeting to be held in 2022, the Directors shall propose an ordinary resolution to members that the Company continues in existence. If the resolution is passed at such Annual General Meeting, then the Directors shall propose the same resolution at every fifth Annual General Meeting thereafter.

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	16 to 20
Greenhouse gas emissions	42 to 43
Employee engagement	43
Employment of disabled persons	43
Business relationships	42 to 43

On behalf of the Board:

Chris Phillips
Chairman
4 March 2021

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 accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union 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 and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether they have been prepared in accordance with Financial Reporting Standards 101 Reduced Disclosure Framework (FRS 101) subject to any material departures disclosed and explained in the Parent Company financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with IAS in conformity the requirements of the Companies Act 2006, IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in 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 and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face.
- The Annual Report including the Group and Company Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Approval

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

Chris Phillips
Chairman
4 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC

Opinion on the financial statements

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 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in 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.

We have audited the financial statements of Triple Point Social Housing REIT plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Group Statement of Comprehensive Income, the Group and Company Statement of Financial Position, the Group and Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Directors on 18 July 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. Following a competitive re-tender in May 2019 we were reappointed to audit the financial statements for the year ended 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 December 2017 to 31 December 2020.

We remain 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. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC (Continued)

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the going concern model from Management, and we challenged the assumptions used by Management in the going concern forecast and obtain evidence, where available, to support inputs into the model.
- Testing the arithmetical correctness of the models.
- Challenging the sensitivities applied by Management to the models, including a fall in revenue by 10%, given the 80% operational occupancy as at 31 December 2020, as well as a 7% fall in property valuations, assuming the Group will not receive revenue relating to voids. These factors impact the loan covenants. On these stress tested models we challenged assumptions made by Management, specifically with regards to:

  i. The expected impact on investment property valuations;

  ii. The expected impact on rental income;

  iii. The expected void period before suitable alternative tenants could be found;

  iv. The impact on the Group's covenant compliance; and

  v. The reasonableness of the assumptions used in the stress test.

- Performing an analysis of the headroom of the Group's ability to meet their day to day operational costs in the stress tested forecasts.
- Performing an analysis of the covenant compliance and the headroom and considered in light of our own further stress tests.
- Considering the impact of Covid-19 by reviewing the post year end rent receipts for trade debtors as at 31 December 2020, to assess the financial position of tenants

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

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage[24]		100% (2019: 100%) of Group revenue 100% (2019: 100%) of Group investment property 99.9% (2019: 99.9%) of Group total assets 99.1% (2019: 99.5%) of Group profit before tax	
Key audit matters		2020	2019
	KAM 1	Investment property valuations	Investment property valuations
	KAM 2	Revenue recognition	Revenue recognition
Materiality	**Group financial statements as a whole** We determined materiality for the Group financial statements as a whole to be £6,300,000 (2019: £5,440,000), which was set at 1% of Group total assets (2019: 1%).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom, and all audit procedures are performed by the Group audit team. We identified two significant components, in addition to the Parent Company:

- Norland Estates Ltd
- TP REIT Propco 2 Limited

All components were subject to full scope audits.

24 These are areas which have been subject to a full scope audit by the Group engagement team

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC (Continued)

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, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Investment property valuations

Refer to notes 3 and 4 in relation to significant estimates and accounting policies.

Refer to note 14 in relation to investment property.

The Group's investment property portfolio includes:

- Standing assets: these are existing properties that are currently let. They are valued using the income capitalisation method. This method is applied to income producing assets and discounts the future value of rents by an appropriate discount rate.
- Properties under construction: these are properties being built under forward funded agreements with developers and which have agreed pre lets with tenants. Such assets have a different risk and investment profile to the standing assets. They are valued using the residual method (i.e. by estimating the fair value of the completed project using the income capitalisation method less estimated costs to completion).

The Directors use an independent valuer to assist them with the valuation of the property portfolio. The valuation of investment property requires significant judgement and estimates by the Directors and the independent valuer and is therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation.

Any input inaccuracies or unreasonable bases used in the valuation judgements (such as in respect of yield profile applied) could result in a material misstatement of the Statement of Comprehensive Income and Statement of Financial Position.

Additionally, properties under construction involve coupon interest receivable from the developer during the construction phase. Accounting for such assets is typically more complex than for standing assets.

There is also a risk that the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets to meet market expectations. This could be achieved through manipulation of information provided to the valuer.

How the scope of our audit addressed the key audit matter

Experience of valuer and relevance of its work

- We obtained the valuation report prepared for the Directors by the independent valuer and discussed the basis of the valuations with the independent valuer. We checked that the basis of the valuations was in accordance with the requirements of accounting standards.
- We assessed and considered the external valuer's reports, their qualifications, independence and basis of valuation.
- We obtained a copy of the instructions provided to the independent valuer and reviewed for any limitations in scope or for evidence of Management bias.

Data provided to the valuer

- We checked 100% of the underlying data provided to the valuer by Management. This data included inputs such as current rent and lease term, which we agreed to the executed lease agreements as part of our audit work.

Assumptions and estimates used by the valuer

- We developed yield expectations on all properties in the Group's portfolio using available independent industry data and reports around the year end
- We discussed the assumptions used and the valuation movement in the year 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 where relevant. We also discussed with the valuer their views on the expected impact of Brexit and Covid-19 on the valuation of these assets, and compared this against our own expectations based on our sector knowledge and through inspection of comparable market data. Further, we discussed the appropriateness of the discount rates applied to the valuations with the valuer.
- For all properties under construction we assessed the project costs and progress of development and verified the forecast costs to complete included in the valuations to work in progress reports from independent surveyors.

Accounting for assets under construction

- We examined all forward funding agreements entered into during the year for assets under construction and confirmed that the accounting treatment of the asset recognition and the coupon interest was appropriate under accounting standards.

Key observation:

Our testing indicated that the estimates and assumptions used in the investment property valuations were appropriate in the context of the Group's property portfolio.

Key audit matter	How the scope of our audit addressed the key audit matter
Lease incentives *Refer to note 4 in relation to accounting policies.* *Refer to note 5 in relation to rental income.* The Group's revenue mainly comprises of rental income from investment property assets. Rental income is recognised on a straight line bases over the lease term based upon the rental agreements that are in place. 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. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. 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. 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.	• We obtained a copy of all new leases entered into during the year and checked these for any lease incentives. We checked the calculation and recognition of rental income and agreed this back to the tenancy schedule prepared by Management. • For all leases that were in place at 31 December 2019, we set expectations for the rental income based on information previously extracted from the leases and compared this to the actual revenue recognised in the year. We investigated any differences above a set threshold. • We obtained a listing of all rent reviews in the year and tested a sample by checking the relevant Retail Price Index or Consumer Price Index uplift to external market data and checking the calculation of the rental uplift. • We checked the calculations for adjustments to spread the minimum contracted rental income over the expected lease term to confirm that the adjustment has been made in accordance with applicable accounting standards and challenged any significant assumptions that Management had made in determining the expected lease term. • We challenged Management over the expected lease term used for calculating the recognition of rent on a straight line basis. We checked that all assumptions had been applied consistently across all leases. **Key observations** We did not identify any indicators to suggest that the lease incentives have been recognised inappropriately.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC (Continued)

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2020 £m	2019 £m	2020 £m	2019 £m
Materiality	6.30	5.44	3.97	4.55
Basis for determining materiality	Materiality for the Group and Parent company's financial statement was set at 1% of total assets (2019: 1%). This provides a basis for determining the nature and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature and extent of further audit procedures.			
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the Group.			
Performance materiality	3.77	3.25	2.38	2.73
Basis for determining performance materiality	Performance materiality 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 our assessment of the Group's overall control environment, our judgement was that overall performance materiality for the Group should be 60% (2019: 60%) of materiality. We determined that the same measure as the Group was appropriate for the Parent Company.			

Specific materiality

We also determined that for other account balances, classes of transactions and disclosures not related to investment properties, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined that specific materiality for these areas should be £830,000 (2019: £590,000). This was set at 5% (2019: 5%) of European Public Real Estate Association ("EPRA") earnings. EPRA earnings excludes the impact of the net surplus on revaluation of investment properties. We further applied a performance materiality level of 60% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

The specific materiality for the Parent Company was capped at 87% (2019: 80%) of Group specific materiality being £722,000 (2019: £472,000).

Component materiality

Whilst materiality for the financial statements as a whole was as outlined above, each significant component of the Group was audited to a lower level of materiality which is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes used during the audit. Significant component materiality ranged from £339,300 to £3,340,000 (2019: range from £312,000 to £2,620,000), which was based on 1% (2019: 1%) of the total assets of that component. These components were deemed significant as they exceeded 15% of the benchmarks mentioned above with regards to financial statement and specific materiality.

In the audit of each component, we further applied performance materiality levels of 60% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £126,000 (2019: £108,000) for items audited to financial statement materiality, and £16,000 (2019: £11,000) for items audited to specific materiality. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds. These figures have been derived using 2% of materiality and 2% of specific materiality, respectively.

We agreed that the reporting threshold for the Parent Company would be £79,400 (2019: £91,000) for items audited to financial statement materiality, and £14,000 (2019: £9,000) for items audited to specific materiality.

Other information

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

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 54; and

- The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate set out on pages 54 to 55.

Other Code provisions

- Directors' statement on fair, balanced and understandable set out on page 96;

- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 49 to 53;

- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 80; and

- The section describing the work of the audit committee set out on pages 79 to 82.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC (Continued)

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

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

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

In the light of the knowledge and understanding of the Group and 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.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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, 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

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures at Group and significant component levels to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the UK Listing Rules, tax legislation housing association regulations, health and safety legislation and the Equal Opportunity Act.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board and Committee meeting minutes, enquiries with management as to the risks of non-compliance and any instances thereof and we considered the adequacy of controls around procurement fraud.

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. This included evaluating any management bias within the valuation of investment property, as mentioned under the key audit matters subheading.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Thomas Edward Goodworth (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom
4 March 2021

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

Financial Statements

FINANCIAL STATEMENTS
Group Statement of Comprehensive Income
for the year ended 31 December 2020

	Note	**Year ended 31 December 2020 £'000**	Year ended 31 December 2019 £'000
Income			
Rental income	5	**28,393**	21,112
Other income		**535**	–
Total income		**28,928**	21,112
Expenses			
Directors' remuneration	6	**(307)**	(307)
General and administrative expenses	9	**(2,200)**	(1,809)
Management fees	8	**(4,100)**	(3,869)
Total expenses		**(6,607)**	(5,985)
Gain from fair value adjustment on investment property	14	**7,957**	11,809
Loss from fair value adjustment on assets held for sale		**(63)**	–
Operating profit		**30,215**	26,936
Finance income	11	**102**	229
Finance costs	12	**(5,723)**	(3,448)
Profit for the year before tax		**24,594**	23,717
Taxation	13	**–**	–
Profit and total comprehensive income for the year		**24,594**	23,717
IFRS Earnings per share – basic and diluted	35	**6.82p**	6.75p

The accompanying notes on pages 112 to 132 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Financial Position
as at 31 December 2020

	Note	31 December 2020 £'000	31 December 2019 £'000
Assets			
Non-current assets			
Investment properties	14	**572,101**	472,349
Total non-current assets		**572,101**	472,349
Current assets			
Assets held for sale		**110**	–
Trade and other receivables	15	**4,152**	4,287
Cash, cash equivalents and restricted cash	16	**53,701**	67,711
Total current assets		**57,963**	71,998
Total assets		**630,064**	544,347
Liabilities			
Current liabilities			
Trade and other payables	17	**4,969**	8,145
Total current liabilities		**4,969**	8,145
Non-current liabilities			
Other payables	18	**1,517**	1,514
Bank and other Borrowings	19	**194,927**	164,955
Total non-current liabilities		**196,444**	166,469
Total liabilities		**201,413**	174,614
Total net assets		**428,651**	369,733
Equity			
Share capital	21	**4,033**	3,514
Share premium reserve	22	**203,776**	151,157
Treasury shares reserve	23	**(378)**	(378)
Capital reduction reserve	24	**166,154**	166,154
Retained earnings	25	**55,066**	49,286
Total Equity		**428,651**	369,733
IFRS Net asset value per share – basic and diluted	36	**106.42p**	105.37p

The Group Financial Statements were approved and authorised for issue by the Board on 4 March 2021 and signed on its behalf by:

Chris Phillips
Chairman
4 March 2021

The accompanying notes on pages 112 to 132 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Changes in Equity
for the year ended 31 December 2020

Year ended 31 December 2020	**Note**	**Share capital £'000**	**Share premium reserve £'000**	**Treasury shares reserve £'000**	**Capital reduction reserve £'000**	**Retained earnings £'000**	**Total equity £'000**
Balance at 1 January 2020		**3,514**	**151,157**	**(378)**	**166,154**	**49,286**	**369,733**
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**24,594**	**24,594**
Transactions with owners							
Ordinary Shares issued in the year at a premium	21,22	**519**	**54,481**	**–**	**–**	**–**	**55,000**
Share issue costs capitalised	22	**–**	**(1,862)**	**–**	**–**	**–**	**(1,862)**
Dividends paid	26	**–**	**–**	**–**	**–**	**(18,814)**	**(18,814)**
Balance at 31 December 2020		**4,033**	**203,776**	**(378)**	**166,154**	**55,066**	**428,651**

Year ended 31 December 2019	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019		3,514	151,157	–	183,921	25,569	364,161
Profit and total comprehensive income for the year		–	–	–	–	23,717	23,717
Transactions with owners							
Own shares repurchased	23	–	–	(378)	–	–	(378)
Dividends paid	26	–	–	–	(17,767)	–	(17,767)
Balance at 31 December 2019		3,514	151,157	(378)	166,154	49,286	369,733

The accompanying notes on pages 112 to 132 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Cash Flows
for the year ended 31 December 2020

	Note	**Year ended 31 December 2020 £'000**	Year ended 31 December 2019 £'000
Cash flows from operating activities			
Profit before income tax		**24,594**	23,717
Adjustments for:			
Gain from fair value adjustment on investment property		**(7,957)**	(11,809)
Loss from fair value adjustment on assets held for sale		**64**	–
Finance income		**(102)**	(229)
Finance costs		**5,723**	3,448
Operating results before working capital changes		**22,322**	15,127
Decrease/increase in trade and other receivables		**640**	(11)
Increase in trade and other payables		**1,545**	1,188
Net cash flow generated from operating activities		**24,507**	16,304
Cash flows from investing activities			
Purchase of investment properties		**(95,609)**	(137,724)
Prepaid acquisition costs (paid)		**(3)**	(884)
Restricted cash – (paid)		**(2,862)**	(8,375)
Restricted cash – released		**4,042**	11,348
Interest received		**59**	163
Net cash flow used in investing activities		**(94,373)**	(135,472)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares at a premium		**55,000**	–
Ordinary Share issue costs capitalised		**(1,862)**	–
Own shares repurchased	23	**–**	(378)
Interest paid		**(4,645)**	(2,898)
Bank borrowings drawn	19	**29,408**	100,592
Restricted bank borrowings	19	**–**	10,460
Loan arrangement fees paid	20	**(1,101)**	(3,455)
Dividends paid	26	**(18,814)**	(17,767)
Net cash flow generated from financing activities		**57,986**	86,554
Net (decrease) in Cash, cash equivalents		**(11,880)**	(32,614)
Cash and cash equivalents at the beginning of the year		**64,732**	97,346
Cash and cash equivalents at the end of the year	16	**52,852**	64,732

The accompanying notes on pages 112 to 132 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Notes to the Group Financial Statements
for the year ended 31 December 2020

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 1 King William Street, United Kingdom, EC4N 7AF. 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 Group's Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. All accounting policies have been applied consistently.

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 Group has applied the same accounting policies in these Group Financial Statements as in its 2019 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on or after 1 January 2020. The new standards impacting the Group are:

- definition of a Business (Amendments to IFRS 3);
- interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- amendments to references to the Conceptual Framework in IFRS Standards.

The Directors have given due consideration to the impact on the financial statements of the amendments as follows:

Definition of a Business (Amendments to IFRS 3)

Under these amendments, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An optional concentration test has also been added. This allows the acquirer to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. The optional concentration test has been performed and the Directors have concluded that at present, the adoption of the amendment and interpretation does not have a material impact on the financial statements in the period of initial application. In previous reporting periods, subsidiaries acquired by the Group were all treated as the acquisition of a group of assets rather than a business as there was not an integrated set of activities acquired in addition to the property. In the current reporting period, the optional concentration test has been performed which has determined that the fair value of the gross asset acquired is concentrated into a single asset, investment property and therefore is not a business combination. The Group has not purchased, and does not intend to purchase, any subsidiaries which incorporate any assets other than investment property.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

These amendments apply to all hedging relationships directly affected by uncertainties related to IBOR reform. At present, the Group does not have any hedging relationships and so these amendments have had no impact on the financial statements.

Amendments to references to the Conceptual Framework in IFRS Standards

The above provides amendments to various standards, however, some revisions are only with regards to references and quotes so that they refer to the revised Conceptual Framework. The standards that have had proper updates that affect the Group are IFRS 3, IAS 1 and IAS 8 which have all been discussed above.

IFRS 16

As a result of Covid-19 there was an amendment to IFRS 16, Leases, for Covid-19 related rent concessions. The amendment to the standard has been considered, however at the reporting date had not been required to be applied.

New standards issued but not yet effective

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The above is effective from 1 January 2021. The amendments state that if a financial contract results in a substantial modification as a direct result of IBOR reform, a practical expedient can be applied and the changes will be accounted for by updating the effective interest rate. This may apply to future financial statements if the conditions are met. The amendments also allow a series of exemptions from the regular hedge accounting which may be relevant if the Directors decide to hedge in the future.

There are other new standards and amendments to standards and interpretations which have been issued that are effective in future accounting periods, and which the Group has decided not to adopt early. None of these are expected to have a material impact on the consolidated financial statements of the Group.

2.1. Going concern

The Group has invested £530.7 million up to 31 December 2020, and £2.9 million since the year end. The cash balance of the Group at year end was £53.7 million, of which £41.4 million was readily available for use. This is the cash balance at 31 December 2020 less any funds that are committed for future deployment, retentions, or working capital requirements. As stated in the Strategic Report, the Investment Manager has identified a visible pipeline of over £150 million of attractive investment opportunities for acquisition over the next 12 months. The Board has evaluated the financial position of the Group and plans to raise both debt and equity capital, as necessary, in order to fund the Group's investments for the next 12 months. Income generated from the Group's portfolio of assets is expected to substantially 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.

To date, Covid-19 has not impacted the Group's ability to continue as a going concern for reasons discussed below. As a result, the Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due despite the risk of Covid-19.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, which includes the impact of Covid-19, for a period of at least 12 months from the date of signing these financial statements. The Directors have considered the expected obligations of the Company and its subsidiaries for the next 12 months and are confident that all will be met.

In considering the ability of the Group to continue as a going concern, the Directors also considered the impact of Covid-19 on their tenants. Tenants of the Group are Registered Providers who receive their housing benefit from Local Authorities, before it is passed to subsidiaries in the form of rental income. Local Authorities have confirmed they will not stop helping vulnerable people or paying for essential services during this time, and therefore the Directors do not foresee any issues in rent collection, however in the event of a downturn in revenue, variable costs would be reduced to enable the Group to meet its future liabilities. 100% of rental income due and payable for the period ended 31 December 2020 has been collected.[25] 100% of all rent due and payable at 28 February 2021 has been collected.[25]

[25] Due to a clerical error, there has been a short delay in the payment of an immaterial amount of rent representing c.£45k (0.16% of rent roll) for the quarter ended 31 December 2020. This is expected to be paid in full in the next 2 weeks.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and Lloyds Bank respectively. The loan secured by Norland Estates Limited with MetLife is subject to an asset cover ratio covenant of x2.25. The latest external valuation was carried out at 31 December 2020 and at that point the asset cover ratio was x2.69. The loan is also subject to an interest cover ratio. The covenant ratio is not less than x1.75 and at 31 December 2020 the interest cover ratio was x4.89.

The loan secured by TP REIT Propco 2 Limited with Lloyds Bank is subject to a loan to value covenant of <50%. As at the 31 December 2020, the loan to value was 40%. The loan is also subject to an interest cover ratio. The covenant ratio is not less than x2.75 and at 31 December 2020 the interest cover ratio was x6.11. The loan had an initial term of four years expiring on 20 December 2022. On 15 December 2020, the Group extended the RCF's initially agreed four-year term by a year to 20 December 2023. The term of the RCF may be extended by a further year, to 20 December 2024 (subject to the consent of the lenders).

The Directors have also considered the circumstances that would lead to a covenant breach. For Norland Estates Limited, the property portfolio valuation at 31 December 2020 is based on a blended net initial yield of 5.21%. Yields would have to move by 142 bps before valuations fell to a level at which the asset cover ratio covenant was breached.

The interest cover ratio would need rental income collection to fall from its current level of 100%[1] to 37% before the covenant is breached.

And for TP REIT Propco 2 Limited, as at 31 December 2020, its property portfolio valuation would need to fall by 20.1% before valuations fell to a level at which the loan to value covenant was breached. The interest cover ratio would need rental income collection to fall from its current level of 100%[1] to 45% before the covenant is breached.

The Group has no short or medium term refinancing risk given the 10-year average maturity of its long term debt facilities with MetLife, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 3.04%.

Based on the forecasts prepared and the intentions of the parent company, the Directors consider that the Company and its subsidiaries will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements and therefore has prepared these financial statements on the going concern basis.

FINANCIAL STATEMENTS
Notes to the Group Financial Statements
for the year ended 31 December 2020

Under the downside model the forecasts have been stressed to show the effect if Care Providers were unable to cover the voids and the time taken to fill voids is 2 years. It assumes that the Registered Provider (the tenant) will not be able to pay the voids. Under the downside model the Company and its subsidiaries will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements.

The Directors believe 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.

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

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 (note 14)
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 2019, 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; and

Level 3 – External inputs are "unobservable". Value is the Director's 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 whether a set of activities and assets which include an input and a substantive process that together significantly contribute to the ability to create outputs has been acquired in determining whether the acquisition represents the acquisition of a business. An optional concentration test is also performed which assesses whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. The Group has not purchased, and does not intend to purchase, any subsidiaries which incorporate any assets other than investment 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 the optional concentration test has been performed which has determined that the fair value of the gross asset acquired is concentrated into a single asset, investment property and therefore is not a business combination.

3.3. The Group as lessor (note 27)

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of its properties and so accounts for the leases as operating leases. This evaluation involves judgement and the key factors considered include comparing the duration of the lease terms compared to the economic life of the underlying property asset, or in the case of sub-leased properties, the remaining life of the right-of-use asset arising from the headlease, and the present value of minimum lease payments compared to the fair value of the asset at acquisition.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Basis of consolidation

The financial statements comprise the financial information of the Group as at the year-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. The Group recognises asset acquisitions on completion. 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.

Investment properties under construction are financed by the Group where the Group enters into contracts for the development of a pre-let property under a forward funding agreement. The Group does not expose itself to any speculative development risk as the proposed property is pre-let to a tenant under an agreement for lease and the Group enters into a fixed price development agreement with the Developer. Investment properties under construction are initially recognised in line with stage payments made to the developer. The properties are revalued at fair value at each reporting date in the form of a work-in-progress value. The work-in-progress value of investment properties under construction is estimated as fair value of the completed asset less any costs still payable in order to complete, which includes the Developer's margin.

During the period between initial investment and the lease commencement date (practical completion of the works) a coupon interest due on the funds paid in the range of 6-6.75% per annum is payable by the Developer. The accrued coupon interest is considered as a discount on the fixed contract price. It does not result in any cash flows during the development, but reduces the outstanding balance payable to the developer on practical completion. When practical completion is reached, the completed investment property is transferred to operational assets at the fair value on the date of completion.

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.

FINANCIAL STATEMENTS
Notes to the Group Financial Statements
for the year ended 31 December 2020

Lessee

As a lessee the Group recognises a right-of-use asset within investment properties and a lease liability for all leases, which is included within other payables (note 18). The lease liabilities are measured at the present value of the remaining lease payments, discounted using an appropriate discount rate. The discount rate applied by the Group is the incremental borrowing rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. Subsequent to initial measurement lease liabilities increase as a result of interest

charged at a constant rate on the balance outstanding and are reduced for lease payments made.

As leasehold properties meet the definition of investment property, the right-of-use assets are presented within investment property (note 14), and after initial recognition are subsequently measured at fair value.

Sub-leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the underlying property asset to the lessee. Sub-leases of leasehold properties are classified with reference to the right-of-use asset arising from the head lease. All other leases are classified as operating leases.

4.4. Rent and other receivables

Rent 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.

Rent receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions for current and non-current rent receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables. For rent receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the rent receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for all other receivables are recognised based on a forward-looking expected credit loss model using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

4.5. Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash 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.

Restricted Cash represents cash held in relation to retentions for repairs, maintenance and improvement works by the vendors that is committed on the acquisition of the properties; and restricted bank borrowings.

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 using the effective interest method until settled.

4.8. Bank and other borrowings

Bank borrowings and the Group's loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

Modifications to borrowing terms are assessed when agreed with the lender to determine if they represent a substantial or non-substantial modification under IFRS 9. This involves the '10% test' comparing the discounted present value of the revised cash flows against the carrying value of the loan, as well as a review of any other qualitative changes to the terms. If the modifications are deemed substantial, the existing liability is extinguished and a new liability is recognised, with the difference between the carrying amount of the existing financial liability and the fair value of the modified financial liability at modification date being recognised in the Statement of Comprehensive Income.

4.9. Taxation

Taxation on the element of the profit or loss for the period that is not exempt under 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.

4.10. 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.

4.11. 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.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. These are recognised within trade and other receivables on the Statement of Financial Position.

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.

4.12. 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. Borrowing costs that are separately identifiable and directly attributable to the acquisition or construction of forward funded assets that take a substantial period of time to complete are capitalised as part of the development cost in investment property (note 14).

4.13. Expenses

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

4.14. Investment management fees

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

4.15. 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.

4.16. Treasury shares

Consideration paid or received for the purchase or sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve ("the treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

5. RENTAL INCOME

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Rental income – freehold assets	**26,406**	19,205
Rental income – leasehold assets	**1,987**	1,907
	28,393	21,112

The lease agreements between the Group and the Registered Providers are fully 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.

All rental income arose within the United Kingdom.

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6. DIRECTORS' REMUNERATION

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Directors' fees	**275**	275
Employer's National Insurance Contributions	**32**	32
	307	307

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 (2019: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2019: £50,000). The Directors are also entitled to an additional fee of £7,500 (2019: £7,500) in connection with the production of every prospectus by the Company (including the initial Issue). (The additional fees are treated as a cost of issue not included as an expense through the Statement of Comprehensive Income).

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 on pages 87 to 92. None of the Directors received any advances or credits from any group entity during the year.

7. PARTICULARS OF EMPLOYEES

The Group had no employees during the year other than the Directors (2019: none).

8. MANAGEMENT FEES

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Management fees	**4,100**	3,869
	4,100	3,869

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. A Deed of Variation was signed on 23 August 2018. This defined cash balances in the Net Asset Value calculation in respect of the management fee as "positive uncommitted cash balances after deducting any borrowings". 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 uncommitted cash balances after deducting borrowings as described above) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

- 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;
- 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;
- 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;
- 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.

Management fees of £4,100,000 (2019: £3,869,000) were chargeable by TPIM during the year. At the year-end £1,132,000 (2019: £986,000) was due to TPIM.

A Deed of Variation was signed on 30 June 2020 to appoint TPIM as the Group's alternative investment fund manager.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Legal and professional fees	**666**	735
Audit fees	**227**	167
Administration fees	**327**	353
Lease transfer costs	**343**	–
Directors' fees (note 6)	**307**	307
Other administrative expenses	**637**	247
	2,507	1,809

On 1 October 2019 Hanway Advisory Ltd, who are associated with Triple Point Investment Management LLP the delegated investment manager, were appointed to provide Administration and Company Secretarial Services to the Group.

During the year Company Secretarial Services of £315,000 (2019: £336,000) were chargeable by Hanway Advisory Ltd.

The audit fees in the table above are inclusive of VAT, and therefore differ to the fees in note 10 which are reported net of VAT.

On 30 June 2020 Triple Point Investment Management LLP was appointed as the fund's Alternative Investment Fund Manager (AIFM) to perform certain functions for the Group. During the year AIFM services of £76,000 (2019: £nil) were chargeable by TPIM. At the year-end £38,000 (2019: £nil) was due to TPIM.

Lease transfer costs represent legal and administrative costs incurred in relation to the transfer of 12 leases from Westmoreland.

10. AUDIT FEES

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Group audit fees – current year	**155**	124
Group audit fees – prior year	**15**	–
Subsidiary audit fees	**19**	15
	189	139

Non audit fees paid to BDO LLP included £49,000 (2019: £45,000) in relation to quarterly eNAV and the half year interim reviews.

The audit fee for the following subsidiaries has been borne by the Company:

> TP REIT Super Holdco Limited
> TP REIT Holdco 1 Limited
> TP REIT Holdco 2 Limited
> TP REIT Holdco 3 Limited
> Norland Estates Limited
> TP REIT Propco 2 Limited
> TP REIT Propco 3 Limited
> TP REIT Propco 4 Limited
> TP REIT Holdco 4 Limited

11. FINANCE INCOME

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Other interest income	**43**	50
Interest on liquidity funds	**59**	179
	102	229

12. FINANCE COSTS

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Interest payable on bank borrowings	**4,627**	2,992
Borrowing costs capitalised (note 14)	**(128)**	(60)
Amortisation of loan arrangement fees	**1,163**	457
Head lease interest expense	**43**	50
Bank charges	**18**	9
	5,723	3,448
Total finance cost for financial liabilities not at fair value through profit or loss	**5,705**	3,439

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.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax		
Corporation tax charge for the year	**–**	–
Total current income tax charge in the profit or loss	**–**	–

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The tax charge for the period is less than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Profit before tax	**24,594**	23,717
Tax at UK corporation tax standard rate of 19%	**4,673**	4,506
Change in value of investment properties	**(1,500)**	(2,244)
Exempt REIT income	**(3,539)**	(2,673)
Amounts not deductible for tax purposes	**21**	34
Unutilised residual current period tax losses	**345**	377
	–	–

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

14. INVESTMENT PROPERTY

	Operational assets £'000	**Properties under development £'000**	**Total £'000**
As at 1 January 2020	454,400	17,949	472,349
Acquisitions and additions	77,126	14,711	91,837
Fair value adjustment	7,049	908	7,957
Movement in head lease ground rent liability	3	–	3
Borrowing costs capitalised (note 12)	–	128	128
Transfer of completed properties	27,128	(27,128)	–
Reclassified to assets held for sale	(173)	–	(173)
As at 31 December 2020	**565,533**	**6,568**	**572,101**

	Operational assets £'000	Properties under development £'000	Total £'000
As at 1 January 2019	316,117	7,952	324,069
Acquisitions and additions	114,835	21,428	136,263
Fair value adjustment	11,134	675	11,809
Movement in head lease ground rent liability	148	–	148
Borrowing costs capitalised (note 12)	–	60	60
Transfer of completed properties	12,166	(12,166)	–
As at 31 December 2019	454,400	17,949	472,349

Reconciliation to independent valuation:

	31 December 2020 £'000	31 December 2019 £'000
Investment property valuation	**571,463**	471,635
Fair value adjustment – headlease ground rent	**1,457**	1,453
Fair value adjustment – lease incentive debtor	**(819)**	(739)
	572,101	472,349

Properties under development represent contracts for the development of a pre-let property under a forward funding agreement. Where the development period is expected to be a substantial period, the borrowing costs that can be directly attributed to getting the asset ready for use are capitalised as part of the investment property value.

The carrying value of leasehold properties at 31 December 2020 was £36.5 million (2019: £35.3 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 three months.

JLL were appointed as external valuers by the Board on 11 December 2017. JLL has provided valuations 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.

% Key Statistic

The metrics below are in relation to the total investment property portfolio held as at 31 December 2020.

Portfolio metrics	31 December 2020	31 December 2019
Capital Deployed (£'000)[1]	**512,296**	424,266
Number of Properties	**445**	388
Number of Tenancies[3]	**341**	300
Number of Registered Providers[3]	**20**	16
Number of Local Authorities[3]	**155**	149
Number of Care Providers[3]	**98**	88
Valuation NIY[2]	**5.27%**	5.27%

[1] calculated excluding acquisition costs.

[2] calculated using IAS 40 valuations (excluding forward funding acquisitions).

[3] calculated excluding forward funding acquisitions.

Regional exposure

Region	31 December 2020 [4]Cost £'000	31 December 2020 % of funds invested	31 December 2019 [4]Cost £'000	31 December 2019 % of funds invested
North West	**115,025**	**22.5**	93,451	22.0
West Midlands	**88,397**	**17.3**	65,189	15.4
East Midlands	**65,559**	**12.8**	59,929	14.1
London	**49,213**	**9.6**	49,906	11.8
North East	**47,088**	**9.2**	43,691	10.3
Yorkshire	**46,013**	**9.0**	30,245	7.1
South East	**45,682**	**8.9**	43,697	10.3
South West	**27,900**	**5.4**	21,547	5.1
East	**20,229**	**3.9**	11,514	2.7
Scotland	**4,530**	**0.9**	2,437	0.6
Wales	**2,660**	**0.5**	2,660	0.6
Total	**512,296**	**100**	424,266	100.0

[4]excluding acquisition costs.

Fair value hierarchy

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Investment properties	31 December 2020	572,101	–	–	572,101
Investment properties	31December 2019	472,349	–	–	472,349

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

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 Specialised Supported Housing ("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.

The valuer treats the fair value for forward funded assets as work-in-progress value whereby the Group forward funds a development by committing a total sum, the Gross Development Value ("GDV") over the development period in order to receive the completed development at practical completion. The work-in-progress value of the asset increases during the construction period accordingly as payments are made by the Group which leads, in turn, to a pro-rata increase in the valuation in each quarter valuation assuming there are no material events affecting the GDV adversely. Interest accrued during construction as well as an estimation of future interest accrual prior to lease commencement will be deducted from the balancing payment which is the final payment to be drawn by the developer prior to the Group receiving the completed building.

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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 flows model considers the present value of net cash flows to be generated from the 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 three 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; and
2. the discount rate applied to the rental flows.

Key factors in determining the discount rates to assess the level of uncertainty 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 6.62% (2019: 6.60%).

The range of discount rates used in the Group's property portfolio valuation is from 6.3% to 7.4% (2019: 6.3% to 7.1%).

	-0.5% change in Discount Rate £'000	+0.5% change in Discount Rate £'000	+0.25% change in CPI £'000	-0.25% change in CPI £'000
Changes in the IFRS fair value of investment properties as at 31 December 2020	**35,919**	**(32,643)**	**18,635**	**(17,811)**
Changes as at 31 December 2019	28,803	(26,203)	14,911	(14,257)

Given that the factors on which the valuations are based have not been adversely affected by Covid-19, there has been no direct impact to the investment property valuation at 31 December 2020.

15. TRADE AND OTHER RECEIVABLES

	31 December 2020 £'000	31 December 2019 £'000
Prepayments	**608**	1,528
Other receivables	**613**	543
Lease incentive debtor	**819**	739
Rent receivable	**2,112**	1,477
	4,152	4,287

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.

The Group applies the IFRS 9 simplified approach for rent receivables to measure expected credit losses using a lifetime expected credit loss provision for rent receivables. To measure expected credit losses on a collective basis, rent receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced since incorporation in 2017. The historical loss rates are then adjusted for the current and forward-looking information on macroeconomic factors affecting the Group's tenants. Both the expected credit loss provision and the incurred loss provision in the current and prior period are immaterial. The Group does not hold any collateral as security.

The Group applies the general approach to providing for expected credit losses under IFRS 9 for other receivables. Both the expected credit loss and the incurred loss provision in the current and prior year are immaterial.

16. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2020 £'000	31 December 2019 £'000
Cash held by lawyers	**3,938**	771
Liquidity funds	**–**	50,000
Restricted cash	**849**	2,979
Cash at bank	**48,914**	13,961
	53,701	67,711

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 market rate between 0.59% and 0.75% 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 only) 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. The cash is committed on the acquisition of the properties. Restricted cash also includes forward funding monies held by Lloyds in a "lockbox" account which requires Lloyds to release on instruction, and also funds held in an escrow account in relation to the transfer of leases.

	31 December 2020 £'000	31 December 2019 £'000
Total Cash, cash equivalents and restricted cash	**53,701**	67,711
Restricted cash	**(849)**	(2,979)
Cash reported on Statement of Cash Flows	**52,852**	64,732

17. TRADE AND OTHER PAYABLES

Current liabilities	31 December 2020 £'000	31 December 2019 £'000
Other creditors	**1,922**	5,521
Accruals	**2,929**	1,913
Trade payables	**79**	672
Head lease ground rent (note 27)	**39**	39
	4,969	8,145

The Other Creditors balance consists of retentions due on completion of outstanding works. 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.

18. OTHER PAYABLES

Non-current liabilities	31 December 2020 £'000	31 December 2019 £'000
Head lease ground rent (note 27)	**1,417**	1,414
Rent deposit	**100**	100
	1,517	1,514

19. BANK AND OTHER BORROWINGS

	31 December 2020 £'000	31 December 2019 £'000
Bank and other borrowings drawn at year end	**198,500**	169,092
Less: loan issue costs incurred	**(4,736)**	(4,594)
Add: loan issue costs amortised	**1,163**	457
Unamortised costs at end of the year	**(3,573)**	(4,137)
Balance at year end	**194,927**	164,955

At 31 December 2020 there were undrawn bank borrowings of £30 million (2019: £29.4 million).

On 20 July 2018, the Group entered into a long dated, fixed rate, interest only financing arrangement in the form of a private placement of loan notes in an amount of £68.5 million with MetLife and affiliated funds. The Loan Notes are secured against a portfolio of specialist supported living assets throughout the UK, worth approximately £184 million. The Loan Notes represent a loan-to-value of 40% of the value of the secured pool of assets and are split into two tranches: Tranche-A, is an amount of £41.5 million, has a term of 10 years from utilisation and is priced at an all-in coupon of 2.924% per annum; and Tranche-B, is an amount of £27 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 3.215% per annum. On a blended basis, the weighted average term is 12 years carrying a weighted average fixed rate coupon of 3.039% per annum.

On 21 December 2018 the Group signed a secured £70 million Revolving Credit Facility with Lloyds Bank. The floating rate Revolving Credit Facility had an initial term of four years expiring on 20 December 2022. This could be extended by a further two years to 20 December 2024 if requested but is at the sole discretion of Lloyds Bank. The interest rate for amounts drawn is 1.85% per annum over three-month LIBOR. The revolving credit facility represents a loan-to-value of 40% secured against a defined portfolio of the Group's specialist supported housing assets.

On 29 October 2019 the Group secured a £60 million extension to the existing Revolving Credit Facility. As part of the extension, National Westminster Bank plc provided debt alongside Lloyds Bank plc and on identical terms providing the Group with the ability to draw a total of up to £130 million under the Revolving Credit Facility.

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On 15 December 2020, the Group secured a further extension of £30 million to the Revolving Credit Facility, and simultaneously extended the RCF's initially agreed four-year term by a year to 20 December 2023. The term of the RCF may be extended by a further year, to 20 December 2024 (subject to the consent of the lenders). Under the increase and extension of the RCF, the interest rate for drawn funds remains at 1.85% per annum over three-month LIBOR. In the light of the ceasing of LIBOR as a benchmark rate during 2021, the Group has negotiated and agreed provisions within the terms of the increase and extension of the Revolving Credit Facility setting pre-agreed terms for the transition of LIBOR to the new benchmark rate SONIA. The date for the transition from LIBOR to SONIA is 1 July 2021. For undrawn loan amounts the Company pays a commitment fee in the amount of 40% of the margin. As at 31 December 2020, £130 million had been drawn under the revolving credit facility and when fully drawn, the RCF will represent a loan-to-value of 40% secured against a defined portfolio of the Group's specialist supported housing assets located throughout the UK and held in a wholly-owned Group subsidiary.

All financing arrangements are on a non-recourse basis to the Group.

The Group has met all compliance with its financial covenants on the above loans throughout the year.

The transition to SONIA is not expected to result in a substantial modification to the existing loan liability under IFRS 9 as the effect to the present value of the contractual cash flows are not expected to meet the 10% test.

Undrawn committed bank facilities – maturity profile	**Total £'000**	**< 1 year £'000**	**1 to 2 years £'000**	**3 to 5 years £'000**	**> 5 years £'000**
At 31 December 2020	30,000	–	–	30,000	–
At 31 December 2019	29,408	–	–	29,408	–

20. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Reconciliation of liabilities to cash flows from financing activities:

	Bank borrowings £'000 (note 19)	**Head lease £'000 (note 17,18)**	**Total £'000**
At 1 January 2020	**164,955**	**1,453**	**166,408**
Cashflows:			
Bank borrowings drawn	**29,408**	**–**	**29,408**
Repayment of principal on head lease liabilities	**–**	**(39)**	**(39)**
Loan arrangement fees paid	**(1,101)**	**–**	**(1,101)**
Non-cash flows:			
– Amortisation of loan arrangement fees	**1,163**	**–**	**1,163**
– Loan arrangement fees paid in advance recognised in prepaymentss	**502**	**–**	**502**
– Head lease additions	**–**	**–**	**–**
– Accrued interest on head lease liabilities	**–**	**42**	**42**
At 31 December 2020	**194,927**	**1,456**	**196,383**

	Bank borrowings £'000 (Note 19)	Head lease £'000 (Note 17,18)	Total £'000
At 1 January 2019	67,361	1,306	68,667
Cashflows:			
Bank borrowings drawn	100,592	–	100,592
Repayment of principal on head lease liabilities	–	(39)	(39)
Loan arrangement fees paid	(3,455)	–	(3,455)
Non-cash flows:			
– Amortisation of loan arrangement fees	457	–	457
– Head lease additions	–	138	138
– Accrued interest on head lease liabilities	–	48	48
At 31 December 2019	164,955	1,453	166,408

21. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2020	351,352,210	3,514
Issued on public offer on 21 October 2020	51,886,792	519
At 31 December 2020	403,239,002	4,033

	Issued and fully paid Number	**Issued and fully paid £'000**
At 1 January 2019 and 31 December 2019	**351,352,210**	**3,514**

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 were issued and fully paid. The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

Following a fourth public offer on 21 October 2020, a further 51,886,792 Ordinary Shares of one pence each were issued and fully paid.

Rights, preferences and restrictions on shares: All Ordinary Shares carry equal rights, and no privileges are attached to any shares in the Company. All the shares are freely transferable, except as otherwise provided by law. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The table above includes 450,000 treasury shares (note 23). Treasury shares do not hold any voting rights.

22. SHARE PREMIUM RESERVE

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

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	**151,157**	151,157
Share premium arising on Ordinary Shares issue	**54,481**	–
Share issue costs capitalised	**(1,862)**	–
Balance at end of year	**203,776**	151,157

23. TREASURY SHARES RESERVE

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	**(378)**	–
Own shares repurchased	**–**	(378)
Balance at end of year	**(378)**	(378)

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. No treasury shares were purchased during the current year. During the year ended 31 December 2019, the Company purchased 450,000 of its own 1p Ordinary Shares at a total gross cost of £377,706 (£374,668 cost of shares and £3,038 associated costs). As at 31 December 2020 and 31 December 2019, 450,000 1p Ordinary Shares were held by the Company.

24. CAPITAL REDUCTION RESERVE

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	**166,154**	183,921
Dividends paid	**–**	(17,767)
Balance at end of year	**166,154**	166,154

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve. Dividends have been distributed out of Retained Earnings rather than the Capital Reduction Reserve in the year ended 31 December 2020.

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25. RETAINED EARNINGS

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	**49,286**	25,569
Total comprehensive income for the year	**24,594**	23,717
Dividends paid	**(18,814)**	–
Balance at end of year	**55,066**	49,286

26. DIVIDENDS

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
1.25p for the 3 months to 31 December 2018 paid on 29 March 2019	**–**	4,392
1.27p for the 3 months to 31 March 2019 paid on 28 June 2019	**–**	4,463
1.27p for the 3 months to 30 June 2019 paid on 27 September 2019	**–**	4,456
1.27p for the 3 months to 30 September 2019 paid on 20 December 2019	**–**	4,456
1.285p for the 3 months to 31 December 2019 paid on 27 March 2020	**4,509**	–
1.295p for the 3 months to 31 March 2020 paid on 26 June 2020	**4,544**	–
1.295p for the 3 months to 30 June 2020 paid on 25 September 2020	**4,544**	–
1.295p for the 3 months to 30 September 2020 paid on 18 December 2020	**5,217**	–
	18,814	17,767

On 4 March 2021, the Company declared an interim dividend of 1.295 pence per Ordinary Share for the period 1 October 2020 to 31 December 2020. The total dividend of £5.21 million will be paid on 26 March 2021 to Ordinary shareholders on the register on 12 March 2021.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Dividends are not payable in respect of its Treasury shares held.

27. LEASES

A. Leases as lessee

The Group leases a number of properties that were previously held as finance leases. In the prior year these were reclassified to right-of-use assets under IFRS 16.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	< 1 year £'000	**2-5 years £'000**	**> 5 years £'000**	**Total £'000**
Lease payables				
31 December 2020	**40**	**159**	**14,366**	**14,565**
31 December 2019	**40**	**158**	**7,123**	**7,321**

	31 December 2020 £'000	31 December 2019 £'000
Current liabilities (note 17)	**39**	39
Non-current liabilities (note 18)	**1,417**	1,414
Balance at end of year	**1,456**	1,453

The above is in respect of properties held by the Group under leasehold. There are 21 properties (2019: 20) held under leasehold with lease ranges from 125 years to 999 years.

The Group's leasing arrangements with lessors are headlease arrangements on land and buildings that have been sub-let under the Group's normal leasing arrangements (see above) to tenants. The Group carries its interest in these headlease arrangements as long leasehold investment property (note 14).

B. Leases as lessor

The Group leases out its investment properties (see note 14).

The future minimum lease payments receivable by the Group under non-cancellable operating leases are as follows:

	< 1 year £'000	**2-5 years £'000**	**> 5 years £'000**	**Total £'000**
Lease receivables				
31 December 2020	**31,585**	**126,471**	**665,886**	**823,942**
31 December 2019	**25,460**	**101,841**	**530,954**	**658,255**

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 following table gives details of the percentage of annual rental income per Registered Provider with more than a 10% share:

Registered Provider	**31 December 2020 % of total annual rent**	31 December 2019 % of total annual rent
Inclusion Housing CIC	**31**	21
Falcon Housing Association CIC	**11**	13
Parasol Homes (previously 28A Supported Living)	**11**	13
My Space	**–**	11
Hilldale	**–**	11

Annual rental income for My Space and Hilldale amounted to less than 10% of the total annual rental income as at 31 December 2020.

Other disclosures about leases are provided in notes 5, 14, 17, 20 and 32.

28. CONTROLLING PARTIES

As at 31 December 2020 there is no ultimate controlling party of the Company.

29. 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 Adviser 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 445 (2019: 388) Social Housing properties as at 31 December 2020 in England, Wales and Scotland. 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 arising in the UK, therefore, no geographical segmental analysis is required by IFRS 8.

30. RELATED PARTY DISCLOSURE

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 (2019: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2019: £50,000). 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).

Dividends of the following amounts were paid to the Directors during the year:

Chris Phillips: £2,836 (2019: £2,776)
Peter Coward: £3,938 (2019: £3,823)
Paul Oliver: £4,031 (2019: £3,945)
Tracey Fletcher-Ray: £489 (2019: nil)

No shares were held by Ian Reeves as at 31 December 2020 (31 December 2019: nil).

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31. 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 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.

The subsidiaries listed below were held as at 31 December 2020:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
TP REIT Super HoldCo Limited*	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT HoldCo 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT HoldCo 2 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT HoldCo 3 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT HoldCo 4 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT PropCo 2 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT PropCo 3 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT PropCo 4 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Norland Estates Limited	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 244 Limited	1 King William Street, London, EC4N 7AF	UK	100%
PSCI Holdings Limited*	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
SL Hexham Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Creed Housing SPV 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
MSL (87) Limited	1 King William Street, London, EC4N 7AF	UK	100%
The Limes 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Allerton SPV 16 Limited	1 King William Street, London, EC4N 7AF	UK	100%
SL Carsic Lane	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
SL Auckland	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
HS Derby 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Rosewood (Dunwoody) Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TDIONEDEV Limited	1 King William Street, London, EC4N 7AF	UK	100%
Creed Housing SPV 3 Limited	1 King William Street, London, EC4N 7AF	UK	100%

* indicates entity is a direct subsidiary of Triple Point Social Housing REIT plc.

The subsidiaries listed below were acquired in the year to 31 December 2020:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
SL Hexham Limited	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
Creed Housing SPV 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
MSL (87) Limited	1 King William Street, London, EC4N 7AF	UK	100%
The Limes 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Allerton SPV 16 Limited	1 King William Street, London, EC4N 7AF	UK	100%
SL Carsic Lane	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
SL Auckland	1 Le Truchot St Peter Port, GY1 1WD	Guernsey	100%
HS Derby 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Rosewood (Dunwoody) Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
TDIONEDEV Limited	1 King William Street, London, EC4N 7AF	UK	100%
Creed Housing SPV 3 Limited	1 King William Street, London, EC4N 7AF	UK	100%

The subsidiaries listed below have been struck off since 31 December 2020:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
FPI Co 244 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Creed Housing SPV 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%

32. 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 oversees the management of these risks. The Board's policies for managing each of these risks are summarised below.

32.1. 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.

The factors mentioned above have not had a material impact on the valuations of the investment properties as at 31 December 2020, and are not expected to in the immediate future, but will continue to be monitored closely.

Please refer to the Corporate Social Responsibility Report on pages 42 to 43 for further information on Environmental Policy which may effect the investment property valuations going forward.

32.2. 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 Revolving Credit Facility with Lloyds Bank has been secured on a floating rate basis whereby the Group pays a margin of 1.85% per annum above 3-month LIBOR for drawn loan amounts throughout the loan term. Under the increase and extension of the RCF, the interest rate for drawn funds remains at 1.85% per annum over three-month LIBOR. In the light of the ceasing of LIBOR as a benchmark rate during 2021, the Group has negotiated and agreed provisions within the terms of the increase and extension of the RCF setting pre-agreed terms for the transition of LIBOR to the new benchmark rate SONIA. The date for the transition from LIBOR to SONIA is 1 July 2021. The Director's decision was not to put hedging arrangements in place from the date of signing the initial agreement, as up until the most recent Amended and Restated Agreement signed on 14 December 2020 under the terms of the Revolving Credit Facility, the Group has had full flexibility, and at its sole discretion, to put hedging arrangements in place at any time during the loan term.

In the Amended and Restated Agreement signed on 14 December 2020, a Hedging Trigger Event has been introduced which means a hedging agreement will be required to be entered into if the Projected Interest Cover falls below 400% on any date falling on or after the Rate Switch Date (which is the earlier of the 1 July 2021 or a date mutually agreed by the relevant parties). At 31 December 2020, the projected interest was 696%.

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Throughout the loan term the Group has closely monitored changes in interest rates to determine if it is necessary to implement hedging. The liquidity table in 32.4 below outlines the bank borrowings and interest payable on bank borrowings with a floating interest rate. An increase in floating interest rates of 1% per annum would decrease the profit before tax, and the net asset value, by £1.1 million at 31 December 2020. The Board believes that a movement of 1% in the current economic climate is reasonably possible.

The fixed rate loan notes with MetLife do not have exposure to interest rate risk. Exposure to interest rate risk on the liquidity funds is immaterial to the Group.

32.3. 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 notes 16 and 19.

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 and institutions 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 and on an ongoing basis. The Investment Manager also monitors the rent collection in order to anticipate and minimise the impact of defaults by occupational tenants. Outstanding rent receivables are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

The Group has leases in place with five Registered Providers that have been deemed non-compliant by the Regulator. We continue to conduct ongoing due diligence on all Registered Providers and all rents payable under these leases have been paid. The Group's valuer has confirmed that there is no impact on the value of the Group's assets as a result of the non-compliant rating. We continue to monitor and maintain a dialogue with the Registered Providers as they work with advisers and the Regulator to implement a financial and governance improvement action plan in order to address the Regulator's concerns and obtain a compliant rating. The Board believes that the credit risk associated with the non-compliant rating is limited and all rents are received by the Registered Provider from local and central government.

The effects of Covid-19 on credit risk have been and continue to be assessed but so far all rents have been collected, and no expected credit losses have been identified.

32.4. 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.

The following table details the Group's liquidity analysis:

31 December 2020	**£'000**	**< 3 months £'000**	**3-12 months £'000**	**1-5 years £'000**	**> 5 years £'000**
Headleases (note 27)	**14,565**	**10**	**30**	**159**	**14,366**
Trade and other payables	**4,908**	**4,717**	**191**	**–**	**–**
Bank and other borrowings (note 19):					
– Fixed interest rate	**68,500**	**–**	**–**	**–**	**68,500**
– Variable interest rate	**130,000**	**–**	**–**	**130,000**	**–**
Interest payable on bank and other borrowings:					
– Fixed interest rate	**19,951**	**520**	**1,561**	**8,326**	**9,544**
– Variable interest rate	**9,863**	**720**	**1,829**	**7,314**	**–**
	247,787	**5,967**	**3,611**	**145,799**	**92,410**

31 December 2019	£'000	< 3 months £'000	3-12 months £'000	1-5 years £'000	> 5 years £'000
Headleases (note 27)	7,321	10	30	158	7,123
Trade and other payables	8,106	6,003	2,103	–	–
Bank and other borrowings (note 19):					
– Fixed interest rate	68,500	–	–	–	68,500
– Variable interest rate	100,592	–	–	100,592	–
Interest payable on bank and other borrowings:					
– Fixed interest rate	22,033	520	1,561	8,326	11,626

31 December 2019	£'000	< 3 months £'000	3-12 months £'000	1-5 years £'000	> 5 years £'000
– Variable interest rate	10,725	720	2,019	7,986	–
	217,277	**7,253**	**5,713**	**117,062**	**87,249**

32.5. Financial instruments

The Group's principal financial assets and liabilities, which are all held at amortised cost, are those that arise directly from its operation: trade and other receivables, trade and other payables, headleases, borrowings 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 2020 £'000	**Fair value 31 December 2020 £'000**	Book value 31 December 2019 £'000	Fair value 31 December 2019 £'000
Financial assets:				
Trade and other receivables	**3,368**	**3,368**	2,759	2,759
Cash held at bank	**53,701**	**53,701**	67,711	67,711
Financial liabilities:				
Trade and other payables	**4,930**	**4,930**	8,106	8,106
Borrowings	**194,927**	**205,272**	164,955	173,035

33. POST BALANCE SHEET EVENTS

Property acquisitions

Since 31 December 2020, the Group has acquired 1 property and exchanged on 1 property, deploying £2.9 million (including acquisition costs).

34. CAPITAL COMMITMENTS

The Group had capital commitments of £2.8 million (2019: £24.3 million) in relation to the cost to complete its forward funded pre-let development assets at 31 December 2020.

35. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing 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, both basic and diluted earnings per share are the same.

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

	Year ended 31 December 2020	Year ended 31 December 2019
Calculation of Basic Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	**24,594**	23,717
Weighted average number of Ordinary Shares (excluding treasury shares)	**360,853,102**	351,124,401
IFRS Earnings per share – basic and diluted	**6.82p**	6.75p
Calculation of EPRA Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	**24,594**	23,717
Changes in fair value of investment property (£'000)	**(7,957)**	(11,809)
EPRA earnings (£'000)	**16,637**	11,908
Non cash adjustments to include:		
Interest capitalised on forward funded developments	**(128)**	(60)
Amortisation of loan arrangement fees	**1,163**	457
Adjusted earnings (£'000)	**17,672**	12,305
Weighted average number of Ordinary Shares (excluding treasury shares)	**360,853,102**	351,124,401
EPRA earnings per share – basic and diluted	**4.61p**	3.39p
Adjusted EPRA earnings per share – basic and diluted	**4.90p**	3.50p

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for interest paid to service debt that was capitalised, and the amortisation of loan arrangement fees. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

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36. NET ASSET VALUE PER SHARE

Basic Net Asset Value ("NAV") per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to Ordinary Shareholders 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 2020 £'000	31 December 2019 £'000
Net assets at the end of the year	428,651	369,733
Shares in issue at end of the year (excluding treasury shares)	402,789,002	350,902,210
Dilutive shares in issue	–	–
IFRS NAV per share – basic and dilutive	**106.42p**	105.37p

37. 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, bank and other borrowings 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 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.

The fixed rate facility with MetLife requires an asset cover ratio of x2.25 and an interest cover ratio of x1.75. At 31 December 2020, the Group was fully compliant with both covenants with an asset cover ratio of x2.69 (2019: x2.64) and an interest cover ratio of x4.89 (2019: x4.78).

The RCF requires the Group to maintain a loan-to-value of less than 50%, and an interest cover ratio in excess of x2.75. At 31 December 2020, the Group was fully compliant with both covenants with a loan-to-value ratio of 40% and an interest cover ratio of x6.11.

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Company Statement of Financial Position
as at 31 December 2020

Company Registration Number: 10814022

	Note	**31 December 2020 £'000**	31 December 2019 £'000
Assets			
Non-current assets			
Investment in subsidiaries	4	**366,641**	286,164
Total non-current assets		**366,641**	286,164
Current assets			
Trade and other receivables	5	**1,533**	2,091
Cash, cash equivalents and restricted cash	6	**29,409**	53,802
Total current assets		**30,942**	55,893
Total assets		**397,583**	342,057
Liabilities			
Current liabilities			
Trade and other payables	7	**2,350**	2,793
Total current liabilities		**2,350**	2,793
Total liabilities		**2,350**	2,793
Total net assets		**395,233**	339,264
Equity			
Share capital	8	**4,033**	3,514
Share premium reserve	9	**203,776**	151,157
Treasury shares reserve	10	**(378)**	(378)
Capital reduction reserve	11	**166,154**	166,154
Retained earnings	13	**21,648**	18,817
Total Equity		**395,233**	339,264
Net asset value per share – basic and diluted	14	**98.12p**	96.68p

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 profit of the Company for the year was £21,645,000 (2019: £31,611,000).

The Company Financial Statements were approved and authorised for issue by the Board on 4 March 2021 and signed on its behalf by:

Chris Phillips
Chairman
4 March 2021

The accompanying notes on pages 135 to 139 form an integral part of these Company Financial Statements.

FINANCIAL STATEMENTS
Company Statement of Changes in Equity
for the year ended 31 December 2020

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020		**3,514**	**151,157**	**(378)**	**166,154**	**18,817**	**339,264**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**21,645**	**21,645**
Transaction with Owners							
Ordinary Share capital issued in the year at a premium	8,9	**519**	**54,481**	**–**	**–**	**–**	**55,000**
Issue costs capitalised	9	**–**	**(1,862)**	**–**	**–**	**–**	**(1,862)**
Dividends paid	12	**–**	**–**	**–**	**–**	**(18,814)**	**(18,814)**
Balance at 31 December 2020		**4,033**	**203,776**	**(378)**	**166,154**	**21,648**	**395,233**

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019		3,514	151,157	–	183,921	(12,794)	325,798
Total comprehensive income for the year		–	–	–	–	31,611	31,611
Transaction with Owners							
Own shares repurchased	10	–	–	(378)	–	–	(378)
Dividends paid	12	–	–	–	(17,767)	–	(17,767)
Balance at 31 December 2019		3,514	151,157	(378)	166,154	18,817	339,264

The accompanying notes on pages 135 to 139 form an integral part of these Company Financial Statements.

FINANCIAL STATEMENTS
Notes to the Company Accounts
for the year ended 31 December 2020

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") and in accordance with the Companies Act 2006.

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 Group.

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 do not include certain disclosures in respect of:

- financial instruments; and
- 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. Investment in subsidiaries

Investment in subsidiaries is included in the Company's Statement of Financial Position at cost less provision for impairment. Investments are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. Where assets have been transferred within the Group, a capital reduction in the originating Company is performed, and a dividend is declared to the Triple Point Social Housing REIT PLC. This results in an impairment to investments in subsidiaries.

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.

Rent receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions for amounts due from subsidiaries are recognised based on a forward-looking expected credit loss model using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

2.4. Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash 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 amounts 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.

Restricted Cash represents monies held in escrow in relation to the on-boarding of the lease transfer.

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 using the effective interest method until settled.

2.6. Dividend 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.

FINANCIAL STATEMENTS
Notes to the Company Accounts
for the year ended 31 December 2020

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. Treasury shares
Consideration paid or received for the purchase or sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

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. The estimate 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 is as follows:

Investments
Investments held as fixed assets are stated at cost less any provision for impairment. The Directors assess the recoverability of investments made and economic benefit of the investments based on market conditions, economic forecasts and cash flow estimates.

4. INVESTMENT IN SUBSIDIARIES

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	**286,164**	24,961
Acquisitions	**94,500**	398,665
Impairments	**(14,023)**	(137,462)
Balance at end of year	**366,641**	286,164

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

The impairment represents a write down in the value of the Company's subsidiaries after a corporate restructure. The subsidiaries that formed part of the corporate restructure paid a dividend to the Company representing their full value less £1 which remained as equity. The subsidiaries have since been struck off or are in the process of being struck off. A list of the Company's subsidiary undertakings as at 31 December 2020 is included in note 31 of the Group Financial Statements.

5. TRADE AND OTHER RECEIVABLES

	31 December 2020 £'000	31 December 2019 £'000
Amounts due from subsidiaries	**1,433**	1,461
Prepayments	**85**	87
Other receivables	**15**	543
	1,533	2,091

Included in Prepayments are prepaid acquisition costs which include the cost of acquiring assets not completed at the year end.

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.

The Group applies the general approach to providing for expected credit losses under IFRS 9 for other receivables and amounts due from subsidiaries. Both the expected credit loss and the incurred loss provision in the current and prior year are immaterial.

6. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2020 £'000	31 December 2019 £'000
Cash held by lawyers	**118**	1,086
Liquidity funds	**–**	50,000
Restricted cash	**601**	1
Cash at Bank	**28,690**	2,715
	29,409	53,802

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 between 0.59% and 0.75% 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 monies held in escrow in relation to the on-boarding of the lease transfer.

7. TRADE AND OTHER PAYABLES

Current Liabilities

	31 December 2020 £'000	31 December 2019 £'000
Other creditors	**428**	360
Amounts due to subsidiaries	**84**	151
Accruals	**1,759**	1,610
Trade and other payables	**79**	672
	2,350	2,793

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

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2020	351,352,210	3,514
Issued on public offer on 21 October 2020	51,886,792	519
At 31 December 2020	403,239,002	4,033

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2019 and 31 December 2019	351,352,210	3,514

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. The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

Following a fourth public offer on 21 October 2020, the Company issued 51,886,792 new Ordinary Shares of one pence each which were fully paid.

The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

The table above includes 450,000 treasury shares (note 10). Treasury shares do not hold any voting rights.

FINANCIAL STATEMENTS

Notes to the Company Accounts

for the year ended 31 December 2020

9. SHARE PREMIUM RESERVE

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

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	151,157	151,157
Share premium arising on new Ordinary Shares	54,481	–
Share issue costs capitalised	(1,862)	–
Balance at end of year	**203,776**	151,157

During the Board meeting on 3 August 2017 a resolution was passed authorising the cancellation of the share premium account. The amount standing to the credit of the share premium account 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.

10. TREASURY SHARES RESERVE

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	(378)	–
Own shares repurchased	–	(378)
Balance at end of year	**(378)**	(378)

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. During the period ended 31 December 2019, the Company purchased 450,000 of its own 1p Ordinary Shares at a total gross cost of £377,706 (£374,668 cost of shares and £3,038 associated costs). As at 31 December 2020, 450,000 1p Ordinary Shares are held by the Company (31 December 2019 – nil).

11. CAPITAL REDUCTION RESERVE

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	166,154	183,921
Dividends paid	–	(17,767)
Balance at end of year	**166,154**	166,154

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve. Dividends have been distributed out of Retained Earnings rather than the Capital Reduction Reserve in the year ended 31 December 2020.

12. DIVIDENDS

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
1.25p for the 3 months to 31 December 2019 paid on 29 March 2020	–	4,392
1.27p for the 3 months to 31 March 2020 paid on 28 June 2020	–	4,463
1.27p for the 3 months to 30 June 2020 paid on 27 September 2020	–	4,456
1.27p for the 3 months to 30 September 2020 paid on 20 December 2020	–	4,456
1.285p for the 3 months to 31 December 2019 paid on 27 March 2020	4,509	–
1.295p for the 3 months to 31 March 2020 paid on 26 June 2020	4,544	–
1.295p for the 3 months to 30 June 2020 paid on 25 September 2020	4,544	–
1.295p for the 3 months to 30 September 2020 paid on 18 December 2020	5,217	–
	18,814	17,767

On 4 March 2021, the Company declared an interim dividend of 1.295 pence per Ordinary share for the period 1 October 2020 to 31 December 2020. The total dividend of £5.21 million will be paid on 26 March 2021 to Ordinary shareholders on the register on 12 March 2021.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Dividends are not payable in respect of its treasury shares held.

13. RETAINED EARNINGS

	31 December 2020 £'000	31 December 2019 £'000
Balance at beginning of year	18,817	(12,794)
Total comprehensive profit for the year	21,645	31,611
Dividends paid	(18,814)	–
Balance at end of year	21,648	18,817

14. 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 year. 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 2020 £'000	31 December 2019 £'000
Net assets at end of period	395,233	339,264
Shares in issue at end of period (excluding treasury shares)	402,789,002	350,902,210
Dilutive shares in issue	–	–
Basic and dilutive per share	98.12p	96.68p

15. 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 30 of the Notes to the Group Financial Statements includes details of other related party transactions undertaken by the Company and its subsidiaries.

16. POST BALANCE SHEET EVENTS

There were no post balance sheet events subsequent to the end of the period.

OTHER INFORMATION
Unaudited Performance Measures
for the year ended 31 December 2020

1. 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 consolidated 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.

	31 December 2020 £'000	31 December 2019 £'000
Net asset value per the consolidated financial statements	**428,651**	369,733
Value of Asset pools	**428,651**	369,733
Effects of the adoption to the assumed, hypothetical sale of properties as a portfolio and on the basis of sale of a corporate vehicle	**40,137**	32,165
Portfolio Net Asset Value	**468,788**	401,898

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

	31 December 2020 £'000	31 December 2019 £'000
Opening reserves	**401,898**	384,342
Net issue proceeds	**53,138**	–
Share buybacks	**–**	(378)
Operating profits	**22,322**	15,127
Capital appreciation	**15,929**	23,793
Loss on fair value adjustment on assets held for sale	**(64)**	–
Finance income	**102**	229
Finance costs	**(5,723)**	(3,448)
Dividends paid	**(18,814)**	(17,767)
Portfolio Net Assets	**468,788**	401,898
Number of shares in issue at the year end (excluding treasury shares)	**402,789,002**	350,902,210
Portfolio net asset value per share	**116.39p**	114.53p

2. ADJUSTED EARNINGS PER SHARE ON A PORTFOLIO NAV BASIS

Summary Consolidated Statement of Comprehensive Income	**31 December 2020 £'000**	31 December 2019 £'000
Net rental income	**28,393**	21,112
Other income	**535**	–
Expenses	**(6,606)**	(5,985)
Fair value gains on investment property	**48,094**	43,974
Loss on fair value adjustment on assets held for sale	**(64)**	–
Finance income	**102**	229
Finance costs	**(5,723)**	(3,448)
Value of each pool	**64,731**	55,882
Weighted average number of shares (excluding treasury shares)	**360,853,102**	351,124,401
Adjusted earnings per share – basic	**17.94p**	15.92p

3. EPRA NET REINSTATEMENT VALUE

	31 December 2020 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	**428,651**	369,733
Include:		
Real Estate Transfer Tax* (£'000)	**34,655**	27,493
EPRA Net Reinstatement Value (£'000)	**463,306**	397,226
Fully diluted number of shares	**402,789,002**	350,902,210
EPRA Net Reinstatement value per share	**115.02p**	113.20p

[1] Purchaser's costs

4. EPRA NET DISPOSAL VALUE

	31 December 2020 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	**428,651**	369,733
Include:		
Fair value of debt* (£'000)	**(7,750)**	(5,030)
EPRA Net Disposal Value (£'000)	**420,901**	364,703
Fully diluted number of shares	**402,789,002**	350,902,210
EPRA Net Disposal Value**	**104.50p**	103.93p

* Difference between interest-bearing loans and borrowings included in balance sheet at amortised cost, and the fair value of interest-bearing loans and borrowings.

**Equal to the EPRA NNNAV disclosed in previous reporting periods.

5. EPRA NET TANGIBLE ASSETS

	31 December 2020 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	**428,651**	369,733
EPRA Net Tangible Assets (£'000)	**428,651**	369,733
Fully diluted number of shares	**402,789,002**	350,902,210
EPRA Net Tangible Assets *	**106.42p**	105.37p

*Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 31 December 2020.

6. EPRA NET INITIAL YIELD (NIY) AND EPRA "TOPPED UP" NIY

	31 December 2020 £'000	31 December 2019 £'000
Investment Property – wholly-owned (excluding head lease ground rents)	**570,644**	470,895
Less: development properties	**(6,506)**	(17,949)
Completed property portfolio	**564,138**	452,946
Allowance for estimated purchasers' costs	**34,655**	27,493
Gross up completed property portfolio valuation	**598,793**	480,439
Annualised passing rental income	**31,556**	25,431
Property outgoings	**–**	–
Annualised net rents	**31,556**	25,431
Contractual increases for lease incentives	**62**	–
Topped up annualised net rents	**31,618**	25,431
EPRA NIY	**5.27%**	5.29%
EPRA Topped Up NIY	**5.28%**	5.29%

7. ONGOING CHARGES RATIO

	31 December 2020 £'000	31 December 2019 £'000
Annualised ongoing charges	**6,263**	5,985
Average undiluted net assets	**399,192**	366,947
Ongoing charges	**1.57%**	1.63%

8. EPRA VACANCY RATE

	31 December 2020 £'000	31 December 2019 £'000
Estimated Market Rental Value (ERV) of vacant spaces	**92**	–
Estimated Market Rental Value (ERV) of whole portfolio	**31,618**	25,460
EPRA Vacancy Rate	**0.29%**	0%

9. EPRA COST RATIO

	31 December 2020 £'000	31 December 2019 £'000
Total administrative and operating costs	**6,606**	5,985
Gross rental income	**28,393**	21,112
EPRA cost ratio	**23.27%**	28.35%

OTHER INFORMATION
Glossary and Definitions
for the year ended 31 December 2020

"the Act"	Companies Act 2006
"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 in receipt of direct payment from local government including a care provider;
"Basic NAV"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
"Board"	the Directors of the Company from time to time;
"Company"	Triple Point Social Housing REIT plc (company number 10814022);
"C Shares"	C non-voting preference shares of 1.25 pence each in the capital of the Company;
"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;
"EPRA"	the European Public Real Estate Association;
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time;
"Group"	the Company and any 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, which were the subject of the Company's initial public offering on 8 August 2017;
"NAV"	the net assets of the Company in accordance with applicable accounting rules from time to time;
"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"	means 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;
"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 certain across the portfolio, weighted by contracted rental income. We have included all parts of the term certain, including additional leases which are triggered by landlords' put options, but not those triggered by lessees' call options unless the options were mutual.

OTHER INFORMATION
Shareholder Information
for the year ended 31 December 2020

Non-executive Directors
Chris Phillips
Ian Reeves CBE
Peter Coward
Paul Oliver
Tracey Fletcher-Ray

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1 King William Street
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Investment Manager and AIFM (appointed AIFM on 1 July 2020)
Triple Point Investment Management LLP
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EC4N 7AF

Alternative Investment Fund Manager
Langham Hall Fund Management LLP (1 January to 30 June 2020)
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EC4M 7RA

Joint Financial Adviser
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66 St James's Street
London
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Joint Financial Adviser and Corporate Broker
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EC2V 6ET

Legal Adviser
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Tax Adviser
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

Depositary
(1 January to 30 June 2020)
Langham Hall UK Depository LLP
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EC4M 7RA

(appointed 1 July 2020)
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Administrator and Company Secretary
Hanway Advisory Limited
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EC4N 7AF

Registrar
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Auditors
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