Triple Point
SOCIAL HOUSING
REIT PLC

ANNUAL REPORT

2021

Earlsway, Macclesfield

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At a Glance

Who We Are

Triple Point Social Housing REIT plc invests in social housing properties in the United Kingdom (UK), 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 in a community setting 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 Supported Housing investor in the UK 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 which creates social impact.

What We Do

We seek to optimise the opportunities available to 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 whose care needs are 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 additional homes for vulnerable adults and enabling local authorities to reduce their social housing waiting lists.

Our portfolio benefits from generally 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 generally inflation-linked income.

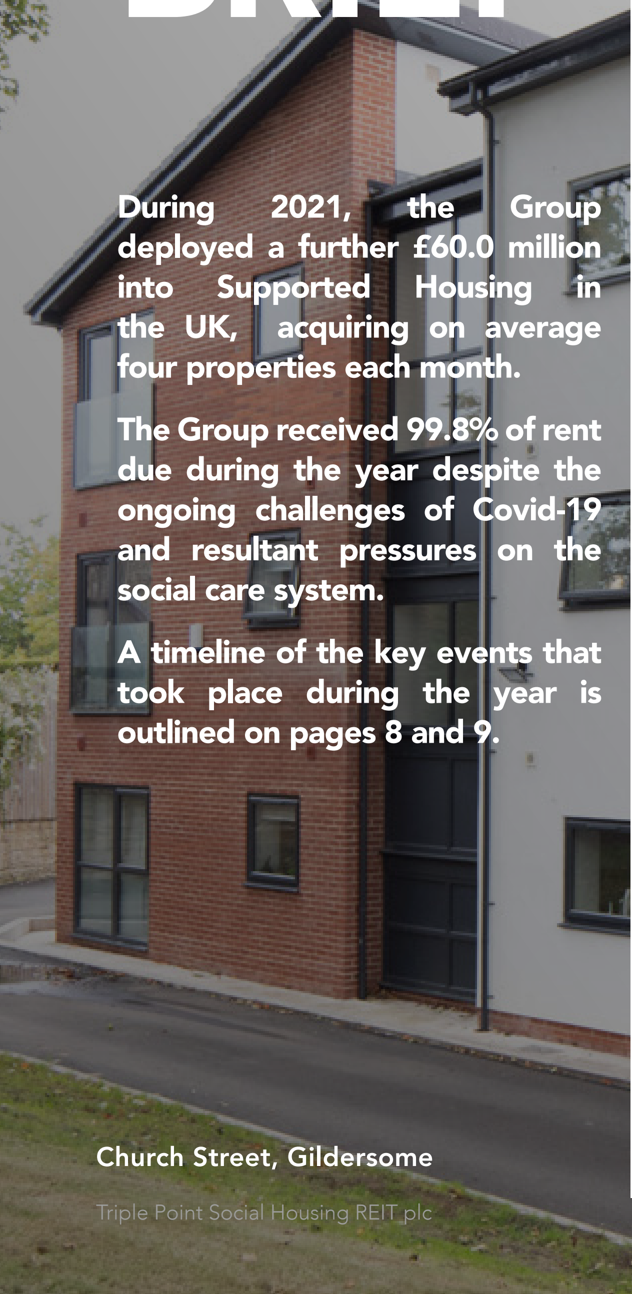
E VALUE
HOME

THE YEAR IN BRIEF

During 2021, the Group deployed a further £60.0 million into Supported Housing in the UK, acquiring on average four properties each month.

The Group received 99.8% of rent due during the year despite the ongoing challenges of Covid-19 and resultant pressures on the social care system.

A timeline of the key events that took place during the year is outlined on pages 8 and 9.



Church Street, Gildersome

JAN

FEB

MAR

04-MAR-21

The Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 October to 31 December 2020 resulting in a aggregate total dividend of 5.18 pence per Ordinary Share for the year ended 30 December 2020.

APR

MAY

17-MAY-21

The Company declared an interim dividend of 1.30 pence per Ordinary Share for the period from 1 January to 31 March 2021.

JUN

JUL

AUG

27-AUG-21

The Group announced it had put in place £195 million of long dated, fixed-rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management and Barings.

In addition, Fitch Ratings assigned the Group an Investment Grade Long-Term Issuer Default Rating of 'A-' with a stable outlook, and a senior secured rating of 'A' for the Group's new loan notes.

SEP

OCT

NOV

04-NOV-21

The Company declared an interim dividend of 1.30 pence per Ordinary Share for the period from 1 July to 30 September 2021.

DEC

09-MAR-21

The Group acquired seven Supported Housing properties, comprising 68 units in total. The aggregate consideration for the properties was approximately £12.1 million.[1]

Malthouse Mews, Wakefield

06-JUL-21

The Group acquired ten supported housing properties and exchanged contracts on a further two properties, comprising 56 units in total. The aggregate consideration for the properties was approximately £14 million.[1]

School Street, Wakefield

03-SEP-21

The Company declared an interim dividend of 1.30 pence per Ordinary Share for the period from 1 April to 30 June 2021.

Old Woolcombers, Halifax

15-NOV-21

The Group acquired a portfolio of 19 properties and exchanged contracts on a further two properties, comprising 185 units in total.

In addition, the Group acquired a further five properties, comprising 38 units in total. The aggregate consideration for the properties was approximately £29.9 million.[1]

POST PERIOD EVENTS

Since the period end the Group has acquired eight properties comprising 57 units, for £10.0 million[2] at net initial yields in line with the Company's existing portfolio.

On 21 February 2022, the £160.0 million RCF with Lloyds was reduced to £50.0 million in order to reduce commitment fees, but maintain flexibility around upcoming deployment opportunities, and remains undrawn.

On 3 March 2022, the Company declared an interim dividend of 1.30 pence per Ordinary Share for the period from 1 October to 31 December 2021 resulting in an aggregate dividend of 5.20 pence per Ordinary Share for the year.

1 Excluding acquisition costs
2 Including acquisition costs

KEY HIGHLIGHTS

PORTFOLIO VALUATION

£642.0m[3]

(December 2020: £571.5 million)

As at 31 December 2021, the portfolio was independently valued at £642.0 million on an IFRS basis, an uplift of 8.7% against total invested funds of £590.4 million.

The Group's properties were valued at £692.0 million on a portfolio valuation basis, reflecting a portfolio premium of 7.8% or a £49.9 million uplift against the IFRS valuation.

MARKET CAPITALISATION

£389.9m

(December 2020: £449.1 million)

As at 31 December 2021, the market capitalisation of the Company was £389.9 million.

DIVIDEND PER ORDINARY SHARE

5.20p

(December 2020: 5.18 pence)

Dividends paid or declared in respect of the year ending 31 December 2021 totalled 5.20 pence.

EPRA NET INITIAL YIELD (NIY)

5.20%

(December 2020: 5.27%)

EPRA NIY was 5.20% as at 31 December 2021. 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.

RENTAL UPLIFTS

100% index linked

(December 2020: 100%)

As at 31 December 2021, 100% of contracted rental income was either CPI or RPI linked.

TOTAL RETURN

31.1%[4]

(December 2020: 23.89%)

Total return since IPO to 31 December 2021 was 31.1%.

CONTRACTED RENTAL INCOME

£35.8m

(December 2020: £31.6 million)

As at 31 December 2021 the contracted rental income was £35.8 million per annum.

DIVIDEND COVER

0.99x

(December 2020: 0.98x)

Dividend cover on an EPRA earnings run-rate basis at 31 December 2021 was 0.99x.

EPRA NET TANGIBLE ASSETS

108.27p

(December 2020: 106.42 pence)

The EPRA Net Tangible Assets was equal to the IFRS NAV and was 108.27 pence per share as at 31 December 2021.

[3] Including acquisition costs
[4] Key highlight is a performance measure that has been added for the year ended 31 December 2021 in response to developing guidance from European Markets and Security Authority

TOTAL INVESTMENT PORTFOLIO

488

(December 2020: 445)

During the year the Group purchased 44 properties with an aggregate purchase price of £60.0 million bringing the total portfolio to 488 properties.[5]

WAULT

26.2 years

(December 2020: 26.2 years)

As at 31 December 2021, the WAULT was 26.2 years (including put/call options and reversionary leases).

FORWARD FUNDING AGREEMENTS

22

(December 2020: 22)

As at 31 December 2021, the Group had entered into 22 Forward Funding Agreements all of which have reached practical completion.

UNITS

3,424

(December 2020: 3,124)

As at 31 December 2021, the portfolio comprised 3,424 units.

LEASES

382

(December 2020: 341)

As at 31 December 2021, the portfolio had 382 leases.

APPROVED PROVIDERS

24

(December 2020: 20)

As at 31 December 2021, the Group had leases with 24 Approved Providers.

NET PROFIT

£28.4m[6]

(December 2020: £24.6 million)

Net Profit for the year ended 31 December 2021 was £28.4 million.

ONGOING CHARGES RATIO

1.54%

(December 2020: 1.57%)

The ongoing charges ratio was 1.54% as at 31 December 2021 and is a ratio of annualised ongoing charges expressed as a percentage of average net asset value throughout the year.

YIELD COMPRESSION

65 basis points

(December 2020: 63 basis points)

As at 31 December 2021, the portfolio's blended weighted average net initial yield at purchase was 5.90% compared to the blended valuation net initial yield of 5.25%, reflecting our ability to buy high quality properties at attractive off-market prices.

[5] One asset within the existing portfolio is being held for sale
[6] Key highlight is a performance measure that has been added for the year ended 31 December 2021 in response to developing guidance from European Markets and Security Authority

A PLACE WILL IS PROUD TO CALL HOME

Will's Story

The UK needs more social housing.

Thousands of disabled people are living in accommodation that does not meet their needs. Across the social housing sector, 1 in 10 households on housing waiting lists have been stuck there for more than five years and demand is growing every year[7]. It's a systemic challenge, and one that the public sector cannot do alone.

Triple Point Social Housing REIT plc focuses on delivering specialised Supported Housing.

More than that we aim to provide homes – homes that people can make their own where they receive the support to live life on their terms.

For 56-year-old wildlife lover and film fan Will, moving into Brunswick Gardens a fortnight before Christmas 2020 represented "a new start in life".

It is a place where he feels peaceful, calm, safe and which Will is proud to call home. It has also meant the creation of new friendships.

Will said: *"I find it hard to make friends but when I came here, I started to make some and we watch films together on Netflix, and that's all helped me a lot with my mental health."*

"My first Christmas here was brilliant. I had my friends around, put my tree up and had a little bit of a party."

Originally from Northumberland, Will had been in four different hospitals over a period of 10 years. Describing the moment he found out that there was a flat for him at Brunswick Gardens, he said:

"I had been in hospital for eight months and the social worker came and told me about this flat. When I heard about it, I was over the moon."

Brunswick Gardens is a new build specialised Supported Housing property funded by the Group.

Located in the heart of the village of Brunswick near Newcastle, Brunswick Gardens opened in 2017 and provides 16 high specification one-bedroom apartments for people with mental health needs, helping them to live independently with 24-hour on-site support.

Each apartment has an open-plan kitchen, a living room, and a wet room-style bathroom with a shared secure garden, CCTV, and plenty of on-site parking. Brunswick Gardens is close to convenience stores and neighbouring Gosforth provides access to larger amenities such as high-street shops, banks, restaurants and cafés. Inclusion Housing provides the housing management services.

Residents benefit from a network of staff support which helps them to manage their daily lives.

[7] https://www.local.gov.uk/about/news/housing-waiting-lists-could-double-next-year-one-10-stuck-queue-more-5-years-new

Before arriving, Will was not sure what moving to Brunswick Gardens would feel like, but seeing the flat, and furnishing it to reflect his love of animals and nature, helped him to make it "his own".

House-proud Will describes his flat as *"spacey, bright and homely"*. He added: *"I furnished it all myself and I'm pretty proud of what I've got – I've put my own stamp on things, and it makes it feel a lot like home to me."*

An array of gorilla, tiger and bear ornaments decorate his flat with a huge black panther poster taking proud centre stage. On Will's kitchen unit doors is a kaleidoscope of butterflies, reflecting Will's nature-loving side.

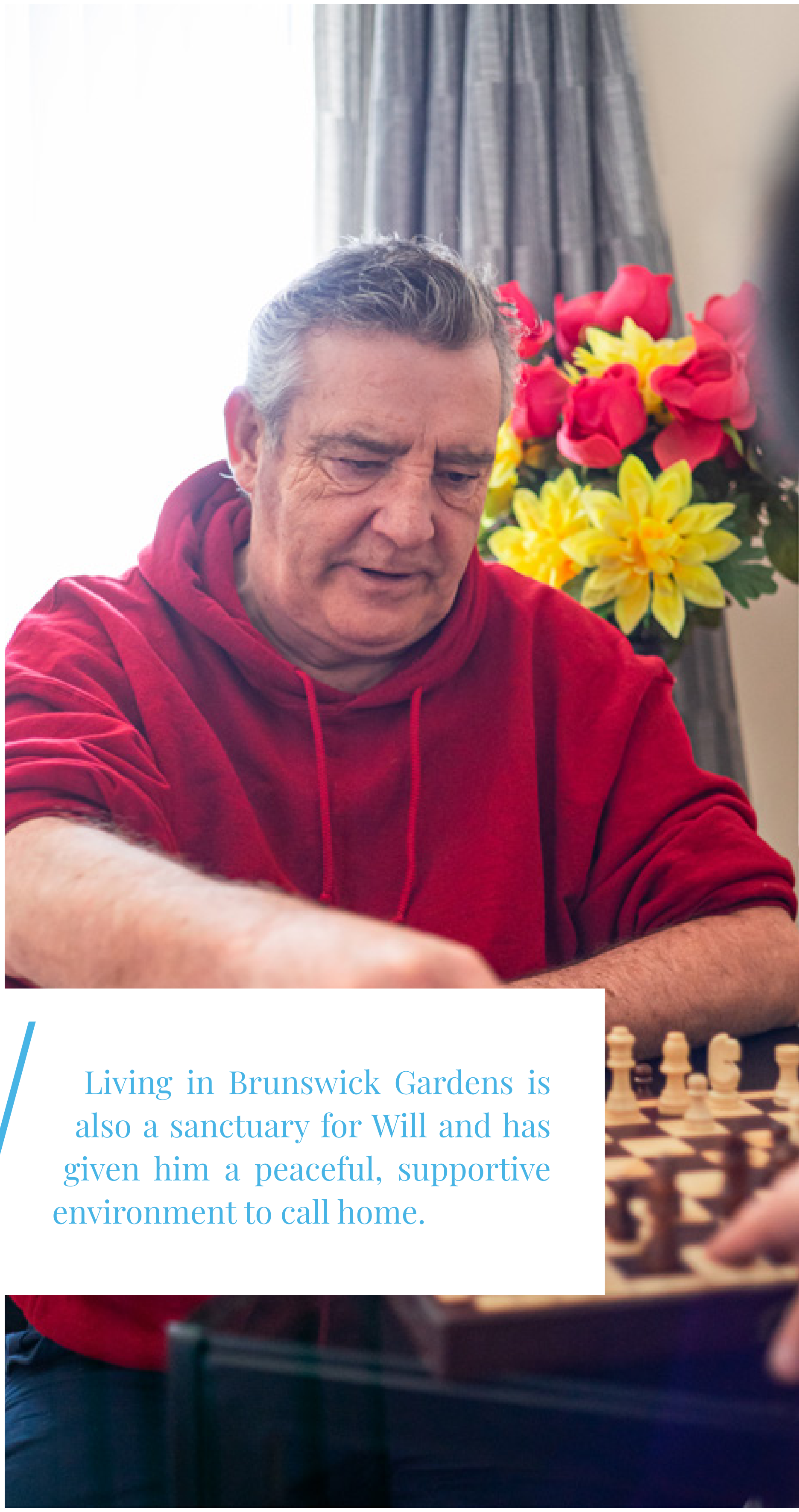
Will's home is illuminated with colour when he flicks on the colour-changing LED wall lights, which he has complemented with LED light branches placed in a vase. In the opposite corner of the room, another vase proudly and poignantly displays an assortment of artificial flowers – which Will's late mum gave to him 20 years ago.

Living in Brunswick Gardens is also a sanctuary for Will and has given him a peaceful, supportive environment to call home.

"I really do like it here because it feels safe," explains Will. *"The staff are brilliant and are here 24 hours, there are cameras, and the garden is fenced off. It means I'm not so panicky. Living here has given me a peaceful home.*

I like to go out on the swings in the garden, listening to the birds tweeting and watching the clouds go by.

It's so peaceful and there's no noise. I've also been down to the park at Big Waters Lake which is only five minutes away. I like to see the swans there."



Living in Brunswick Gardens is also a sanctuary for Will and has given him a peaceful, supportive environment to call home.

Will regularly welcomes his family at Brunswick Gardens. He said: *"Living here means my family can come to see me. My brother, brother-in-law, two sisters and nephews and nieces visit, and my brother Victor also takes me shopping."*

And it was Victor who taught him how to play chess at the age of eight, a hobby which Will still loves to play – a chess set sits on the side of his dining table.

"My brother was 10 years older than me and I was beating him when I was 10," he says with a smile. *"I also beat a chess master at the age of 13. Always think four moves ahead on the chess board is my tip."*

Will also shares his passion for films with his friends living at Brunswick Gardens and enjoys playing his array of Xbox games with staff.

"A few of us sometimes watch films together. I like horrors, action films with Arnold Schwarzenegger and Marvel films like Superman, Batman and Ironman, and watching boxsets on Netflix," he said. *"I have a few favourite games on the Xbox – Call of Duty and Tomb Raider."*

For Will, living at Brunswick Gardens in his own *"peaceful"* home, where he has made friends and his family can visit him. In his own words, his life now *"is a lot better"*.

/ Strategic Report

CHAIR'S STATEMENT

/ **CHRIS PHILLIPS,** Chair

We entered 2021 with cautious optimism. While the challenges of the pandemic were still being laid bare on the centre stage, the global economic outlook was brightening. Countries across the world began vaccinating their citizens, lockdowns came to an end in the spring and as a global community, we embarked on a journey of learning to live with Covid-19. Despite the numerous challenges that the virus continued to pose to all of our stakeholders, this year was different.

We tackled 2021 armed with experience, knowledge and collective resilience. First and foremost we would like to recognise the work of our housing and care provider partners who continued to ensure the safety and wellbeing of our residents throughout a prolonged lockdown; during times when social distancing, restrictions, and staffing shortages posed significant challenges. On our part we aimed to ensure that our Approved Providers and care providers were supported, where possible helping them continue to operate effectively and ensure minimal disruption. We continued to collaborate with local authorities and Commissioners to ensure referrals to our properties were made as efficiently and, most importantly, as safely as possible.

> Our stakeholders play a vital role in allowing us to deliver our investment strategy and without them we would not be able to report on our continued strong performance.

As I wrote to you this time last year I reported that despite all of its challenges, 2020 had been another year of strong performance for us. I am pleased to tell you that 2021 was more of the same. It has been another year where we have met our dividend targets and another year in which we continued to execute our investment strategy, working with our partners to provide homes to some of the most vulnerable members of society. Continuing to build upon our proven track record is something we strive for, but not something we take for granted. Each and every one of our stakeholders plays a vital role in allowing us to deliver our investment strategy and without them I would not be able to write to you today to report on this continued strong performance.

In December, the Department of Health & Social Care published its White Paper on Adult Social Care Reform "People at the Heart of Care"[8]. The paper highlighted the important role that wider Supported Housing plays, and must continue to play in delivering better resident outcomes within our social care system. Demand for social care continues to grow year on year. Estimates predict that at least 1.7 million more adults will require social care over the next 15 years. Recent analysis found that among those aged 18-64, requests for support rose from 500,000 in 2015-16 to 560,000 in 2019-20[9]. There are more than 650,000 supported homes in the UK, of which approximately a quarter are specialised Supported Housing. The UK is lagging behind its peers in supporting people to live in Supported Housing generally. The United States, New Zealand and Australia each provide over 5% of their total populations with Supported Housing, compared with the UK's 0.6%[10].

Over 10 years on from the Winterbourne View scandal, reports continue to come to light of vulnerable people remaining in inappropriate and expensive institutional care settings[11]. These reports continue to highlight not only the urgent need for more specialised Supported Housing to be provided throughout the UK, but for greater awareness of the benefits this type of accommodation has for residents, as well as their families and wider communities. Since our IPO in 2017, we have provided 3,424 new units of accommodation. Our properties provide value for money for the UK tax-payer when compared with traditional institutional care settings which cost the Government as much as £3,500 per resident, per week. This is compared with specialised Supported Housing which costs the Government on average £1,569 per resident, per week[12].

Growing demand inevitably puts pressure on the wider social care delivery system as well as families and communities. I welcome the Government's acknowledgement in the Adult Social Care White

[8] https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper/people-at-the-heart-of-care-adult-social-care-reform
[9] Centre for Workforce Intelligence (2011). Report. The Adult Social Care Workforce in England: Key facts
[10] White Paper: "People at the Heart of Care"
[11] https://www.bbc.co.uk/news/uk-england-59733934
[12] https://www.mencap.org.uk/sites/default/files/2018-04/2018.052%20Housing%20report_FINAL_WEB.pdf

Paper that as a country we must increase the supply of Supported Housing and that private capital, exactly such as ours, is vital to meeting this goal alongside our public sector partners.

As I remarked earlier in my statement, we are committed to continually applying what we have learnt as a Company on our journey so far. We learn every day, from listening to the needs of Commissioners, local authorities, our Approved Providers, care providers, residents and shareholders. Our investment strategy is predicated on doing good by doing well.

Environmental considerations have been at the forefront of our minds this year, brought further into focus as nations around the world gathered in Glasgow for the COP 26 summit. Over 72% of our portfolio already meets the Government's target Energy Performance Certificate ("EPC") level of 'C' but we know we can and must do more. In September we announced the launch of an ambitious initiative to fund the upgrade of all remaining properties within our portfolio to a minimum EPC rating of 'C' over the next few years. Further detail on implementing the new initiative can be found on pages 48 to 53.

The Investment Manager will provide a more detailed overview of our business and performance this year in its report. In the meantime, I have summarised some highlights from both our financial performance and our social impact performance before finishing with a reflection on the outlook for our business.

Clock Tower, Liverpool

SOCIAL IMPACT

Social Impact is engrained in our decision making processes and is central to our business model. This set of results demonstrates our conviction that financial performance and social impact are mutually reinforcing. The independent Impact Report prepared by The Good Economy this year incorporates a new and enhanced monetisation methodology. This new methodology verifies that our properties have delivered £2.74 of Total Social Value for every £1.00 invested in the year to 31 December 2021. You can read more on the social value and impact that our properties create in the Impact Report prepared by the Good Economy, available separately on our website.

Each property we acquire is assessed to ensure it meets our ESG standards, provides value-for-money to local authorities, enhances resident outcomes and delivers a positive overall social impact. Integration of ESG standards at the core of our diligence processes means that we identify ESG risks early in the acquisition process, giving us an opportunity to engage on these issues early along with our stakeholders.

As focus has grown on social impact investing so too has the framework around it. We were early adopters of the Sustainability Reporting Standard for Social Housing (a metric we monitor our Approved Providers against) and we are a member of the Equity Impact Project. We were also a participant of the Green Lease Working Group for the Green Finance Institute. We look forward to continuing to contribute to these projects and to helping to shape the sector's impact framework along with other market stakeholders in the years to come. You can read more on our outlook for initiating "green" leases in our future pipeline in the Investment Manager's Report on pages 36 to 44.

FINANCIAL PERFORMANCE

During the year, we invested £60.0 million in acquiring 44 new properties providing 345 new homes. Our acquisitions during the year were all in line with the existing portfolio's net initial yield. Covid-19 restrictions caused delays at times, but we worked with Commissioners and our Approved Providers to ensure residents were able to move in safely and as quickly as possible.

The final two of our 22 forward funding projects successfully completed this year. Since IPO, we have invested £53.7 million in total in these types of construction projects, which have provided 318 new, high quality and much needed homes in community settings for our residents. The numerous obstacles caused by Covid-19 and the associated lockdowns have caused delays on some of these developments, however, these have not come at a material financial cost to our shareholders. We hope to commence work on new forward funding projects over the course of 2022 as local authorities continue to signal demand for more of these long-term homes for people with care and support needs.

Since IPO, we have delivered cumulative total returns of approximately 31.1% representing an annualised return of 7.07% per annum.

Our acquisitions during the year were funded from existing cash and debt balances. We were delighted with the outcome of the debt refinancing reported earlier in the year which enabled us to put in place a new long-term debt facility, which locks in competitive interest rates for 10 to 15 years at a time of rising inflation. The refinancing also provided £65.0 million of further capital for investment into new specialised Supported Housing homes.

We were pleased to report that, as part of the refinancing, the Group received an Investment Grade Issuer Default Rating from Fitch of 'A-' (Stable Outlook) with a senior secured rating of 'A'. This is a positive endorsement of both the Group's investment thesis and the sector, that enabled the Group to pursue a broader strategy in relation to debt financing. The Group's new long-term, attractively priced, fixed-rate loan notes are reflective of this. Further detail on both the new debt facility and the rating can be found in the Investment Manager's report on page 41.

At the year end:

we owned 488 properties, comprising 3,424 units, having cumulatively deployed £590.4 million since IPO. Page 47 contains a map of all our properties

we had 24 Approved Providers, and a portfolio weighted average unexpired lease term of 26.2 years

the portfolio was valued at £642.0 million on an IFRS basis, 8.7% above our total investment cost and reflecting an EPRA NIY of 5.20%

I am pleased to continue to report this year that we have paid all target dividends in full as we have done since inception. Following continued deployment, at 31 December 2021 our dividend cover on a look through EPRA run rate basis was 0.99x. We expect to announce our dividend target for 2022 in May as we have done in previous years.

Our EPRA earnings per share was 4.82 pence in the year (adjusted EPRA earnings on a cash basis was 5.14 pence) while IFRS earnings per share was 7.05 pence. Finally, the EPRA NTA and audited IFRS NAV per share was 108.27 pence, an increase of 1.7% since 31 December 2020.

All in all, we are proud of another set of strong financial results which builds on our performance to date.

PROPOSED AMENDMENTS TO THE GROUP'S INVESTMENT POLICY

Today, alongside announcing our results, we have also published in our Notice of Annual General Meeting (AGM) and circular, proposed changes to the Company's investment policy and investment restrictions.

The Company was one of the first listed investment trusts to invest equity directly into specialised Supported Housing in 2017. During that time, the sector has evolved, and as a responsible investor, we have moved forward alongside it. We have developed our leases to reflect the collective learnings of the sector and maximise their effectiveness. In 2019, we introduced a change in law clause into our new leases which facilitated proportionate risk sharing with Approved Providers if there was to be a material future change in housing benefit policy. We have also consistently increased the reporting onus on our Approved Providers, strengthened the Group's right to assign leases if an Approved Provider is underperforming and introduced "green" lease provisions. Collectively these changes have helped ensure that the Group's investments generate stable and sustainable financial returns for investors and deliver social impact.

The Company operates in a regulated sector and the Investment Manager maintains an ongoing dialogue with the Regulator of Social Housing alongside our Approved Providers. The Regulator has publicly commented on the risks associated with leases in the specialised Supported Housing sector. Increasingly, Approved Providers are looking to evolve the terms of the leases they enter into going forward, in part, to address the observations made by the Regulator. Simultaneously, over the last six months the Investment Manager has seen an increasing prevalence of new lease structures in the sector and the endorsement of those new lease structures by other investors.

The Company is proposing to change its investment policy and investment restrictions at this time to ensure it has the requisite flexibility to continue to be at the forefront of this evolving sector, allow our Approved Providers to accommodate points raised by the Regulator, and thereby remain an attractive partner.

Full details of the proposed changes are outlined in full in the Notice of AGM and in summary focus on:

- Removing the Company's minimum lease term restriction.
- Allowing the Company to selectively take on the cost of funding planned maintenance.
- Giving the Company the ability to enter into leases which are subject to upward only adjustments, tracking either inflation or central housing benefit policy.

Our mission remains clear. We remain determined to deploy our capital into good quality homes, leased to the best quality Approved Providers in the sector. These changes will enable us to do just that.

In formulating these changes the Company has carefully considered the impact that implementing them will have on its performance, income and capital return targets going forward. An initial pipeline of opportunities in excess of £15 million has been identified which incorporate lease terms compatible with the proposed changes. These opportunities are consistent with the Group's income and capital return targets and will be supported by formal valuation advice from the Group's independent valuer, JLL.

A resolution will be proposed at the Company's 2022 Annual General Meeting to approve these changes. If passed by shareholders, we will, as ever, be focused on the quality of our assets, the duration of our revenue streams and ensuring the Company continues to build on its success to date.

Lillydale Road, Stoke-on-Trent

Earlsway, Macclesfield

Outlook

If the pandemic has taught us anything it is that the intersections of health, economic and societal factors are more profound than ever. We cannot tackle these issues alone, but we can be a responsible participator in the wider system. By delivering on our investment strategy we seek to make a positive contribution to society while delivering sustainable financial returns for our shareholders.

I look forward to engaging with our Shareholders in the weeks to come on the proposed changes to the investment policy and investment restrictions as we embark upon an exciting new chapter of continued growth for the Group in 2022.

Sadly, I cannot end without mentioning the deeply upsetting and ongoing situation in Ukraine. The Company is fortunate that its investment strategy is resilient and not directly impacted by the current conflict, however, the impending refugee and humanitarian crisis cannot escape our minds. We would like to take this opportunity to offer any support which we can to the wider sector in the coming months as the human impact of the conflict takes its toll.

I would like to thank all our advisers, and the Investment Manager, for their continued hard work and dedication to our investment strategy. Our corporate broker and joint financial adviser, Stifel Nicolaus Europe Limited, and our joint financial adviser, Akur Limited, as always have provided valuable and high-quality advice during the year. Alongside the Investment Manager, they have been instrumental in designing ways for the Group to continue to build upon its success so far and helping us to navigate plans for the Group's growth as I have announced today.

Finally, I would like to thank our shareholders for their continued support, as well as my fellow Board members for their ongoing commitment and assistance this year.

Chris Phillips

Chair

24 March 2022

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.

As noted in the Chair's statement, the Company is proposing a resolution at the upcoming AGM in respect of a change to its investment policy and investment restrictions. Further details can be found in the Notice of Meeting and combined circular. A copy of the Group's existing investment policy is set out below.

Investment Objective

The Group's investment objective is to provide shareholders with stable, long-term, inflation-linked income from a portfolio of social housing assets in the United Kingdom with a 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

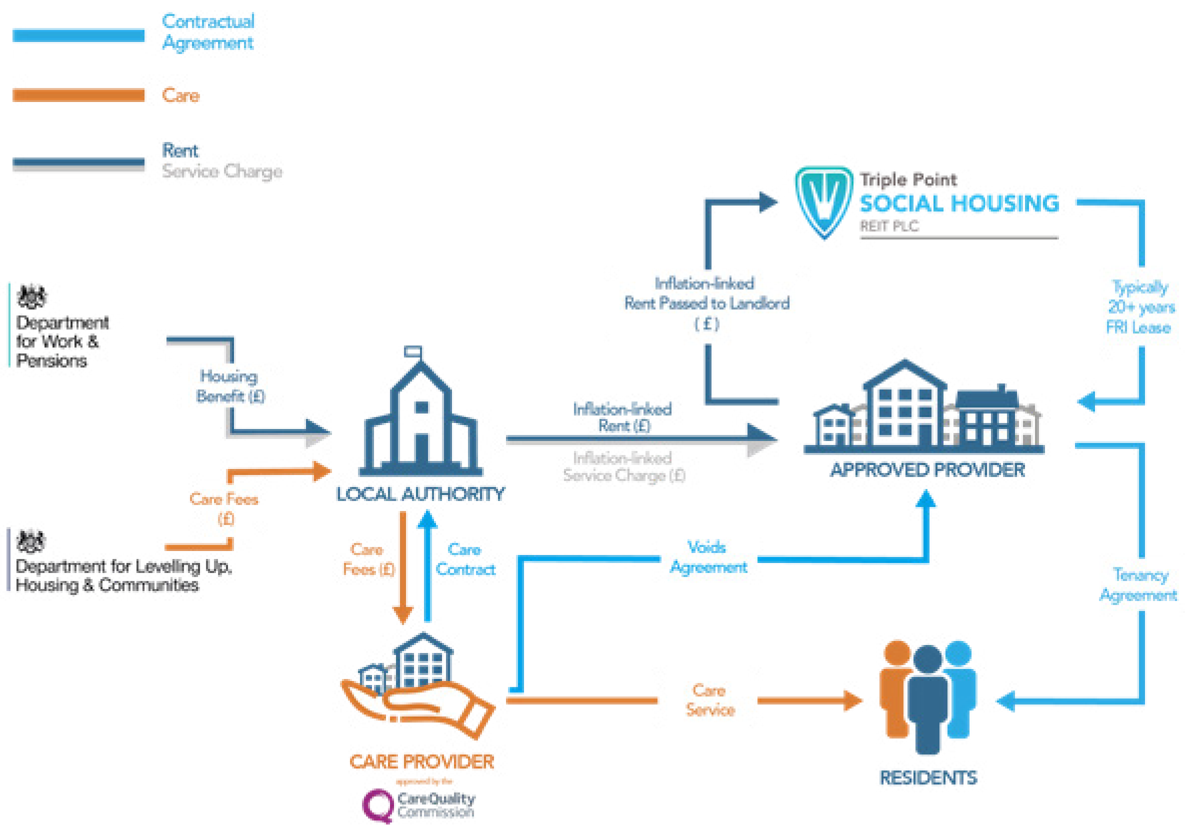
The Group specialises in investing in UK social housing, with a focus on Supported Housing. The strategy is underpinned by strong local authority demand for more social housing, which is reflected in the focus on acquiring recently developed and refurbished properties across the United Kingdom. The assets 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, to date 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 existing 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. The Group is proposing amendments to its investment policy and investment restrictions, which if approved by shareholders, will enable the Group to enter into more flexible lease structures going forward. These more flexible lease structures may include entering into leases for shorter terms and, in certain cases, the Group may, selectively, take on the cost of funding planned maintenance on some properties.

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 36 to 44). 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). The majority of the Group's existing 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 under those leases are passed to the Approved Provider. The Group closely monitors the long term risks to its portfolio, both physical risk, as well as the regulatory risks associated with climate change. In spite of the fact that the majority of the Group's existing leases are fully repairing and insuring, during the year the Group announced its sector-first retrofit programme to fund the upgrade of all properties in the Group to a minimum EPC of 'C' over the next few years. This commitment is a demonstration of the Group's commitment to the long-term continued performance and strength of its portfolio. As mentioned above, the Group has also now proposed amendments to its investment policy and investment restrictions, which if approved by shareholders, will enable the Group to enter into more flexible lease structures going forward. If approved by shareholders, the Group's future pipeline of assets may include opportunities on shorter lease terms and, in a continuation of the Group's commitment to the physical strength of its portfolio, would allow the Group takes on the cost of funding planned maintenance on newly acquired assets in certain circumstances. In each of these opportunities, the Group will ensure that these assets are consistent with its income and capital return targets. 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 18-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:

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
1. DIVIDEND			
Dividends paid to shareholders and declared during the year. Further information is set out in Note 27.	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio.	Total dividends of 5.20 pence per share were paid or declared in respect of the period 1 January 2021 to 31 December 2021. (2020: 5.18 pence)	The Company has declared a dividend of 1.30 pence per Ordinary share in respect of the period 1 October 2021 to 31 December 2021, which will be paid on 25 March 2022. Total dividends paid and declared for the year are in line with the Company's target.
2. EPRA NET TANGIBLE ASSETS (NTA)			
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. Further information is set out in Note 5 of the Unaudited Performance Measures.	EPRA NTA measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	108.27 pence at 31 December 2021. (31 December 2020: 106.42 pence)	The EPRA NTA per share at IPO was 98 pence. This represents an increase of 10.48% since IPO driven primarily by yield compression in the subsector.
3. LOAN TO VALUE (LTV)			
A proportion of our portfolio is funded through borrowings. Our medium to long-term target LTV is 35% to 40% with a maximum of 50%. Further information is set out in Note 20.	The Company uses gearing to enhance equity returns. The LTV covenant on the revolving credit facility with Lloyds is < 50%.	37.6 % LTV at 31 December 2021. (31 December 2020: 31.5% LTV)	Borrowings comprise two private placements of loan notes totalling £263.5 million provided by MetLife Investment Management and Barings. The £160 million revolving credit facility with Lloyds and NatWest was completely undrawn as at 31 December 2021. Since the year end, the Group cancelled a portion of this facility such that it has been reduced £50.0 million.
4. EPRA EARNINGS PER SHARE			
EPRA Earnings per share (EPRA EPS) excludes gains from fair value adjustment on investment property that are included in the IFRS calculation for Earnings per share. Further information is set out in Note 36.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	4.82 pence per share for the year ended 31 December 2021, 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 2020: 4.61 pence)	EPRA EPS increased by 4.53%.
5. ADJUSTED EARNINGS PER SHARE			
Adjusted earnings per share includes adjustments for non-cash items. The calculation is shown in Note 36.	A key measure which reflects actual cash flows supporting dividend payments.	5.14 pence per share for the year ended 31 December 2021, 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 2020: 4.90 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 2021 of 0.99x.

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
6. WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)			
The average unexpired lease term of the investment portfolio, weighted by annual passing rents.	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 2021 (includes put and call options). (31 December 2020: 26.2 years)	As at 31 December 2021, the portfolio's WAULT stood at 26.2 years.
7. ADJUSTED PORTFOLIO EARNINGS PER SHARE			
The post-tax earnings adjusted for the market portfolio valuation including portfolio premium. Further information is set out in Note 2 of the unaudited performance measures.	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.	19.46 pence per share for the period ended 31 December 2021, as shown on page 148. (31 December 2020: 17.94 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			
The IFRS NAV adjusted for the market portfolio valuation including portfolio premium. Further information is set out in Note 1 of the unaudited performance measures.	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 £486.1 million equates to a Portfolio NAV of 120.68 pence per Ordinary Share, as shown on page 148. (31 December 2020: Portfolio NAV £468.8 million equated to 116.39 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			
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.	28.3% at 31 December 2021. (31 December 2020: 29.8%)	Our maximum exposure limit is 30%.
10. TOTAL RETURN			
Change in EPRA NTA plus total dividends paid during the period.	The Total Return measure highlights the gross return to investors including dividends paid since the prior year.	EPRA NTA per share was 108.27 pence at 31 December 2021. Total dividends paid during the year ended 31 December 2021 were 5.195 pence per share. Total return was 6.62% for the year to 31 December 2021. (31 December 2020: 5.9%)	The EPRA NTA per share at 31 December 2021 was 108.27 pence. Adding back dividends paid during the year of 5.195 pence per Ordinary Share to the EPRA NTA at 31 December 2021 results in an increase of 4.80%. The Total Return since the IPO is 31.1% at 31 December 2021.

EPRA Performance Measures

The table 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 are included in Note 36 of the consolidated financial statements and Notes 3 to 5 of the Unaudited Performance Measures, respectively. A full reconciliation of the other EPRA performance measures are also included in the Unaudited Performance Measures section of the Annual Report.

Hirstlands Drive, Ossett

KPI AND DEFINITION	PURPOSE	PERFORMANCE
1. EPRA EARNINGS PER SHARE		
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.	4.82 pence per share for the year to 31 December 2021. (31 December 2020: 4.61 pence) Full dividend cover on a look-through EPRA earnings run-rate basis including committed funds was 0.99x as at 31 December 2021.
2. EPRA NET REINSTATEMENT VALUE (NRV) PER SHARE		
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.	£475.4 million/118.08 pence per share as at 31 December 2021. £463.3 million/115.02 pence per share as at 31 December 2020.
3. EPRA NET TANGIBLE ASSETS (NTA) PER SHARE		
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.	£436.1 million/108.27 pence per share as at 31 December 2021. £428.6 million/106.42 pence per share as at 31 December 2020.
4. EPRA NET DISPOSAL VALUE (NDV)		
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.	£434.0 million/107.76 pence per share as at 31 December 2021. £420.9 million/104.50 pence per share as at 31 December 2020.
5. EPRA NET INITIAL YIELD (NIY)		
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.	5.20% at 31 December 2021. 5.27% at 31 December 2020.
6. EPRA "TOPPED-UP" NIY		
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 2021.	5.27% at 31 December 2021. 5.28% at 31 December 2020.
7. EPRA VACANCY RATE		
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.	0.26% at 31 December 2021. 0.29% at 31 December 2020.
8. EPRA COST RATIO		
Administrative and operating costs (including and 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.	20.91% at 31 December 2021. 23.27% at 31 December 2020.

THE INVESTMENT MANAGER

Pictured above: Max Shenkman, James Cranmer, Ben Beaton, Anne-Britt Karunaratne, Ralph Weichelt, Isobel Gunn-Brown and Justin Hubble

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 Supported 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.

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.

ANNE-BRITT KARUNARATNE,
Housing Operations Director

Anne-Britt joined Triple Point in August 2021 and is the Housing Operations Director in the Housing team. She has over 35 years' social housing experience, and is responsible for looking after our portfolio of social housing homes. Anne-Britt is passionate about delivering great quality homes and excellent services that make a difference to peoples' lives and the communities they live in.

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.

RALPH WEICHELT,
Head of Debt Capital Markets

Ralph joined Triple Point in November 2017 and is Head of Debt Capital Markets responsible for the debt strategies for all Triple Point managed private and listed funds. Prior to joining Triple Point, Ralph was a Partner in a pan-European debt advisory and fixed income firm focusing on debt origination via the debt capital markets for commercial real estate and infrastructure. Prior to this, he held a number of senior positions in pan-European real estate spanning from fund management, transactional work to advisory. Ralph is also a member of the Investment Committee.

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

Introduction

At the onset of the pandemic few could have predicted the devastating toll it has had or its prolonged impact. We have endured a second year of restrictions and the emergence of new variants posed continual risks. As we shifted our focus to learning how to live with Covid-19, important lessons emerged. It is critical that new ways are found to support the increasing burden on our National Health Service which was already operating under sustained pressure. With demand for adult social care services exacerbated by the pandemic, along with rising population growth, demand across the country for new specialised Supported Housing properties such as those provided by the Group has never been more pressing.

The Group's investment strategy is underpinned by important fundamentals, increasing the supply of affordable housing in areas of demand and providing shareholders with stable, generally inflation-linked income. Delivering on these fundamentals has positive tangible benefits. Our properties provide specialist adapted homes with appropriate care for our residents. This in turn continues to be recognised as contributing to improving resident outcomes by providing greater independence and placing residents within their communities, close to friends and families.

Demonstrating our commitment to continual evolution and growth, in August we welcomed our new Director of Housing, Anne-Britt Karunaratne, who was previously an Executive Director of Housing & Customer Services of a large Registered Provider that provides over 20,000 social homes, mostly in the South East of England. She has brought a wealth of knowledge, experience and valuable insights to the team, and she further enhances our relationships with our Approved Providers. The team has now grown to over 25 people, each with a unique skill set and background. The team brings together expertise from a range of disciplines and backgrounds including finance, surveying, local authorities, Registered Providers, lawyers and accountants. With such a breadth of experience, the Group has continued to invest in new relationships, beginning relationships with 4 new Approved Providers. This year reflects another year of sustained strong performance for the Group which is illustrated in the results set out below.

As mentioned in our Chair's Statement, during 2021 the Group bought 44 new schemes for a total investment cost of £60.0 million (including acquisition costs) funded from existing cash and debt balances. These schemes provided 345 new units of accommodation to the Group's portfolio in 2021 alone, and meant that at 31 December 2021 the Group had 488 properties in total, comprising 3,424 units, leased to 24 Approved Providers, across 156 different local authorities with support in these homes provided by 114 care providers. The Group's deployment was slightly slowed at times due to construction delays, supply chain issues and the rising cost of materials impacting development costs. However, the Group was able to weather these challenges alongside its stakeholders and worked hard to deploy its capital into new, much needed, high-quality properties across the UK throughout the year.

The Group continues to focus on its robust due diligence processes and enhanced asset management programme, which together ensures that it safeguards the financial and operational resilience of its portfolio. Insights from every opportunity the Group assesses and every stakeholder it is engaged with are factored into these processes and they are constantly evolving to ensure that they represent best practice. Since the Group's IPO in 2017 over half of the deals that have been considered have been rejected. This demonstrates the Group's commitment to acquiring good quality homes and working with trusted counterparties to deliver its investment strategy.

Our investments continue to create positive social impact. The Group's third Impact Report, available separately, was commissioned to independently verify how the Group is delivering on these fundamentals. The report shows that, in 2021 alone, the Group delivered £84.8 million of direct fiscal savings and £105.8 million of social value (which is the monetary value ascribed to improving the wellbeing of residents). This year the report has been calculated using a new and established Wellbeing Valuation methodology developed by Simetrica-Jacobs which has been endorsed in HM Treasury Green Book and associated guidance. This new metric uses a new and enhanced monetisation methodology and is therefore not comparable to historic reports. The report confirms that for every £1.00 invested, the Group generates £2.74 in social value annually over the duration of the investment. The report also shows that 86% of residents sampled reported feeling satisfied with the quality of their home and 66% of residents sampled reported an improvement in their confidence since moving into their home. For further information, please see the Company's website for a copy of the full report.

As outlined in the Chair's statement we are announcing planned changes to the Group's investment policy and investment restrictions. On page 22, the Chair has noted the reasons behind the proposed changes. The Chair also noted that, having been one of the first listed investors in the sector in 2017 we have witnessed the evolution of both the sector and its stakeholders. As a manager we first undertook due diligence on the specialised Supported Housing sector in 2013 before making our initial investment in 2015. Over the last 9 years we have seen the structures through which we make investment constantly iterate and develop, reflecting combined learnings and the evolution of a nascent asset class. Whilst this latest iteration requires a change of the Group's investment policy and investment restrictions we see it as a continuation of this process.

Most importantly it will enable us to remain focused on working with the best Approved Providers in the sector and investing into good homes for vulnerable adults.

Rathmell, Leeds

Market Review

High levels of demand remained a central theme during 2021. The need for more adapted homes within communities is well known and is enshrined in both the Care Act 2014 as well as the Transforming Care Programme 2015. With the publication of the Department of Health's White Paper "*People at the Heart of Care*"[13] the urgent need for the type of properties that the Group provides could not be clearer. This message was reinforced directly during the year through conversations with Commissioners, local authorities and care providers.

As the Chair reported in his statement, we are members of the Equity Impact Project which is being run by The Good Economy and Big Society Capital. The Equity Impact Project published its own White Paper on the standardisation of impact metrics for equity investors in social housing in July 2021[14]. With the rise of impact investing in social housing we welcome the initiative to provide a consistent approach for investors to assess and report on how they are able to deliver social value through their investments. We have been working closely with The Equity Impact Project to test and pilot these metrics and are pleased to play a role in ensuring responsible stewardship of investing in the sector.

ESG considerations have dominated the wider housing market in the shadow of the Grenfell tragedy. Much attention has been focused on the Government's response and it is clear that there is still more to be done to provide a comprehensive solution to tackle rising building safety remediation costs, particularly for social housing. There has also been a spotlight on emissions data, highlighted following renewed commitments at COP 26 to the UK achieving its 2030 net zero target. As a responsible investor involved in the provision of social housing we are actively taking steps to ensure that our portfolio is as environmentally efficient as it can be. We have signed our first "green" lease which commits Approved Providers to reporting on and driving energy efficiency in our homes and we hope to sign more in the year ahead.

In September we announced a sector-first retrofit programme to fund the upgrade of all properties in the Group to a minimum EPC rating of 'C' over the next few years. 72% of the Group's portfolio already meets this target and since our announcement in September 2021 we have made good progress to design the scope and the programme of works required to get to 100%. We have launched an initial pilot programme targeting 12 properties in the South East where we hope to begin work within the next 2 months. While environmental performance and energy efficiency is at the front of our minds in this endeavour, we are ensuring at all times that the needs and safety of residents is prioritised to make certain the right outcomes are delivered. Once the pilot has been completed, the outcomes and learnings evaluated, the Group will commence by rolling out a phased programme of works across our remaining targeted properties. You can read more about our approach to retrofit at pages 48 to 53.

During the year, the Regulator continued to review Registered Providers which focus on managing specialised Supported Housing. As part of its ongoing strategy of reactive engagement, Pivotal Housing Association (0.6% of the Group's rent roll as at 31 December 2021), Hilldale Housing Association Limited (8.5% of the Group's rent roll as at 31 December 2021), Auckland Home Solutions C.I.C (4.7% of the Group's rent roll as at 31 December 2021), Parasol Homes Limited (9.6% of the Group's rent roll as at 31 December 2021) and Falcon Housing CIC (9.7% of the Group's rent roll as at 31 December 2021) each received non-compliant judgements or notices at one point during the year. The reasons for these notices generally cited concerns with respect to the providers' compliance with the Regulator's Economic Standards. The Group has been in regular contact with each of these Approved Providers since they received their regulatory notices. The Group is supportive of each of their active engagement with the Regulator in addressing the concerns it has raised. These judgements have not had a material impact on valuations, nor have they impacted rent collection. We continue to speak directly to the Regulator to ensure our investments reflect the latest regulatory guidance, but as a whole our Approved Providers continue to perform well, with growing financial strength and operational depth.

[13] https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper/people-at-the-heart-of-care-adult-social-care-reform

[14] https://thegoodeconomy.co.uk/resources/reports/Towards-an-approach-to-impact-reporting-for-investments-in-social-and-affordable-housing.pdf

Financial Review

We are pleased to present another strong set of financial results as highlighted earlier on pages 10 to 11. The Group's continued strong financial performance is underpinned by an increase of annualised rental income leading to a look through dividend cover of 0.99x at the year end.

Touching on some of the key highlights:

The annualised rental income of the Group was £35.8 million as at 31 December 2021 compared to £31.6 million as at 31 December 2020. 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 £9.0 million was recognised during the year on the revaluation of the Group's properties.

IFRS Earnings per share was 7.05 pence for the year, compared to 6.82 pence in 2020.

The EPRA EPS excludes the fair value gain on investment property and is measured on the weighted average number of shares in issue during the period. EPRA EPS was 4.82 pence for the year compared to 4.61 pence in 2020. Adjusted portfolio earnings per share were 19.46 pence for the year compared to 17.94 pence for 2020, where post-tax earnings were adjusted for a valuation on a portfolio basis (as opposed to individual property IFRS basis).

The EPRA NTA per share as at 31 December 2021 was 108.27 pence per share, the same as the IFRS NAV per share. The IFRS NAV adjusted for the portfolio valuation (including portfolio premium) was £486.1 million, which equates to a Portfolio NAV of 120.68 pence per share compared to the 31 December 2020 figure of £468.8 million which equated to a Portfolio NAV of 116.39 pence per share.

At the year end, the portfolio was independently valued at £642.0 million on an IFRS basis compared to £571.5 million in 2020, reflecting a valuation uplift of 8.7% against the portfolio's aggregate purchase price (including acquisition costs). This reflects an EPRA net yield of 5.25%, against the portfolio's blended net initial yield of 5.90% at the point of acquisition. This equates to a yield compression of 65 basis points, reflecting the quality of the Group's asset selection and off-market acquisition process.

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 year was 1.54% compared to 1.57% in 2020.

The Group's properties were valued at £692.0 million on a portfolio valuation basis, reflecting a portfolio premium of 7.8%, or £49.9 million, against the IFRS valuation. 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 £52.5 million at 31 December 2021 of which £0.6 million was restricted, compared to £53.7 million in 2020, of which £0.8 million was restricted, leaving available cash of £51.9 million as at 31 December 2021. During the year cash from operating activities increased by £0.2 million from £24.5 million to £24.7 million.

Debt Financing

As announced in the Interim Results, during 2021 the Group secured £195.0 million of new long-term, fixed-rate, interest only, sustainability linked loan notes through a private placement with MetLife Investment Management and Barings. The loan notes are divided into two tranches. Tranche-A has a value of £77.5 million, a tenure of 10 years and an all-in coupon of 2.403%. Tranche-B has a value of £117.5 million, a tenure of 15 years and an all-in coupon of 2.786%. Across both tranches, as at 31 December 2021, the weighted average term is 12.7 years and the weighted average coupon is 2.63%. The loan notes require the Group to maintain an asset cover ratio of 1.67x and an interest cover ratio of 1.75x.

The loan notes enabled the Group to refinance the full £130.0 million of debt that had been drawn under its £160.0 million revolving credit facility provided by NatWest and Lloyds. This means that all of the Group's drawn debt is now fixed-price (with a weighted average coupon of 2.74%) and long term, and so offers strong protection against the ongoing risk of rising inflation and interest rates. In addition the loan notes were secured against a portfolio of properties at a day one LTV of 50% (compared to the 40% day one LTV of the revolving credit facility) which has enabled the Group to draw an additional £65.0 million of capital. As at 31 December, the Group's LTV was 37.6%, in line with the medium to long-term gearing target of 35% to 40% and the Group had £29.7 million of capital remaining for deployment.

As part of the re-financing all of the Group's loan notes have been rated. The Group obtained a first-time Investment Grade Long-Term Issuer Default Rating (IDR) of 'A-' with a Stable Outlook and a senior secured rating of 'A' from Fitch Ratings. This is a great endorsement of the Group's strategy and financial position. The new loan notes are also linked to sustainability targets agreed with the lenders that are to be maintained at all times by the Group.

Following the refinancing, the revolving credit facility has remained in place and was undrawn at the year end. The facility runs until 20 December 2023 and has an unhedged, floating interest rate of 185bps over 3 month SONIA. For undrawn debt under the revolving credit facility the Group pays a commitment fee of 40% of the margin. Since the year end, the Group has cancelled a portion of its existing revolving credit facility, reducing from £160 million to £50 million in order to reduce commitment fees, but maintain flexibility around upcoming deployment opportunities. The facility remains undrawn and the Group continues to review the revolving credit facility in light of its current capital requirements.

In addition to the undrawn revolving credit facility and the new £195.0 million facility, the Group has a long-term, fixed-rate facility with MetLife Investment Management providing £68.5 million of loan notes secured against a defined portfolio of the Group's properties at a Day-1 LTV of 40%. The loan notes are divided into two tranches of £41.5 million and £27.0 million with maturities in 2028 and 2033 respectively. Across both tranches as at 31 December 2021, the weighted average term was 11.6 years and the weighted average coupon was 2.74%. The facility requires the Group to maintain an asset cover ratio of 2.00x and an interest cover ratio of 1.75x. At all times, the Group has complied with these debt covenants.

Further information is set out in note 20 of the financial statements.

Strategic Alignment and Asset Selection

Despite the continuing challenges presented by Covid-19 during the year, the Group continued to execute on its investment strategy by utilising its remaining equity and recently secured debt funding, 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 44 properties for a total investment cost of £60.0 million (including acquisition costs). These schemes provide 345 new units of accommodation and saw the Group lease to four new Approved Providers.

In addition, as at 31 December 2021 the Group had outstanding commitments of £4.2 million (including acquisition costs) for contracts exchanged on three properties.

Committed Capital	Total Funds (m)
Total Invested since IPO	£590.4
Exchanges	£4.2
Total Invested and Committed Capital	£594.6

Property Portfolio

As at 31 December 2021, the portfolio comprised 488 properties with 3,424 units and showed a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (21.4%), the West Midlands (16.7%), Yorkshire (14.2%) and the East Midlands (11.5%). The IFRS value of the portfolio at 31 December 2021 was £642.0 million, compared to £571.5 million in 2020. The table below sets out the Group's portfolio at the year end:

	31 December 2021	31 December 2020	Change in 2020
NUMBER OF ASSETS	488	445	+43[15]
NUMBER OF LEASES	382	341	+41
NUMBER OF UNITS	3,424	3,124	+300[16]
NUMBER OF APPROVED PROVIDERS	24	20	+4
NUMBER OF FORWARD FUNDING AGREEMENTS	22	22	0
WAULT (YEARS)	26.2	26.2	+0.3

[15] One asset within the existing portfolio has been held for sale.

[16] 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.

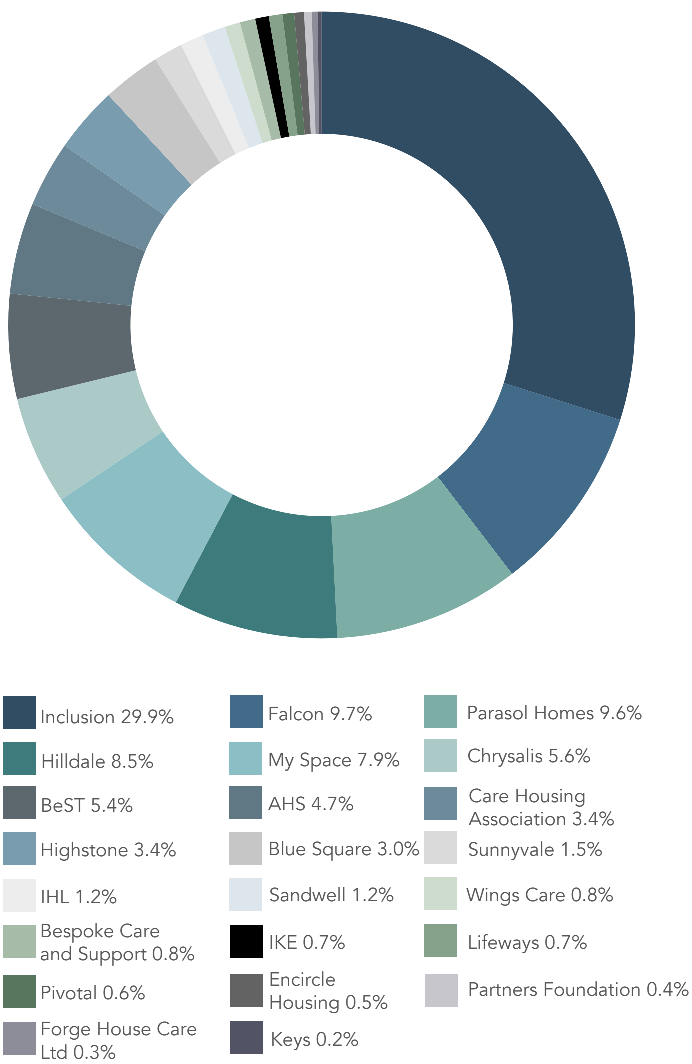
In total since IPO, the Group has committed £53.7 million to forward funding schemes providing homes to 318 residents.

Rental Income

In total, the Group had 382 fully repairing and insuring leases (excluding agreement for leases on exchanged properties). The Group had a total annualised rental income of £35.8 million on its standing investments, compared to £31.6 million in 2020.

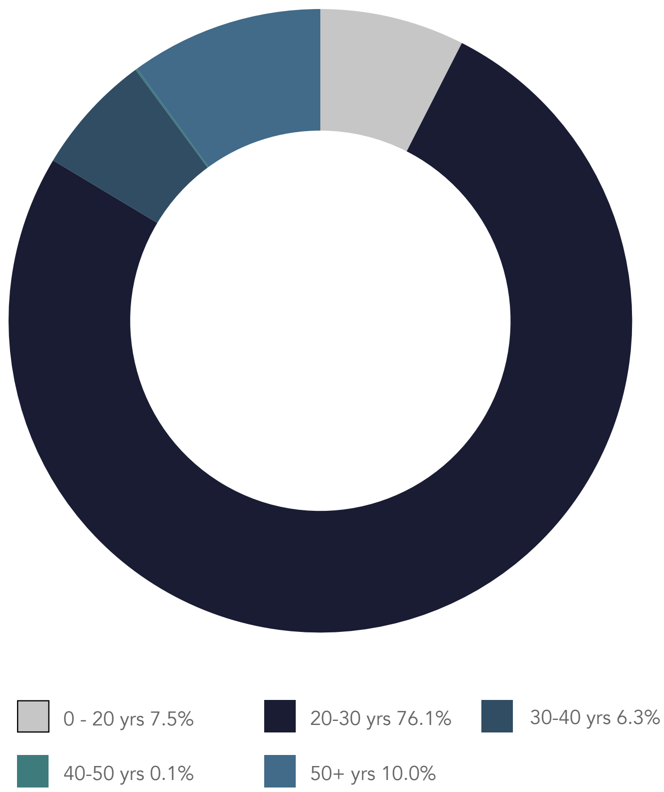
During 2021, the Group entered into leases with another 4 Approved Providers, increasing its total to 24. This enhanced the Group's counterparty diversification. The Group's three largest Approved Providers by rental income and units were Inclusion (£10.7 million and 932 units), Falcon (£3.5 million and 364 units) and Parasol Homes (£3.4 million and 247 units).

Rental income by approved provider



As at 31 December 2021, the portfolio had a WAULT of 26.2 years in line with 2020 with 92.5% of the portfolio's rental income showing an unexpired lease term above 20 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



Rents under the leases are indexed against either CPI (92.6%) or RPI (7.4%), 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 7.9% 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

We hope that the worst of Covid-19 is behind us but the after effects of the virus still continue to be felt across the housing, health and social care sectors. The recent government Adult Social Care White Paper places a clear emphasis on putting people at the heart of care. We are firm believers in stakeholder capitalism and people remain at the heart of all that we do. Our focus remains on investing into properties which provide our residents with good homes in their community. Resident wellbeing remains at the forefront of our minds and permeates all aspects of our investment lifecycle, from property selection to counterparty evaluation and our robust asset management programme.

Our pipeline has over £100 million of live investment opportunities which will enable us to deploy the Group's remaining cash and debt balances. Should we obtain shareholder approval in amending the Group's investment policy and investment restrictions, £10 million of this £100 million will be allocated to an identified pipeline of more flexible lease terms which would be compatible with the proposed changes to the Group's investment policy and investment restrictions.

As we learn to live with Covid-19 we remain committed to our goal of providing high-quality properties in community settings, providing shareholders with a resilient investment as inflationary pressures persist and, importantly, creating social impact through our properties.

We echo the Chair's remarks on the devastating situation in Ukraine. As the humanitarian crisis inevitably, and sadly, worsens, we emphasise our commitment to support in any way that we can in the coming months.

Finally, we look forward to deepening our existing relationships in the sector, working with new partners and providing additional much needed new homes for residents in 2022.

Max Shenkman

Head of Investment

24 March 2022

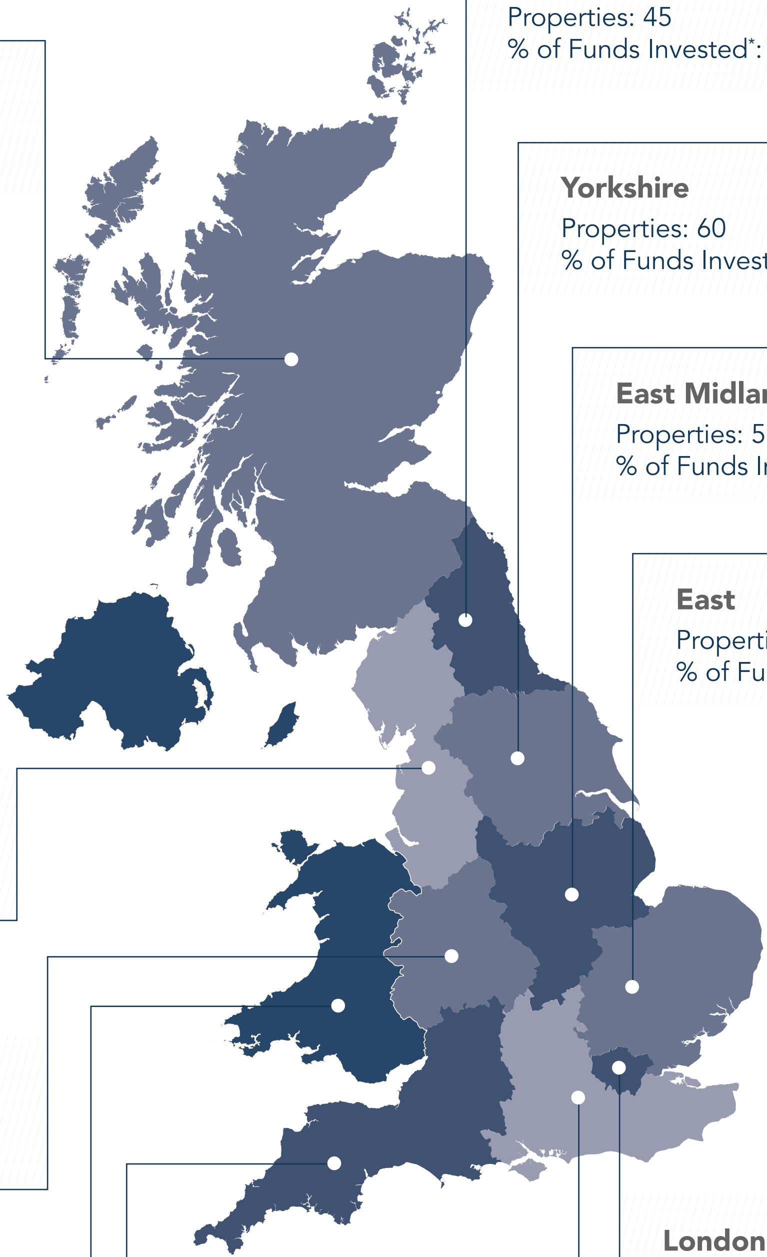
Earlsway, Macclesfield


Dray King, Wigan


Walkers Lane, Leeds


Lillydale Road, Stoke-on-Trent

Portfolio Summary by Location



North East
Properties: 45
% of Funds Invested*: 8.3

Scotland
Properties: 2
% of Funds Invested*: 1.0

Yorkshire
Properties: 60
% of Funds Invested*: 14.2

East Midlands
Properties: 56
% of Funds Invested*: 11.3

East
Properties: 20
% of Funds Invested*: 4.2

North West
Properties: 104
% of Funds Invested*: 21.5

West Midlands
Properties: 83
% of Funds Invested*: 16.3

London
Properties: 27
% of Funds Invested*: 8.7

Wales
Properties: 2
% of Funds Invested*: 0.4

South West
Properties: 29
% of Funds Invested*: 4.9

South East
Properties: 60
% of Funds Invested*: 9.2

* calculated excluding acquisition costs

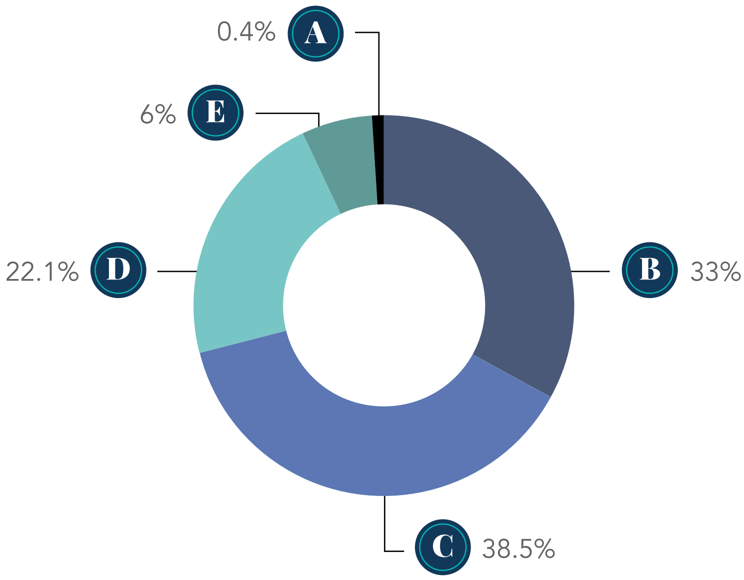
Our Retrofit Approach

With energy requirements of the built environment accounting for 40% of the UK's carbon footprint, the housing sector must lead the way in green initiatives.[17] This is something we are already undertaking with our commitment to retrofit our portfolio and bring all properties to at least an EPC rating of 'C'. This sector leading initiative will reduce carbon emissions and improve living comfort. This we feel is an example of striking the right balance between providing both social and environmental benefits. To fund this programme, the Group has calculated the cost of the pilot programme and has set aside up to £3.4 million to be spent on the work alongside available grant funding.

The Company has decided to launch the initiative well ahead of upcoming environmental regulations in order to combat climate change, reduce fuel poverty and improve living comfort, all of which is expected to be reflected in property valuations in time.

The Group's EPC portfolio

The current composition of the EPC ratings of the Group's properties is shown in the chart below:



72% of the Group's portfolio has already achieved an EPC rating of 'C' or above. This compares favourably to the wider UK residential market, where only 34% of homes are 'C' or above.[18]

None of the properties within the portfolio are rated a F or G.

> "With the impact of climate change increasing every year, we want to proactively invest in these environmental upgrades to benefit our residents, wider society and, in time, our investors. Although our existing portfolio's EPC rating compares favourably to the wider market, we want to push the sector even further forwards to ensure that we stay well ahead of tightening environmental regulations and move closer towards Net Zero."
>
> ~ ***Max Shenkman,*** Head of Investment at Triple Point Investment Management LLP

[17] https://www.ukgbc.org/climate-change-2/#:~:text=The%20built%20environment%20contributes%20around,do%20with%20their%20functional%20operation.
[18] Energy White Paper, December 2020, p.98

Keeping our partners and residents at the forefront

We know a retrofit needs to be fit for purpose and that it is not a one size fits all project, therefore we plan to work closely with our partners through the whole process to make sure their needs and the needs of our residents are always front of mind.

Communication is key the whole way through the process

- Before the works start
- Whilst the works are going on
- Following the works
- In future – repairs and maintenance

BENEFITING EVERYONE

Wider Society - A report issued on 9 August 2021 by the UN's Intergovernmental Panel on Climate Change warned of a "code red for humanity" as a result of carbon emissions, describing how the effects of climate change are widespread, rapid and intensifying.[19]

Residents - In some of our properties, our residents have to pay the cost of energy bills themselves using their other benefits (e.g. Universal Credit). Reducing energy bills will help reduce the risk of fuel poverty amongst our residents.

Investors - Research already shows that improving the EPC of an average residential house from a 'G' to an 'E', or from a 'D' to 'B', can add £16,000 to its final sale price (or £8,000 per band).[20] This is because a more energy efficient property is more comfortable to live in and cheaper to run.

Housing Associations & Care Providers – The government's current consultation would require all new private tenancies to have an EPC of 'C' by 1 April 2025 and all existing private tenancies to have an EPC of 'C' by 1 April 2028.[21]

Doing the right thing by the **people**, doing the right thing by the **property**

[19] https://www.bbc.co.uk/news/science-environment-58130705#:~:text=The%20landmark%20study%20warns%20of,%22%2C%20says%20the%20UN%20chief.&text=There%20is%20hope%20that%20deep,gases%20could%20stabilise%20rising%20temperatures.

[20] https://www.gov.uk/government/news/energy-saving-measures-boost-house-prices

[21] https://bills.parliament.uk/bills/3034/publications

What does a sustainable home look like?

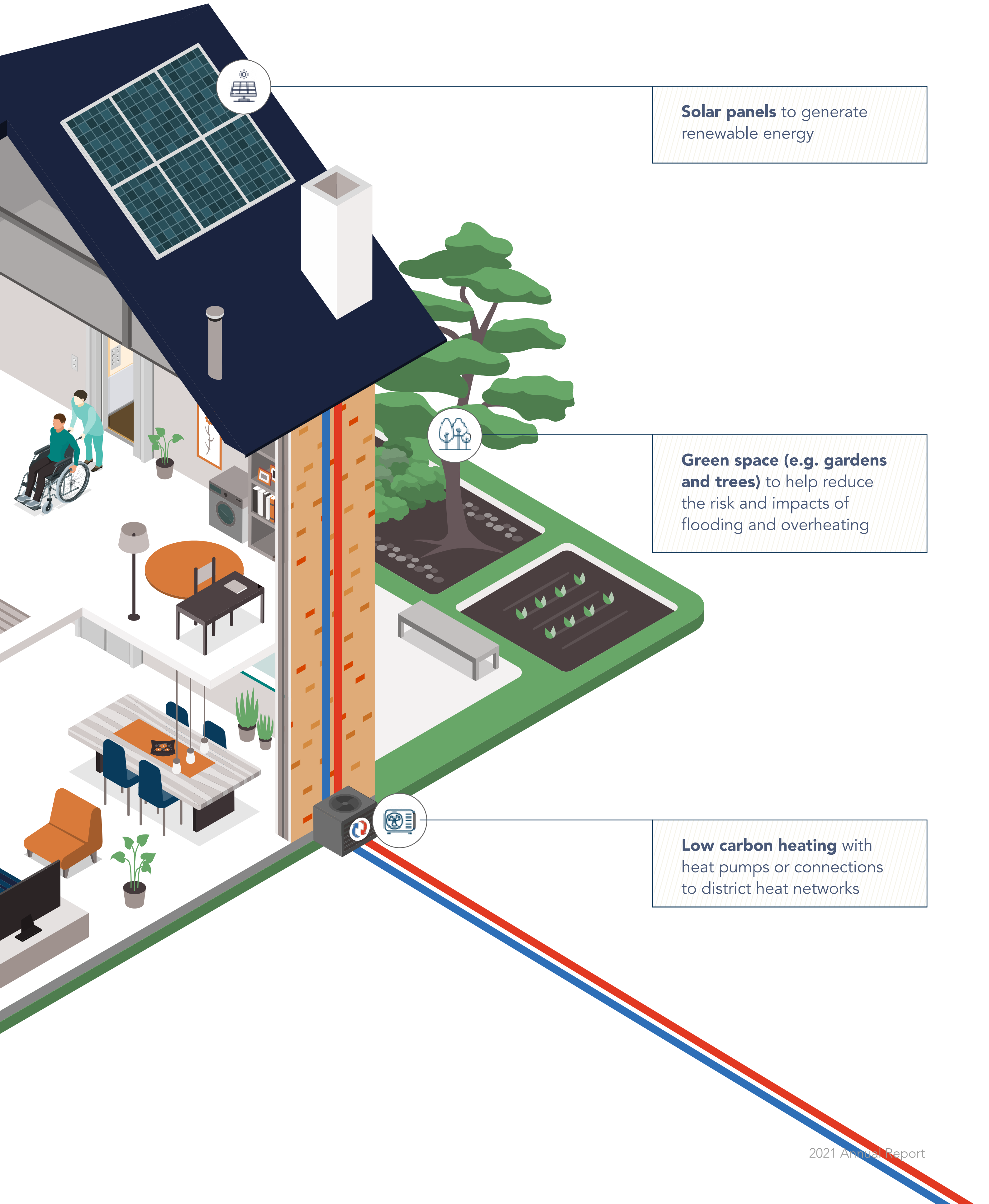
Improving existing homes can help us meet the climate change challenge.

Insulation in lofts and walls to keep the warm air in

Highly water efficient devices with low-flow showers and taps, insulated tanks and hot water thermostats

Double Glazing so less heat is lost through windows

Highly energy efficient appliances


Solar panels to generate renewable energy
Green space (e.g. gardens and trees) to help reduce the risk and impacts of flooding and overheating
Low carbon heating with heat pumps or connections to district heat networks

Looking Ahead

The Group completed the acquisition of a specialised Supported Housing property in Telford for £1.37 million in December 2021. The property is a detached three-storey building which has been adapted to accommodate eight adults with learning and physical difficulties. The property includes wet rooms, accessible ground floor units, a lift, wheelchair ramps and widened door-ways.

The property is highly energy efficient, with an EPC rating 'A'. This has been achieved through several measures including solar panels, air source heat pumps, a mechanical ventilation heat with recovery system and insulated timber frame panels. The property is also the first to include the Group's "green lease" provisions - a tailor-made partnership between the landlord and the tenant which encourages cooperation in working towards improving the environmental performance of the property. This includes the consumption of energy and water as well as the associated generation of greenhouse gases. It also includes waste generation and management and any other environmental impact that may arise from the use of the property. Staying ahead of fast-rising regulatory standards should be reflected in the long-term property valuation.

The property is highly energy efficient, with an EPC rating 'A'. The property is also the first to include a Green Schedule in the lease agreement – a tailor-made partnership between the landlord and tenant which encourages cooperation in working towards improving the environmental performance of the property.

Sustainability Report

Our ambition to be the leading UK Supported Housing investor, is to ensure that we embed and drive sustainability across the business.

Our business model (pages 28 to 29) 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. How we do this is summarised below and set out in further detail in the independent Impact Report available separately on the website. We maintain a robust corporate governance framework, and this is set out in further detail within our corporate governance report on pages 78 to 83. 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 36 to 44 of the Investment Manager's Report.

An important aspect of the Investment Manager's approach to ESG is the adoption of the Principles for Responsible Investment ('PRI'), which they signed up to in 2019. The PRI are designed to guide and demonstrate best practice ESG integration, and to promote alignment between the objectives of investors and wider society. The principles, which are voluntary, are intended to be actionable and measurable, are detailed in the table below.

	Principle	Summary of investment manager action
1	We will incorporate ESG issues into investment analysis and decision-making processes.	As evidenced through our detailed approach to ESG due diligence and laid out in our ESG Integration Policy.
2	We will be active owners and incorporate ESG issues into our ownership policies and practices.	As evidenced through engagement with RPs and developers on processes that would benefit from improved ESG performance. For example, seeking developers to become signatories of the Considerate Code of Constructors.
3	We will seek appropriate disclosure on ESG issues by the entities in which we invest.	As evidence through our increasing expectations on those we work with, for example requesting developers to become signatories to the Considerate Contractors Code.
4	We will promote acceptance and implementation of the Principles within the investment industry.	As evidence through our involvement in the Sustainability Reporting Standard for Social Housing and the Equity Impact Project, and participation in the Green Lease Working Group for the Green Finance Institute initiatives which seek to drive industry best practice in respectively, ESG and impact.
5	We will work together to enhance our effectiveness in implementing the Principles.	As evidenced by the ongoing participation of the investment manager in collaborative initiatives, and in ESG innovation, such as our work towards improved energy efficiency.
6	We will each report on our activities and progress towards implementing the Principles.	As evidenced through the detail we publish in our Annual Report, our ESG Integration Policy, our Impact Report and the Investment Manager's Group Sustainable Business Objectives report.

In conjunction with the Board's endorsement, and in line with these principles, 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.

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 further strengthened by the environmental, social and governance assessments in our due diligence.

Environment

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.

For example, we require every property we acquire to have a minimum energy performance rating of at least a 'C' on an 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. A retrofit programme has also commenced to increase all our properties EPC ratings to a minimum of 'C'.

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

The Investment Manager, in accordance with the FCA's ESG Sourcebook, is committed to the implementation of disclosures consistent with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) by 30 June 2024.

Social and Social Impact

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 44.

Governance

The Group encourages best practice governance among all counterparties in order to minimise operational risks and encourage them to continually assess how they can contribute more to employees, residents, wider society and the environment, through compliance with legislation and regulations, and the adoption and implementation of issue-specific policies. Details on the Group's corporate governance practices are set out on pages 78 to 83.

Wider Governance and sustainable business behaviours of the Group and Investment Manager

Business Relationships

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 152, 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 important 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 90 to 91.

The Investment Manager has an Inclusion and Diversity Policy which outlines commitments including compulsory training for all employees on equality and diversity in the workplace and unconscious bias training. All staff are expected to conduct themselves to help the organisation provide equal opportunities in employment, and prevent bullying, harassment, victimisation and discrimination. Behaviours contrary to those outlined in the policy result in disciplinary procedures.

The Investment Manager are members of the Diversity Project, an initiative championing a more inclusive culture within the Savings and Investment profession and this further informs our approach to Inclusion and Diversity. Some of the Diversity Project's Five Year Goals include:

- All member firms to support one or more graduate/school leaver recruitment programmes focused on socio-economic diversity.
- Gender pay gaps reduced by one third from their 2019 figures.
- 50:50 male:female graduate and school leaver recruitment.

Some of the initiatives used by Triple Point to support these goals are the 100 Black Intern Programme, Investment 2020 and Girls are Investors Programme.

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 152 comply with the provisions of the UK Modern Slavery Act 2015.

The investment manager takes the risk of Modern Slavery extremely seriously. The manager's responsibilities as both an employer and investor are laid out in a separate and public Modern Slavery Act Statement available on the Triple Point website https://www.triplepoint.co.uk/approach-to-sustainability/116/.

Church Street, Gildersome

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. The Group is committed to continual stakeholder engagement and implements a cycle of constant engagement at all stages of the Group's investment lifecycle.

Section 172(1) Statement

Stakeholder	Why is it important to engage?	How the Investment Manager/ Directors engaged?
SHAREHOLDERS	Investment from our shareholders plays an important role by providing capital to ensure we can deliver 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 83 in our Corporate Governance Report.
RESIDENTS	Our strategy is centred on providing Supported Housing for our 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.
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. The Board and Investment Manager consider 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 36 to 44. 2. 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 pages 36 to 44, and the sustainability report on pages 54 to 55.
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, and that those plans continued to be fit for purpose. 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.
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 that were implemented in 2020 in response to the operational and financial risks associated with the Covid-19 pandemic, and that those plans continued to be fit for purpose: 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 36 to 44.

Section 172(1) Statement

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.
LOCAL AUTHORITIES	Local authorities are responsible for locating housing for the residents. The properties are assessed to ensure they meet high quality social and safety standards in order to ensure that referrals are made as efficiently and safely as possible from the local authorities.	The Investment Manager engages with various departments within local authorities including Commissioners and Housing Benefit officers during its initial due diligence on a scheme as well as on an ongoing basis.
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 to ensure new investments reflect the latest regulatory guidance.
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 support of our lenders has ensured that we are in a strong financial position.	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 future opportunities, and any other general matters affecting the relationship between the Group and the lenders.

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.

Issue of Loan Notes and refinance of existing revolving credit facility.

During the year the Group issued £195 million of long dated, fixed-rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management clients and Barings.

The issue of loan notes enabled the Group to refinance the full £130 million drawn under its existing £160 million debt facility. The Board believed that the issue of loan notes and refinance of the existing debt facility was in the best interest of shareholders as it would provide additional capital and would allow the Group to continue to acquire further income-producing, specialised Supported Housing properties from the Group's pipeline and achieve a fully covered dividend. The Group maintained an active dialogue for the lender to appraise the Group's business model and its portfolio. The Board also considered that further funds available to be deployed into the Supported Housing sector would benefit the wider community.

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 36 to 44); 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.
The Investment Manager has ongoing engagement with local authorities at each stage of the investment lifecycle, particularly during due diligence to assess demand, commissioning requirements and rent levels. Following acquisition, the Investment Manager retains an ongoing dialogue with local authorities to ensure they continue to meet ongoing commissioning requirements.	The Investment Manager listens to feedback from the local authorities in order to improve and upgrade properties and ensure that they meet ongoing commissioning requirements. In particular, the Investment Manager engages with Commissioners to ensure that properties meet the Government's target EPC level of 'C'. An initial pilot programme to commence upgrades across 12 initial properties has commenced.
Discussions with the regulator are focused on ensuring the market evolves in line with its requirements, how standards of Registered Providers can be improved and how to best address its concerns.	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 36 to 44 for more detail.
The Group engaged on the following topics: financial and information covenant reporting and; active asset management activities undertaken by the Group e.g. any other portfolio performance enhancing activity that requires lenders' consent. The Group also engaged with the lenders in relation to the issue of £195 million of loan notes and a refinance of the existing Revolving Credit Facility to make sure sufficient debt capital is available into 2022 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 SONIA 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 refinanced the existing Revolving Credit Facility. The Investment Manager successfully issued £195 million of loan notes. 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. In August 2021, Fitch Ratings Limited assigned the Group an Investment Grade Long-Term Issuer Default Rating of 'A-' with a stable outlook, and a senior secured rating of 'A' for the Group's new issued loan notes.

In considering whether to approve the transaction the Board had regard to the interests of the Group's shareholders, lenders and the community.

Further details of the Group's debt financing are detailed on pages 36 to 44 of the Investment Manager's Report.

Initiative to upgrade EPC ratings of properties

During the year the Board considered a wide range of Environmental, Social and Governance matters and the Group's social impact.

The Board approved an initiative to upgrade all existing renovated properties within the Group to a minimum EPC rating of 'C'. 72% of the Group's portfolio already meets this target and since our announcement in September 2021 we have made good progress in kickstarting the programme of works required to get to 100%. We have launched an initial pilot programme targeting 12 properties in the South East where we hope to begin works within the next two months. Further detail is on page 39.

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 pages 26 to 27, 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.

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 85.

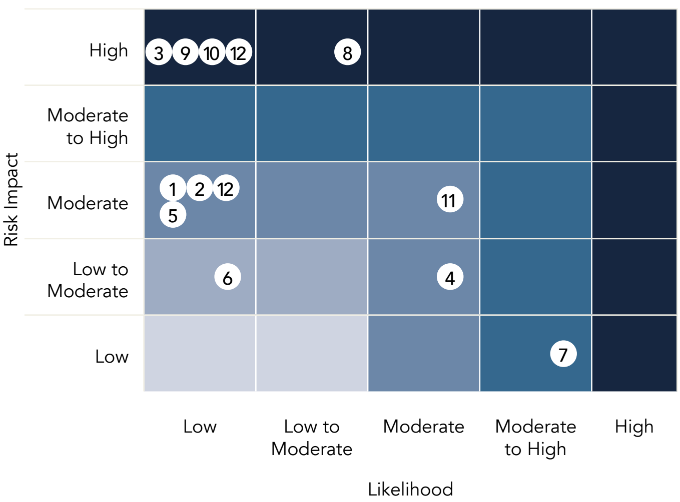
The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to 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



Risk

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 Higher than projected levels of inflation may impact Approved Providers
6 Forward funding properties involves a higher degree of risk than that associated with completed investments
7 Risk of an Approved Provider receiving a non-compliant financial viability or governance rating by the Regulator
8 Risk of changes to the social housing regulatory regime
9 Risk of not being qualified as REIT
10 Reliance on the Investment Manager
11 Property valuations may be subject to change over time
12 Non-payment of voids cover by care providers

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.

The Board has proposed amendments to the Company's Investment Policy and Investment Restrictions which, if approved by shareholders at the AGM, will enable the Group to enter into a broader range of lease structures, including: shorter leases; selectively taking on the cost of planned maintenance; and leases where upward only rent reviews are linked to either inflation or central housing benefit policy. The Board is currently considering the impact these proposed changes will have on the Company's principal risks and uncertainties and will provide an update at the time of the Company's interim results. However, given the limited amount of cash available for deployment in immediate term, the Board does not expect these changes will have a material impact on the Group's risks and KPIs, particularly its WAULT.

1. RISK CATEGORY – FINANCIAL

Expensive or lack of debt finance may limit our ability to grow and achieve a fully covered dividend

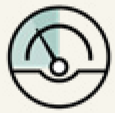
RISK IMPACT

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

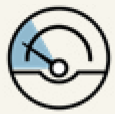
RISK MITIGATION

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

Impact



Likelihood



Change in Year

STABLE

2. RISK CATEGORY – FINANCIAL

Floating rate debt exposes the business to underlying interest rate movements

RISK IMPACT

The Group's Revolving Credit Facility is currently non-hedged and therefore interest is payable based on a margin over SONIA. Any adverse movements in the SONIA forward curve could significantly impair our profitability and ability to pay dividends.

RISK MITIGATION

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.

Following the refinancing of the Revolving Credit Facility, all drawn debt is fixed price with the Group's 10-year and 15-year MetLife Investment Management tranches and the new Loan Notes having a fixed-rate coupon meaning they are insulated from interest rate fluctuations. 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.

Impact

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.

During the year to 31 December 2021, no debt covenants have been breached.

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 from the care provider.

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, to mitigate against the risk of significant rent loss. 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 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.

Impact

Likelihood

Change in Year

STABLE

5. RISK CATEGORY – FINANCIAL RISK (NEW)
Higher than projected levels of inflation may impact Approved Providers

RISK IMPACT

The Group's leases contain upward only rent reviews, generally linked to inflation (typically CPI).

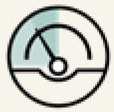
Annual rental uplifts will be higher than projected as a result of increased inflation in 2022.

RISK MITIGATION

The Investment Manager closely monitors inflation levels. There has been a strong historical correlation between inflation and central housing benefit policy which has generally tracked CPI + 1%.

The annual rental increases in the Group's leases are linked to increases in central government housing benefit allocations. These tend to increase in line with CPI, and so the inflationary risk is largely mitigated.

Impact



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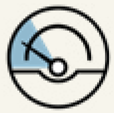


6. RISK CATEGORY – PROPERTY
Forward funding properties involves a higher degree of risk than that associated with completed investments

RISK IMPACT

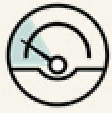
Our forward funded developments are likely to involve a higher degree of risk than is associated with standing investments. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. If any of the risks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

As at 31 December 2021, all forward funding agreements had reached practical completion.

Impact



Likelihood

Change in Year

DECREASE

7. 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 the 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

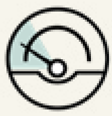
As part of the Group's acquisition process, the Investment Manager conducts a thorough due diligence process on all Registered Providers with which the Company enters into lease agreements, which takes account of their financial strength and governance procedures.

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 five 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 39.

Impact



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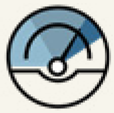


Change in Year

STABLE

8. RISK CATEGORY – REGULATORY
Risk of changes to the social housing regulatory regime

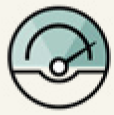
RISK IMPACT

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.

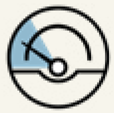
RISK MITIGATION

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

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

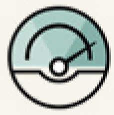
RISK IMPACT

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



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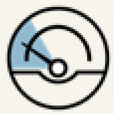


Change in Year
STABLE

10. RISK CATEGORY – CORPORATE
Reliance on the Investment Manager

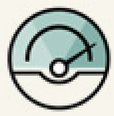
RISK IMPACT

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

RISK MITIGATION

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

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

RISK IMPACT

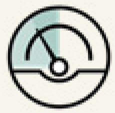
Property valuations are inherently subjective and uncertain. Market conditions, which may impact the creditworthiness of lessees, may adversely affect valuations. The portfolio is valued on a Market Value basis, which takes into account the expected rental income to be received under the leases in the 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 those 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.

RISK MITIGATION

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 at least every two years since it has been acquired, and works closely with lessee to ensure, to the extent reasonably possible, their financial strength and governance procedures remain robust through the duration of the relevant lease.

Impact



Likelihood

Change in Year

STABLE

12. RISK CATEGORY – FINANCIAL RISK (NEW)
Non-payment of voids cover by care providers

RISK IMPACT

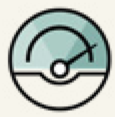
If a care provider gets into financial difficulty and is unable to pay contracted voids cover to an Approved Provider this could have a negative impact on the financial performance of the Approved Provider which ultimately could impact its ability to pay the Group its rent. This risk is compounded if there is low occupancy in a property.

RISK MITIGATION

The Investment Manager closely monitors the performance of the care providers to ensure that they are financially viable and performing well. Should a care provider get into financial difficulty, the Group works with a wide range of care providers who could provide services and therefore meet the voids payment.

Occupancy is also closely monitored and the Investment Manager works with Approved Providers and care providers to ensure occupancy.

Impact



Likelihood

Emerging Risks

CHANGE IN SOCIAL HOUSING LEGISLATION

In November 2020, the UK Government released the Social Housing White Paper which set out a number of measures intended to provide residents with a greater voice and influence, to improve the quality of social housing, with a particular focus on building and resident safety. The sentiment of these proposals is welcomed by the Board and the Investment Manager. There is currently no timetable from the Government to deliver on the measures.

The Regulator of Social Housing has committed to engage with all stakeholders on the proposed reforms outlined in the White Paper in preparation for any future legislation that could be implemented.

The Board will continue to monitor the potential changes in legislation. The Investment Manager engages regularly with the Regulator of Social Housing to ensure that it is informed as soon as possible of any likely changes to the regulatory regime.

UKRAINE-RUSSIA CONFLICT

In late February 2022, Russia began an invasion of Ukraine with devastating consequences for the country's citizens and major implications for wider humanity, the global economy and capital markets. Whilst the full impact of the conflict is yet to be fully understood, the possibility of increased fuel inflation and rising gas prices is highly probable. The Group has no direct exposure to Russia or eastern European territories and would not be directly impacted by increased energy prices given both the inflation linked nature of its rental income and the FRI nature of its leases. The Board will continue to monitor any impact this could have on the Group and our stakeholders.

GOING CONCERN AND VIABILITY

Newall Green Farm, Wythenshawe

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 £590.4 million up to 31 December 2021, and £10.0 million (including acquisition costs) since the year end. The cash balance of the Group at year end was £52.5 million, of which £29.7million was readily available for use. This is the cash balance at 31 December 2021 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 in order to fund the Group's investments to 31 March 2023. 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 Approved 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. 99.8% of rental income due and payable for the period ended 31 December 2021 has been collected.97.16% of all rent due and payable at 28 February 2022 has been collected.

The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. The property portfolio valuation at 31 December 2021 is based on a blended net initial yield of 5.21% for Norland Estates Limited, and 5.87% for TP REIT Propco 2 Limited. Yields would have to move by 239bps for Norland Estates Limited and 142bps for TP REIT Propco 2 Limited 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 to 36% before the covenant is breached. For TP REIT Propco 2 Limited, the interest cover ratio would need rental income collection to fall to 59% before the covenant is breached.

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 2026, 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.
- 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.
- The Group's Loan Notes have a weighted average term of 12 to 13 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 63 to 67 and how they could impact the prospects of the Group and Company both individually and in aggregate. The following risks in particular have been addressed in the assessment:

1. Default of one or more Approved Provider lessees

2. Risk of changes to the social housing regulatory regime

3. Non-payment of voids cover by care providers

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:

8% decrease in rent received. This assumes that some care providers do not cover voids and this causes Approved Providers to default under 8% of SOHO's leases.

PROPERTY VALUATIONS:

It is assumed that the 8% of leases that Approved Providers default under will be valued at 20% below their vacant possession value. This leads to a 15.4% drop in value of the Company's portfolio. We believe that this is a severe downside case given that the valuation yields have not been affected by Covid-19 and we have collected 99.8% of rent due throughout the pandemic.

INFLATION:

No inflation uplift on rental income but costs and dividends increase in line with inflation. We believe this is a severe downside assumption as we have been successful in collecting inflation linked uplifts on all leases to date.

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 such as marketing, PR and any other non-critical spend 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

Chair

24 March 2022

Clock Tower, Liverpool

/ Governance

Chair's Letter

CHRIS PHILLIPS, Chair

Dear Shareholder,

I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2021. The Board recognises that a strong governance framework underpins our purpose and strategy.

As set out in the Strategic Report, in spite of the covid-19 pandemic continuing to dominate the year, we entered 2021 with cautious optimism. At the Company's financial year end, 71.7%[22] of UK citizens had received two doses of the vaccine. The challenges imposed from social distancing restrictions and staff shortages continued to impact our homes, however, continued resilience has been shown from all our stakeholders. Care providers and Registered Providers now 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 year, and this engagement has been set out more fully within the s172(1) statement on pages 58 to 61.

Stakeholder engagement

Our engagement and relationships with our stakeholders are critical to our long-term success and sustainability of our business. At each quarterly Board meeting, we consider stakeholder views through Board reports from the Investment Manager, in particular on their engagement with the Group's Approved Providers and care providers. The views and concerns of all 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.

Board focus

The Board's focus this year has been on a broad range of matters. 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. The Board has continued to focus on sustainability and this year completed a further debt raise via the issuance of £195 million of loan notes. The Board was pleased to receive an Investment Grade Long-Term Issue Default Rating of 'A-' with a stable outlook, and a senior secured rating of 'A' from Fitch Ratings Limited. This year has demonstrated the robustness of our business model as we have continued to perform well, with nearly 100% of rent collected for the year allowing us to pay the expected dividends to shareholders totalling 5.20 pence per Ordinary Share for the year.

External Board Evaluation

The Board conducted the first external Board evaluation in 2020 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 were illustrated in 2020 and the Board has now had 12 months to develop and implement changes to improve efficiency. Further details on identified areas of development and actions that were undertaken are set out on pages 78 to 83 of the Corporate Governance report.

22 https://ourworldindata.org/covid-vaccinations

Impact

The Board is pleased to publish its third Impact Report that details its impact objectives against outcomes of the Group. The Report calculated the Group's social impact by the value of improved personal outcomes for residents resulting from improved wellbeing, health, confidence and aspirations against the savings generated for the public budget by residents moving into the Group's homes. This resulted in a Total Social Value of £105.8 million. Further details can be found on pages 34 to 44 and in the Impact Report available separately on the Company's website.

The Group has leases in place with 24 Approved Providers, of which five Approved Providers were deemed non-compliant with the Regulator with regards to elements of Governance and Financial Viability Standard during the year. 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 there was no material impact on the Group's valuation 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 Group notes that Registered Providers are actively engaged with the Regulator and are taking steps to address the Regulator's concerns. 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.

Annual General Meeting

We are planning to hold our Annual General Meeting on 27 May 2022. This will be our first AGM to be held in person in two years due to Government restrictions previously in place as a result of the Covid-19 pandemic.

This year also marks five years of the Group's existence and in line with the Company's articles of association, we will propose a resolution to members that the Company continues in existence which we hope will be supported by all shareholders.

Compliance Statement

Throughout the year to 31 December 2021, The Board 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).

Looking ahead to 2022

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

Chair

24 March 2022

BOARD OF DIRECTORS

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

CHRIS PHILLIPS, Chair (71)

Appointed	17 July 2017
Committee memberships	Management engagement committee (Chair) 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 (Chair) Shetland Space Centre (Director) Nova Innovations Ltd (Chair)

IAN REEVES CBE, Senior Independent Director (77)

Appointed	17 July 2017
Committee memberships	Audit committee Management engagement committee Nomination committee (Chair)
Skills and experience	Ian is co-founder and CEO of Synaps International Limited. He is visiting Professor of infrastructure investment and construction at The Alliance Manchester Business School, Chair of GCP Infrastructure Investments Limited, Chair of The Estates and Infrastructure Exchange (EIX) and a director of Xinous Inc. He was appointed as a Non-executive Director and Chair of Geiger Counter Limited on 13 December 2021 and 9 March 2022 respectively. Ian was founder and Chair 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 Chair 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 (Chair) Synaps International Limited (Co-founder and CEO) The Estates and Infrastructure Exchange (Chair) Geiger Counter Limited (Chair) Xinous Inc (Director)

PETER COWARD, Non-executive Director (65)

Appointed	17 July 2017
Committee memberships	Audit committee (Chair) 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) Matfen Hall Ltd (Director)

PAUL OLIVER, Non-executive Director (66)

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 1988. In 2002 he launched Teesland PLC on the LSE building funds under management to €6.5 billion before sale to Valad in June 2007. Paul founded Curlew Capital in 2010 to pursue 'Operational' real estate markets focussing on 'Beds' – two funds in UK Purpose Built Student Accommodation and a portfolio for Young Urban residents in the Netherlands.
Principal external appointments	Curlew Capital Ltd (CEO)

TRACEY FLETCHER-RAY, Non-executive Director (57)

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 previously was a non-executive director to L&Q Group, one of the UK's largest Housing Associations and developers, and is currently 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	Caring Homes (Managing Director)

CORPORATE GOVERNANCE

Newall Green Farm, Wythenshawe

Governance Framework

This Governance Framework represents the key groups which provide the framework for which the Group can provide the highest governance standards. It is not an exhaustive list of every organisation or service provider which the Group has engaged with on governance matters.

SHAREHOLDERS

THE BOARD

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 provisions 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.

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.

NOMINATION COMMITTEE

Responsible for leading the process for appointments, ensuring plans are in place for orderly succession to the Board and oversee the development of a diverse pipeline.

AUDIT COMMITTEE

Responsible for reviewing and reporting to the Board on the Group's financial reporting, maintaining an appropriate relationship with the Group's auditor and monitoring the internal control systems.

MANAGEMENT ENGAGEMENT COMMITTEE

Responsible for reviewing the contractual relationships of the Investment Manager and holding to account the performance of the Investment Manager.

ALTERNATIVE INVESTMENT FUND MANAGER

Triple Point Investment Management LLP is the Company's AIFM, and as such 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 88 to 89.

COMPANY SECRETARY

Responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chair, the Board and its Committees to function effectively.

Key matters reserved for the Board

Board membership and powers including the appointment and removal of Board members.

Key commercial matters, including review of all investments and divestments, and any significant changes in lease terms.

The approval of the budget and financial models.

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 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.

Oversight of the Group's operations ensuring compliance with statutory and regulatory obligations.

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.

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 annual and half yearly financial reports, to 31 December and 30 June respectively, dividends, accounting policies and significant changes in accounting practices.

The review of the adequacy of corporate governance procedures.

The review of the risk inventory and the effectiveness of internal controls.

Approval of any related party transactions subject to further regulatory requirement.

Board Membership and Meeting Attendance

During the year to 31 December 2021, the number of scheduled Board meetings attended by each Director was as follows:

Director	Attendance[23]
CHRIS PHILLIPS (CHAIR)	5/7[24]
IAN REEVES CBE	7/7
PETER COWARD	7/7
PAUL OLIVER	6/7
TRACEY FLETCHER-RAY	7/7

Composition

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

Chris Phillips is the Chair of the Board. The Chair leads the Board and is responsible for the Board's overall effectiveness in directing the Group. The Chair, 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 Chair, 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. 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 current gender split of the Board is 80% male and 20% female.

Time Commitment

The Directors' other principal commitments are listed on pages 76 to 77. 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. During the year, Ian Reeves was appointed as a Non-executive Director in Geiger Counter Limited. The Board, taking into consideration, the expected time commitment of the role, approved the external appointment. There were no external appointments accepted during the year which 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 2021, the Board held four scheduled meetings and one extra Board meeting including two strategy meetings attended by those Directors available at the time, to deal with transactional and specific events such as property management strategies and further debt financing.

The Chair 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, environmental and social matters and the continued impact of the Covid-19 pandemic.

23 Number of scheduled meetings attended/maximum number of meetings that the Director could have attended
24 Chris Phillips was unable to attend two meetings during the year due to a close family bereavement

Key decisions of the Board 2021

During the year the Board considered the following matters:

- the Group's longer-term strategy;
- initiating a retrofit programme to upgrade the properties to a minimum EPC rating of 'C';
- the placement of £195 million Loan Notes and the terms of refinance on the Group's existing £160 million Revolving Credit Facility in August 2021;
- the continued impact of the Covid-19 pandemic;
- 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;
- potential changes to the Company's Investment Policy;
- 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;
- a quarterly review of corporate governance compliance, Group subsidiary activity and depositary report; and
- the Group's social impact including environmental and governance matters.

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.

The 2020 Board evaluation was undertaken by an independent third-party evaluator, Satori Board Review ("Satori") and the Board has made good progress on its development points. Specifically, the Board updated their diversity policy and approved the threshold at which to review transactions. The Board have closely reviewed the Company's strategic agenda and regularly discusses what adjustments could be made to the investment policy and model ensuring any changes are aligned to the Company's purpose.

Satori will revisit the Board 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.

In respect of the year ended 31 December 2021, the Board conducted a performance evaluation by completing a written questionnaire to appraise and gather useful learnings on the functioning of the Board, the Group's committees and individual Directors.

The Chair, supported by the Company Secretary, acted on the results of the evaluation. The results of the questionnaire demonstrated that there is consensus that the performance and functioning of the Board remains effective.

There were however areas of improvement that were identified. The key challenges and recommendations of next steps are outlined below.

Challenges	Recommendations of next steps
Shareholder engagement	A shareholder engagement programme should be agreed for the financial year ending 31 December 2022 and further opportunities coordinated with the Board to engage with its shareholders proactively and directly.
Service provider review	A further in depth review of the Company's service providers should take place to ensure that the scope and cost of providers remains appropriate from the time of initial appointment.
Remuneration review	A formal annual review that the Company's remuneration policy should be undertaken in conjunction with a benchmarking exercise to ensure remuneration remains at a level to retain high calibre Directors with the skills and experience necessary for their role.
Training and development	To dedicate more time to enhance the professional development of the Directors to continuously improve knowledge and skills.

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.

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 Chair 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 Chair 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 technical, 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 shareholders and responds promptly to all queries received by the Group. The Board recognises the importance of maintaining strong relationships with shareholders and the Directors place a great deal of importance on understanding shareholder sentiment.

The Investment Manager and the Group's Joint Financial Advisers regularly speak to discuss, amongst other things, the views of the Company's shareholders. The Company's Corporate 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 AGM 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 Chair makes himself available, as necessary, to speak to shareholders, equally the Chairs of the Board's committees make themselves available, as necessary, on significant matters related to their areas of responsibility when required.

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.

During the year, the Company had regular engagement with shareholders. These interactions have included discussing the impact of non-compliant regulatory judgements against the Group's Registered Providers, engaging with shareholders about remuneration of the Investment Manager and engaging with Pensions and Investment Research Consultants (PIRC) ahead of the 2021 AGM.

As detailed in the Chair's Statement, we have announced proposed changes to the Company's investment policy and investment restrictions, following consultation with a number of shareholders.

The Board welcomes feedback from all shareholders because understanding the views of its Shareholders is a fundamental principle of good corporate governance. Strong engagement with shareholders and stakeholders is vital to achieving this.

Audit Committee Report

PETER COWARD, Audit Committee Chair

Audit Committee Members	Attendance[25]
PETER COWARD (CHAIR)	3/3
IAN REEVES CBE	3/3
PAUL OLIVER	3/3
TRACEY FLETCHER-RAY	3/3

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.

The audit committee's Terms of Reference can be found on the Group's website.

[25] Number of scheduled meetings attended/maximum number of meetings that the Director could have attended

Committee Membership

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.

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 Corporate Governance for further details on the performance 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. INDOS Financial Limited 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 62 to 67.

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 2026. 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 JLL, 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.

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 and a formal external audit tender process was undertaken in 2019. BDO were recommended by the audit committee for re-appointment at the 2021 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 Chair 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 2021 for audit of the Group and subsidiaries was £213,000 (net of VAT) The total non-audit fees received in the year ended 31 December 2021 was £29,000 (net of VAT). The ratio of non-audit services fees to audit fees in the year was 13.6%.

Peter Coward

Audit Committee Chair

Management Engagement Committee Report

CHRIS PHILLIPS, Management Engagement Committee Chair

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.

The management engagement committee's Terms of Reference can be found on the Group's website.

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.

Management Engagement Committee Members	Attendance[26]
CHRIS PHILLIPS (CHAIR)	0/1[27]
IAN REEVES CBE	1/1
PETER COWARD	1/1
PAUL OLIVER	0/1
TRACEY FLETCHER-RAY	1/1

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

One of the development points identified by the Board following the external board evaluation in 2020, was a review of Committee membership. The Board have agreed that following the Company's year end, Tracey Fletcher-Ray would be appointed as Chair of the Management Engagement Committee and that the frequency of meetings be increased to two meetings per year to ensure thorough scrutiny of the contractual relationships of the Investment Manager.

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 AIFM is Triple Point Investment Management LLP.

[26] Number of scheduled meetings attended/maximum number of meetings that the Director could have attended
[27] Chris Phillips was unable to attend one meeting during the year due to a close family bereavement

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.

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 2021 was £145,567.32 (net of VAT). 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 2021 was £4.1 million (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 Chair

Nomination Committee Report

IAN REEVES, Nomination Committee Chair

Nomination Committee Members	Attendance[28]
IAN REEVES CBE (CHAIR)	1/1
CHRIS PHILLIPS	0/1[29]
PETER COWARD	1/1
PAUL OLIVER	1/1

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.

The nomination committee's Terms of Reference can be found on the Group's website.

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

Refer to the Corporate Governance for further details on the performance evaluation.

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 2022 AGM.

Tenure Policy

The Board considers that the length of time each Director, including the Chair, 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

At the nomination committee in 2021, the Committee recommended to the Board adoption of a new Diversity Policy which is detailed below:

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

[28] Number of scheduled meetings attended/maximum number of meetings that the Director could have attended
[29] Chris Phillips was unable to attend one meeting during the year due to a close family bereavement

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.

The Board recognises the importance of diversity in the boardroom which introduces different perspectives to the Board debate and considers, it to be in the interests of the Group and its shareholders to take into consideration diversity criteria when appointing a new individual to the Board. In line with the Company's succession plan, when undertaking the appointment of a new Director, the nomination committee will instruct an external search consultancy to undertake an open and transparent process that includes potential candidates from different social and ethnic backgrounds.

Members of the Board should collectively possess a diverse range of skills, expertise, industry knowledge and business. 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 2021.

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.

The nomination committee considered emergency and medium to long-term succession planning arrangements including the process for the appointment and retirement of directors and a formal succession plan was agreed.

Ian Reeves CBE

Nomination Committee Chair

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 2021. It is set out in two sections in line with legislative reporting regulations:

- Directors' Remuneration Policy (on pages 93 to 94) – This sets out our Remuneration Policy for Directors of the Company that has been in place since 14 May 2021 following approval by shareholders.
- Annual Report on Directors' Remuneration (on pages 92 to 94) – This sets out how the Directors were paid for the year ended 31 December 2021. There will be an advisory shareholder vote on this section of the report at our 2022 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.

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

Chair

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 14 May 2021 and became effective from the conclusion of the Annual General Meeting. In accordance with section 439A of the Companies Act 2006, 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 FEES	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 fee 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.

Component	Operation	Link to strategy
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 2021	Total 2020	Other taxable benefits 2020[3]
Chris Phillips	£75,000	-	-	£75,000	£82,500	N/A
Ian Reeves CBE	£50,000	-	-	£50,000	£57,500	N/A
Peter Coward	£50,000	-	-	£50,000	£57,500	N/A
Paul Oliver	£50,000	-	-	£50,000	£57,500	N/A
Tracey Fletcher-Ray	£50,000	-	-	£50,000	£57,500	N/A

[1] The Directors are paid a fixed annual fee. The 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 Company received no additional fees for the year end 31 December 2021.

[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 Chair 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. Any 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 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 their duties as a Director. Directors' expenses for the year to 31 December 2021 totalled £1,546.00. No other remuneration was paid or payable during the year to any Director.

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

Outlined are details of the Directors' shareholdings as at 31 December 2021; there has been no change in shareholding in the period between 31 December 2021 and the date of this report.

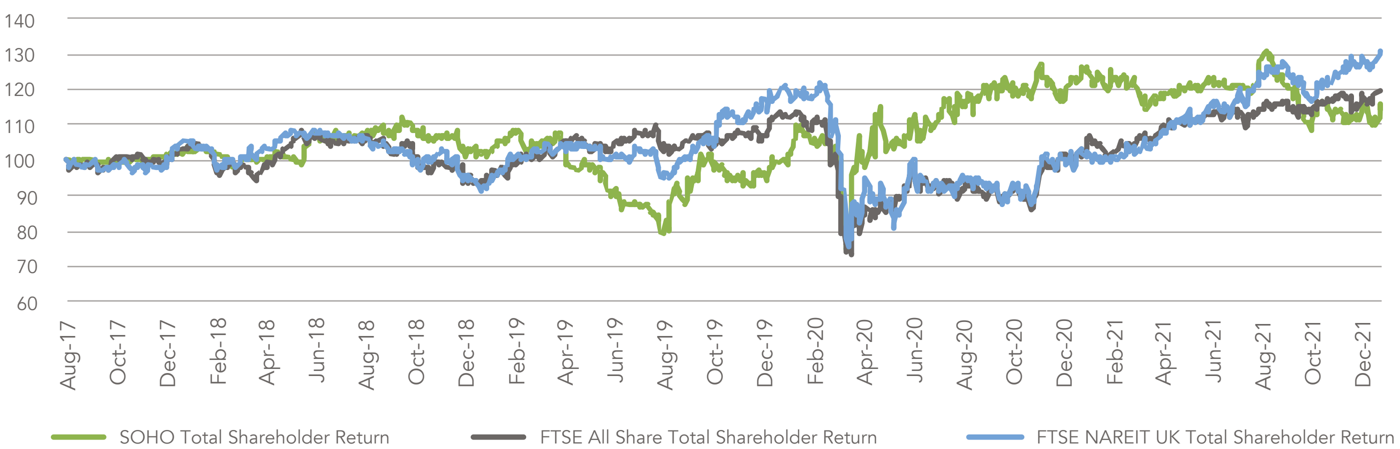
The Directors are not required to hold any shares of the Company by way of qualification. A Director who is not a shareholder of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

Director	Number of shares held as at 31 December 2020	Number of shares held as at 31 December 2021	Percentage of issued share capital as at 31 December 2021
Chris Phillips	54,854*	54,854*	0.01%
Ian Reeves CBE	–	–	0.00%
Peter Coward	76,179**	78,543**	0.02%
Paul Oliver	77,967	77,967	0.02%
Tracey Fletcher-Ray	37,735	37,735	0.01%

*25,000 Ordinary Shares were subscribed through Chris Phillip's self-invested personal pension with the balance subscribed by Centaurea Investments Limited
**53,543 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.



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.

Director	2021	2020
Directors' fees	£275,000	£312,500
Dividends paid	£20,924,889	£18,813,578
Share buybacks	–	–
Management fee	£4,546,596	£4,100,226

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) and the Directors' Remuneration Policy was passed on a poll at the Annual General Meeting on 14 May 2021.

	Voting for	Voting Against	Votes Withheld
Remuneration Report	98.22%	1.78%	504,233
Remuneration Policy	97.87%	2.13%	504,233

On behalf of the Board:

Chris Phillips
Chair
24 March 2022

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 2021.

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 78 to 102 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 2021 to 31 December 2021 are set out in the Board of Directors section on pages 76 to 77, 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 AIFM and Investment Manager are set out on pages 34 to 35 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 88 to 89.

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 116. In line with the target for the financial year, the Company declared the following interim dividends in respect of the year to 31 December 2021, amounting to 5.20 pence per share.

Relevant period	Dividend per share (p)	Ex dividend date	Record date	Payment date
1 January to 31 March 2021	1.30	27 May 2021	28 May 2021	25 June 2021
1 April to 30 June 2021	1.30	16 September 2021	17 September 2021	30 September 2021
1 July to 30 September 2021	1.30	11 November 2021	12 November 2021	17 December 2021
1 October to 31 December 2021	1.30	10 March 2022	11 March 2022	25 March 2022

Powers of the Directors

The powers given to the Directors are contained within the current articles of association of the Company (the 'Articles'), are subject to relevant legislation and, in certain circumstances (including in relation to the issuing or buying back by the Company of its shares), are subject to the authority being given to the Directors by shareholders in general meetings.

The Articles govern the appointment and replacements of Directors.

Directors' Indemnity

The Group has indemnified the Directors against certain liabilities which may be incurred in the course of their duties. This indemnity remains in force as at the date of this 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 33 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 34 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

As at 31 December 2021, the Company had 403,239,002 Ordinary Shares in issue, 450,000 of which were held in treasury, as can be found in Note 22 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 2021, the Company was granted authority to make market purchases up to a maximum of 40,278,900 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 27 May 2022.

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.

Greenhouse Gas Emissions, Energy Consumption and Energy Efficiency

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 2021, 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 2021 the Group is considered to be a low energy user.

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 2021.

Shareholder	Interests in Ordinary Shares	% holding disclosed
BlackRock, Inc.	56,868,233	14.11%
East Riding of Yorkshire Council	32,879,797	9.36%
Investec Wealth & Management Limited	28,892,160	8.22%
Nottinghamshire County Council Pension Fund	19,417,475	5.53%
Tilney Investment Management Services Limited	19,892,781	4.93%
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 most recently notified on 28 February 2022 by BlackRock, Inc. that they hold 57,315,317 Ordinary Shares indirectly or through financial instruments, representing 14.21% 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 2021 can be found in Note 31 of the financial statements.

Research and Development

No expenditure on research and development was made during the year (2020: Nil).

Donations and Contributions

No political or charitable donations were made during the year (2020: Nil).

Branches Outside the UK

There are no branches of the business located outside the UK.

Annual General Meeting

The Annual General Meeting of the Company will be held at the offices of Taylor Wessing LLP on 27 May 2022 at 10.00am at 5 New Street Square, London, EC4A 3TW.

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	18 to 25
Employee engagement	56
Employment of disabled persons	56
Business relationships	56

On behalf of the Board:

Chris Phillips
Chair
24 March 2022

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 profit or loss for the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a Directors' report, a strategic report and Directors' remuneration report which comply 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 the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

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 financial statements have been prepared in accordance with the applicable set of accounting standards, 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 Company, together with a description of the principal risks and uncertainties that they face.

Approval

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

Chris Phillips
Chair
24 March 2022

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 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 2021 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements 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 their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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 including retenders and reappointments is five years, covering the years ending 31 December 2017 to 31 December 2021.

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.

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 the Directors, and challenging the assumptions used by the Directors in the going concern forecast. This included assumptions around expected investment property acquisitions, the movements in investment property valuations, movements in the Group's level of borrowings and the associated interest, and rental income increases. We obtained evidence, where available, to support inputs into the model.
- Testing the arithmetical accuracy of the model.
- Challenging the sensitivities applied by the Directors to the model, including a fall in revenue in the event lessees are unable to meet rent payments in relation to vacant units, as well as a corresponding fall in property valuations. On these stress tested model we challenged assumptions made by the Directors, 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 these 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 2021, 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 and 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[30]	100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group investment property 99.6% (2020: 99.9%) of Group total assets 99.8% (2020: 99.1%) of Group profit before tax		
Key audit matters		2021	2020
	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 £6,990,000 (2020: £6,300,000), which was set at 1% (2020: 1%) of Group total assets		

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 three significant components, in addition to the Parent Company:

- Norland Estates Ltd
- TP REIT Propco 2 Limited
- TP REIT Propco 3 Limited

All components were subject to full scope audits.

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.

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

Key audit matter	How the scope of our audit addressed the 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 that 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. 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 financial statements. 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.	**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 the external valuer's qualifications, independence and objectivity. • 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 impact on the valuations of Covid-19 as well as the impact of the Registered Providers having received non-compliant ratings from the regulators. We compared their responses 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 and obtained evidence to support these rates applied. KEY OBSERVATIONS: 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	
REVENUE RECOGNITION		
Refer to note 4 in relation to accounting policies. Refer to note 5 in relation to rental income.	The Group's revenue solely comprises of rental income from investment property assets. **Lease incentives** Rental income is recognised on a straight-line basis 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. **Accuracy of lease incentives** There is a risk that lease incentives may not have been recognised over the determined 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. **Completeness of lease incentives** There is a risk over the completeness of lease incentives recognised, both by error or fraud, which could present favourable results through the delay or non-recognition of rent free periods or other forms of lease incentives. It could also artificially increase the investment property valuations if the valuers were not made aware of such lease incentives. **Completeness of rent concessions and rent free periods** Lease concessions and additional rent free periods are commonly granted to lessees to provide financial assistance, particularly in the light of the Covid-19 pandemic which disproportionately affected tenants in certain industries. There is a risk that Management may not record or otherwise defer the recognition of rent concessions and rent free periods granted to tenants to obtain favourable results (i.e. the delayed/non-recognition of rent concessions or amortisation of rent concessions over a longer lease term could overstate net rental income recognised in the current period).	• 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 2020, 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 by obtaining an explanation from Management for the difference along with evidence to support their explanation. • 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. This included whether lease put and/or call options had been included in the lease term and whether this was reasonable in light of the circumstances. • We challenged Management over the expected lease term used for calculating the recognition of rent on a straight line basis, as per the point above. We checked that all assumptions had been applied consistently across all leases. • We enquired of Management of any rent concessions or additional rent free periods granted to tenants in the year and where these were identified we obtained supporting documentation to agree the new rent levels to the tenancy schedule. • We traced a sample of rental income invoiced through to bank statements to check that rent recognised is not net of any lease concessions or additional rent free periods granted not previously identified. KEY OBSERVATIONS We did not identify any indicators to suggest that the revenue has 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.

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	
	2021 £m	2020 £m	2021 £m	2020 £m
Materiality	7.0	6.3	3.98	3.97
Basis for determining materiality	Materiality for the Group and Parent Company's financial statement was set at 1% of total assets (2020: 1%).			
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 and Parent Company.			
Performance materiality	4.55	3.78	2.59	2.38
Basis for determining performance 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 65% (2020: 60%) of materiality. A number of factors led to the judgement to increase the performance materiality level from prior year. This included the fact that there was a low level of brought forward adjustments, with a minimal number of adjustments raised in historic audits, as well as Management's open consideration to adjusting for misstatements raised. 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, that specifically impact the measurement of EPRA earnings, 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 £970,000 (2020: £830,000). This was set at 5% (2020: 5%) of European Public Real Estate Association ("EPRA") earnings. EPRA earnings excludes the impact of the net surplus on revaluation of investment properties. Those items which may affect EPRA earnings include rental income, general and administrative expenses, management fees, finance income and finance cost. We further applied a performance materiality level of 65% (2020: 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 40% (2020: 87%) of Group specific materiality being £388,000 (2020: £722,000). The percentage of the cap applied compared to the prior year reduced due to changes in the composition of the Group structure.

COMPONENT MATERIALITY

We set materiality for each significant component of the Group based on a percentage of 1% (2020: 1%) of the total assets of that component. Significant component materiality ranged from £388,000 to £3,980,000 (2020: ranged from £339,300 to £3,340,000).

In the audit of each component, we further applied performance materiality levels of 65% (2020: 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 £140,000 (2020: £126,000) for items audited to financial statement materiality, and £19,000 (2020: £16,000) for items audited to specific materiality. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

We agreed that the reporting threshold for the Parent Company would be £79,600 (2020: £79,400) for items audited to financial statement materiality, and £7,800 (2020: £14,000) 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 Code 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 to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 69 to 70; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 69.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 103; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 63 to 67; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 85; and • The section describing the work of the audit committee set out on page 84.

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 focused on laws and regulations that could give rise to a material misstatement in the financial statements and considered the significant laws and regulations to be the Companies Act 2006, the UK Listing Rules, tax legislation, housing association regulations, health and safety legislation and the Equal Opportunity Act.

Our procedures included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board and Committee meeting minutes, enquiries with Management and those charged with governance as to the risks of non-compliance with laws and regulations and any instances thereof and we obtained an understanding of controls around procurement fraud.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be revenue recognition, investment property valuations and management override of controls.

Our procedures included those set out in the revenue recognition key audit matter above as well as agreeing all bank balances and loans to direct bank confirmations and agreements.

In addressing the risk of management override of internal controls, we tested a sample of journals and evaluated whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. We identified what we considered to be the key risk characteristics and targeted our sample testing to these areas. We obtained an explanation for journals within the sample, as well as supporting evidence. This included evaluating any management bias within the valuation of investment property, as mentioned in the investment property valuations key audit matter above.

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

24 March 2022

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 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Income			
Rental income	5	**33,117**	28,393
Other income		**–**	535
Total income		**33,117**	28,928
Expenses			
Directors' remuneration	6	**(307)**	(307)
General and administrative expenses	9	**(2,067)**	(2,200)
Management fees	8	**(4,552)**	(4,100)
Total expenses		**(6,926)**	(6,607)
Gain from fair value adjustment on investment property	14	**8,998**	7,894
Operating profit		**35,189**	30,215
Finance income	11	**44**	102
Finance costs	12	**(6,823)**	(5,723)
Profit for the year before tax		**28,410**	24,594
Taxation	13	**–**	–
Profit and total comprehensive income for the year		**28,410**	24,594
IFRS Earnings per share – basic and diluted	36	**7.05p**	6.82p

The accompanying notes on pages 120 to 139 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Financial Position
as at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Assets			
Non-current assets			
Investment properties	14	**641,293**	572,101
Trade and other receivables	15	**2,311**	–
Total non-current assets		**643,604**	572,101
Current assets			
Assets held for sale		**480**	110
Trade and other receivables	16	**3,435**	4,152
Cash, cash equivalents and restricted cash	17	**52,470**	53,701
Total current assets		**56,385**	57,963
Total assets		**699,989**	630,064
Liabilities			
Current liabilities			
Trade and other payables	18	**3,651**	4,969
Total current liabilities		**3,651**	4,969
Non-current liabilities			
Other payables	19	**1,523**	1,517
Bank and other Borrowings	20	**258,702**	194,927
Total non-current liabilities		**260,225**	196,444
Total liabilities		**263,876**	201,413
Total net assets		**436,113**	428,651
Equity			
Share capital	22	**4,033**	4,033
Share premium reserve	23	**203,753**	203,776
Treasury shares reserve	24	**(378)**	(378)
Capital reduction reserve	25	**160,394**	166,154
Retained earnings	26	**68,311**	55,066
Total Equity		**436,113**	428,651
IFRS Net asset value per share – basic and diluted	37	**108.27p**	106.42p

The Group Financial Statements were approved and authorised for issue by the Board on 24 March 2022 and signed on its behalf by:

Chris Phillips
Chair
24 March 2022

The accompanying notes on pages 120 to 139 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Changes in Equity
for the year ended 31 December 2021

Year ended 31 December 2021	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 2021		**4,033**	**203,776**	**(378)**	**166,154**	**55,066**	**428,651**
Profit and total comprehensive income for the year		**–**	**–**	**–**	**–**	**28,410**	**28,410**
Transactions with owners							
Dividends paid	27	**–**	**–**	**–**	**(5,760)**	**(15,165)**	**(20,925)**
Share issue costs capitalised	23	**–**	**(23)**	**–**	**–**	**–**	**(23)**
Balance at 31 December 2021		**4,033**	**203,753**	**(378)**	**160,394**	**68,311**	**436,113**

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	22,23	**519**	**54,481**	**–**	**–**	**–**	**55,000**
Share issue costs capitalised	23	**–**	**(1,862)**	**–**	**–**	**–**	**(1,862)**
Dividends paid	27	**–**	**–**	**–**	**–**	**(18,814)**	**(18,814)**
Balance at 31 December 2020		**4,033**	**203,776**	**(378)**	**166,154**	**55,066**	**428,651**

The accompanying notes on pages 120 to 139 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Group Statement of Cash Flows
for the year ended 31 December 2021

	Note	**Year ended 31 December 2021 £'000**	Year ended 31 December 2020 £'000
Cash flows from operating activities			
Profit before income tax		**28,410**	24,594
Adjustments for:			
Gain from fair value adjustment on investment property		**(8,998)**	(7,894)
Finance income		**(44)**	(102)
Finance costs		**6,823**	5,723
Operating results before working capital changes		**26,191**	22,322
(Increase)/ Decrease in trade and other receivables		**(1,237)**	640
(Decrease)/Increase in trade and other payables		**(242)**	1,545
Net cash flow generated from operating activities		**24,712**	24,507
Cash flows from investing activities			
Purchase of investment properties		**(61,350)**	(95,609)
Prepaid acquisition costs paid		**(18)**	(3)
Disposal proceeds from sale of assets		**125**	–
Restricted cash – paid		**(410)**	(2,862)
Restricted cash – released		**279**	4,042
Interest received		**–**	59
Net cash flow used in investing activities		**(61,374)**	(94,373)
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares at a premium		**–**	55,000
Ordinary Share issue costs capitalised		**(23)**	(1,862)
Interest paid		**(5,615)**	(4,645)
Bank borrowings drawn	20	**195,000**	29,408
Bank borrowings repaid	20	**(130,000)**	–
Loan arrangement fees paid	21	**(2,728)**	(1,101)
Dividends paid	27	**(20,925)**	(18,814)
Net cash flow generated from financing activities		**35,709**	57,986
Net decrease in cash and cash equivalents		**(953)**	(11,880)
Cash and cash equivalents at the beginning of the year		**52,852**	64,732
Cash and cash equivalents at the end of the year	17	**51,899**	52,852

The accompanying notes on pages 120 to 139 form an integral part of these Group Financial Statements.

FINANCIAL STATEMENTS
Notes to the Group Financial Statements
for the year ended 31 December 2021

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 financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. 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.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting policies from the transition. The Group has applied the same accounting policies in these Financial Statements as in its 2020 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 2021. The new standards and amendments impacting the Group are:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16); and
- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16).

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

Interest Rate Benchmark Reform – Phase 2

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. The amendments also allow a series of exemptions from the regular hedge accounting. During the year the Group renegotiated the Revolving Credit Facility, setting pre agreed terms for the transition of LIBOR to SONIA. Given that the original facility was repaid in August 2021, and the new facility remains undrawn at 31 December 2021, there has been no material impact on the Group's financial statements from the amendments.

Covid-19-Related Rent Concessions beyond 30 June 2021

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. No material impact as a result of new standards is expected, as the Group is the lessor.

Amendments to IAS 1 on Classification of liabilities as Current or Non-Current are effective for the financial years commencing on or after 1 January 2023 and are to be applied retrospectively. It is not expected that the amendments may have an impact on the presentation and classification of liabilities in the Group Statement of Financial Position based on rights that are in existence at the end of the reporting period.

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 condensed consolidated financial statements of the Group.

2.1. Going concern

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 99.82% of rental income due and payable for the period ended 31 December 2021 has been collected. 97.16% of all rent due and payable at 28 February 2022 has been collected.

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. During the year, Fitch

Ratings Limited assigned the Company an Investment Grade Long-Term Issuer Default Rating of 'A-' with a stable outlook, and a senior secured rating of 'A'. .

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 Group 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. To date, Covid-19 has not had any impact on, and 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.

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 Investment Management and Barings respectively. TP REIT Propco 5 Ltd has a RCF with Lloyds and NatWest however this was undrawn at the year end and remains so at date of signing. The loan secured by Norland Estates Limited is subject to an asset cover ratio covenant of x2.00 (amended from previous covenant of x2.25 in August 2021 to bring more in line with the ACR covenant in the new Note Purchase Agreement with MetLife Investment Management and NatWest). The latest external valuation was carried out at 31 December 2021 and at that point the asset cover ratio was x2.75. The loan is also subject to an interest cover ratio. The covenant ratio is not less than x1.75 and at 31 December 2021 the interest cover ratio was x4.90. The loan secured by TP REIT Propco 2 Limited with MetLife Investment Management and Barings is subject to an asset cover ratio covenant of x1.67. As at 31 December 2021, the asset cover ratio was x2.01.The loan is also subject to an interest cover ratio. The covenant ratio is not less than x1.75 and at 31 December 2021 the interest cover ratio was x4.33.

The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. For Norland Estates Limited, the property portfolio valuation at 31 December 2021 is based on a blended net initial yield of 5.21%, and 5.34% for TP REIT Propco 2 Limited. Yields would have to move by 179bps for Norland Estates Limited and 101bps for TP REIT Propco 2 Limited 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 to 36% before the covenant is breached. And for TP REIT Propco 2 Limited, the interest cover ratio would need rental income collection to 40% before the covenant is breached. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants are remote.

Under the downside model the forecasts have been stressed to show the effect of Care Providers ceasing to pay their voids liability, and as a result lessees being unable to pay rent on void units. 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. As a result of the above, the Directors are of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

The Group has no short or medium-term refinancing risk given the 11.6 year average maturity of its long-term debt facilities with MetLife Investment Management and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

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.

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

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Notes to the Group Financial Statements

for the year ended 31 December 2021

definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2020, 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 Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and a determination of which assumptions should be applied in valuing such assets and with particular focus on the specific attributes of the investments themselves.

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

Judgements:

3.2. Asset acquisitions

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Directors consider 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 28)

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 head lease, and the present value of minimum lease payments compared to the fair value of the asset at acquisition.

3.4. Lease term (note 5)

Rental income is recognised on a straight-line basis over the expected lease term. A judgement has to be made by the Directors as to the expected term of each lease. The judgement involves determining whether put and call options on certain leases will be exercised. This judgement impacts the length of time over which lease incentives are recognised. The key element of this judgement is whether the Directors can be "reasonably certain" that any options or breaks in place to extend the lease term will be exercised at the expiry of the current lease, which is typically some 20 years in the future. In particular, consideration was given to the future regulatory environment, government policy on social housing and future alternative uses for the property. The Directors concluded that it was impossible to say with reasonable certainty that an option will be exercised. The Directors concluded that lease terms should be restricted to the initial leases of the lease, or to the break date, except where reversionary lease have already been executed or where options to extend have already been exercised.

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.

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.

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Notes to the Group Financial Statements
for the year ended 31 December 2021

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, 12 - 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 expenditure 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. If the modification is deemed non-substantial, costs or fees incurred are adjusted against the liability and are amortised over the remaining term.

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 2021 £'000	Year ended 31 December 2020 £'000
Rental income – freehold assets	**31,071**	26,406
Rental income – leasehold assets	**2,046**	1,987
	33,117	28,393

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.

6. DIRECTORS' REMUNERATION

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Directors' fees	**275**	275
Employer's National Insurance Contributions	**32**	32
Additional fees paid – capitalised as share issue costs	**–**	7
	307	314

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The Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chair receives a Director's fee of £75,000 per annum (2020: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2020: £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 initial Issue). Each Director received this additional fee in 2020 following the publication of the prospectus, but no additional fees were received during 2021. (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 92 to 97. 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 (2020: none).

8. MANAGEMENT FEES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Management fees	**4,552**	4,100
	4,552	4,100

On 20 July 2017 Triple Point Investment Management LLP 'TPIM' 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 £4,552,000 (2020: £4,100,000) were chargeable by TPIM during the year. At the year end £1,146,000 (2020: £1,132,000) was due to TPIM.

By two agreements dated 30 June 2020, the Company appointed TPIM as its Alternative Investment Fund Manager by entering into an Alternative Investment Fund Management Agreement and (separately) documented TPIM's continued appointment as the provider of portfolio and property management services by entering into an Investment Management Agreement.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Legal and professional fees	**673**	666
Audit fees	**256**	227
Administration fees	**336**	327
Lease transfer costs	**40**	343
Other administrative expenses	**762**	637
	2,067	2,200

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

Within Administration Fees is an amount of £326,000 (2020: £315,000) for Company Secretarial Services chargeable by Hanway Advisory Limited.

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 £175,000 (2020: £76,000) were chargeable by TPIM. At the year end £44,000 (2020: £38,000) was due to TPIM.

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

10. AUDIT FEES

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Group audit fees – current year	**189**	155
Group audit fees – prior year	**–**	15
Subsidiary audit fees	**24**	19
	213	189

Non audit fees paid to BDO LLP included £29,000 (2020: £27,000) in relation to the half year interim review and nil (2020: £22,000) in relation to eNAV work.

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*
- *TP REIT Holdco 4 Limited*
- *TP REIT Holdco 5 Limited*
- *Norland Estates Limited*
- *TP REIT Propco 2 Limited*
- *TP REIT Propco 3 Limited*
- *TP REIT Propco 4 Limited*
- *TP REIT Propco 5 Limited*

11. FINANCE INCOME

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Other interest income	**44**	43
Interest on liquidity funds	**–**	59
	44	102

12. FINANCE COSTS

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Interest payable on bank borrowings	**5,492**	4,627
Borrowing costs capitalised (note 14)	**–**	(128)
Amortisation of loan arrangement fees	**1,279**	1,163
Head lease interest expense	**44**	43
Bank charges	**8**	18
	6,823	5,723
Total finance cost for financial liabilities not at fair value through profit or loss	**6,815**	5,705

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 2021 £'000	Year ended 31 December 2020 £'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% (2020: 19%). The differences are explained below.

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Profit for the year before tax	**28,410**	24,594
Tax at UK corporation tax standard rate of 19%	**5,398**	4,673
Change in value of investment properties	**(1,710)**	(1,500)
Exempt REIT income	**(4,202)**	(3,539)
Amounts not deductible for tax purposes	**22**	21
Unutilised residual current period tax losses	**492**	345
	–	–

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 2021	565,533	6,568	572,101
Acquisitions and additions	59,114	1,568	60,682
Fair value adjustment*	9,513	–	9,513
Movement in head lease ground rent liability	5	–	5
Transfer of completed properties	8,136	(8,136)	–
Reclassified to assets held for sale	(1,008)	–	(1,008)
As at 31 December 2021	**641,293**	**–**	**641,293**

	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

*Gain from fair value adjustment on investment property in the Statement of Comprehensive Income includes loss from fair value adjustments on assets held for sale.

Reconciliation to independent valuation:

	31 December 2021 £'000	31 December 2020 £'000
Investment property valuation	**642,018**	571,463
Fair value adjustment – head lease ground rent	**1,462**	1,457
Fair value adjustment – lease incentive debtor	**(2,187)**	(819)
	641,293	572,101

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. All properties under development were completed in the year. There are no properties under development as at 31 December 2021.

The carrying value of leasehold properties at 31 December 2021 was £39.36 million (2020: £36.5 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 seven years.

% Key Statistic
The metrics below are in relation to the total investment property portfolio held as at 31 December 2021.

Portfolio metrics	**31 December 2021**	31 December 2020
Capital Deployed (£'000)*	**569,991**	512,296
Number of Properties	**488**	445
Number of Tenancies***	**382**	341
Number of Approved Providers***	**24**	20
Number of Local Authorities***	**156**	155
Number of Care Providers***	**114**	98
Valuation Net Initial Yield (NIY)**	**5.25%**	5.27%

* calculated excluding acquisition costs.

** calculated using IAS 40 valuations (excluding forward funding acquisitions).

*** calculated excluding forward funding acquisitions.

Regional exposure

Region	31 December 2021 *Cost £'000	31 December 2021 % of funds invested	31 December 2020 *Cost £'000	31 December 2020 % of funds invested
North West	**122,622**	**21.5**	115,025	22.5
West Midlands	**92,794**	**16.3**	88,397	17.3
East Midlands	**64,595**	**11.3**	65,559	12.8
London	**49,526**	**8.7**	49,213	9.6
North East	**47,061**	**8.3**	47,088	9.2
Yorkshire	**81,034**	**14.2**	46,013	9.0
South East	**52,196**	**9.2**	45,682	8.9
South West	**27,900**	**4.9**	27,900	5.4
East	**23,703**	**4.2**	20,229	3.9
Scotland	**5,900**	**1.0**	4,530	0.9
Wales	**2,660**	**0.4**	2,660	0.5
Total	**569,991**	**100**	512,296	100

* 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 2021	641,293	–	–	641,293
Investment properties	31 December 2020	572,101	–	–	572,101

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 Regulator of Social Housing.

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. All properties under development were completed in the year. There were no forward funded assets in the portfolio as at 31 December 2021.

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

1. the rate of inflation as measured by CPI; it should be noted that all leases benefit from either CPI or RPI indexation; 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

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(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 6.63% (2020: 6.62%).

The range of discount rates used in the Group's property portfolio valuation is from 6.21% to 8% (2020: 6.3% to 7.4%).

	-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 2021	**26,922**	**(24,663)**	**21,190**	**(20,238)**
Changes as at 31 December 2020	35,919	(32,643)	18,635	(17,811)

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 2021. The valuations have also not been influenced by climate related factors due to there being little measurable impact on inputs at present.

15. TRADE AND OTHER RECEIVABLES (non-current)

	31 December 2021 £'000	31 December 2020 £'000
Other receivables	**183**	–
Lease incentive debtor	**2,128**	–
	2,311	–

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

16. TRADE AND OTHER RECEIVABLES (current)

	31 December 2021 £'000	31 December 2020 £'000
Rent receivable	**1,971**	2,112
Prepayments	**796**	608
Other receivables	**608**	613
Lease incentive debtor	**60**	819
	3,435	4,152

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 IFRS 9 simplified approach to measuring 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. 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.

17. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2021 £'000	31 December 2020 £'000
Cash held by lawyers	**8,459**	3,938
Restricted cash	**571**	849
Ring-fenced cash	**4,451**	–
Cash at bank	**38,989**	48,914
	52,470	53,701

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. It also includes funds held in an escrow account in relation to the transfer of leases during 2020.

Ring-fenced cash includes retention monies held by Coutts in a "charged" account which requires lender's permission to release, and funds held in a separate bank account for upcoming commitment fees on the Lloyds RCF.

	31 December 2021 £'000	31 December 2020 £'000
Total Cash, cash equivalents and restricted cash	**52,470**	53,701
Restricted cash	**(571)**	(849)
Cash reported on Statement of Cash Flows	**51,899**	52,852

18. TRADE AND OTHER PAYABLES

Current liabilities	**31 December 2021 £'000**	31 December 2020 £'000
Accruals	**2,373**	2,929
Trade payables	**48**	79
Head lease ground rent (note 27)	**39**	39
Other creditors	**1,191**	1,922
	3,651	4,969

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.

19. OTHER PAYABLES

Non-current liabilities	**31 December 2021 £'000**	31 December 2020 £'000
Head lease ground rent (note 28)	**1,423**	1,417
Rent deposit	**100**	100
	1,523	1,517

20. BANK AND OTHER BORROWINGS

	31 December 2021 £'000	31 December 2020 £'000
Bank and other borrowings drawn at year end	**263,500**	198,500
Less: loan issue costs incurred	**(6,077)**	(4,736)
Add: loan issue costs amortised	**1,279**	1,163
Unamortised costs at end of the year	**(4,798)**	(3,573)
Balance at year end	**258,702**	194,927

At 31 December 2021 there were undrawn bank borrowings of £160 million (2020: £30 million).

As at 31 December 2021, the Group's borrowings comprised two debt facilities;

- 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 Investment Management Investment Management (and affiliated funds)
- £195 million long dated, fixed rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management Investment Management clients and Barings

The Group also have access to £160 million Revolving Credit Facility (RCF) with Lloyds and NatWest which was undrawn at the reporting date.

Loan Notes

The Loan Notes of £68.5 million are secured against a portfolio of specialist supported living assets throughout the UK, worth approximately £188 million (31 December 2020: £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% p.a.; and Tranche-B, is an amount of £27.0 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 3.215% p.a. On a blended basis, the weighted average term is 12 years carrying a weighted average fixed rate coupon of 3.04% p.a. At 31 December 2021, the Loan Notes have been independently valued at £71.0 million which has been used to calculate the Group's EPRA Net Disposal Value in note 4 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 0.804% 2028 Gilt (Tranche A) and Treasury 0.991% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

In August this year, the Group put in place Loan Notes of £195 million which enabled the Group to refinance the full £130 million previously

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drawn under its £160 million RCF with Lloyds and NatWest. The Loan Notes are secured against a portfolio of specialist supported living assets throughout the UK, worth approximately £391 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 £77.5 million, has a term of 10 years from utilisation and is priced at an all-in coupon of 2.403% p.a.; and Tranche-B, is an amount of £117.5 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 2.786% p.a. On a blended basis, the weighted average term is 13 years carrying a weighted average fixed rate coupon of 2.634% p.a. At 31 December 2021, the Loan Notes have been independently valued at £189.7 million which has been used to calculate the Group's EPRA Net Disposal Value in note 4 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 0.899% 2028 Gilt (Tranche A) and Treasury 1.141% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

The loans are considered to be a Level 2 fair value measurement.

RCF

The RCF was fully refinanced on the 26 August 2021 and as a result, was novated from TP REIT Propco 2 Limited to TP REIT Propco 5 Limited. This was not considered to be a substantial modification under IFRS 9 in the Group accounts, as there is no change to the borrower at Group level. Otherwise, the terms remain unchanged and at 31 December 2021 the facility remained undrawn. The originally agreed four-year term was previously extended in 2020 by one further year expiring on 20 December 2023. This may be extended by a further year, to 20 December 2024 (subject to the consent of the lenders). Originally, the interest rate for drawn amounts was 1.85% per annum over three-month LIBOR. Under the amended and restated facility agreement in place pre the refinance, the Group negotiated and agreed provisions setting pre-agreed terms for the transition of LIBOR to the new benchmark rate SONIA from the 1 July 2021. For undrawn loan amounts the Company pays a commitment fee in the amount of 40% of the margin. 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. For the RCF there is considered no other difference between fair value and carrying value.

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

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 2021	160,000	–	160,000	–	–
At 31 December 2020	30,000	–	–	30,000	–

21. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Reconciliation of liabilities to cash flows from financing activities:

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2021	**194,927**	**1,456**	**196,383**
Cash flows:			
Bank borrowings drawn	**195,000**	**–**	**195,000**
Bank borrowings repaid	**(130,000)**	**–**	**(130,000)**
Repayment of principal on head lease liabilities	**–**	**(39)**	**(39)**
Loan arrangement fees paid	**(2,728)**	**–**	**(2,728)**
Non-cash flows:			
– Amortisation of loan arrangement fees	**1,278**	**–**	**1,278**
– Loan arrangement fees paid in advance recognised in prepayments	**225**	**–**	**225**
– Head lease additions	**–**	**2**	**2**
– Accrued interest on head lease liabilities	**–**	**44**	**44**
At 31 December 2021	**258,702**	**1,463**	**260,165**

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2020	164,955	1,453	166,408
Cash flows:			
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 prepayments	502	–	502
– Head lease additions	–	–	–
– Accrued interest on head lease liabilities	–	42	42
At 31 December 2020	194,927	1,456	196,383

22. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2021	403,239,002	4,033
At 31 December 2021	**403,239,002**	**4,033**

	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**

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 24). Treasury shares do not hold any voting rights.

23. SHARE PREMIUM RESERVE

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

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**203,776**	151,157
Share premium arising on Ordinary Shares issue	**–**	54,481
Share issue costs capitalised	**(23)**	(1,862)
Balance at end of year	**203,753**	203,776

24. TREASURY SHARES RESERVE

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**(378)**	(378)
Own shares repurchased	**–**	–
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 or prior 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 2021 and 31 December 2020, 450,000 1p Ordinary Shares were held by the Company.

25. CAPITAL REDUCTION RESERVE

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**166,154**	166,154
Dividends paid	**(5,760)**	–
Balance at end of year	**160,394**	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 and the Capital Reduction Reserve in the year ended 31 December 2021.

26. RETAINED EARNINGS

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**55,066**	49,286
Total comprehensive income for the year	**28,410**	24,594
Dividends paid	**(15,165)**	(18,814)
Balance at end of year	**68,311**	55,066

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27. DIVIDENDS

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
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
1.295p for the 3 months to 31 December 2020 paid on 26 March 2021	5,217	–
1.3p for the 3 months to 31 March 2021 paid on 25 June 2021	5,236	–
1.3p for the 3 months to 30 June 2021 paid on 30 September 2021	5,236	–
1.3p for the 3 months to 30 September 2021 paid on 17 December 2021	5,236	–
	20,925	18,814

On 3 March 2022, the Company declared an interim dividend of 1.3 pence per Ordinary Share for the period 1 October 2021 to 31 December 2021. The total dividend of £5.2 million will be paid on 25 March 2022 to Ordinary shareholders on the register on 11 March 2022.

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.

28. LEASES

A. Leases as lessee

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 2021	40	159	13,126	13,325
31 December 2020	40	158	14,366	14,565

	31 December 2021 £'000	31 December 2020 £'000
Current liabilities (note 18)	40	39
Non-current liabilities (note 19)	1,423	1,417
Balance at end of year	1,463	1,456

The above is in respect of properties held by the Group under leasehold. There are 24 properties (2020: 21) 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 2021	35,771	143,199	461,561	640,531
31 December 2020	31,585	126,471	419,850	577,906

Prior year restatement

In the prior year the Group incorrectly calculated the future minimum lease receipts on the assumption that any put and call options have been extended rather than the "expected lease" term (see note 3.4) being the period to the first break clause, or to the point where the put or call options become exercisable. The prior year disclosure has therefore been restated to reflect the future minimum lease payments receivable by the Group under non-cancellable operating leases using the correct lease term. The restatement has reduced the total amount receivable by £246m. This has affected this disclosure only and does not change any of the figures reported in the primary statements.

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 2021 % of total annual rent**	31 December 2020 % of total annual rent
Inclusion Housing CIC	**30**	31
Falcon Housing Association CIC	**10**	11
Parasol Homes (previously 28A Supported Living)	**10**	11

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

29. CONTROLLING PARTIES

As at 31 December 2021 there is no ultimate controlling party of the Company.

30. 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 488 (2020: 445) Social Housing properties as at 31 December 2021 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.

31. RELATED PARTY DISCLOSURE

Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chair receives a Director's fee of £75,000 per annum (2020: £75,000), and the other directors of the Board receive a fee of £50,000 per annum (2020: £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). This was received by the Directors in 2020 but not in the current year as no prospectus was produced.

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

Chris Phillips: £2,850 (2020: £2,836)

Peter Coward: £4,031 (2020: £3,938)

Paul Oliver: £4,050 (2020: £4,031)

Tracey Fletcher-Ray: £1,960 (2020: £489)

No shares were held by Ian Reeves as at 31 December 2021 (31 December 2020: nil).

32. 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.

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The subsidiaries listed below were held as at 31 December 2021:

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 HoldCo 5 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%
TP REIT PropCo 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Norland Estates Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 6 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Parklands 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Kirkdale House 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Connaught1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Earlsway (Macclesfield) Limited	1 King William Street, London, EC4N 7AF	UK	100%
Creed Housing SPV 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 10 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Applewood 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
SL Stoke Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Rowen 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Challenger Homes (Crewe) Limited	1 King William Street, London, EC4N 7AF	UK	100%
MSL (114) Ltd	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 2021:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
Grolar Developments SPV 6 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Kirkdale House 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Creed Housing SPV 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Parklands 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Earlsway (Macclesfield) Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 10 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Connaught1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Applewood 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
SL Stoke Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Challenger Homes (Crewe) Limited	1 King William Street, London, EC4N 7AF	UK	100%
Rowen 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (114) Ltd	1 King William Street, London, EC4N 7AF	UK	100%

The subsidiaries listed below have been struck off since 31 December 2021:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
Creed Housing SPV 5 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Kirkdale House 1 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Applewood 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Parklands 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments SPV 10 Limited	1 King William Street, London, EC4N 7AF	UK	100%
Grolar Developments 6 Limited	1 King William Street, London, EC4N 7AF	UK	100%

33. 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.

33.1. 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 2021, and are not expected to in the immediate future, but will continue to be monitored closely.

Please refer to the Sustainability Report on pages 54 to 56 for further information on Environmental Policy which may affect the investment property valuations going forward. There was no impact on the valuations in the year ended 31 December 2021 from climate change factors, given that there is little measurable impact on inputs at present.

33.2. 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 was undrawn at 31 December 2021. It 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. In the light of the ceasing of LIBOR as a benchmark rate, 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 was 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 26 August 2021, a Hedging Trigger Event remains in place which means a hedging agreement will be required to be entered into if the Projected Interest Cover falls below 400% on any date after the first utilisation date.

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 33.4 below outlines the bank borrowings and interest payable on bank borrowings with a floating interest rate.

All debt drawn at 31 December 2021 does not have any exposure to interest rate risk.

33.3. 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.

In August this year, Fitch has assigned the Company an Investment Grade Long-Term Issuer Default Rating of 'A-' with a stable outlook, and a senior secured rating of 'A' for the Group's new Loan Notes.

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 of Social Housing (RSH). 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

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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 substantially all (99.82%) rents due at 31 December 2021 have been collected, and no material expected credit losses have been identified.

33.4. 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 on a weekly basis. Upcoming cash requirements are compared to existing cash reserves available, followed by discussions around optimal cash management opportunities in order to best manage liquidity risk.

The following table details the Group's liquidity analysis:

31 December 2021	£'000	< 3 months £'000	3-12 months £'000	1-5 years £'000	> 5 years £'000
Headleases (note 28)	**13,325**	**10**	**30**	**159**	**13,126**
Trade and other payables					
Bank and other borrowings (note 20):					
– Fixed interest rate	**263,500**	**–**	**–**	**–**	**263,500**
– Variable interest rate	**–**	**–**	**–**	**–**	**–**
Interest payable on bank and other borrowings:					
– Fixed interest rate	**83,827**	**1,804**	**5,413**	**28,869**	**47,741**
– Variable interest rate	**–**	**–**	**–**	**–**	**–**
	360,652	**1,814**	**5,443**	**29,028**	**324,367**

31 December 2020	£'000	< 3 months £'000	3-12 months £'000	1-5 years £'000	> 5 years £'000
Headleases (note 28)	14,565	10	30	159	14,366
Trade and other payables	4,908	4,717	191	–	–
Bank and other borrowings (note 20):					
– 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**

33.5. 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 2021 £'000	**Fair value 31 December 2021 £'000**	Book value 31 December 2020 £'000	Fair value 31 December 2020 £'000
Financial assets:				
Trade and other receivables	**4,739**	**4,739**	3,368	3,368
Cash, cash equivalents and restricted cash	**52,470**	**52,470**	53,701	53,701
Financial liabilities:				
Trade and other payables	**3,606**	**3,606**	4,930	4,930
Borrowings	**258,702**	**260,761**	194,927	205,272

34. POST BALANCE SHEET EVENTS

Property acquisitions

Since 31 December 2021, the Group has acquired eight properties, deploying £10.0 million (including acquisition costs).

Borrowings

On 21 February, the £160 million RCF with Lloyds was reduced to £50 million, and remains undrawn at date of signing.

35. CAPITAL COMMITMENTS

The Group had capital commitments of £4.2 million (2020: £2.8 million) in relation to the assets exchanged but not completed at 31 December 2021.

36. 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 2021	Year ended 31 December 2020
Calculation of Basic Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	**28,410**	24,594
Weighted average number of Ordinary Shares (excluding treasury shares)	**402,789,002**	360,853,102
IFRS Earnings per share – basic and diluted	**7.05p**	6.82p
Calculation of EPRA Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	**28,410**	24,594
Changes in fair value of investment property (£'000)	**(8,998)**	(7,957)
EPRA earnings (£'000)	**19,412**	16,637
Non cash adjustments to include:		
Interest capitalised on forward funded developments	**–**	(128)
Amortisation of loan arrangement fees	**1,279**	1,163
Adjusted earnings (£'000)	**20,691**	17,672
Weighted average number of Ordinary Shares (excluding treasury shares)	**402,789,002**	360,853,102
EPRA earnings per share – basic and diluted	**4.82p**	4.61p
Adjusted EPRA earnings per share – basic and diluted	**5.14p**	4.90p

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 cash flows 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.

37. 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 2021 £'000	31 December 2020 £'000
Net assets at end of the year	**436,113**	428,651
Shares in issue at end of the year (excluding treasury shares)	**402,789,002**	402,789,002
Dilutive shares in issue	**–**	–
IFRS NAV per share – basic and dilutive	**108.27p**	106.42p

38. 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 initial fixed rate facility with MetLife Investment Management requires an asset cover ratio of x2.00 (amended from previous covenant of x2.25 in August 2021 to bring more in line with the ACR covenant in the new Note Purchase Agreement with MetLife Investment Management and Barings) and an interest cover ratio of x1.75. At 31 December 2021, the Group was fully compliant with both covenants with an asset cover ratio of x2.75 (2020: x2.69) and an interest cover ratio of x4.90 (2020: x4.89).

The subsequent facility with MetLife Investment Management and Barings requires an asset cover ratio of x1.67 and an interest cover ratio of x1.75. At 31 December 2021, the Group was fully compliant with both covenants with an asset cover ratio of x2.01 and an interest cover ratio of x4.39.

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 when drawn. At 31 December 2021, the RCF was undrawn.

FINANCIAL STATEMENTS
Company Statement of Financial Position
as at 31 December 2021

Company Registration Number: 10814022

	Note	31 December 2021 £'000	31 December 2020 £'000
Assets			
Non-current assets			
Investment in subsidiaries	4	**382,318**	366,641
Total non-current assets		**382,318**	366,641
Current assets			
Trade and other receivables	5	**3,700**	1,533
Cash, cash equivalents and restricted cash	6	**12,561**	29,409
Total current assets		**16,261**	30,942
Total assets		**398,579**	397,583
Liabilities			
Current liabilities			
Trade and other payables	7	**1,831**	2,350
Total current liabilities		**1,831**	2,350
Total liabilities		**1,831**	2,350
Total net assets		**396,748**	395,233
Equity			
Share capital	8	**4,033**	4,033
Share premium reserve	9	**203,753**	203,776
Treasury shares reserve	10	**(378)**	(378)
Capital reduction reserve	11	**160,394**	166,154
Retained earnings	13	**28,946**	21,648
Total Equity		**396,748**	395,233
Net asset value per share – basic and diluted	14	**98.50p**	98.12p

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 £22,463,000 (2020: £21,645,000).

The Company Financial Statements were approved and authorised for issue by the Board on 24 March 2022 and signed on its behalf by:

Chris Phillips
Chair
24 March 2022

The accompanying notes on pages 142 to 145 form an integral part of these Company Financial Statements.

FINANCIAL STATEMENTS
Company Statement of Changes in Equity
for the year ended 31 December 2021

	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 2021		**4,033**	**203,776**	**(378)**	**166,154**	**21,648**	**395,233**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**22,463**	**22,463**
Transaction with Owners							
Dividends paid	12	**–**	**–**	**–**	**(5,760)**	**(15,165)**	**(20,925)**
Issue costs capitalised	9	**–**	**(23)**	**–**	**–**	**–**	**(23)**
Balance at 31 December 2021		**4,033**	**203,753**	**(378)**	**160,394**	**28,946**	**396,748**

	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

The accompanying notes on pages 142 to 145 form an integral part of these Company Financial Statements.

FINANCIAL STATEMENTS
Notes to the Company Accounts
for the year ended 31 December 2021

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 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.

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 (note 4)

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 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**366,641**	286,164
Acquisitions	**86,851**	94,500
Impairments	**(71,174)**	(14,023)
Balance at end of year	**382,318**	366,641

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 2021 is included in note 32 of the Group Financial Statements.

5. TRADE AND OTHER RECEIVABLES

	31 December 2021 £'000	31 December 2020 £'000
Amounts due from subsidiaries	**3,561**	1,433
Prepayments	**125**	85
Other receivables	**14**	15
	3,700	1,533

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.

FINANCIAL STATEMENTS
Notes to the Company Accounts
for the year ended 31 December 2021

6. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2021 £'000	31 December 2020 £'000
Cash held by lawyers	**–**	118
Restricted cash	**564**	601
Cash at Bank	**11,997**	28,690
	12,561	29,409

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 transfer of leases during 2020.

7. TRADE AND OTHER PAYABLES

Current Liabilities

	31 December 2021 £'000	31 December 2020 £'000
Other creditors	**20**	428
Amounts due to subsidiaries	**–**	84
Accruals	**1,763**	1,759
Trade and other payables	**48**	79
	1,831	2,350

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 2021	403,239,002	4,033
At 31 December 2021	**403,239,002**	**4,033**

	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

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

9. SHARE PREMIUM RESERVE

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

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**203,776**	151,157
Share premium arising on new Ordinary Shares	**–**	54,481
Share issue costs capitalised	**(23)**	(1,862)
Balance at end of year	**203,753**	203,776

10. TREASURY SHARES RESERVE

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**(378)**	(378)
Own shares repurchased	**–**	–
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 2020, 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 2021, 450,000 1p Ordinary Shares are held by the Company (31 December 2020: 450,000).

11. CAPITAL REDUCTION RESERVE

	31 December 2021 £'000	31 December 2020 £'000
Balance at beginning of year	166,154	166,154
Dividends paid	(5,760)	–
Balance at end of year	**160,394**	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 and the Capital Reduction Reserve in the year ended 31 December 2021.

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.

12. DIVIDENDS

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
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
1.295p for the 3 months to 31 December 2020 paid on 26 March 2021	**5,217**	–
1.3p for the 3 months to 31 March 2021 paid on 25 June 2021	**5,236**	–
1.3p for the 3 months to 30 June 2021 paid on 30 September 2021	**5,236**	–
1.3p for the 3 months to 30 September 2021 paid on 17 December 2021	**5,236**	–
	20,925	18,814

On 3 March 2022, the Company declared an interim dividend of 1.30 pence per Ordinary share for the period 1 October 2021 to 31 December 2021. The total dividend of £5.2 million will be paid on 25 March 2022 to Ordinary shareholders on the register on 11 March 2022.

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 2021 £'000	31 December 2020 £'000
Balance at beginning of year	**21,648**	18,817
Total comprehensive profit for the year	**22,463**	21,645
Dividends paid	**(15,165)**	(18,814)
Balance at end of year	**28,946**	21,648

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 2021 £'000	31 December 2020 £'000
Net assets at end of period	**396,748**	395,233
Shares in issue at end of period (excluding treasury shares)	**402,789,002**	402,789,002
Dilutive shares in issue	–	–
Basic and dilutive per share	**98.50p**	98.12p

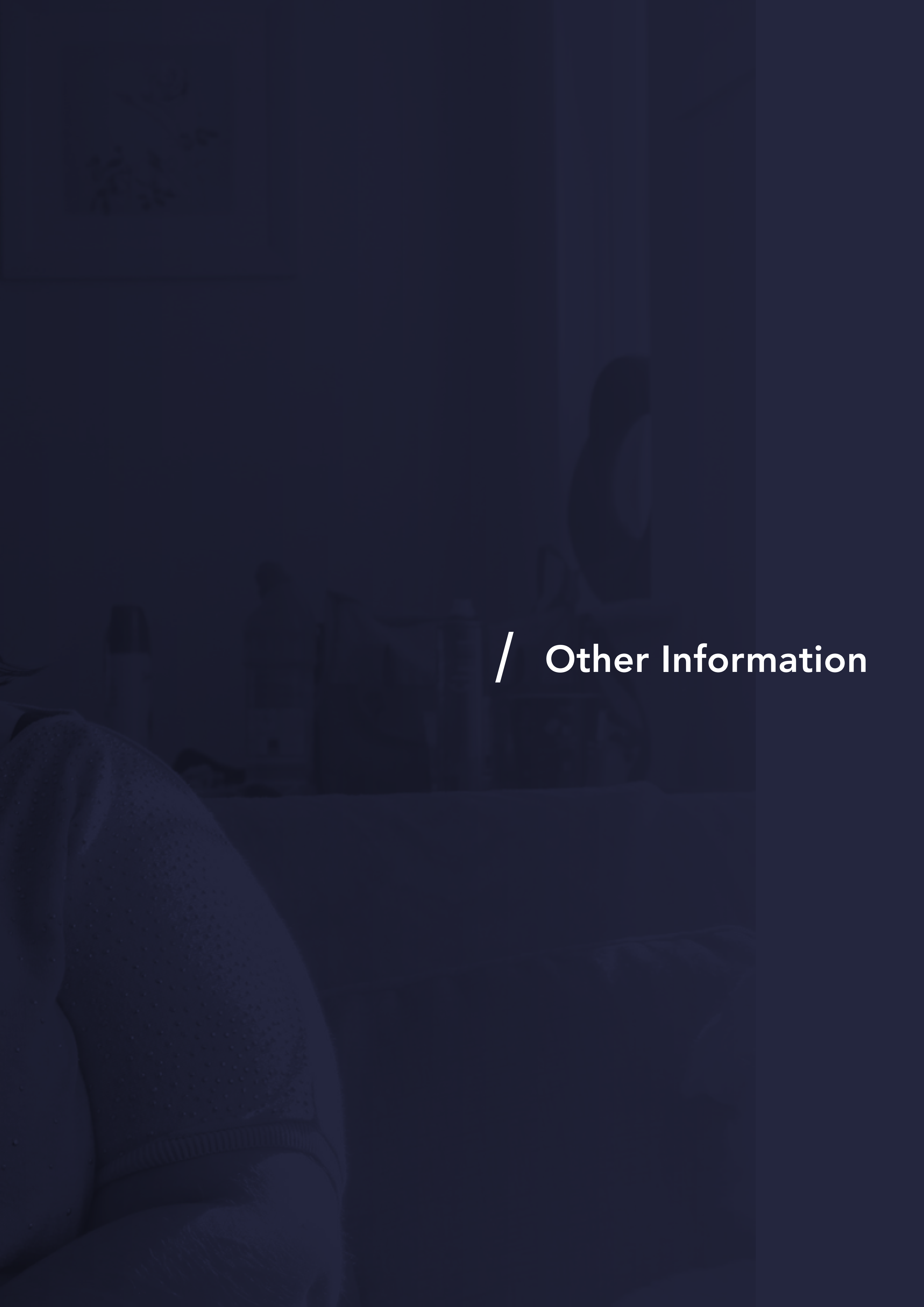
15. RELATED PARTY TRANSACTIONS

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 31 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 2021

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 2021 £'000	31 December 2020 £'000
Net asset value per the consolidated financial statements	**436,113**	428,651
Value of Asset pools	**436,113**	428,651
Effects of the adoption to the assumed, hypothetical sale of properties as a portfolio and on the basis of sale of a corporate vehicle	**49,974**	40,137
Portfolio Net Asset Value	**486,087**	468,788

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

	31 December 2021 £'000	31 December 2020 £'000
Opening reserves	**468,788**	401,898
Net issue proceeds	**(23)**	53,138
Operating profits	**26,192**	22,322
Capital appreciation	**19,350**	15,929
Loss on fair value adjustment on assets held for sale	**(515)**	(64)
Finance income	**44**	102
Finance costs	**(6,823)**	(5,723)
Dividends paid	**(20,925)**	(18,814)
Portfolio Net Assets	**486,088**	468,788
Number of shares in issue at the year end (excluding treasury shares)	**402,789,002**	402,789,002
Portfolio net asset value per share	**120.68p**	116.39p

2. ADJUSTED EARNINGS PER SHARE – PORTFOLIO NAV BASIS

Summary Consolidated Statement of Comprehensive Income	**31 December 2021 £'000**	31 December 2020 £'000
Net rental income	**33,117**	28,393
Other income	**–**	535
Expenses	**(6,926)**	(6,606)
Fair value gains on investment property	**58,973**	48,094
Loss on fair value adjustment on assets held for sale	**(515)**	(64)
Finance income	**44**	102
Finance costs	**(6,823)**	(5,723)
Value of each pool	**77,870**	64,731
Weighted average number of shares (excluding treasury shares)	**402,789,002**	360,853,102
Adjusted earnings per share – basic	**19.46p**	17.94p

3. EPRA NET REINSTATEMENT VALUE

	31 December 2021 £'000	31 December 2020 £'000
IFRS NAV/EPRA NAV (£'000)	**436,113**	428,651
Include:		
Real Estate Transfer Tax* (£'000)	**39,492**	34,655
EPRA Net Reinstatement Value (£'000)	**475,605**	463,306
Fully diluted number of shares	**402,789,002**	402,789,002
EPRA Net Reinstatement value per share	**118.07p**	115.02p

* Purchaser's costs

4. EPRA NET DISPOSAL VALUE

	31 December 2021 £'000	31 December 2020 £'000
IFRS NAV/EPRA NAV (£'000)	**436,113**	428,651
Include:		
Fair value of debt* (£'000)	**(2,059)**	(7,750)
EPRA Net Disposal Value (£'000)	**434,054**	420,901
Fully diluted number of shares	**402,789,002**	402,789,002
EPRA Net Disposal Value**	**107.76p**	104.50p

* 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.

Unaudited Performance Measures
for the year ended 31 December 2021

5. EPRA NET TANGIBLE ASSETS

	31 December 2021 £'000	31 December 2020 £'000
IFRS NAV/EPRA NAV (£'000)	**436,113**	428,651
EPRA Net Tangible Assets (£'000)	**436,113**	428,651
Fully diluted number of shares	**402,789,002**	402,789,002
EPRA Net Tangible Assets*	**108.27p**	106.42p

*Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 31 December 2021 or 31 December 2020.

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

	31 December 2021 £'000	31 December 2020 £'000
Investment Property – wholly-owned (excluding head lease ground rents)	**639,831**	570,644
Less: development properties	**–**	(6,506)
Completed property portfolio	**639,831**	564,138
Allowance for estimated purchasers' costs	**39,492**	34,655
Gross up completed property portfolio valuation	**679,322**	598,793
Annualised passing rental income	**35,343**	31,556
Property outgoings	**–**	–
Annualised net rents	**35,343**	31,556
Contractual increases for lease incentives	**443**	62
Topped up annualised net rents	**35,785**	31,618
EPRA NIY	**5.20%**	5.27%
EPRA Topped Up NIY	**5.27%**	5.28%

7. ONGOING CHARGES RATIO

	31 December 2021 £'000	31 December 2020 £'000
Annualised ongoing charges	**6,671**	6,263
Average undiluted net assets	**432,382**	399,192
Ongoing charges	**1.54%**	1.57%

8. EPRA VACANCY RATE

	31 December 2021 £'000	31 December 2020 £'000
Estimated Market Rental Value (ERV) of vacant spaces	**93**	92
Estimated Market Rental Value (ERV) of whole portfolio	**35,785**	31,618
EPRA Vacancy Rate	**0.26%**	0.29%

9. EPRA COST RATIO

	31 December 2021 £'000	31 December 2020 £'000
Total administrative and operating costs	**6,926**	6,606
Gross rental income	**33,117**	28,393
EPRA cost ratio	**20.91%**	23.27%

Glossary and Definitions

"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 being Triple Point Investment 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;
"TPSHIL"	TP Social Housing Investments Limited (company number 11187363) the entire issued share capital of which was acquired by the Company as part of a related party transaction detailed in the Circular dated 22 June 2018;
"Total Return"	the percentage increase in net asset value plus dividends paid since IPO; and
"WAULT"	the weighted 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.

Shareholder Information

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Ian Reeves CBE
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Paul Oliver
Tracey Fletcher-Ray

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