



INVESTMENTS
WITH PURPOSE
FOR PROFIT
BY PEOPLE
FROM TRIPLE POINT



Triple Point
SOCIAL HOUSING
REIT PLC

Annual Report 2023

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Company Overview

At a Glance

/ WHO WE ARE

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

We believe our residents deserve a home in a community setting that offers greater independence than traditional institutional accommodation whilst meeting their specialist care needs.

We are one of the leading, and the only publicly quoted, Specialised Supported Housing investors in the UK, helping provide a secure future for people in need across the country whilst ensuring that our shareholders have an attractive, long-term income source.





/ WHAT WE DO

We seek to optimise the opportunities available to vulnerable people across the UK by offering tenancies in properties 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 serving as 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 more suitable and cost-effective than institutional alternatives.

Our portfolio benefits from leases to Approved Providers, bodies that receive payment from central or local government to provide homes for people in need of housing. Through these leases, we offer our shareholders an attractive level of income that is correlated with inflation¹.

¹ 4.9% of the Group's leases are capped. In addition, in 2023 the Group voluntarily capped rent increases temporarily for the year at 7%.

The Year in Brief – 2023

During 2023, the Group did not deploy any capital into new acquisitions. The Group expects to shortly complete on a forward funding project with Golden Lane, one of the leading Registered Providers in the Specialised Supported Housing sector. A portfolio of properties was sold principally in line with their book value, and a £5 million share buyback programme was successfully completed. In addition, the Group launched the pilot phase of its Eco-Retrofit project which focuses on upgrading the energy efficiency of the Group's properties.

The Group received 90.2% of rent due and payable during the year, with material rent arrears attributable to only two Approved Providers. As described in the Investment Manager's report, the Group is taking active steps to address the issues that have led to these rent arrears with a view to increasing rent collection and ensuring the sustainability of the underlying rental income generated from the properties currently leased to these two Approved Providers.



JANUARY

2 MARCH

The Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 October to 31 December 2022, resulting in an aggregate total dividend of 5.46 pence per Ordinary Share for the full year ended 31 December 2022.

20 MARCH

The Company announced the appointment of Cecily Davis to the Board as an Independent Non-Executive Director with effect from 23 May 2023.

The Company also announced the resignation of Paul Oliver, an Independent Non-Executive Director, with effect from 30 June 2023.

MARCH

APRIL

MAY

24 MAY

The Company announced changes to the Board's Committees, including the establishment of a Sustainability & Impact Committee in order to reflect the Board's commitment to and focus on its ESG strategy.

The Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 January to 31 March 2023.

The Board announced the target dividend for 2023 would be kept flat at 5.46 pence per Ordinary Share in order to preserve dividend cover for the year ended 31 December 2023 whilst the Investment Manager focused on addressing the rent arrears in respect of two of the Group's lessees.

JUNE

AUGUST

SEPTEMBER

13 NOVEMBER

The Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 July to 30 September 2023.

NOVEMBER

Following the announcement of a Government cap of 7% on social and affordable rent increases from April 2023, irrespective of the fact that the cap does not apply to Specialised Supported Housing, the Company voluntarily chose to implement this cap for rent reviews applicable to its Registered Provider lessees in 2023.

18 APRIL

The Company announced its intention to commence a share buyback programme, with a maximum aggregate consideration of £5 million.

The Company also provided an update on the sale of a portfolio of properties, subject to market conditions and pricing, noting that CBRE had been appointed to market the portfolio.



13 JUNE

The Company announced the completion of the initial share buyback programme of £5 million, managed by Stifel, in accordance with the terms announced on 18 April 2023. In aggregate, between 19 April and 12 June 2023, the Company repurchased 9,322,512 ordinary shares at an average purchase price of 52.61 pence per share.



7 AUGUST

Fitch Ratings reaffirmed the Group's existing Investment Grade, long-term Issuer Default Rating of "A-" with a stable outlook and a senior secured rating of "A" for the Group's existing loan notes.

1 SEPTEMBER

The Company announced the completion of the sale of four Specialised Supported Housing properties for an aggregate consideration of £7,586,600 to a private UK real estate investment firm, reflecting a gain of £663,136 (or 9.6%) against the aggregate purchase price (excluding transaction costs) and a price that was principally in line with the book value of c.£7,870,000 as at 30 June 2023.

6 SEPTEMBER

The Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 April to 30 June 2023.

POST PERIOD EVENTS

In February 2024, the Company extended the existing creditor agreement with Parasol for a further six months whilst a longer-term agreement, that should see rent paid to the Group by Parasol increase over time, is finalised.

On 7 March 2024, the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period from 1 October to 31 December 2023, resulting in an aggregate total dividend of 5.46 pence per Ordinary Share for the full year ended 31 December 2023.

Key Highlights



£678.4 million

PORTFOLIO VALUATION

(December 2022: £669.1 million)

As at 31 December 2023, the portfolio was independently valued at £678.4 million on an IFRS basis, representing an uplift of 14.0% against total invested funds of £594.9 million.

3,417

UNITS

(December 2022: 3,456)

As at 31 December 2023, the portfolio comprised 3,417 units.

9.3%

TOTAL ANNUAL RETURN

(December 2022: 5.7%)

Total annual return, including dividends to 31 December 2023, was 9.3% measured against the prior year's closing NAV.

Total return since IPO including dividends to 31 December was 47.7% (December 2022 37.4%) measured against the NAV immediately following the Company's IPO.

1.63%

ONGOING CHARGES RATIO

(December 2022: 1.60%)

The ongoing charges ratio was 1.63% as at 31 December 2023 and is a ratio of annualised ongoing charges expressed as a percentage of average net asset value throughout the year. This has increased year on year due to the impact of inflation on expenses and increases in fees charged against the NAV.

£41.0 million/ £39.8 million

CONTRACTED RENTAL INCOME / IFRS GROSS REVENUE FOR THE YEAR

(December 2022: Contracted Rental Income £39.0 million/IFRS Gross Revenue £37.3 million)

As at 31 December 2023, the contracted rental income was £41.0 million per annum. The IFRS Gross Revenue for the year ended 31 December 2023 was £39.8 million.

5.57%

EPRA NET INITIAL YIELD (NIY)

(December 2022: 5.46%)

The EPRA NIY was 5.57% as at 31 December 2023.

EPRA NIY is equal to an annualised rental income based on the cash rents passing at the statement of financial position date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.

493 properties

TOTAL INVESTMENT PORTFOLIO

(December 2022: 497)

The Group did not purchase any properties during the year ended 31 December 2023. This year, the Company completed the sale of four properties for an aggregate consideration of £7.6 million.

5.46p

DIVIDEND PER ORDINARY SHARE

(December 2022: 5.46 pence)

Dividends paid or declared in respect of the year ended 31 December 2023 totalled 5.46 pence per share.

100%

RENTAL UPLIFTS

Linked to either CPI or RPI, or prevailing government policy if lower².

(December 2022: 100%)

As at 31 December 2023, 100% of contracted rental income was linked to either the Consumer Price Index ("CPI") or Retail Price Index ("RPI"), or prevailing government policy if lower.

24.3 years

WAULT

(December 2022: 25.3 years)

As at 31 December 2023, the WAULT was 24.3 years (including put/call options and reversionary leases).

390

LEASES

(December 2022: 395)

As at 31 December 2023, the portfolio had 390 leases.

2.74%
and 9.6 years**FIXED PRICE, RATED DEBT**

(December 2022: 2.74% and 10.6 years)

At 31 December 2023, the weighted average cost of debt was 2.74% which is entirely fixed, and the weighted average term to maturity was 9.6 years.

113.76p

IFRS NET ASSET VALUE AND EPRA NET TANGIBLE ASSETS PER ORDINARY SHARE

(December 2022: 109.06 pence per share)

The EPRA Net Tangible Assets was equal to the IFRS NAV and was 113.76 pence per share as at 31 December 2023, an increase of 4.3% from 31 December 2022.

0.85x

DIVIDEND COVER

(December 2022: 0.89x³)

Dividend cover, based on adjusted earnings⁴ for the year ended 31 December 2023 was 0.85x.

£35.0 million
equal to 8.81p per share**NET PROFIT AND IFRS EARNINGS PER SHARE**

(December 2022: £24.9 million equal to 6.18p per share)

Net Profit for the year ended 31 December 2023 was £35.0 million which is equal to IFRS earnings per share of 8.81 pence.

£248.7 million

MARKET CAPITALISATION

(December 2022: £246.9 million)

As at 31 December 2023, the market capitalisation of the Group was £248.7 million.

27

APPROVED PROVIDERS

(December 2022: 27)

As at 31 December 2023, the Group had leases with 27 Approved Providers.

37.0%

LTV

(December 2022: 37.4%)

As at 31 December 2023, the Group's LTV was 37.0%



2. 4.9% of our leases are capped (excluding the voluntary rent cap at 7% temporarily applied to the Group's rent increases for the year of 2023).
3. Restated to account for movement in the lease incentive debtor. In prior years the movement in the lease incentive debtor was not reflected in the adjusted earnings figure used to calculate dividend cover as it was not material, the comparative has been restated for consistency.
4. Adjusted earnings is EPRA earnings adjusted for non-cash items such as ongoing amortisation of loan arrangement fees and the increase in lease incentive debtor for the year.

Kirkdale House Ragan's story

/ KIRKDALE HOUSE IS A SPECIALISED SUPPORTED HOUSING SERVICE IN THORNABY, STOCKTON-ON-TEES, WHICH OPENED IN 2021 AFTER A TRANSFORMATIONAL REDEVELOPMENT.

The property was designed to support people with a range of care needs, including mental health conditions and learning disabilities, to live independently in their own homes. There are 23 self-contained apartments and support is provided by Community Integrated Care, a national social care charity that encourages people to live fulfilling, happy and independent lives in their local communities.

The Kirkdale House team were proud to take home the 'Housing with Care Award' at the Great British Care Awards National Finals⁵, recognising them as amongst the best in the UK for their delivery of high-quality care and support.

The judges said: "It is very evident that the Kirkdale House team support people on an individual basis with a person-centred approach. They ensure they are part of the community, giving people structure and purpose to ensure they live the best life. They also highlight the importance of looking to the future to see how they can support the sector as a whole."

Meet Ragan and watch
her full story:



5. <https://www.communityintegratedcare.co.uk/news/kirkdale-house-win-gold-at-gb-care-awards-finals/>

A woman with brown hair tied back, wearing a red polo shirt, is gently holding a black cat with yellow eyes. She is looking down at the cat with a soft expression. The background features a pattern of stylized trees in grey and orange. A dark blue banner with white text is overlaid on the bottom right of the image.

"Living here has made me feel safe and cared about. It's lovely and the staff here are lovely too, I've never met a team quite like it"

We spoke to Ragan about what her life has been like since moving into Kirkdale House.

There are many things that help to make a house feel like a home and for Ragan, having her cats with her at Kirkdale House has been crucial.

"I don't think I would have moved in if I wasn't allowed my cats" she says. Ragan was able to bring her beloved five-year-old cat, Roxy, with her and has since adopted another, six-month-old Nala.

Lauren Fisher, Service Leader at Kirkdale House, said: "The people that we support are allowed to bring their pets or have new pets. We can see how uplifting it is for people."

The expansive garden space at Kirkdale House is also a bonus: "There's a lot of outdoor space and we can do whatever we want with it - the cats love climbing the trees! Everyone loves them and treats them like Kirkdale's cats now!" Ragan smiles.

Kirkdale House is the first time Ragan has lived in a supported living environment. Before moving, she lived in her own home with visits from a support worker, but found that it wasn't working for her.

Ragan explains: "I can leave my door open here, but when I was in my own house, I was constantly checking and didn't sleep well - so it's improving my mental health".

"Living here has made me feel safe and cared about. It's lovely and the staff here are lovely too, I've never met a team quite like it," she adds.

The team at Community Integrated Care work to deliver the best lives possible for the people they support, whether that be assisting them with their daily lives, such as shopping or socialising in their communities, to

accessing life-changing services, such as mental health support and initiatives to improve skills, confidence and independence.

As well as the comfort and emotional support she receives from her team, Ragan has found a nurturing environment within Kirkdale House: "There's always someone around if you're feeling low and just need someone to talk to, we're sort of like a big family really. If you want friends, they're here, but if you want to be by yourself that's okay, too. That's what family is all about."

Ragan has also been encouraged to develop new hobbies, supporting her to be more independent, and has become involved with activities organised by the team, such as soap-making classes, bowling day trips and even creating a daily newspaper for residents.

"The newspaper makes me feel involved and helps me get to know people better. The last edition even had a Pets Corner, so we had images of the residents and their animals!" adds Ragan.

It's all proof of just how much progress Ragan has made since moving to Kirkdale House, with Lauren saying: "From when I first met Ragan there's a massive difference. Both because of the support she's had from the team, but down to her too, because she pushes herself every day."

"We know there's a really confident Ragan in there and that's what we want to bring out again. And we're getting there!"

"From when I first met Ragan there's a massive difference. Both because of the support she's had from the team, but down to her too, because she pushes herself every day."





An aerial photograph of a suburban neighborhood, split diagonally from the bottom-left to the top-right. The upper-left portion shows a clear view of several brick houses with grey roofs, some with solar panels, and a blue inflatable pool in a back garden. The lower-right portion is a blurred, faded version of the same scene. The text 'Strategic Report' is overlaid in white on the bottom right.

Strategic Report



CHRIS PHILLIPS, Chair

Chair's Statement

/ INTRODUCTION

Whilst 2023 was a challenging year for UK real estate, the Specialised Supported Housing sector continued to demonstrate its strong underlying fundamentals and we were able to deliver resilient returns to our shareholders.

We continued to see challenging macro-economic conditions during the year, with concerns over US banking and commercial property together with the expectation that interest rates would remain higher for longer putting sustained pressure on property valuations. Nonetheless, the decline in inflation in October and November provided some relief towards the end of the year.

2023, like the two years before it, has proved that we should not take anything for granted. Most notably, with the tragic events unfolding in the Middle East and the ongoing war in Ukraine, there remains the risk that increased geopolitical tensions cause inflation to remain elevated.

Against this backdrop, we take considerable comfort from the robust fundamentals of the sector in which the Group invests. Demand for Specialised Supported Housing continues to grow, and central and local Government continue to provide financial support for individuals who need housing and care. These two factors, combined with strong rental growth, have helped preserve the value of the Group's property portfolio over the last 12 months. As we report a resilient set of results, we remain focused on the Group's objective of providing good homes to people with care and support needs throughout the UK.

/ FINANCIAL PERFORMANCE

The Group has continued to perform well operationally, delivering rental growth in 2023 of 6.8%. The Group is in a strong position financially, 100% of our debt is long term and fixed priced with a weighted average term of 9.6 years and at a weighted average fixed rate of 2.74%. In August 2023, for the second consecutive time, Fitch Ratings Ltd reaffirmed the Company's existing Investment Grade long-term Issuer Default Rating (IDR) of 'A-', with a stable outlook and a senior secured rating of 'A' for the Group's existing loan notes.

The Group's Net Asset Value has increased over the course of the year to £447.6 million, or by 1.9%. This represents resilient performance by the Group's portfolio, especially when compared to the wider commercial property sector which has continued to face pressure on property valuations. The Group met its full year 2023 dividend target of 5.46p, having held the target flat relative to 2022. The dividend was 0.85x covered on an adjusted earnings basis. Dividend cover increased in the latter half of the year and the dividend is now covered on a run rate basis. The Group delivered a total return including dividends of 9.3% during the financial year, which reflects strong performance in what was a challenging year for the real estate sector given the persistence of high inflation and interest rates.

/ MANAGING THE DISCOUNT

The Group's share price has been a principal focus of the Board in 2023, and in its 3 February 2023 Trading Update, the Board set out how the Group could best deliver value to shareholders over the following months. This included, amongst other things, selling a portfolio of properties to provide a data point that was supportive of the Group's portfolio valuation, returning capital to shareholders through a share buyback programme, and working with two of the Group's Registered Provider lessees to increase rent collection. We are glad to report that we have broadly delivered on each of these actions.

In August 2023, we completed the sale of a portfolio of properties at a valuation principally in line with their book value. In July 2023, we completed a £5 million share buyback programme. Between 19 April 2023 and 12 June 2023, the Group bought back 9,322,512 shares for £5 million at an average price representing a discount to the prevailing published EPRA NTA of 52.8%. Finally, we have made good progress with the two lessees with material arrears (My Space and Parasol), rent collection



increased in the latter half of the year due to a creditor agreement with Parasol and an increase in rent payments from My Space. Further details regarding these actions and their outcomes can be found in the Investment Manager's Report.

As at 6 March 2024 the Group's share price had increased by 37.0% from its 2023 low in March and the Board remains focused on seeking to improve the share price and delivering shareholder value in 2024. As at 31 December 2023 the Group had a total cash balance of £29.5 million of which £10.7 million is either restricted or allocated with a further £8 million held back for working capital purposes, leaving net available cash of £10.8 million. Therefore, were the Company to undertake a further return of capital with an equal corresponding paydown of the Group's debt (to offset any resultant increase in Group leverage), any such distribution to shareholders would be limited to around £5 million.

Any larger return of capital to shareholders would be dependent on significant additional liquidity being delivered through property sales. Given market conditions remain challenging, and the Group's strong capital structure, the Board is not actively considering selling more properties in the short term. The Board remains committed to shareholder engagement and will continue to consult with shareholders following the publication of these results.



/ NEW PARTNERSHIPS WITH LEADING REGISTERED PROVIDERS CREATING IMPACT

The higher interest rates and inflationary environment alongside the requirement to invest into existing housing stock (to ensure compliance with the latest safety and sustainability standards) continue to erode the development budgets of Registered Providers. In turn, this promotes a growing reliance on private funding to deliver new homes. Therefore, in this environment, we are uniquely positioned to form partnerships with the leading Registered Providers in the Specialised Supported Housing sector, as demonstrated by our recent partnership with Golden Lane. We have allocated £2.8 million to a 12 apartment project in Chorley which we have developed in conjunction with Golden Lane, one of the best and largest Specialised Supported Housing focused Registered Providers. This is a market-leading project and will provide further evidence of the positive impact that private capital can deliver to the Specialised Supported Housing sector.

/ LEADING POSITION IN THE SECTOR

Whilst focusing on financial performance and delivering shareholder value, the Board is also keen to ensure that the Group, as an institutional investor, continues to take a leading position in moving the Specialised Supported Housing sector forward.

We are the first institutional landlord to roll out a new risk sharing clause in its existing portfolio of leases to help improve the governance and risk management of our Registered Provider partners. The clause has been agreed with the Boards of the Group's Registered Provider lessees and shared with the Regulator of Social Housing and has been included in 28.3% of the Group's leases to date. As previously disclosed JLL, the Group's valuers, have reviewed the clause and confirmed that they do not expect it to negatively impact the value of any leases it is included in.

We are investing in the energy efficiency of the Group's existing portfolio through the pilot phase of our Eco-Retrofit programme to preserve the long-term value of the Group's portfolio whilst enabling the Group to roll out a sector-leading initiative to reduce carbon emissions and provide residents with more efficient homes and lower utility bills.

Following the Government's introduction of a 7% cap on social housing rent increases in 2023, we voluntarily capped all of the Group's rent increases with Registered Provider lessees at 7% notwithstanding that the cap did not apply to the Specialised Supported Housing Sector. This enabled our Registered Provider partners to manage risk better in a high inflationary environment and to limit rent increases during a cost-of-living crisis, whilst still allowing investors to benefit from a healthy rental uplift. In line with government policy, the cap has been discontinued in 2024 meaning that rents will revert back to tracking inflation.

Further information on these three initiatives can be found in the Investment Manager's Report.

/ GOVERNANCE

Recognising the link between value creation and the quality of the homes we deliver, the Board has established a Sustainability & Impact Committee (announced on 24 May 2023) to ensure due consideration of a range of sustainability activities and outcomes. To date, the Sustainability & Impact Committee, led by Ian Reeves, has met three times since its establishment and has reviewed a range of ESG matters including considering and approving the roll-out of the pilot phase of the Group's Eco-Retrofit programme and the Group's Net Zero plan (more detail on which can be found in the Sustainability Report).

The performance evaluation of the Board and its Committees for 2023 was conducted externally by Advanced Boardroom Excellence, an independent consultancy. The review confirmed that the Board and its Committees continued to operate effectively in 2023, with some areas identified for further enhancement, which are set out on pages 94-95.

/ SOCIAL IMPACT

Social Impact continues to be of central importance to the Board when making decisions and is integral to our business model. This set of results once again demonstrates our conviction that financial performance and social impact are mutually reinforcing. The independent Impact Report prepared by The Good Economy identifies that our properties have delivered £3.08 of Total Social Value for every £1.00 invested in the year to 31 December 2023. 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.

/ OUTLOOK

We expect ongoing resilience in financial and operational performance. The majority of the Group's lessees continue to operate in line with expectations with only two (My Space and Parasol) out of 27 lessees in material arrears. We anticipate making further progress with My Space and Parasol and for the wider portfolio to continue to perform well.

With 64.6% of the Group's 2024 annual rent increases linked to the September 2023 Consumer Price Index figure of 6.7%, we expect the strong rental growth of 2023 to continue in 2024.

The Group has a secure financial position and does not need to raise capital to refinance debt, or to meet investor return targets. Our focus can therefore remain on ensuring the continued performance of the property portfolio from which stable, long-term financial performance should follow. These factors, combined with the ongoing resilience of the portfolio valuation, ensure that the Group remains well positioned to deliver sustainable shareholder returns over the long-term.

Given current macro-economic conditions, and the limited amount of capital that the Group has available, the Board has decided not to commit to any further development projects, other than the Chorley scheme, at this time. We expect the progress made with My Space and Parasol in 2023 to deliver an increase in rent collection during 2024 which should in turn help to ensure that the dividend is covered. The dividend is now covered on a run rate basis and we are focused on putting the Group in a position to resume its progressive dividend policy whilst maintaining a high degree of sustainable dividend cover over the medium to long-term. This is supported by the long-term, fixed priced debt the Group benefits from, and the recent strong rental growth delivered through the Group's inflation-linked leases.

The Board remains committed to addressing the performance of the Group's share price, and to working to narrow the share price discount to EPRA NTA whilst preserving the long-term performance and fundamentals of the Group. The Board will continue to engage with shareholders in 2024 around actions for the benefit of the Group overall.

The Board and the Investment Manager will continue to support the performance of the Group's portfolio by working closely with the Group's Registered Provider and Care Provider partners to roll out strategic initiatives such as the Eco Retrofit programme and new risk-sharing lease clause, closely monitor the granular performance of the Group's properties, and address any issues in the portfolio quickly as and when they arise. This granular approach to risk management supports the long-term value of the Group's portfolio and helps to ensure long-term operational and financial resilience.

/ CONCLUSION

On behalf of the Board, I would like to thank the Investment Manager and advisers for their continued hard work and dedication. Most importantly, I would like to thank our shareholders and other stakeholders for their continued support as we work to evolve and execute our strategy to deliver good homes and long-term sustainable returns.



Chris Phillips
Chair

7 March 2024

Strategy and Business Model

The Board is responsible for the Company's investment objective and investment policy and has overall responsibility for ensuring the Group's activities are in line with such overall strategy. As noted in the Chair's Statement and the Investment Manager's report, in 2023, most of the Group's leases were subject to a one-off rental increase cap of 7%.

The Group has commenced the roll out of a new risk sharing clause throughout the Group's portfolio of Registered Provider leases. The inclusion of the clause in our existing leases will enable the Boards of the Registered Providers that the Group has leases with to demonstrate an improved risk management strategy to the Regulator of Social Housing. As part of this clause, annual rent increase will be linked to the lower of inflation or government social housing rent policy (in so much as it applies to Specialised Supported Housing). In addition, when applicable, annual rental uplifts in the Group's leases (that contain this new clause) will be linked to September inflation figures to align with wider central housing benefit policy.

/ INVESTMENT OBJECTIVE

The Company'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 Group 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. The rent payable thereunder is, or is expected to be, subject to adjustment in line with inflation (generally CPI) or central housing benefit policy. Title to the assets remains with the Group under the terms of the relevant lease. The Group is not primarily responsible for any management or maintenance obligations under the terms of the lease or occupancy agreement, which typically are serviced by the Approved Provider lessee, save that the Group may take responsibility for funding the cost of planned maintenance. 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, benefitting from generally long-term upward-only leases which are, or are expected to be, linked to inflation or central housing benefit policy. The Group will not be actively seeking to dispose 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 Group 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 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. The existing portfolio comprises investments made into properties already subject to a fully repairing and insuring lease with specialist Approved Providers in receipt of direct payment from local government (usually Registered Providers regulated by the Regulator), as well as forward funding of pre-let developments. The portfolio will not include any direct development or speculative development investments. Following the amendments to the Company's investment policy in May 2022, the Group expects to enter into more flexible lease structures in the future. 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.

In addition, as noted in the Chair's Statement and the Investment Manager's report, we have commenced the roll out of a new risk sharing clause in the Group's existing Registered Provider leases. The aim of this clause is to protect Registered Providers if factors beyond their control, such as a change in government policy in relation to Specialised Supported Housing rents, reduce the amount of rent they are able to generate from a property or properties that they lease from the Group. In some such circumstances the clause allows for the Registered Provider to agree a new rent level which is reflective of the revised circumstances. Should the new rent level not be acceptable to the Group, the Group has the ability to re-assign or terminate the lease.

/ 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). 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. Whilst we have acquired operational properties, we have

tended to focus more on acquiring recently developed or adapted 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 33 to 49). 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, tenancing and maintaining housing assets in the public (and private) sectors. Approved Providers are approved and regulated by the Government with the majority through the Regulator (or in some instances, where the Group contracts with care providers and charitable entities, the Care Quality Commission and the Charity Commission, respectively). 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 are passed to the Approved Provider. The Group may take responsibility for funding the cost of planned maintenance and improvements to the property in order to improve a property's energy efficiency rating under the Eco-Retrofit programme. 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 typically paid directly from the local authority to the Approved Provider on behalf of the individuals living in the property. The rent paid by the local authority to the Approved Provider on behalf of the residents is then paid to the Group via the lease. Ultimate funding for the rent of the individuals living in the properties owned by the Group typically comes from the Department for Work and Pensions in the form of housing benefits.

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

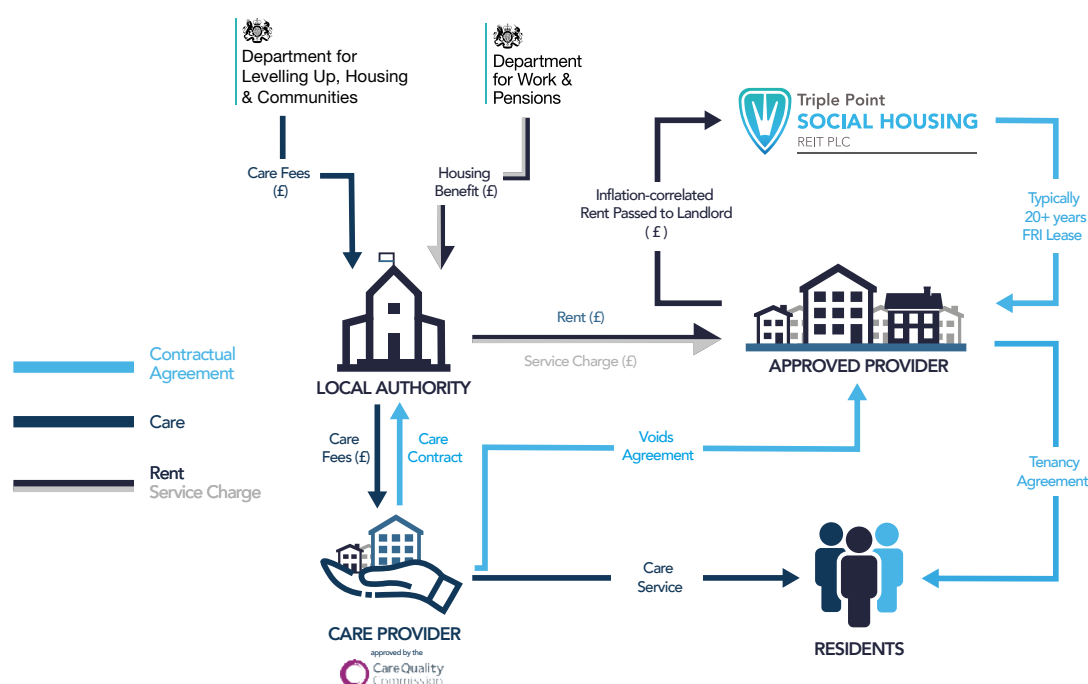
Provider should they not be able to fill the asset (i.e. if occupancy is not 100%, it is often the care provider rather than the Approved Provider that will cover the cost of the rent due on void units). Under the terms of its lease, the Group is owed full rent regardless of underlying occupancy, but 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 or adapted 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 and is uniquely positioned to partner on projects with the most respected organisations in the sector. 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 track record of over 15 years 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 Supported Housing 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 income stream from the portfolio.	Total dividends of 5.46 pence per share were paid or declared in respect of the year ended 31 December 2023. (31 December 2022: 5.46 pence)	The Company has declared a dividend of 1.365 pence per Ordinary share in respect of the period 1 October 2023 to 31 December 2023, which will be paid on or around 29 March 2024. 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 3 of the Unaudited Performance Measures.	EPRA NTA measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	113.76 pence as at 31 December 2023. (31 December 2022: 109.06 pence)	The IFRS NAV (equivalent to EPRA NTA) per share at IPO was 98 pence. The EPRA NTA of 113.76 pence represents an increase of 16.1% since IPO, driven primarily by yield compression at acquisition and subsequent annual rental uplifts.
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 Group uses gearing to enhance equity returns.	37.0% LTV as at 31 December 2023. (31 December 2022: 37.4% LTV)	Borrowings comprise two private placements of loan notes totalling £263.5 million provided by MetLife Investment Management and Barings. The undrawn £160.0 million revolving credit facility with Lloyds and NatWest was cancelled in the prior year.
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.	4.92 pence per share for the year ended 31 December 2023, 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 2022: 4.78 pence)	EPRA EPS has slightly increased despite the expected credit loss (relating to two Approved Providers not paying full rent) due to the increased rental income for the year which was driven by annual rent increases capped at 7%.

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
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.	4.61 pence per share for the year ended 31 December 2023, based on earnings after deducting the fair value gain on properties, amortisation and write-off of loan arrangement fees, and the movement in lease incentive debtor; calculated on the weighted average number of shares in issue during the year. In prior years the movement in the lease incentive debtor has not been adjusted for in the adjusted earnings as it was not material. The comparative has been restated for consistency. (31 December 2022: 4.87 pence restated)	This demonstrates the Company's ability to meet dividend payments from net cash inflows. It represents a dividend cover for the year to 31 December 2023 of 0.85x.
6. WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)			
The average unexpired lease term of the investment portfolio, weighted by annual passing rents. Further information is set out in the Investment Manager's Report.	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	24.3 years as at 31 December 2023 (includes put and call options). (31 December 2022: 25.3 years)	As at 31 December 2023, the portfolio's WAULT stood at 24.3 years.
7. 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.	29.5% as at 31 December 2023. (31 December 2022: 29.5%)	Our maximum exposure limit is 30%.
8. 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 113.76 pence as at 31 December 2023. (31 December 2022: 109.06) Total dividends paid during the year ended 31 December 2023 were 5.46 pence per share. Total return was 9.32% for the year ended 31 December 2023. (31 December 2022: 5.7%)	The EPRA NTA per share at 31 December 2023 was 113.76 pence. Adding back dividends paid during the year of 5.46 pence per Ordinary Share to the EPRA NTA at 31 December 2023 results in an increase of 9.3%. The Total Return since IPO is 47.7% at 31 December 2023.

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 performance measures are included in Note 36 of the consolidated financial statements and Notes 1 and 3 of the Unaudited Performance Measures, respectively. A full reconciliation of the other EPRA performance measures are included in the Unaudited Performance Measures section.



KPI AND DEFINITION	PURPOSE	PERFORMANCE
1. EPRA EARNINGS PER SHARE		
EPRA Earnings per share excludes gains from fair value adjustment on investment properties 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.	4.92 pence per share for the year to 31 December 2023. (4.78 pence per share as at 31 December 2022)
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.	£489.6 million/124.43 pence per share as at 31 December 2023. £480.7 million/119.31 pence per share as at 31 December 2022.
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.	£447.6 million/113.76 pence per share as at 31 December 2023. £439.3 million/109.06 pence per share as at 31 December 2022.
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.	£503.7 million /128.02 pence per share as at 31 December 2023. £510.1 million /126.63 pence per share as at 31 December 2022.
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.	5.57% at 31 December 2023. 5.46% at 31 December 2022.
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 2023.	5.72% at 31 December 2023. 5.51% at 31 December 2022.
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.	0.33% at 31 December 2023. 0.00% at 31 December 2022.
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.	20.60% at 31 December 2023. 21.09% at 31 December 2022.



PICTURED ABOVE: JAMES CRANMER, MAX SHENKMAN,
ISOBEL GUNN-BROWN, RALPH WEICHELDT, MEGAN SWEENEY,
GREGORY BANNER, ALI PRECIOUS

The Investment Manager

/ JAMES CRANMER, MANAGING PARTNER

James Cranmer 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 Shenkman 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 Gunn-Brown joined the Investment Manager in 2010, acts as Finance Director to the Group and leads the financial reporting responsibilities. Isobel is head of the Investment Manager's Fund Finance 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 three listed Investment Trusts and one listed venture capital trusts.

/ RALPH WEICHELDT, HEAD OF DEBT CAPITAL MARKETS

Ralph Weichelt joined the Investment Manager 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.

/ MEGAN SWEENEY INVESTMENT DIRECTOR

Megan Sweeney joined the Investment Manager in 2020 and is an Investment Director in the Housing Team, with responsibility for general fund and portfolio management as well as the execution of transactions for the Group. Prior to joining Triple Point, Megan spent c.10 years working in private equity M&A as a lawyer, principally at Kirkland & Ellis where she focused on advising investment funds on acquisitions, disposals and general corporate matters with a particular focus across the real estate sector.

/ GREGORY BANNER INVESTMENT DIRECTOR

Gregory Banner joined the Investment Manager in 2017 and is an Investment Director in the Housing Team, responsible for the debt financing, equity fundraising and property valuations of the Group, as well as leading over £100 million of direct investments into Supported Housing. Prior to this, Gregory worked in corporate development at AIM listed Marlowe plc and was a Senior Analyst at Catalyst Corporate Finance, advising private equity funds and corporates within the Business Services sector.

/ ALI PRECIOUS HEAD OF ORIGINATION AND EXECUTION

Ali Precious joined the Investment Manager in March 2014 and is Head of Origination and Execution for the Housing Team, responsible for overseeing the deployment of funds into new properties across a range of social and affordable housing sub sectors. Ali has led on the acquisition of over £250 million into Supported Housing assets for the Group, including the deployment of £75 million into forward funding projects. Ali graduated from the University of Leeds and is FCA approved, having obtained the Investment Management Certificate in 2015 and Level 1 of the CFA in 2016.

/ CLAIRE STARMER-WATERS HOUSING OPERATIONS DIRECTOR

Claire Starmar-Waters joined Triple Point in February 2020 and is the Housing Operations Director within the Housing Team. Claire is responsible for leading the day-to-day asset management of Triple Point's housing portfolio. Claire has over sixteen years' experience in the housing sector and prior to joining Triple Point held various housing roles within the local authority, ALMO, and housing association sectors.



MAX SHENKMAN, Head of Investment

Investment Manager's Report

/ SPECIALISED SUPPORTED HOUSING MARKET

Whilst operating conditions have been volatile during this recent period of high inflation, as they were throughout the COVID pandemic, one constant of the sector is the structural excess demand for more Specialised Supported Housing. We see this on a daily basis through a requirement for funding for new developments brought to us by Local Authorities, and our Registered Provider and Care Provider partners. Similarly, the Government estimates that demand for more Specialised Supported Housing homes is set to increase by over 100,000 by 2030, or almost double relative to the number of Specialised Supported Homes occupied today.⁶ A growing prevalence of disability, combined with the requirement to move people out of institutional care settings and provide independent community homes, is driving this increase in demand.

Demand for more Specialised Supported Housing properties underpins the performance of our Registered Provider and Care Provider partners and, in turn, the performance of the Group. Demand drives high levels of occupancy at the Registered Providers the Group works with and has helped ensure that the occupancy of the Group's portfolio has continued to increase as it matures. In addition, it supports our ability to address any issues within the Group's portfolio, such as if a new care provider needs to be brought into a property or an alternative Specialised Supported Housing use needs to be sought, thereby adding resilience to the portfolio's performance.

This year, the Group's Registered Provider and Care Provider operating partners have had to navigate the risks posed by persistent high interest rates and inflation, which have impacted a wide range of costs including maintenance and repairs and heating communal spaces. In addition, over the last 12 months a small number of Local Authorities have issued Section 114 notices requiring expenditure limits, which have served as a test for how the Specialised Supported Housing sector performs in times of market stress.⁷

6. <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>

7. A Section 114 notice indicates that the relevant council's forecast income is insufficient to meet its forecast expenditure for the next year. No new expenditure is permitted, with the exception of the funding of statutory services, including safeguarding vulnerable people. Existing commitments and contracts will continue to be honoured.

As expected, the financial strains of Local Authorities, such as those in Woking and Nottingham, have not impacted their ability to meet their statutory requirement to fund the accommodation and care of the vulnerable people they are responsible for. Indeed Section 114 notices specifically allow for the continued funding of statutory services, and it has been reassuring to see this delivered in practice with services maintained irrespective of the financial position of the relevant Local Authority.

Similarly, our Registered Provider and Care Provider partners have generally managed the persistent increase in operating costs well. Typically, this is a case of ensuring they receive sufficient Housing Benefit to cover any increase in their operating cost base. Most Registered Providers were in a better position to understand and allow for their increased cost base in 2023 after the rapid rise in gas prices and other

operating costs experienced in 2022. This performance, while reassuring as we progressed through challenging operating conditions, was not unexpected for the operational side of our Housing Team as they work closely with our Registered Provider partners.

Over the course of 2023, we have seen a growing desire amongst a wide range of Registered Providers to work in partnership with long-term private capital to deliver much needed, high-quality new homes and to help fund their development pipelines, a trend we expect to continue. The catalyst is the growing need for Registered Providers to find alternative sources of funding to deliver on their social mission to provide additional homes. Inflationary pressures, higher interest rates and a requirement to invest into their existing portfolios have eroded their ability to fund their development pipelines from their own reserves.



Recent research⁸ has indicated that Registered Provider expected investment budgets have been cut by 9% for 2024, and by 15% over the next 10 years. Similarly, the number of homes that English Registered Providers expect to build over the next five years has dropped by 64,000 since 2022, with a total of 40,000 new homes completed by Registered Providers in the 12 months ending 31 March 2023.

In the next section we have provided a case study of the Chorley development that we will fund alongside Golden Lane, one of the sector's leading Specialised Supported Housing Registered Providers. The project demonstrates the positive impact that long-term capital can have when working in close partnership with Registered Providers.

/ GOLDEN LANE HOUSING

We expect to shortly complete on a new forward funding project, our first with Golden Lane Housing.

This development, located in Chorley, Lancashire, will support residents who have learning disabilities, autism requirements, and/or mental health needs, all of which will require a high level of support per week. Residents will come from a range of previous care environments including care homes, hospitals, and family homes. Staff will be on site 24 hours a day with bespoke one-to-one care packages in place for all residents.

The project has received commissioner support from the Head of Service for Learning Disabilities, Autism and Mental Health at Lancashire County Council. It was noted that the location of the site, close to the centre of Chorley, is ideal for enabling residents to integrate into the community.



Over the course of 2023, we have seen a growing desire amongst a wide range of Registered Providers to work in partnership with long-term private capital to deliver much needed, high-quality new homes and to help fund their development pipelines, a trend we expect to continue.

8. Spending on affordable housing in England to be slashed in 2024; FT.com; <https://www.ft.com/content/11e09c45-dec4-485e-9576-221859509e30>

The property will be managed by Golden Lane Housing. Golden Lane Housing was established in 1998 in order to provide supported housing and housing for elderly people. The organisation has over 2,500 tenants in over 1,200 properties located across England, Wales and Northern Ireland. Through the direct provision of Specialised Supported Housing and enhanced housing services, Golden Lane Housing offers solutions to people with a Learning Disability or Autism, so that they can live independent lives. Golden Lane received a G1 / V2 rating from the Regulator of Social Housing, which was confirmed most recently in November 2023.

Care and support will be provided by Glenelg which was founded in 2002 and has since grown to provide person-centred support for over 80 individuals in over 40 services across the Merseyside and Lancashire areas. Glenelg provides high-quality support for individuals with a learning disability, physical disability and/or mental health needs in the community. They work closely with individuals and their families in the planning and development of support tailored for each individual.

The property will provide high specification accommodation, and residents will benefit from personalised care packages to meet their individual needs. Integrated air source heat technology within each apartment will be utilised with individual thermostats allowing each apartment to act as an independent zone. Items such as electrical vehicle charging points for each parking space are incorporated into the design as we endeavour to future proof the project.



The property will provide 12 individual one-bedroom flats that have been designed to be easy to navigate, avoiding all institutional cues, whilst utilising interior design and colour to promote mindfulness.

Further adaptations to the property, which reflect resident care and support needs, include windows fitted with restrictors and double or triple glazing determined by acoustic performance requirements and the need for a low-sensory environment, specialist bathrooms that allow for assisted bathing if required, widened doors, and specialist warden, fire alarm and CCTV systems.

The project recognises the significance of integrating biodiversity considerations into the development process and will be the Group's first project to target a 10% biodiversity net gain. A Biodiversity Net Gain Report has been commissioned to provide suggestions that will help to meet this target. This will include an assessment of problematic species, onsite enhancement outlines and a landscape masterplan.

/ FINANCIAL REVIEW

The financial performance of the Group has been underpinned by the Group's long-term fixed priced debt.

Strong rental growth, and excess demand for Specialised Supported Housing have helped ensure that the Group's property portfolio has increased in value over the course of the year.

With a 7.0% cap on annual rent increases voluntarily applied to the Group's inflation-linked leases over the

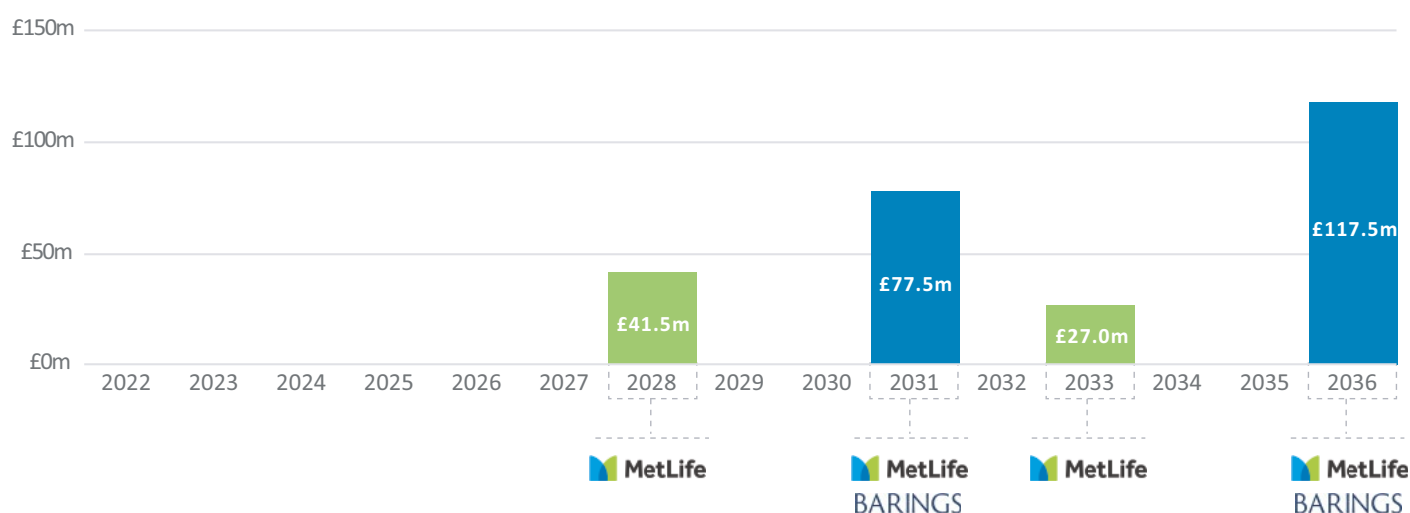
year, mirroring the Government's cap on the social housing sector, the Group achieved weighted average rental growth of 6.9% in the period, reflecting the Group's provision of inflation-correlated, long-term sustainable income. The Group paid dividends in line with its stated 5.46 pence per share target and delivered a total return of 9.3% to shareholders. Rent collection increased over the course of the year and we expect this trend to continue as the work undertaken during 2023 with Parasol (including putting in place a creditor agreement) and My Space results in increased collection from these two Registered Providers in 2024. This, in turn, should ensure that the trend of increased dividend cover in the latter half of 2023 continues into the new financial year.

/ DEBT FINANCING

All of the Group's debt is fixed-price and long-term with the earliest debt maturity occurring in mid-2028, providing strong protection from higher interest rates.

As at 31 December 2023, the Group's debt structure comprised two facilities with a combined value of £263.5 million. Both facilities are fixed-priced (with a weighted average coupon of 2.74%), long-term (with a weighted average maturity of 9.6 years) and fully drawn. The Group continues to maintain significant covenant headroom across both facilities while also having additional liquidity in the form of cash and £75.1 million of unencumbered properties.

DRAWN DEBT MATURITY PROFILE



In August 2021, the Group secured £195.0 million of long-term, fixed-rate, interest-only, sustainability-linked loan notes through a private placement with Barings and MetLife Investment Management clients against a defined portfolio of the Group's properties at a loan-to-value of 50% at the point at which the debt was put in place. The loan notes are divided into two tranches of £77.5 million and £117.5 million, with maturities in 2031 and 2036, respectively. Across both tranches the weighted average coupon is 2.634%.

In addition, the Group has a long-term, fixed-rate facility with MetLife Investment Management providing £68.5 million of debt secured against a defined portfolio of the Group's properties at a loan-to-value of 40% at the point at which the debt was put in place. The facility comprises two tranches of £41.5 million and £27.0 million, with maturities in 2028 and 2033, respectively. Across both tranches the weighted average coupon is 3.039%.

In August 2023, the Group completed its annual review with Fitch Ratings, and we were pleased that the Group's

existing rating of 'A-' with a Stable Outlook and senior secured ratings of 'A' were re-affirmed by Fitch Ratings in respect of both debt facilities. This reflects not only the Group's continued financial resilience, but also the resilience of the wider sector in spite of the broader economic and market conditions.

Further information on the Group's debt facilities is set out in Note 20 of the Group financial statements.

/ UPDATE ON STRATEGIC INITIATIVES

The Group's financial performance is supported by the progressive and sector-leading approach we take to investing in the Specialised Supported Housing market. As well as focusing on delivering best in class new projects with leading Registered Providers, as demonstrated by the Chorley project, this also means ensuring that the Group's existing portfolio continues to progress as the sector evolves.



Financial Review

We are pleased to present another stable set of financial results as highlighted earlier on pages 8 to 9. The Group's financial performance is underpinned by the resilience of the value of its property portfolio and strong rental growth.

/ TOUCHING ON SOME OF THE KEY HIGHLIGHTS:

RENTAL INCOME



£41.0m

The annualised contracted rental income of the Group was £41.0 million as at 31 December 2023, compared to £39.0 million on 31 December 2022. IFRS Gross Revenue for the year was £39.8 million (£37.3 million for year ended 31 December 2022).

CASH AND CASH EQUIVALENTS

£29.5m

The Group held cash and cash equivalents of £29.5 million at 31 December 2023, compared to £30.1 million at 31 December 2022. £10.8 million of cash was available for further investment as at 31 December 2023, compared to £13.1 million at 31 December 2022. Cash generated from operating activities was £25.9 million for the year, compared to £25.7 million for the year ended 31 December 2022.

EPRA ONGOING CHARGES RATIO

1.63%

The ongoing charges ratio for the year was 1.63% compared to 1.60% for the year ended 31 December 2022.

EPRA NIY

▶ 5.57%

The EPRA NIY has increased from 5.46% at 31 December 2022 to 5.57% at 31 December 2023.

EPRA EPS

▶ 4.92 pence per share

The EPRA Earnings Per Share ("EPRA EPS") of 4.92 pence, compared to 4.78 pence at 31 December 2022, excludes the fair value gain on investment property and is measured on the weighted average number of shares in issue during the period.

EPRA NTA

▶ 113.76 pence per share

The EPRA NTA was 113.76 pence per share at 31 December 2023, the same as the IFRS NAV pence per share, compared to 109.06 pence at 31 December 2022.

IFRS EARNINGS

8.81 pence per share

IFRS Earnings per share was 8.81 pence for the year to 31 December 2023, compared to 6.18 pence for the comparative year to 31 December 2022.

PORTFOLIO VALUATION – IFRS

£678.4m

At the year end, the portfolio was independently valued at £678.4 million on an IFRS basis compared to £669.1 million at 31 December 2022, reflecting a valuation increase of 14% against the portfolio's aggregate purchase price (including acquisitions costs). This reflects an EPRA net initial yield of 5.57%.



FAIR VALUE GAIN £15.5M

A fair value gain of £15.5 million was recognised during the year on the revaluation of the Group's properties compared to £8.3 million in the comparative year to 31 December 2022.



/ NEW LEASE CLAUSE UPDATE

We are in the process of rolling out a new risk sharing clause throughout the Group's portfolio of Registered Provider leases. This will address some of the historical concerns raised by the Regulator of Social Housing around the balance of risk between landlords and tenants.

The inclusion of the lease clause in our existing leases will enable the Boards of the Registered Providers we work with to demonstrate an improved risk management strategy, by clearly mitigating some of the historical risk associated with long leases. Our proactive introduction of the lease clause demonstrates our commitment to actively partnering with Registered Providers around managing their risk.

As a reminder, the key terms of the new lease clause are detailed below:

- Triggering of the clause is subject to a materiality threshold measured against the aggregate value of the rental income generated from the portfolio of leases that the Group has with the relevant Registered Provider
- Subject to the above trigger threshold being met, the Registered Provider can approach the Group in relation to amending the lease rent to allow for the occurrence of either of the circumstances below:
 - A change in central Government policy that negatively impacts the level of rent that is applicable to Specialised Supported Housing or the exempt rent status of Specialised Supported Housing; or
 - A change in local Government policy that impacts the commissioning of the relevant property or properties
- In addition, the new clause provides for an increase in the annual rent payable to the Group amounting to the lower of UK CPI (or RPI where applicable), or the maximum rent increase allowed under prevailing policy to the extent that it applies to Specialised Supported Housing rents.

The new clause is already included in 28.3% of the Group's existing Registered Provider leases and we hope to have it included in all of the Group's leases in the near future. Details of the Group's Registered Providers and the percentage of leases in which the new clause has now been included are shown in the table on pages 44 to 45.

The clause has been shared with the Regulator of Social Housing. It has also been reviewed by the Group's valuers and the valuers of the Group's lenders both of whom have confirmed that they do not expect the clause to have a detrimental impact on the valuation of the Group's properties.

In addition to the new lease clause, it is worth noting that this year, in response to the Government's cap of 7% on social housing rent increases, we rolled out a corresponding temporary one-year cap into all of the Group's existing uncapped Registered Provider leases. This successfully ensured that none of our Registered Provider partners were in a position whereby they were having to try to achieve rent increases of higher than 7% and which would have been out of line with sector averages and therefore potentially hard to achieve and challenging to justify. As the government cap has now been removed and its policy has reverted back to following CPI, there will be no temporary cap on rent increases applied in 2024.

/ ECO-RETROFIT PILOT PROJECT

As previously noted, by 2030 all socially rented properties need to have an Energy Performance Certificate ("EPC") rating of C or above. Currently, 71.0% of the Group's properties already meet the target with only 29.0% of the Group's properties having an EPC rating lower than C which compares favourably to the Social Housing sector average of 43.1%. We are committed to protecting the value of the Group's properties, reducing carbon emissions, and supporting our lessees and the individuals living in the Group's properties.

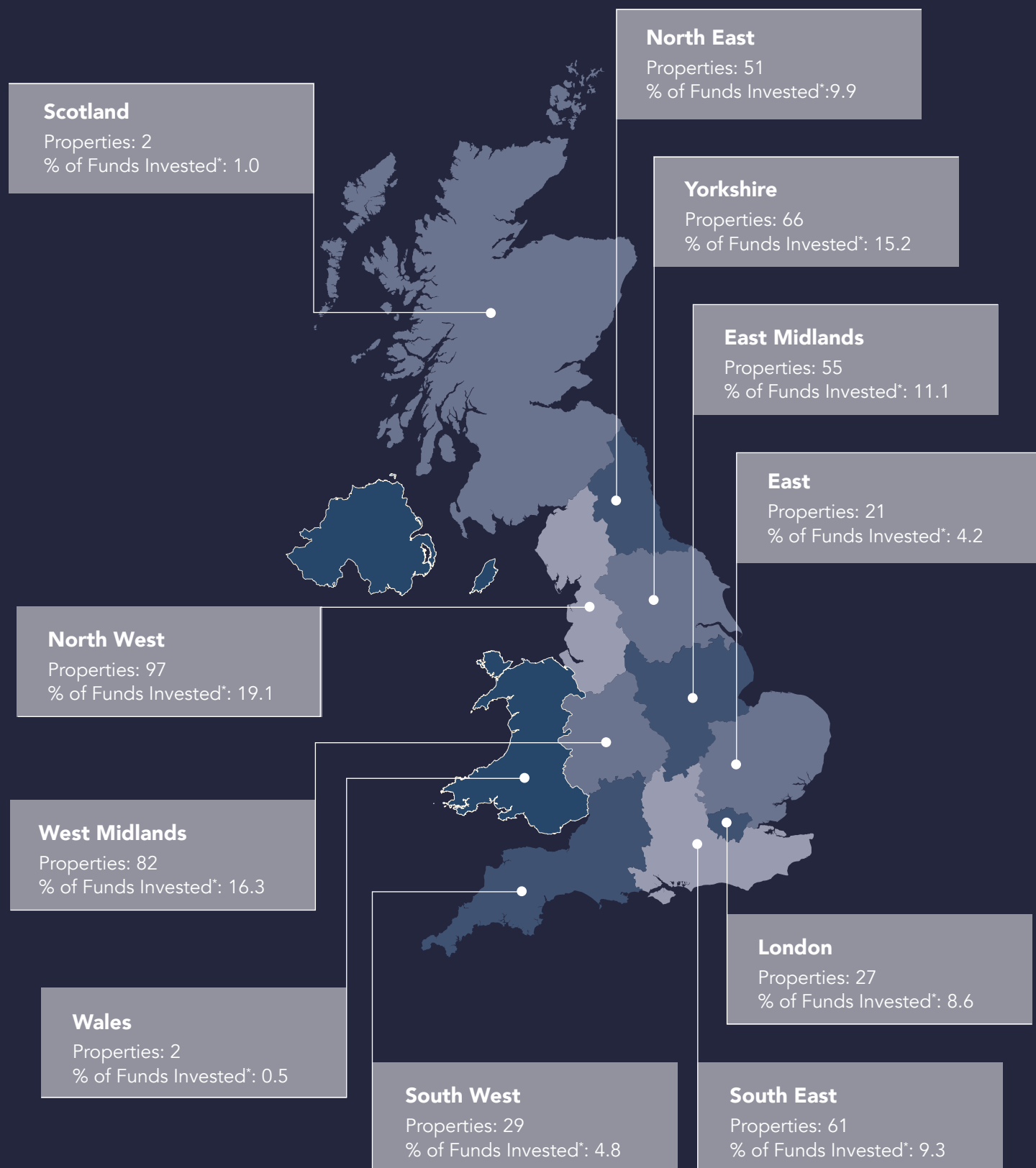
In the Group's latest Interim Report, we reported that we had just started work on the pilot phase of an energy efficiency improvement initiative which involved undertaking works on eleven of the Group's properties with EPC ratings ranging from D to E in order to upgrade these to C or above. We are pleased to report that the pilot project is now well underway and that all works have so far been completed on time and within budget. Most importantly, the pilot project has enabled us to see the positive impact that these works are having on the lives of the residents in the properties. It has also enabled us to learn about which technologies work best, how to conduct the works efficiently and in a way that minimises disruption to residents, and form strong relationships with our contracting partners.

At the time of writing, four properties have been upgraded from an EPC of D to either a B or a C. New technologies such as solar PV, mechanical ventilation, heating controls alongside improved insulation and draught proofing have improved energy efficiency whilst reducing utility bills and increasing thermal comfort for residents.

The principal objective of the pilot project is to enable us to learn from these first eleven properties and thereby inform and finalise our plans for the roll-out of the wider Eco-Retrofit project, which will see all of the Group's properties compliant with the required EPC standards. With the pilot project due to be completed before the end of 2024, we expect to be in a position to provide an update on the cost and timings of the wider project when we report our 2024 interim results.



/ PORTFOLIO SUMMARY BY LOCATION



* calculated excluding acquisition costs

/ PORTFOLIO SALE

Alongside these strategic initiatives focused on preserving the long-term value of the Group's portfolio, in August 2023 we completed the sale of a portfolio of the Group's properties. The rationale behind the sale was to provide a data point that was supportive of the properties' book value and therefore the Group's Net Asset Value, whilst also demonstrating ongoing liquidity in the Specialised Supported Housing market.

In the Group's latest Interim Report, we noted that we had sold a portfolio of four properties post the interim period end, for £7.6 million, which was in line with the book value of the properties of £7.9 million as at 30 June 2023. The sale price was reflective of a £0.7 million gain against the aggregate purchase price the Group paid for the properties (excluding transaction costs). The properties were located across four Local Authorities, and leased to Inclusion Housing CIC and Chrysalis Supported Association Ltd, with care provided by four separate providers. The portfolio contained a mixture of adapted and new build properties as well as individual and shared homes.

Included below is a table which compares some of the key metrics of the portfolio of properties sold to those of the Group's wider portfolio:

	SALE PORTFOLIO	GROUP PORTFOLIO
Properties	4	497
Residents	38	3,455
Average residents per property	9.5	7.0
Fair Market Value	£7.9 million	£675.1 million
Blended valuation yield	5.75%	5.69%
WAULT	19.3 years	24.8 years

The successful portfolio sale was helpful in supporting the Group's Net Asset Value and evidencing the continued investor demand for Specialised Supported Housing properties.

/ ASSET MANAGEMENT

Effective monitoring of the granular performance of the Group's portfolio is at the core of what we do and our asset management team aims to visit 200 of the Group's properties each year. Since the publication of our Interim Report in September 2023, we have made three new hires into the asset management side of the Housing Team. These hires have focused on adding additional experience and resources to our data management, property inspection and operational support functions. All three have previously worked for Registered Providers and/or Local Authorities. This is in line with our philosophy of having a diversified Housing Team where people with direct experience of delivering social housing work alongside and complement the experience of individuals from fund management, legal and finance backgrounds. This allows us to deliver good homes to our residents and optimise operational performance of the Group's portfolio to ensure sustainable long-term returns for the Group's shareholders.

/ REGISTERED PROVIDER UPDATE

As described in the market section of this report, most of the Group's Registered Providers have weathered well the challenges posed by the high interest rates and inflation. As such, there have been no material rent arrears in the period in the Group's portfolio other than those that relate to My Space and Parasol, as previously reported, and we are working to increase rental income from the properties currently let to both My Space and Parasol.

Please see below a table that provides commentary on the performance of the Group's top 10 lessees.

	INCLUSION HOUSING	PARASOL HOMES	FALCON	HILLDALE	MY SPACE
% OF SOHO TOTAL RENT	28.9%	9.70%	8.50%	8.50%	8.10%
# OF SOHO PROPERTIES	124	38	62	30	34
DATE OF START OF SOHO RELATIONSHIP	August 2017	December 2018	September 2017	November 2017	October 2017
NEW LEASE CLAUSE STATUS	Implemented Q4 2023	New risk clause has been shared.	Substantially agreed, expected to be signed in Q1 2024	Substantially agreed, expected to be signed in Q1 2024	Risk clause will be shared as part of creditors agreement.
LESSEE TYPE	Registered Provider	Registered Provider	Registered Provider	Registered Provider	Registered Provider
YEAR FOUNDED	2007	2006	2008	2009	2012
# OF UNITS UNDER MANAGEMENT	4,341	975	960	1,086	1,812
REGULATORY STATUS*	G3 / V3 (February 2019)	Non-compliant Notice (December 2021)	Non-compliant Notice (November 2021)	Non-compliant Notice (March 2021)	G4 / V4 (December 2022) Enforcement Notice (January 2023)
COMMENTS:	Leading RP in the Specialised Supported Housing sector. Led development of risk sharing clause. Financial position has materially strengthened since Regulatory Judgement in 2019.	New Chair and senior management team. One of two RPs with material arrears. The Group is working towards agreeing an equitable long-term agreement, if not achieved leases will be moved away to an alternative RP.	Continual progress made following non-compliant regulatory notice in 2021. Board has been strengthened. Recent improvements in operational performance following maintenance being taken in-house.	Continual progress made following non-compliant regulatory notice in 2021 including strengthened Board and senior management team. Led development of risk sharing clause.	Following January 2023 enforcement notice new senior management team in place who have already delivered material operational improvements. One of two RPs with material arrears. Rent payments have increased and a creditors agreement is expected to be agreed in the first half of 2024.

* The Specialised Supported Housing sector is regulated by the Regulator who carries out assessments on registered providers either through a scheduled In-depth assessment ("IDA") or reactive engagement. When a registered provider passes the 1,000-unit threshold, it automatically becomes subject to a detailed IDA by the Regulator. The IDA assesses compliance with the requirements of the Governance and Financial Viability Standard. The outcome of an IDA results in the Regulator publishing a formal grading (V 1-4 for Viability and G 1-4 for Governance, where V1-2 and G1-2 are considered "compliant" ratings, and V3-4 and G3-4 are considered "non-compliant" ratings), known as a regulatory judgement.

	CHRYSLIS	BEST	AUCKLAND	BLUE SQUARE	CARE HOUSING ASSOCIATION
% OF SOHO TOTAL RENT	5.40%	5.20%	4.70%	3.90%	3.60%
# OF PROPERTIES	27	41	30	12	11
DATE OF START OF SOHO RELATIONSHIP	November 2017	October 2017	October 2017	May 2020	April 2018
NEW LEASE CLAUSE STATUS	Substantially agreed, expected to be signed in Q1 2024	Substantially agreed, expected to be signed in Q1 2024	Discussions ongoing, expected to be signed in Q1 2024	Discussions ongoing, expected to be signed in Q1 2024	Substantially agreed, expected to be signed in Q1 2024
LESSEE TYPE	Registered Provider	Registered Provider	Registered Provider	Registered Provider	Registered Provider
YEAR FOUNDED	2004	2010	2010	2012	2003
# OF TOTAL UNITS UNDER MANAGEMENT	335	1,720	951	540	437
REGULATORY STATUS	No judgement or notice received	Non-compliant Notice (May 2019)	Non-compliant Notice (August 2021) Enforcement Notice (April 2023)	No judgement or notice received	No judgement or notice received
COMMENTS:	Relatively small RP. Highly responsive management team and Board. Consistent operational performance.	New CEO in position since the start of 2024. Decision taken to pursue a merger with Westmoreland which, if successful will complete in early 2025 and will create a stronger combined entity.	New management team and additional Board members in place following April 2023 enforcement notice. Improved performance and engagement has followed.	Relatively small RP. Consistent management team and Board, consistent operational performance.	Relatively small RP with tight regional focus. Consistent management team and Board, consistent operational performance.

As noted in the Group's update published on the 13 November 2023, we are working towards finalising a creditor's agreement with My Space which we expect to be put in place during the first half of 2024. Simultaneously we are working with My Space to move a small number of properties to alternative Registered Providers.

Our decision to keep leases with My Space reflects a significant strengthening of the Registered Provider's senior management team and Board. In particular, the new CEO, who joined My Space in September 2023, has driven material operational change, improved dialogue and engagement with the Regulator of Social Housing and increased rent payments to Landlords. We are supportive of his plans for the organisation and are of the view that the Group's rental income generated from the properties leased to My Space can best be improved and sustained over the long-term if the majority of the Group's leases remain with My Space. We are nonetheless considering moving a small number of the Group's properties currently leased to My Space to alternative Registered Providers. Principally, this relates to the selected alternative Registered Provider's superior geographical coverage in the area relevant to the properties and their ability to deliver better housing management services, as well as to constructively engage with the relevant Local Authority commissioners.

As noted in the interim report, in August 2023 we put in place a creditors' agreement with Parasol which was effective from 1 July 2023 and was reflective of the level of rent being received by Parasol at the time. Parasol have consistently met the terms of the agreement and we have extended it for a further six months whilst we finalise a longer-term agreement with Parasol that should see rent paid to the Group by Parasol increase over time. In the event that we are not able to reach an equitable long-term agreement with Parasol we have identified and agreed terms with an alternative Registered Provider who we would look to move the Group's Parasol leased properties to. Any transfer of properties would be undertaken with the interests of the residents at the forefront of the transfer process.

The Regulator of Social Housing remains active in this sector and continues to engage closely with a number of the Group's Registered Provider partners. We view this positively as it promotes greater accountability and transparency, and higher financial and governance standards. In the Group's latest Interim Report, we noted that in the first six months of the year ended 31 December 2023, the Regulator of Social Housing issued Enforcement Notices in relation to My Space and Auckland Home Solutions, accounting for 7.7% and 4.7% of the Group's rent roll, respectively. We are pleased to note that since then no further notices or judgements have been issued by the Regulator of Social Housing in relation to any of the Group's lessees. For the Group's Registered Providers about whom the Regulator of Social Housing had previously issued judgements or notices, this is testament to their willingness to engage constructively with the Regulator of Social Housing to address their historical observations, and the progress made in this regard.

/ PROPERTY PORTFOLIO

As at 31 December 2023, the portfolio comprised 493 properties with 3,417 units and represented a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (19.1%), West Midlands (17.1%), Yorkshire (15.1%) and East Midlands (11.1%). The IFRS value of the portfolio at 31 December 2023 was £678.4 million compared to £669.1 million at 31 December 2022, growth of 1.4% during the period.

/ RENTAL INCOME

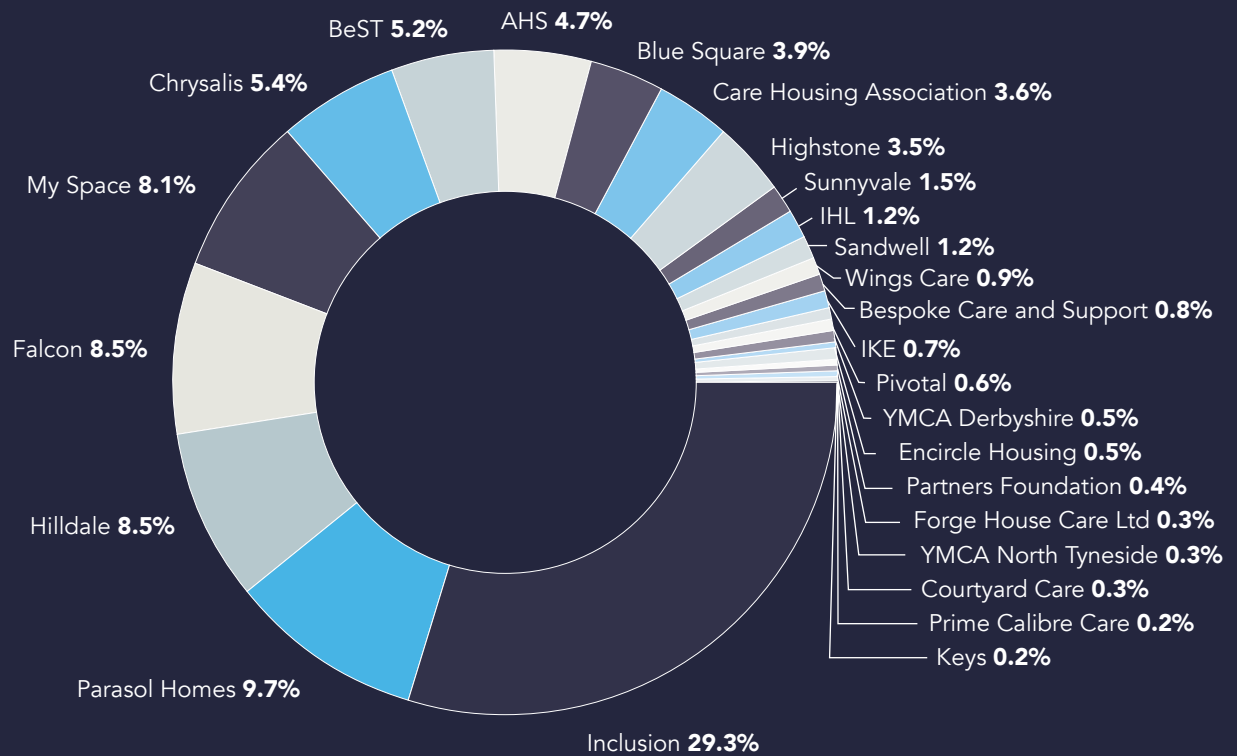
In total, the Group had 390 leases which generated total annualised contracted rental income of £41.0 million as at 31 December 2023. During the year IFRS Revenue was £39.8 million compared to £37.3 million in 2022.

At the year end, the Group's three largest Approved Providers by annualised contracted rental income and units were Inclusion Housing (£11.8 million and 911 units), Parasol Homes (£4.0 million and 246 units) and Hilldale (£3.5 million and 317 units).

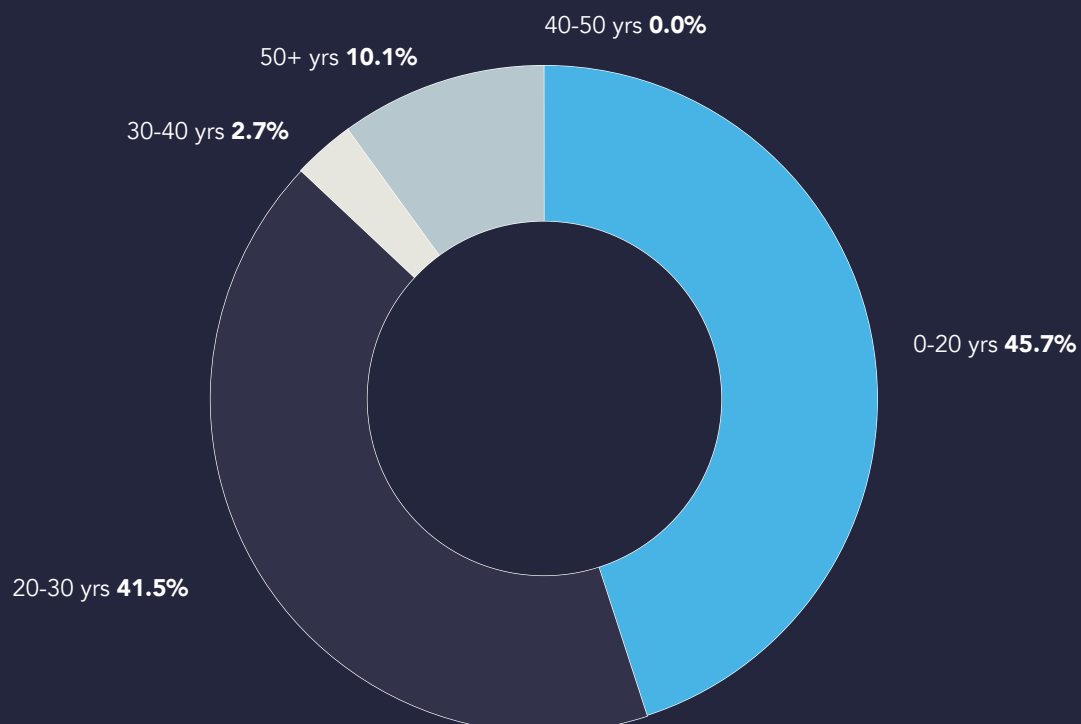
As at 31 December 2023, the portfolio had a WAULT of 24.3 years. The WAULT includes the initial lease term upon completion as well as any reversionary leases and put/call options available to the Group at expiry of the initial term.

100% of the Group's contracted income is generated under leases which are indexed against either CPI (92.5%) or RPI (7.5%). For 2023 all Registered Provider leases temporarily had rent increases capped at 7.0%. The new lease clause that is being introduced into all existing Registered Provider leases provides for an increase in the annual rent payable to the Group amounting to the lower of CPI (or RPI where applicable), or the maximum rent increase allowed under prevailing policy to the extent that it applies to Specialised Supported Housing rents. A full update on the roll out of the new lease clause is included in the New Lease Clause Update section above.

ANNUALISED CONTRACTED RENTAL INCOME BY APPROVED PROVIDER



ANNUALISED CONTRACTED RENTAL INCOME BY LEASE LENGTH



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 7.5% of the Group's leases. A small portion of the Group's leases (4.9% of rental income) contain a cap and collar on rental increases. For the purposes of the portfolio valuation, JLL assumed CPI and RPI to increase at 2.0% per annum and 2.5% per annum, respectively, over the term of the relevant leases. Despite the high levels of inflation that are currently being experienced and are projected in the short term in the UK, JLL's inflation assumptions remain unchanged from previous periods given the Group's long-term outlook, with a WAULT and contracted income streams of 24.3 years.

Rent collection during the year was 90.2% (31 December 2022: 91.8%) and a full update on rent arrears is included in the Registered Provider Update section above.

/ OUTLOOK

Looking forward to a year in which there will likely be a General Election, we are reassured that our business model is unlikely to be impacted by the result. Specialised Supported Housing continues to enjoy cross-party support due to its ability to provide independent homes to individuals with care needs whilst ensuring they can remain within their local community receiving the care and support on which they rely. Whatever form the next Government takes, we expect them to preserve the level of benefits available to some of the most vulnerable members of society. Similarly, due to a cross-party focus on fiscal responsibility, we expect any new Government to continue to rely on private funding to help build the new homes required to make meaningful inroads into the UK's housing crisis. All of this reaffirms the strong fundamentals on which the Group's strategy is predicated.

This favourable outlook, combined with the Group's strong protection from higher interest rates (due to its attractively priced long-term debt) and inflation (through its inflation-linked leases) allows us as the Investment Manager to focus on the things we can control, namely preserving the long-term performance of the Group's portfolio through active asset management.

We remain focused on delivering key strategic initiatives such as the Eco-Retrofit programme and the roll-out of the risk sharing clause, whilst simultaneously continuing to monitor and react to the granular performance of the Group's property portfolio. A major focus will be on ensuring that the time spent in 2023 working on long-term plans in relation to the Group's properties leased to My Space and Parasol deliver a material increase in rent collection during 2024.

The dividend is now covered on a run rate basis and we expect this approach to be supportive of increased dividend cover over the next 12 months as rent receipts increase. Over the longer term, the Group's compelling capital structure, combined with the strong rental growth of the last 24 months, which is expected to continue this year, is supportive of a progressive dividend policy and a covered dividend. As Investment Manager, we are focused on ensuring that we move to a period of long-term dividend cover over the next 12 months.

Finally, we aim to continue to deliver good homes to people with care and support needs throughout the UK. Our ability to deploy capital into additional homes is currently limited but we remain focused on ensuring that our existing portfolio best meets the needs of the individuals we provide homes to. In this regard, there is no substitute for the active approach we take to asset and property management, and the relationship-driven partnership approach we employ with the Registered Providers and Care Providers responsible for servicing the needs of our residents.

From the provision of good homes comes resilient long-term investor returns, so we expect that by maintaining our focus on these areas we can ensure the continued resilience of the Group's portfolio and deliver value to the Group's shareholders.



Max Shenkman
Head of Investment

7 March 2024

Sustainability Report

We aim to be one of the leading investors in UK Specialised Supported Housing and this is reflected in our constantly evolving and committed approach to embedding social outcomes through the homes we create, alongside an understanding of the need to ensure wider environmental, social and governance (ESG) factors in decisions taken by the Group and our counterparties.

Our business model (pages 22 to 25) seeks to ensure that our properties are suitable to meet residents' needs and assist local authorities in responding to local demand for the benefit of the wider community. 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.⁹ We maintain a robust corporate governance framework, and this is described in further detail within our corporate governance report on pages 85 to 119. We also recognise the importance of a wide range of other social factors alongside environmental considerations and in particular environmental efficiency, which is becoming increasingly integral to our investment strategy.

/ THE GROUP'S SUSTAINABILITY

The Group continues to provide homes to individuals who need housing and support. These are some of the most vulnerable members of society, with a range of learning disabilities, physical disabilities, and mental health diagnoses. Conversations with housing providers, care providers and local authority commissioners confirm that there is a high level of underlying demand for Specialised Supported Housing. We also have a responsibility to consider the wider risk, opportunities and impacts of sustainability issues if the Group is to succeed in providing high quality social housing for vulnerable people over the long term.

We understand the importance of transparent reporting as a requisite to accountability for strong sustainability performance. We have identified key environmental, social and governance data points that play a role in influencing the strategy's sustainable future. These data points incorporate areas where the Group has the ability to drive positive change across its portfolio and the wider sector.

To demonstrate our commitment to sustainability progress, the Group has opted to track and report on the ESG data points noted in table 1 below. In addition to reporting data for FY 2023, where relevant, we have included data from 2022 to demonstrate year-on-year change. For the first time, targets have now been set on the carbon emissions of properties. Prior to this, data was being tracked with explicit action only relating to the EPC profile of the portfolio.

9. <https://www.triplepointreit.com/sustainability-and-impact/150/>

SUSTAINABILITY TABLE 1.
PORTFOLIO SUSTAINABILITY PERFORMANCE FOR THE REPORTING YEAR ENDED
31 DECEMBER 2023

METRIC	FY23	FY22 (IF APPLICABLE)				
Portfolio EPC ratings	A-C: 71.04% ¹⁰ A: 0.41% B: 30.80% C: 39.83% D: 21.99% E: 6.81% F: 0.12%	A-C: 70.87% ¹⁰ A: 0.40% B: 31.15% C: 39.31% D: 22.02% E: 6.95% F: 0.12%				
Scope 3 property emissions (Tonnes) ¹¹	4,763 tonnes (Location-based emissions) 3,464 tonnes (Market-based emissions)	3,610 tonnes (estimated)				
Property emissions intensity ¹²	30.9 tCO₂e /m² (location-based) 22.4 tCO₂e /m² (market-based)	1.4 tonnes per property (estimated)				
METRIC	FY23	FY22 (IF APPLICABLE)				
Number of properties and location ¹³	REGION	ASSETS	UNITS	REGION	ASSETS	UNITS
	East	21	128	East	20	125
	East Midlands	55	412	East Midlands	58	442
	London	27	191	London	27	192
	North East	51	400	North East	50	377
	North West	97	705	North West	99	732
	Scotland	2	29	Scotland	2	29
	South East	61	272	South East	62	276
	South West	29	167	South West	29	167
	Wales	2	20	Wales	2	20
	West Midlands	82	545	West Midlands	84	554
	Yorkshire	66	548	Yorkshire	64	542
		493	3,417		497	3,456
	Percentage of residents satisfied with the quality of their home ¹⁴	91%	91%			
Quality rating of care providers (Care Quality Commission) % at outstanding / good	83%	85%				

10. During FY23, 42 individual units with EPC ratings left the portfolio (due to the sale of four properties), the majority of which were rated either EPC B or C, while five were rated D and E. In the same period, nine properties received improved EPC ratings, moving from either E to C, D to B, D or C, while other EPCs were re-affirmed. Overall, there has been a very minor increase in the portfolio wide EPC A-C rating (70.87% to 71.04%).

11. The emission data is calculated using property gas and electricity consumption only, and therefore is not a complete Scope 3 figure. Property carbon emissions for 2023 use actual electricity and gas consumption for the portfolio. The 2023 annual report is the first reporting period using actual consumption data, compared to previous years estimates from the ECP register. It is the change in methodology that has led to the increase in reported emissions, and we commit to use a comparable methodology for emissions reporting moving forward. The 2023 emissions data incorporates over 90% of the Group's electricity and gas meters, with work ongoing to match the remaining portfolio meters. Consumption is calculated using the latest meter reads collected by smart meters or provided by tenants, to create annual consumption values for electricity, and annual quantities for gas. This is the same data used for billing. The aggregate consumption values used in the calculation are the sum of all the annual values per meter. These values are submitted by the suppliers to Electralink and the Data Transfer Network for market settlement purposes. The location-based emissions use the standard 2023 DEFRA GHG emission factor for CO₂e per kWh for all properties, while the market-based emission figure is calculated by multiplying the fuel mix disclosed by the individual supplier (for electricity only) with the consumption value, to calculate the overall footprint. The Group commits to continue to report actual property emission data using both methods and to improve the quality of data.

12. The Group have opted to report GHG emission intensity per square metre in 2023, rather than per property as used in the 2022 report. The Group's net zero target is set on an emission per square metre basis and the Group has committed to reporting this data on an annual basis to demonstrate progress towards the near-term target. Additional details of the near-term net zero target can be found on (page 54). Our near-term net zero target was set using estimations, and therefore, following SBTi guidance, we have included the location-based emissions. We will continue to track market-based emissions and the individual suppliers and tariffs.

13. The variations between FY22-FY23 are caused by the disposal of 4 properties in addition to, as part of planned data reviews, a few amendments made to properties for consistency across the portfolio.

14. Based on Resident Outcomes Surveys conducted for each year's Impact Report. For Dec 2022 this is based on a sample of 60 residents and for Dec 2023 this is based on a sample of 117 residents. Full methodology can be found in The Good Economy independent impact report.

METRIC	FY23	FY22 (IF APPLICABLE)
Investment Trust Governance	Average age: 67 Gender split ratio: Please see the Governance report (page 105) Ethnicity split: list of %s: Please see the Governance report (page 105) Non-executives vs. directors ratio: 100% Non-executive Directors Experience: Please see all board members biographies in the governance report (pages 88 to 89)	
Board engagement with ESG ESG Training	The Board receives specific sustainability training from the Investment Manager's Head of Sustainability at a minimum of every 2 years. The Board last undertook training in 2022, with a further session due to take place in 2024. In addition, the Board has established a Sustainability & Impact Committee during the period, which is kept informed by the Investment Manager's Sustainability team of regulatory changes which do, or are likely to, impact the Company's ESG strategy.	
Environment	The Sustainability & Impact Committee considered, and recommended to the Board for approval, the commencement of an Eco-Retrofit Pilot Project. Specifically, this is a sector-first programme to fund the upgrade of 11 properties within the Group's portfolio to a minimum EPC of "C". In addition, the Sustainability & Impact Committee considered, and recommended to the Board for approval, the proposal to commit the Company to reduce portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021. The Board subsequently approved both recommendations. Further information can be found in the Sustainability & Impact Committee report on pages 106 to 107	
Social	In order to address Regulator concerns regarding risks that long leases can pose to Registered Providers (such as risk of changes to Government policy impacting the amount of housing benefit available to individuals living in Specialised Supported Housing and therefore Registered Providers' ability to pay lease rent), the Board considered and approved the roll out of a new risk sharing clause throughout the Group's portfolio of Registered Provider leases. This clause will enable the Boards of Registered Providers to demonstrate an improved risk management strategy, by mitigating some of the historical risk associated with long leases. Further information can be found in the Investment Manager's Report on pages 33 to 49	
Governance	During the period, the Board decided to change the membership and structure of the Board's Committees, as announced on 24 May 2023. The key changes included implementing smaller Committees, to ensure better management of the Board's duties, as well as the establishment of a Sustainability & Impact Committee, to ensure there is appropriate oversight and focus on the Group's ESG strategy.	

/ SUSTAINABILITY APPROACHES: IMPACT AND ESG INTEGRATION

The Group's approach to sustainability is to create social impact by delivering homes for vulnerable individuals supported through the additional management of wider risks and opportunities which may impact the quality of those homes or the long-term value of the assets through the integration of ESG factors in the investment decision making process.

Impact creation: The Government estimates that demand for Specialised Supported Housing is set to increase by 125,000 by 2030.¹⁵ A growing prevalence of disability, combined with the requirement to move people out of institutional care settings and provide independent community homes, is driving this increase in demand. Through the Group's investments and partnerships with Registered Providers, our social impact goal is to increase the provision of Specialised Supported Housing that delivers positive outcomes for people with care and support needs. Under this overall impact goal, the Group has established the following set of impact objectives and identified the target outcomes to which the Fund aims to contribute:

IMPACT OBJECTIVES The areas under the Group's direct control or influence: Social Need; Fund sustainable developments; Increase supply; Quality services and partnerships	CONTRIBUTE TOWARDS 	TARGET OUTCOMES¹⁶ The outcomes for people and planet; these depend on many factors, one of which may be the Group's activities Improve wellbeing Value for money
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15. <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>

16. Full details of our impact goals and outcomes can be found in The Good Economy independent impact report on the Group's website.

The Good Economy conduct an independent assessment of the impact objectives and target outcomes. Full details regarding the impact results can be found at The Good Economy's website.¹⁷

ESG integration: In conjunction with the Board's endorsement, and in line with the Principles of Responsible Investment (PRI), the Investment Manager has an ESG integration policy in place, directly relating to the Group's investments with the aim of ensuring value for investors, coupled with respecting society and the environment. Within this integration policy, the Investment Manager has set out principles which it incorporates throughout its business, for example, to consider the impact of operations on local communities and to uphold high standards of business integrity and honesty.

An overview of how ESG is integrated throughout the investment process is outlined in table 2, whilst further details of this process, including examples, can be found within the ESG integration policy (available on the Group's website¹⁸).

SUSTAINABILITY TABLE 2.
THE GROUP INTEGRATES ESG THROUGHOUT ALL STAGES OF THE INVESTMENT PROCESS.

INVESTMENT STAGE	SUSTAINABILITY ACTIVITIES
Origination and initial due diligence	Key ESG and impact factors are summarised within the team's internal pipeline tracker. An opportunity will only progress to incurring costs once the senior investment team members believe that ESG conditions are being met or managed and the opportunity does not present a material ESG risk.
Cost incurring due diligence	Key ESG considerations are assessed on a deal-by-deal basis within the ESG due diligence questionnaire. A new due diligence tracker is completed for new transactions and the tracker also assesses transactions against six impact objectives. The ESG due diligence questionnaire is designed to capture all the ESG metrics collated throughout the origination and due diligence phase and ensures compliance with minimum standards set for properties entering the portfolio.
Property Investment Committee	ESG factors are presented and considered by members of the investment committee within a paper which is accompanied by the due diligence tracker for all supporting ESG data. The meeting minutes will record any ESG issues raised, with confirmation that ESG factors have been considered, and the committee believes that once any ESG conditions are met, the deal does not present a material ESG risk. The final due diligence tracker will record any investment committee comments or actions on ESG.
Ownership and asset management	On going conversations with partners to discuss and gather insight and share good practice as well as identifying any early future challenges. Property performance is monitored to ensure that social needs continue to be met. The governance of existing counterparties is monitored through regular meetings and inspections. We consider how to optimise ESG performance across the portfolio – for example, upgrading the EPC ratings of existing properties through retrofit activities. We engage in sector-wide discussions about ESG performance and best practices.
Exit	If properties are sold, we will disclose ESG improvements during the period of ownership and share information regarding our responsible investment approach.

When considering ESG within the investment process, a materiality approach is taken to ensure focus is given to those issues most likely to negatively impact or positively strengthen the homes we are investing in. These factors are under continual review as we recognise the non-static nature of ESG. Our approach is to track and improve behaviours across this range of factors using our ESG due diligence questionnaire and ESG metrics.

In 2023, we developed an updated ESG due diligence questionnaire which includes certain minimum standards for a project to be accepted. This refined due diligence process represents our commitment to improve the standards of all developments entering the portfolio. Further details on our new build sustainability expectations can be found on page 55. The new due diligence requirements supplement existing minimum standards in place for retrofit projects.

The details below summarise the specific areas of ESG interrogation.

17. <https://thegodeconomy.co.uk/client-reports>

18. <https://www.triplepointreit.com/sustainability-and-impact/150/>

/ ENVIRONMENT

When acquiring assets, we look closely at their environmental impact, and encourage a sustainable approach for new development. We also look to ensure the environmental impact is considered in relation to the maintenance and upgrading of existing properties; the retrofit project is designed to enhance the properties in the existing portfolio.

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. Furthermore, due to ongoing uncertainty surrounding The Environment Act's Biodiversity Net Gain rules for infrastructure projects, the Group has proactively embraced the requirement ahead of its legislative implementation. The Group encourages all newly constructed developments to achieve a minimum Biodiversity Net Gain of 10%, emphasising a preference for on-site gains. This evaluation takes place during the due diligence stage, and assistance is offered, as needed, to ensure the target for biodiversity net gain is met.

Through our rigorous and evolving due diligence process, the high standards we expect from developers and significant investment in the Specialised Supported Housing sector, we have been able to provide capital and expertise that has enabled our counterparties to progress alongside us. We focus on offering residents resource-efficient and adapted living areas which help 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 and increase resident well being.

/ THE GROUP'S COMMITMENT TO NET ZERO

The Group is committed to reducing carbon emissions across its property portfolio. Our climate change strategy is informed by scientific perspective, long-term protection of assets and regulatory requirements. We seek to contribute towards the transition to a low-carbon economy. In January 2024, the Board adopted the following near-term science aligned¹⁹ net zero pathway for the Company:

The Group commits to reduce its social housing portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021.

The establishment of this target represents a significant milestone for the fund, demonstrating commitment to upholding our fiduciary duty through the long-term protection of assets and value creation. Our strategy places paramount importance on collaboration with all stakeholders, actively fostering engagement with Registered Providers, Care Providers, and Tenants. This collaborative approach is integral to ensuring concerted action and favourable outcomes for all involved parties.

Each year we will report emissions across the portfolio, in addition to reporting progress with regards to the carbon intensity of the portfolio per m2 and progress against this target.

This near-term target has been recently set, and the Board will hold the Investment Manager accountable for its implementation. Progress updates will be communicated through the Sustainability Committee. An external data provider is being utilised to enhance the quality of the energy and carbon data. The Investment Manager engages external carbon specialists to support their annual carbon footprint process and the Group's footprint will be incorporated within this. The goal itself was set as a result of a year-long project with The Carbon Trust to ensure it is science aligned. Further audit plans have not yet been opined on.

Further details on climate action are provided in the Company's TCFD disclosure. While not in scope of this requirement yet, the Company continues to produce a TCFD report ahead of FCA expectations to demonstrate its support for the disclosures.

The Fund seeks to demonstrate best practice in transparency and has included its second disclosure within this report. Further details are found in the Climate Risk analysis section, and the full report begins on page 60.

19. Science-aligned pathways are globally aligned goals, rooted in climate science, to reduce carbon emissions and limit the world's temperature in line with the Paris Agreement. The recommended target for SOHO follows a specific pathway for Real Estate assets using the required Sectoral Decarbonisation Approach (SDA). The SDA approach specifies how much and how quickly a company needs to reduce its GHG emissions in order to limit global warming to 1.5°C, as per the Paris Agreement.

/ RETROFIT PILOT PROJECT

The Property Asset Management team of the Investment Manager has devised an extensive retrofit pilot programme aimed at enhancing the energy efficiency of properties. The primary objectives include aligning with EPC regulation changes, reducing tenant costs, and minimising portfolio-wide emissions. Commencing in 2023, the retrofit pilot has successfully implemented upgrades in four out of the eleven designated properties. The current retrofit actions have focused on improving insulation (a fabric first approach) in addition to the installation of solar PV systems.

The pilot phase is strategically designed to gain a deeper understanding of the practicalities associated with retrofitting Specialised Supported Housing. The execution of these works requires careful and considerate planning, especially with regard to the impact on residents whilst works are carried out, and the ease of functionality for all technology that is used, including heating controls and ventilation systems.

The pilot phase targets completion by end of FY24.

/ ENHANCED SUSTAINABILITY DUE DILIGENCE FOR NEW BUILDS

In 2023, the Group introduced an extensive sustainability due diligence process for all newly constructed properties, leveraging internationally recognised frameworks to underpin its development initiatives.²⁰ The implementation of these expectations demonstrates our commitment to upholding elevated environmental and social standards for all new properties entering the portfolio.

The new framework places particular emphasis on key areas of development, including location and transport, construction practices, environment, workforce well-being, supply chain integrity, and governance. With the rollout of the enhanced due diligence process, we have actively collaborated with prospective developers, providing support to refine their plans and surpass the established standards.

For further details, refer to the Chorley case study on page 35.

/ SOCIAL AND SOCIAL IMPACT

Our properties aim to provide multiple benefits to local communities. We want to provide residents with safe and secure accommodation, which meet their individual care needs. We work with Approved Provider lessees to enable them to grow the portfolio of properties they are responsible for managing, allowing them to expand the number of individuals they support whilst providing 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.

The Company is committed to elevating resident satisfaction and well-being across our properties where feasible and practical. On behalf of the Company, the Investment Manager seeks out initiatives aimed at enhancing outcomes for residents, as exemplified in the Hazelbank Garden case study provided below. Although replicating the investment seen at Hazelbank will be uncommon and is not achievable for every property, there was a favourable opportunity to enhance the garden space and enrich the overall resident experience which was identified and executed. We continue to seek such opportunities and investment will be reviewed on a case-by-case basis.

Recognising the pivotal link between the built environment and resident well-being, any further such investment will prioritise the creation of living spaces that positively impact physical and mental health.

20. Frameworks used to guide development include: Principles for Responsible Investment, BREAM, GRESB, OECD 3, CDP, S&P CSA, Future Homes standard, Building for Life standard, Code of Considerate Constructors, TCFD and TNFD.

Hazelbank Young people

The Hazelbank property had an existing large garden, however the majority of the garden space was only accessible via steps. The objective of the project was to increase and improve the space at ground floor level to provide a more inclusive and enjoyable environment.

We carried out several visits to the property speaking to the children and the staff to gather ideas for the improved space prior to commencement. Through thoughtful planning the children now have an enhanced space, featuring a pergola area which can be used as a relaxing space in all weathers, increased seating and the garden is now home to vibrant all year round sensory planting to stimulate senses and provide a variety of fruits, vegetables and herbs for the children to pick and enjoy.

The registered manager for the service commented "The young people are appreciating the new seating areas on the lower level, which offer them an outdoor environment to manage their emotions. They have voiced their liking for the new plants, and it's been observed that they are spending more time outdoors, both as a group and individually."

The garden has received positive feedback from the young people, with one of them commenting "I like the space because ...now you can sit down under the pergola." Another young person particularly enjoys using the pergola during rain to experience the sound of raindrops while staying dry.

Furthermore, staff members are finding the expanded space beneficial for their breaks, offering a pleasant area to have lunch during shifts.



"The addition of extra seating has enhanced the use of the existing green grass area, now accommodating more activities such as trampoline and ball games"

/ GOVERNANCE

The Group looks to encourage 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 85 to 119.

/ CLIMATE RISK ANALYSIS

Climate-related risks and appropriate mitigation is a growing area of focus for the Group. The team is seeking to roll out comprehensive climate analysis initiatives to support risk mitigation and forward planning. This will encompass both existing portfolio properties as well as becoming incorporated into the selection process for new properties.

The Group considers the climate change strategy of its portfolio including a review of its climate risks and opportunities. The fund reports disclosures in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). These are designed to provide a framework to take account of climate-related risks and opportunities and ensure that corporate reporting is consistent and comparable.

The Group is pleased to report its progress to date in line with the eleven disclosures set out in the TCFD recommendations.

Please refer to pages 60 to 68 to read the Group's TCFD disclosure.

THE INVESTMENT MANAGER: TRIPLE POINT

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, when investing in construction 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 evidenced 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 evidenced 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 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.

/ WIDER GOVERNANCE AND SUSTAINABLE BUSINESS BEHAVIOURS OF THE GROUP AND INVESTMENT MANAGER

B CORPORATION²¹

As a B Corporation, the Investment Manager is committed to meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials. The Investment Manager published their first sustainability report in 2023²², fulfilling the B Corp reporting requirements.

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 165, 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. Each of these relationships is important to the long-term success of the business. 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. Day-to-day responsibility for health and safety in our properties is shared by the Approved Providers and care providers who manage the housing and provide care. Our Investment Manager requests confirmation from Approved Providers that all properties remain compliant and visits properties, following an agreed visiting schedule, 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 page 105.

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 is a member 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 initiatives used by the Investment Manager to support Diversity are the 100 Black Interns Programme, Investment 2020 and Girls are Investors Programme.

21. Certified B Corporations, or B Corps, are companies verified by B Lab to meet high standards of social and environmental performance, transparency, and accountability. Further information can be found: <https://bcorporation.uk/b-corp-certification/what-is-a-b-corp/>

22. <https://www.triplepoint.co.uk/approach-to-sustainability/116/>

The Investment Manager is committed to transparency around diversity reporting and has voluntarily opted to report against the following metrics:

TRIPLE POINT HOUSING TEAM (THE INVESTMENT MANAGEMENT TEAM)	TRIPLE POINT LLP
52% women	45% women
20% women in leadership roles (partners/directors)	23% women in leadership roles (partners) 25% women in leadership roles (directors)
0% ethnic minority	17% ethnic minority
0 ethnic minority in leadership roles (partners/directors)	0% ethnic minority in leadership roles (partners) 13% ethnic minority in leadership roles (directors)

HUMAN RIGHTS

The Group is within the scope of the Modern Slavery Act 2015 and is therefore obliged to make a slavery and human trafficking statement. The Modern Slavery Act statement can be found on the Group's website.²³

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

The Investment Manager takes the risk of Modern Slavery extremely seriously. The Investment Manager's responsibilities as both an employer and investor are laid out in the public Modern Slavery Act Statement.

INVESTMENT MANAGER'S GOVERNANCE OF SUSTAINABILITY APPROACH

The Investment Manager's overall commitment and approach to sustainability is overseen by the Head of Sustainability and the supporting sustainability governance structure. The Investment Manager's sustainability is governed through three core elements.

Firstly, all investments must be approved by the Investment Manager's Investment Committee. All of the Investment Manager's Investment Committee members receive ESG training, to ensure they fully understand the ESG integration approach in place and can assess investment opportunities in the correct context. This

review process ensures investment decisions are aligned with the strategy's ESG commitments and the organisation's ethos on corporate responsibility and responsible investment more generally.

Secondly, the Investment Manager has a Sustainability Group which meets quarterly and is chaired by Ben Beaton, co-Managing Partner of the Investment Manager. This Group reviews sustainability activities across the business, with members consisting of partners and business heads from across all functions and minutes of the Group's meetings are provided by the Company Secretarial team. Reporting into this Group is the Sustainable Investment Subgroup. The Subgroup is responsible for discussing deals which present complex ethical, responsible, or sustainable investment issues, and meet when deals are referred to the Subgroup, either through self-referral from the investment team, at the request of a member of the sustainability team, or at the request of a member of the investment committee.

Thirdly, the Investment Manager's Sustainability Team are responsible for running an annual ESG performance review of ESG integration by each strategy, to ensure teams are implementing the ESG activity committed to within the associated integration policy. The results and follow-up action of this review are shared with the Sustainability Group and with the Sustainable Investment Subgroup. The Investment Manager's activities in relation to the Group's sustainability commitments are assessed in this process.

23. <https://www.triplepointreit.com/sustainability-and-impact/150/>

/ TRIPLE POINT SOCIAL HOUSING REIT'S APPROACH TO TCFD DISCLOSURE

The Task Force for Climate-Related Financial Disclosures (TCFD) recommendations are designed to provide a framework for the financial sector to take account of climate-related risks and opportunities and ensure that such reporting is consistent and comparable.

The report has been prepared with reference to TCFD All Sector Guidance and Supplemental Guidance for the Financial Sector. In addition to UK government requirements, the FCA has made it a requirement for many regulated firms to publish TCFD-aligned climate disclosures on their website, with effect from 1 January 2023 and with the first reports due by 30 June 2024, under ESG 2.1 in the FCA Rules. While not in scope of this requirement yet, the Company has decided to produce this TCFD report ahead of FCA expectations to demonstrate its support for the disclosures. We consider our disclosure to be consistent with all of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures as detailed in "Recommendations of the Task Force on Climate-Related Financial Disclosures", 2017, with use of additional guidance from "Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures", 2021. The Company has not implemented assurance of the disclosure. The net zero target referred to has been set as the result of a project taking over 12 months with guidance from external carbon specialists, the Carbon Trust, to identify science aligned near term targets. Carbon emissions have been estimated using an external data provider. A new data provider, Perse, has been used for the estimation of 2023 emissions data and is believed to be of significantly greater accuracy than the data estimation software applied in 2022. On behalf of the Company, the Investment Manager continues to review data solutions to seek the most accurate, cost effective, and practical options available.

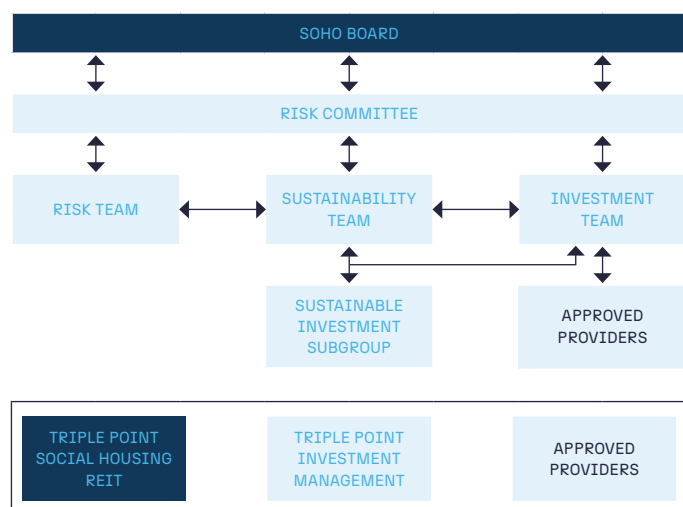
The Company also acknowledge the recent release of guidance relating to biodiversity disclosure, via the Task Force on Nature-related Financial Disclosure (TNFD) and are working with the Investment Manager to explore how this might best be responded to for the portfolio in a timely and appropriate manner.

RECOMMENDATION	RECOMMENDED DISCLOSURES	PAGES
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	61
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	61-63
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	61-63
	b. Describe the organisation's processes for managing climate-related risks.	61-63
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	61-63
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	63-68
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	63-68
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	63-68
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	67-68
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	67-68
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	67-68

GOVERNANCE

- Describe the board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

Risks to the Company, including climate risks, are formally captured in the Company's Risk Register which is owned by the Board, which has ultimate responsibility for managing the climate risks faced by the Company. The Investment Manager shares the Risk Register on a quarterly basis, and provides additional updates on material climate risks on an ad hoc basis. The Sustainability Committee provides the forum through which the Investment Manager provides ad hoc updates on climate risk for the Board and through which progress against the net zero target is to be tracked. Triple Point's Head of Sustainability and the Risk team are responsible for ensuring coverage of climate-related risks within the risk register.



At the Investment Manager level, assessment and management of climate-related risks and opportunities is shared across the Housing Teams and the wider Triple Point business including the Investment Team meetings. Triple Point's Sustainability Team and Risk Team co-ordinate these processes.

Climate-related risks are increasingly assessed as part of the standard due diligence process when acquiring or funding the development of new properties. Identified climate risks are presented in the materials provided to the Investment Committee and, where relevant, will be discussed during committee meetings to assess the potential impact of these risks on the property or development and to determine the time frame over which they might materialise.

Where investments are made into properties that are in construction, Triple Point's investment team can have more of a direct influence over the design and development of a property and can ensure that any relevant mitigation measures are included in the specification, such as additional drainage measures for properties with increasing flood risk. The Investment Team determine what action will contribute to efficiency of a property and resilience to climate change and progress against net zero targets and determine the most appropriate action in the context of these two needs.

During the current period of low deployment by the Company, the Investment Manager has focused on the existing portfolio and its resilience to physical and transitional impacts of climate change and ensuring the Board are presented with options for action.

The activities of the Investment Team are supported by further expertise and Governance within the Investment Manager. Triple Point's Sustainable Investment Subgroup meets quarterly for market updates and on an ad hoc basis to discuss specific deals of sustainability interest. This Group serves as an extra platform for the examination of ESG issues that could impact potential investments, including the impact of climate change. The insights from this Group can be used to help inform the actions of the Investment Team and also act as a further sounding board should a topic require additional discussion before action. This Group is comprised of senior members of Triple Point's investment team from all investment strategies, bringing together a range of expertise and viewpoints for productive discussions. Megan Sweeney is currently the representative from the Company in this subgroup.

RISK MANAGEMENT

- Describe the organisation's processes for identifying and assessing climate-related risks.
- Describe the organisation's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate-related risks to the portfolio are identified during an annual workshop between the Housing Team and the sustainability team within the asset manager. During this workshop, the subject-matter expertise of the Housing Team and asset management teams is utilised to map climate risks onto the assets held by the Company. A particular emphasis is placed on how identified risks interact with the residents of the Company's properties and how these can be mitigated to ensure safety and comfort, as well as providing financial resilience to the Company.

The method used to evaluate the importance of each climate risk that the Company is exposed to is aligned to the Company's general risk management structure. It involves a matrix with a 5-point rating system for both the likelihood and consequence of each risk.

- Likelihood: low, moderate, high.
- Impact: low, moderate, high.

This alignment allows for the climate-related risks to be incorporated into broader risk management and mitigation procedures. These risks are added to the risk register of the strategy, which is reviewed during the quarterly Portfolio Risk Review meeting. This meeting brings together the Housing Team, and the sustainability, and risk teams, with the resulting risk register being approved by the Board and evaluated and approved by the Risk Committee.

The period over which each risk first becomes material is defined as:

- Short-term: 0-2 years
- Medium-term: 2-5 years
- Long-term: over 5 years

These time scales are aligned to the Company's overall risk management framework, considering the nature of the Group's assets and liabilities (see page 61).

The Company uses the suggested policies of the UK Climate Change Committee's Sixth Carbon Budget as a starting point for identifying transition risks to the property sector. Key suggested policies from the Balanced Pathway, such as minimum efficiency standards, are considered. In addition, key physical risk outputs such as changes in temperature, precipitation and storm frequency, are used to qualitatively assess the physical risks to the assets. Outputs from a variety of scenarios are utilised, which are outlined in the Strategy section below.

In addition to the risk-identification workshops, the Company uses an external provider, Climate X, to analyse and quantify the physical risk to its assets resulting from climate change. Climate X maintains a realistic digital twin of the earth, utilising data from remote sensing. This digital twin is combined with the latest, high-resolution climate modelling, to determine the future risks from a wide range of hazards, under a range of climate scenarios:

HAZARDS ASSESSED BY THE CLIMATE X MODEL:

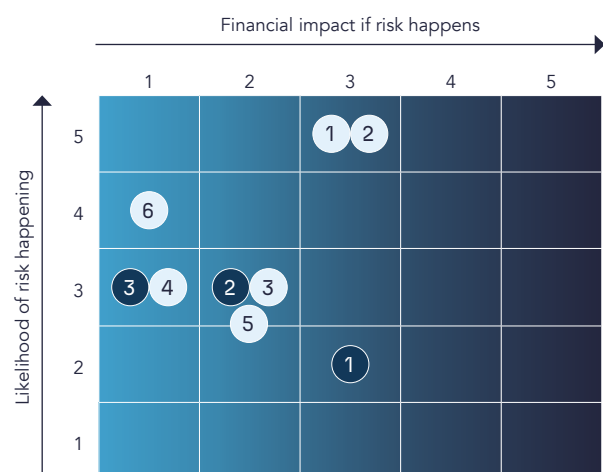
River Flooding	Subsidence	Heat Stress
Coastal Flooding	Landslides	Storm
Surface Flooding	Coastal Erosion	Droughts & Wildfires

Climate X simulate the effect of future chronic and acute weather events at the asset level, to model the vulnerability of the asset itself, which is then used to calculate the asset-specific risk from each individual hazard, and estimate future value-at-risk, expressed as expected losses per annum, as a percentage of the total building reinstatement cost for each property.

An example of the metrics given for a property is shown below:

RISK DASHBOARD				
HAZARD	RATING	SEVERITY	PROBABILITY	ACCURACY
ACUTE				
River flooding	A	0.00m Depth	3%	79%
Surface flooding	A	0.00m Depth	1%	66%
Landslide	D	1 Shallow	27%	99%
CHRONIC				
Subsidence	A	0.35cm/year	90%	90%
Coastal flooding	F	1.40m Depth	95%	95%
Heat stress	C	7 No of days > 30°C	99%	99%

Figure 1: Example output from Climate X for a property. The probability (e.g. 95%) of a risk of a certain severity (e.g. a flood depth of 1.4 metres) is calculated and summarised in an overall risk rating scope from A-F. A transparent methodology is available for each risk rating and an accuracy is calculated, based on model agreement.



STRATEGY

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.
- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Investing in real assets exposes the Company to both the physical and transition risks associated with climate change. The Company's properties may require additional work to bolster their resiliency against increasingly extreme weather, or require efficiency upgrades to meet ever-stricter efficiency standards, as the government seeks to mitigate emissions from the building sector, one of the largest sources of emissions in the UK. With a greater than average efficiency, the Company's building stock of properties provide some resilience against this risk, but it is recognised that risks and opportunities will arise across a range of timeframes, which are considered here. The main risks to the fund are shown below:

PHYSICAL

- Water Stress
- Increased frequency of heatwaves
- Increased surface flooding during more frequent storms

TRANSITION

- Access to materials and skills to amend property specifications
- Efficiency Regulations
- Market expectation to report accurate emissions information
- Cost of capital linked to efficiency performance
- Carbon pricing in the value chain
- Changing resident requirements

PHYSICAL RISKS

RISK	1. WATER STRESS	2. INCREASED FREQUENCY OF HEATWAVES	3. INCREASED SURFACE FLOODING DURING MORE FREQUENT STORMS
DESCRIPTION	Particularly for properties in the South East of England, an increased frequency of droughts may cause water shortages and also lead to subsidence issues in certain properties.	Given the vulnerable nature of many of the Group's tenants, overheating of the Company's properties is an undesirable risk. We note, during the hottest summer on record (2023) the properties responded robustly with no heat stress incidents and no known spike in energy use.	Increasing frequency of storms may lead to an increased frequency of surface flooding, if current drainage options prove to be insufficient. We note, that incidents of flooding in the UK during 2023 did not have any impact on any properties in the portfolio.
POTENTIAL FINANCIAL IMPACTS	Increased utility bills for registered providers. May require installation of more water-efficient appliances. Subsidence may affect property values and require repair work.	Capex may be required to add additional insulation and ventilation to properties to prevent overheating. Frequent overheating of buildings can cause wear and tear and potentially lower building values.	Potential damage to properties as a result of flooding, requiring repairs and affecting property value. Properties may need to be upgraded to include more comprehensive drainage systems.
LIKELIHOOD	Low to Moderate	Moderate	Moderate
IMPACT	Moderate	Low to Moderate	Low
TIME HORIZON	Medium term	Short term	Short – Medium term
MITIGATION AND RESILIENCY	Utility bills are paid by the lessee and residents. Where a significant risk of subsidence is identified, properties would not be acquired. Any future biodiversity improvements will take drought risk into consideration, noting that tree planting in particular can exacerbate subsidence.	Repairs and restoration are the responsibility of the lessee, under the terms of the lease, which limits the Company's exposure. The ongoing EPC retrofit programme will provide additional insulation, higher-quality glass, and other measures to limit overheating. This risk will be considered when planning efficiency upgrades to provide synergies wherever possible. Consideration of risk factors such as roof windows, glass types, and shading are made during due diligence, considering resident comfort and the ease of use of windows and blinds.	Surface flooding risk is assessed for the portfolio by the Company's Climate X analysis, in addition to assessments from insurers and the Environment Agency. The Geographic diversity of the Company's properties means that this risk is unlikely to be material at the portfolio level. The Company is currently exploring the potential for increasing biodiversity at its properties. The potential for natural drainage options will be assessed as part of this work. Insurance protection will be increased if necessary.

TRANSITION RISKS						
RISK	1. ACCESS TO MATERIALS AND SKILLS TO AMEND PROPERTY SPECIFICATIONS	2. EFFICIENCY REGULATIONS	3. MARKET EXPECTATION TO REPORT ACCURATE EMISSIONS INFORMATION	4. COST OF CAPITAL LINKED TO EFFICIENCY PERFORMANCE	5. CARBON PRICING IN THE VALUE CHAIN	6. CHANGING RESIDENT REQUIREMENTS
DESCRIPTION	Properties will require intervention to protect from the impacts of climate change and to reduce energy consumption. Such work requires high quality and knowledgeable contractors. Activity to date has found sourcing and securing quality contractors with access to resources at reasonable prices presents difficulties.	Government may introduce legislation to mandate all social housing properties to a certain level of energy efficiency and this will require upgrade works to be undertaken. The design specification of properties are agreed well ahead of completion. If regulations develop particularly quickly, even newly completed properties may have to be retrofitted.	Currently, the Group follows market practice in reporting estimated emissions for its portfolio due to difficulties in accessing actual energy consumption data for its properties. In future, market expectations may shift to collecting real data. Without this data, the fund may be less competitive in the market-place, as investors are less able to gauge the risk.	Increasing expectations and requirements linked to housing efficiency performance. Running and maintaining high quality and efficient homes is becoming more expensive.	Construction activities and manufacturing of materials is carbon intensive, causing high exposure to any potential future carbon pricing measures.	As part of the energy transition, home requirements may change, and will need to be factored into planning and design standards. Facilities such as secure bicycle parking, electric vehicle charging points and public transport accessibility will become more important.
POTENTIAL FINANCIAL IMPACTS	To implement required works at a point in time required may incur unexpectedly high costs if the ability to secure contractors is limited.	Properties that do not meet standards may become stranded assets, require retrofitting, or face a 'brown tax', with a lower valuation and less liquidity.	Without transparency on necessary asset data there may be an increased difficulty accessing funding, resulting in a higher cost of capital.	Failure to manage this challenge may result in the reduction of value in the property portfolio.	Carbon pricing in the supply chain of materials may be passed on to the developers, increasing property prices.	Including these features in property designs may increase costs.
LIKELIHOOD	High	High	Moderate	Moderate	Moderate	Moderate to High
IMPACT	Moderate	Moderate	Low to Moderate	Low	Low to Moderate	Low
TIME HORIZON	Short term	Medium term	Medium term	Short term	Long term	Short term
MITIGATION AND RESILIENCY	The Investment Manager's asset management team are developing a network of quality constructors. The team are proactive in working with constructors to create a two-way relationship offering support and learning where innovation may be required.	The Company's portfolio is more energy efficient than the national average, with only 29% of properties rated below EPC C, compared with 56%. The ongoing EPC retrofit programme aims to further improve efficiency, to stay ahead of emerging regulation. Making progress relative to the newly implemented net zero target creates further resiliency against increasing energy regulation.	The Investment Manager has identified and secured the services of a data solution which provides access to real consumption data. This progress in data quality allows for improved tracking, modelling and decision making in relation to energy efficiency and carbon use. Future building standards may include requirements for smart metering, and provisioning of data to Triple Point.	The existing relatively high efficiency performance of the portfolio provides resilience. The Board's support for a net zero target and appropriate action to upgrade properties to meet this target will contribute to future proofing property value.	The 2023 Code of Considerate Constructors is recommended to developers and includes guidance on tracking embodied emissions. Standards have been raised for the construction of future properties including integrating requirements for reporting embodied emissions.	Public transport accessibility assessments have been conducted for eligible properties. Fast vehicle charging and bicycle points are included in developer requirements. The Company has begun to track the number of electric vehicle charging points.

OPPORTUNITIES			
OPPORTUNITY	1. INCREASED VALUE OF ENERGY EFFICIENT HOMES	2. OPPORTUNITIES FOR ON-SITE RENEWABLE ENERGY GENERATION	3. IMPROVING PROPERTY QUALITY, EFFICIENCY AND VALUE
TYPE	Markets	Energy Source	Resource Efficiency
DESCRIPTION	As efficiency regulations increase, the value of existing efficient homes will increase, with a 'green premium' attached to housing stock with good efficiency credentials.	Although not formally assessed, the geographical spread of the Company's properties means that opportunities are likely to exist for on-site renewable energy generation. Energy generated could be provided to tenants in the first instance, to reduce energy bills, with the excess being sold to the grid by the Company.	In improving the energy efficiency and resiliency of a property it should serve residents more effectively, making them more desirable residencies and increasing willingness for stakeholder engagement. Costs to run should be improved. The property should be more comfortable as it will respond more effectively to temperature and weather changes.
FINANCIAL IMPACT	Increased Net Asset Value for the Company.	- Additional income stream for the Company, through selling excess electricity. - Increased value of properties.	Increased property value.
LIKELIHOOD	High	High	High
MAGNITUDE	High	Low	Medium
TIME HORIZON	Medium term	Long term	Mid – long term

/ SCENARIO ANALYSIS

The Company acknowledges the uncertainty around future climate scenarios and has performed partial, qualitative scenario analysis to understand the impact of each of the most significant risks to its portfolio under different climate outcomes. The most prominent risks to the Company were assessed under two scenarios, and the overall resiliency of the strategy was assessed under each:

- **Net Zero:** in which warming is limited to 1.5°C by 2050, limiting physical risks but creating high transitional risk due to the introduction of strict climate policies and rapid technology change.
- **Hot House World:** in which warming reaches 4°C, as no new climate policies are introduced and technological progress is slow, limiting transitional risks but presenting significant physical risks.



1.5-DEGREE WORLD – WHERE WE ASSUME HIGH LEVEL OF REGULATION AND TRANSITIONAL RISK

Most prominent risks:

- Quicker implementation of stringent efficiency requirements for properties affecting property values and requiring retrofit.
- Carbon pricing and net zero building requirements increasing building costs.

Mitigants to ensure resilience:

- The Company's assets are currently above market-standard for efficiency and a retrofit programme is underway to bring up the standard of the properties in advance of any legislation.

4-DEGREE WORLD – WHERE WE ASSUME A LIMITED REGULATORY RESPONSE AND GREATER PHYSICAL RISKS

- Subsidence induced by water stress.
- Increased frequency of heatwaves necessitating building upgrades.

- Assessment through Climate X to quantify worst-case risks, shows limited damage to buildings, even under the Hot House World scenario.
- EPC retrofit programme is likely to provide mitigations to overheating risks.

Quantitative scenario analysis was conducted for the portfolio utilising climate modelling from Climate X (described in the Risk Management section). Scenarios used here are from the International Panel on Climate Change (IPCC)'s Representative Concentration Pathways (RCPs) 2.6 and 8.5. These scenarios align to the Net Zero (RCP 2.6) and Hot House World (RCP 8.5) scenarios used in the qualitative analysis. Under each scenario, potential losses per annum and a physical risk score were determined, see metrics and targets for outputs.

Overall, the Manager believes the Company to be resilient to climate risks under a wide range of climate scenarios. The Company's assets have a low vulnerability to physical climate risks and the portfolio is more efficient than average, with an ongoing retrofit programme to further increase performance, limiting transition risk.

METRICS AND TARGETS

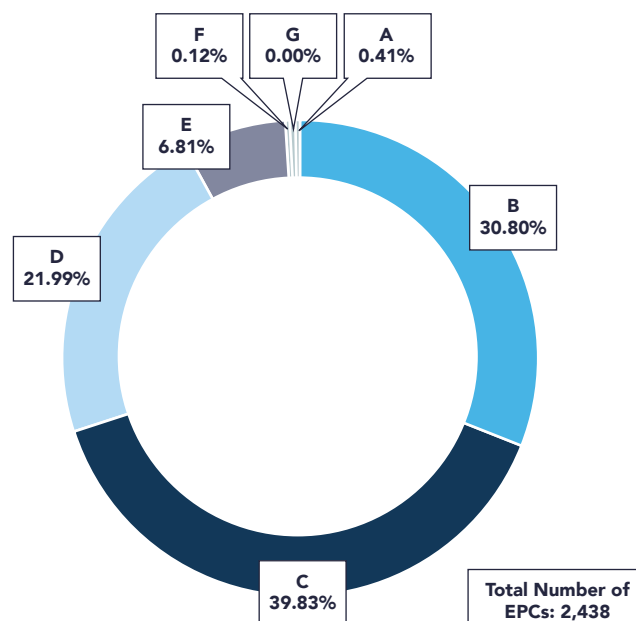
- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Company recognises the need for continuous improvement of data collection to accurately assess exposure to climate risks and opportunities that may be present under future climate scenarios. Four main indicators are tracked: Climate Value-at-Risk, EPC ratings, energy consumption, and emissions.

Climate Value-at-Risk, given by the Climate X assessment of the portfolio.²⁴

	RCP 2.6	RCP 8.5
LOSSES PER ANNUM ²⁵	1.0%	1.5%
RISK SCORE ²⁶	A	A

The EPC ratings of each property are monitored on an ongoing basis, to assess exposure to future efficiency regulations, and as a starting point for the EPC retrofit programme. Currently, 71% of the portfolio is rated at C or above.



The chart shows the EPC breakdown of properties as at 31 December 2023.

The Company made a commitment to continue to improve energy consumption and associated emissions data quality. Our preference is for onsite data sources, but this is uncommon and difficult to gain access to. EPC-linked emissions data is useful but flawed. Following ongoing research and market evaluation, The Company have selected a new provider of energy consumption data.

24. Losses per annum and the risk scores have seen minor changes since last reported in 2022, (there has been a small increase in losses per annum; and a small reduction in risk score in the RCP 8.5 scenario). These changes have been caused by updates to data sets and model methodologies used by Climate X to generate the report, rather than changes to the portfolio. For this reason, the Group have opted not to include a year-on-year comparison.

25. All losses are provided per annum. This is not a prediction of the actual damage to be expected for a specific year, but what damage will likely occur each year averaged over several years or decades. All physical loss results are provided as a percentage of the total asset replacement cost. Loss data is calculated at an asset level and then aggregated across the entire portfolio. The chosen scenario does not incorporate any defence measures.

26. The risk score is defined by assigning the combined likelihood and severity of each hazard a rating. These ratings consider the potential physical and financial impact that would be associated with the severity of a climate related event, combined with the likelihood of that event happening. As different types of events will have different levels of impact, each hazard type has its own rating definition. For all hazards the risk ratings go from A to F, with A representing the lowest risk and F representing the highest risk.

Perse enable access to actual energy consumption and emissions data through direct APIs to every property's meter. This improved data quality not only improves the accuracy of the Company's carbon footprint, but also enables the increased complexity and accuracy of modelling to improve decision making in relation to actions which can reduce carbon emissions across the portfolio. Energy consumption and carbon emission data are provided in the table below.²⁷

	2023	2022
ENERGY CONSUMPTION (GWH) [HOUSEHOLD ENERGY ONLY]	24.9	30.15 (estimate)
TOTAL SCOPE 3 ²⁸ PROPERTY EMISSIONS (TCO2E) [LOCATION- BASED]	4,762.7	3,610 (estimate)
TOTAL SCOPE 3 ²⁸ PROPERTY EMISSIONS (TCO2E) [MARKET-BASED]	3,463.9	N/A
PROPERTY EMISSIONS PER M2 (TCO2E/M2) [LOCATION-BASED]	30.9	N/A
PROPERTY EMISSIONS PER M2 (TCO2E/M2) [MARKET-BASED]	22.4	N/A

The Group has set a near term net zero target:

The Group commits to reduce its social housing portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021.

This target follows a specific science-aligned pathway for Real Estate assets using the required Sectoral Decarbonisation Approach (SDA). The SDA approach specifies how much and how quickly a company needs to reduce its GHG emissions to limit global warming to 1.5°C, as per the Paris Agreement. We note that the Group's target has been calculated according to Science Based Target requirements, but at this time will not be submitted to SBTi for ratification. The Investment Manager has worked with carbon specialists, The Carbon Trust, to develop this target.

The Board believes that adopting this near-term science-aligned net zero target will contribute to protecting the Group's market position and reputation, and the value of its portfolio, in an environment of increased carbon and climate scrutiny and regulation.

In setting this target, the Board recognises that determined and measured action will be required to achieve the target. In setting this target, the Investment Manager have run a range of scenarios to understand how this target might be met and the Board has acknowledged and supported the possible need for proactive intervention and cost implications. The modelled scenarios leverage crucial UK market assumptions, and forecasts, that can contribute to the reduction of carbon emissions, with a primary focus on grid decarbonisation across the country. The Board has committed to proactive intervention; however, the primary target is firmly rooted in the national decarbonisation of the residential real estate sector, with market factors playing an important role in the Company achieving the near-term targets. All actions in relation to meeting this target will be carried out in the context of ensuring contribution towards the multi-faceted needs of energy efficiency, carbon reduction and climate resilience. Any related actions will also always put the needs and best interests of the residents as paramount.

27. The Group has significantly enhanced the quality and accuracy of the energy consumption and carbon emission data, subsequently updating the metrics included in the TCFD report. As indicated on page 60, the 2023 data now comprises actual consumption data rather than estimates from EPC data. The Group is dedicated to continuing the tracking of these data points in future reports and is committed to maintaining or increasing the level of accuracy. For full disclosure, the additional estimated metrics that were included in the 2022 reporting are as follows: (a) Emissions per property (tCO2e): 1.4.

28. The emission data is calculated using property gas and electricity consumption only, and therefore is not a complete scope 3 figure



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 HAVE THE INVESTMENT MANAGER/ DIRECTORS ENGAGED?
Shareholders	Investment from our shareholders plays an important role by providing capital to ensure we can deliver additional housing into the Specialised Supported Housing sector. 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 96 in our Corporate Governance Report.
Residents	Our strategy is centred on providing Specialised 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. We do not generally engage with residents directly. 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 is paid to the Group and that properties are managed appropriately. 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 tenancing the properties.	The Investment Manager looks to maintain good relationships with Approved Providers, having formal meetings with senior management at least every six months as well as engaging more frequently on an ad hoc basis on a variety of matters. Quarterly operational surveys and biannual compliance surveys are provided to the Investment Manager.
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, when reviewing quarterly data and on an ad hoc basis.

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT WAS THE FEEDBACK OBTAINED AND THE OUTCOME OF THE ENGAGEMENT?
Financial and operational performance. Share price discount to NAV and potential rectification action. The share price, share buybacks and the sale of a portfolio. The regulatory environment of the Supported Housing sector. Environmental, social and governance considerations. The Company's key service provider appointments, including the AIFM and broker arrangements. Understanding the underlying concerns of shareholders that resulted in 17.48% and 22.62% votes against resolutions 3 and 13 respectively, at the Company's 2023 Annual General Meeting.	The Board and the Investment Manager considered and undertook a share buyback programme and a portfolio sale to address investor feedback regarding the Company's share price. An extension of the share buyback programme was also considered, as well as the impact that further share buybacks would have on the Company's liquidity. 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 33 to 35. The Investment Manager has enhanced environmental, social and governance considerations within its investment process, and within its own business. Refer to Investment Manager's Report on page 33, and the Sustainability Report on pages 50 to 68. The Board and Manager consulted with a number of the Company's shareholders in accordance with Provision 5.2.4 AIC Code of Corporate Governance, following which it was acknowledged that active consideration is required regarding alleviation of the persistent discount to EPRA NTA.
We provide oversight of resident welfare by undertaking due diligence on properties before residents move in. We then monitor compliance with health and safety standards to best ensure that residents are looked after by the Group's counterparties; we request updates on any health and safety issues every quarter.	Resident issues raised as a result of engagement through care providers were addressed. Any compliance issues are remedied with any associated works 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 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. 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 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 33 to 49.
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 33 to 49); 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 care or governance standards expected or where care providers were unable to demonstrate the financial strength to meet their obligations under a service level agreement. Following engagement, the scope of works was agreed with care providers to produce properties that meet the specific care needs of residents. Whilst done at the relevant local authorities' discretion, care providers have been changed where expectations around the standard of care were not met or where engagement identified care providers in financial difficulties.

/ SECTION 172(1) STATEMENT

STAKEHOLDER	WHY IS IT IMPORTANT TO ENGAGE?	HOW HAVE THE INVESTMENT MANAGER/ DIRECTORS ENGAGED?
Local authorities	Local authorities are responsible for identifying appropriate housing and care for the individuals who live in the Group's properties. New acquisitions are assessed to ensure that they meet the expectations of the relevant Local Authority in order to ensure that referrals are made as efficiently and safely as possible.	When looking at a new acquisition, the Investment Manager engages with, or receives feedback from, various departments within local authorities including Commissioners and Housing Benefit officers. The Investment Manager will look to engage with a local authority in relation to an existing scheme if required (for example, if a new care provider is needed).
The Regulator	The Regulator regulates Registered Providers of social housing to ensure providers are financially viable and properly governed. It is important to ensure that, as much as possible, the Group reflects observations made by the Regulator in its investment structures and its engagement with its Registered Provider lessees.	The Investment Manager is in contact with the Regulator in order to understand the key concerns and priorities of the Regulator in the Specialised Supported Housing Sector.
Lenders	The Group's investments in social housing assets are partly funded by debt. Prudent debt financing is required to achieve the Group's return targets. All of our debt is long-term and so it is important for the Group and the Investment Manager to form a good relationship with our debt provider partners and provide them with all information and commentary required.	The Investment Manager engages with its 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 on the Group and its key stakeholders. In taking these decisions, the Directors considered their duties under section 172 of the Act.

COMMENCEMENT OF A SHARE BUYBACK PROGRAMME OF £5 MILLION

During the year, the Board made the decision to undertake a share buyback programme of £5 million, managed by Stifel. The Company bought back 9,322,512 ordinary shares between 19 April 2023 and 12 June 2023, at an average purchase price of 52.61 pence per share. Further detail can be found in the Directors' Report on page 114. The Board believed that the share buyback programme was accretive to NAV and would benefit dividend cover, and was deemed to be made in the best interests of the Company's shareholders.

PORTFOLIO SALE

The Board decided to market and sell a portfolio of properties, subject to market conditions and pricing. The decision resulted in the sale of four Specialised Supported Housing properties for an aggregate consideration of £7,586,600 to a private UK real estate investment firm, reflecting a gain of 9.6% against the aggregate purchase price (excluding transaction costs).

The Board believed that the decision was in the best interests of the shareholders, Approved Providers, Care Providers and the Specialised Supported Housing sector, as the sale demonstrated continued liquidity and the resilience of valuations in the sector. The sale comprised of properties located across four Local Authorities and a range of property types, lessees and Care Providers.

WHAT WERE THE KEY TOPICS OF ENGAGEMENT?	WHAT WAS THE FEEDBACK OBTAINED AND THE OUTCOME OF THE ENGAGEMENT?
The aim of the engagement is, as much as possible, to ensure that the properties acquired by the Group are consistent with the requirements of the relevant local authority. Where necessary, local authorities will be engaged directly post acquisition of a property to access ongoing demand levels and any changes in commissioning strategy.	The Investment Manager will listen to feedback from local authorities and, where possible, will work with Approved Providers to improve and upgrade properties to ensure that they meet ongoing commissioning requirements. An initial pilot programme to implement energy efficiency upgrades across 11 initial properties is ongoing. Refer to the Investment Manager's Report on page 41 for more detail.
Discussions with the Regulator are focused on ensuring the market evolves in line with its observations, and Registered Providers can best focus on addressing the Regulator's observations.	The Investment Manager continues to work with the Boards of its Registered Provider lessees to understand how best we can help them meet the standards of the Regulator. Refer to the Investment Manager's Report on pages 33 to 49 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 asset management activity that requires lenders' consent.	The Group is fully compliant with its debt covenants. The Investment Manager's pro-active engagement with the Group's lenders is welcomed by its lenders and to date no concerns in relation to the performance of its loans have been raised by the lenders. The Board continues to monitor compliance with debt covenants and keeps liquidity under constant review to make certain the Group has sufficient headroom in its debt facilities. In August 2023, Fitch Ratings reaffirmed the Group's existing Investment Grade, long-term Issuer Default Rating (IDR) of 'A-' with a stable outlook and a senior secured rating of 'A' for the Group's existing loan notes.

DIVIDEND TARGET TO REMAIN FLAT

During the year, the Board decided to keep the target dividend flat.

The Board believed that the decision was in the best interests of the Company's shareholders, in order to preserve dividend cover for the current financial year, whilst the Investment Manager focused on addressing the significant rental arrears of two of its Approved Providers. Further detail can be found in the Investment Manager's Report on page 46.

CHANGE OF DIRECTORS

During the year, the Company undertook a formal recruitment process led by the Nomination Committee, with the support of an independent search consultancy, for the appointment of a new Board member. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board and would support the Board's commitment to diversity, in line with the FCA's targets under the Listing Rules. The Board were pleased to announce the appointment of Cecily Davis as an Independent Non-Executive Director with effect from 23 May 2023.

During the financial year, Paul Oliver stepped down from his role as an Independent Non-Executive Director with effect from 30 June 2023.

COMMITTEE CHANGES

The Board decided to change the membership and structure of the Board's Committees, as announced on 24 May 2023. The key changes included implementing smaller Committees to ensure better management of the Board's duties, as well as the establishment of a Sustainability & Impact Committee to ensure there is appropriate oversight and focus on the Group's ESG strategy. Further information of the Sustainability & Impact Committee can be found on pages 106 to 107.

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.

In the Group's 2023 Interim Report, we noted that principal risks and uncertainties remained unchanged during the period.

By way of background, the Group focuses on a single sub-sector of the UK real estate market with the aim of delivering an attractive, growing and secure income for shareholders. The Company has a specific investment policy, as outlined on pages 22 to 23, which is adhered to and for which the Board has overall responsibility. The Group does not undertake speculative development. Furthermore, the Group looks to work with experienced lessees and has assembled a granular portfolio with a relatively high WAULT.

As an externally managed investment company, the Company outsources key services to the Investment Manager and other service providers and relies 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 the Company's risk management and internal control systems. The Board regularly reviews 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 98.

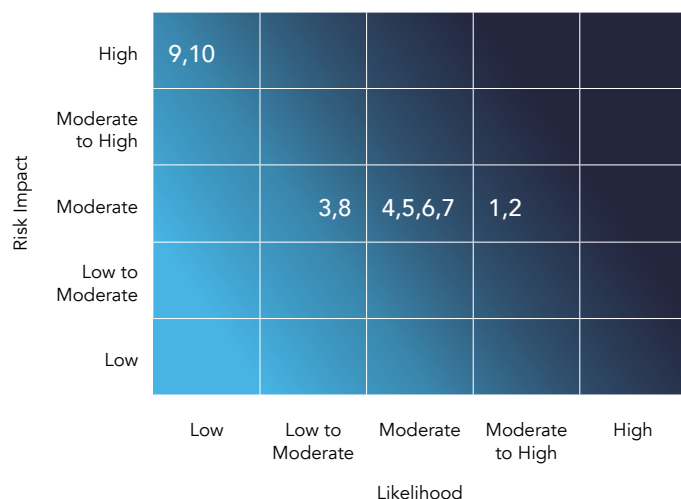
The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk, and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of certain risks against the likelihood of occurrence. The Board regularly reviews the risk register to ensure gradings and mitigating actions remain appropriate.

The Group's risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant and emerging risks the Group faces and continues to evolve to reflect changes in the Group's 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.

During the year, the Board has not identified or been advised of any failings or weaknesses in the Group's risk management and internal control systems.

Going forward, the Board has reviewed and approved some enhancements to the current risk management framework, which will become effective from April 2024. These enhancements will underpin the approach to the identification and categorisation of risks, together with changes to the assessment approach – being more reflective of the individual nature of the risks being considered. These enhancements will enable the Board to view the risks through the lens of Strategic risks, Financial risks (Investment, Capital & Liquidity) and Non-Financial risks (Operational, Legal & Regulatory). In turn, the Board will be setting appropriate risk appetites for its most material risks.

/ RISK HEAT MATRIX



Risk

1. Default of one or more Approved Provider lessees
2. Risk of an Approved Provider being deemed non-compliant with the Governance and Viability Standard by the Regulator
3. Risk of changes to the social housing regulatory regime and changes to government policy in relation to social housing and housing benefit
4. Non-payment of voids cover by care providers
5. Property valuations may be subject to change over time
6. Risk of poor or inadequate housing management (including compliance) or poor provision of care services by the Group's Approved Providers lessees and care providers respectively
7. Higher than projected levels of inflation may impact Approved Providers' ability to pay rent due under the Group's leases
8. The potential impact of climate change on the valuation of the Group's properties
9. Unable to operate within debt covenants
10. Reliance on the Investment Manager

/ PRINCIPAL RISKS AND UNCERTAINTIES

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

1. RISK CATEGORY – PROPERTY

DEFAULT OF ONE OR MORE APPROVED PROVIDER LESSEES

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
The default of one or more of the Group's lessees could impact the rental income received from the relevant assets. If the lessee cannot remedy the default, the Group may have to terminate, re-assign or re-negotiate the relevant lease. This could lead to a sustained reduction in rental income. Additionally, where a care provider does not 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.	Under the terms of the Company's investment policy and restrictions, no more than 30% of the Group's Gross Asset Value may be exposed to one lessee. This restriction is in place to mitigate against the risk of significant rent loss in the event of an Approved Provider default. When a lessee defaults or when the Group believes it likely that a lessee would default, the Group could look to move the affected properties to another Approved Provider with whom the Group has a good relationship. The intention would be to ensure both the ongoing provision of housing to the residents, and, as much as possible, the preservation of the income stream associated with the relevant properties.	Moderate
		LIKELIHOOD
		Moderate to High
		CHANGE IN YEAR
		Stable

2. RISK CATEGORY – REGULATORY

RISK OF AN APPROVED PROVIDER BEING DEEMED NON-COMPLIANT WITH THE GOVERNANCE AND VIABILITY STANDARD BY THE REGULATOR

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Should an Approved Provider with which the Group has one or more leases in place be deemed non-compliant 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 unless the matter is resolved through an improvement in the relevant Approved Provider's rating or the transfer of leases to an alternative Approved Provider.	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 regulatory notices. As at 31 December 2023, the Group has assembled a diversified portfolio with leases to 27 Approved Providers. The Group has leases in place with 10 Registered Providers that have been deemed non-compliant by the Regulator. Where Registered Providers have been deemed non-compliant the Group has looked to work with them in order to help address the issues identified by the Regulator. The Group's commitment to this approach can be seen through the Group's proposed new lease clause described in both the Chair's Statement and the Investment Manager's Report.	Moderate
		LIKELIHOOD
		Moderate to High
		CHANGE IN YEAR
		Stable

3. RISK CATEGORY – REGULATORY

RISK OF CHANGES TO THE SOCIAL HOUSING REGULATORY REGIME AND CHANGES TO GOVERNMENT POLICY IN RELATION TO SOCIAL HOUSING AND HOUSING BENEFIT.

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Future governments may take a different approach to the social housing regulatory regime, resulting in significant changes to the law and other regulation or practices of the Government with regard to social housing.	It is important that the Group works with the Group's Approved Provider lessees to help ensure that they respond proactively to any changes in regulation or policy and the Group understands what, if any, impact it will have on their organisation and the properties that the Group leases to them. As demand for social housing remains high relative to supply, the Board and the Investment Manager are confident there will continue to be a viable market within which to operate and a need for private investment to deliver more homes. In addition, the social housing regulatory regime in which most of the Group's lessees operate provides a high degree of accountability and transparency.	Moderate
		LIKELIHOOD
		Low to Moderate
		CHANGE IN YEAR
		Decreased

4. RISK CATEGORY – FINANCIAL RISK NON-PAYMENT OF VOIDS COVER BY CARE PROVIDERS

RISK IMPACT	RISK MITIGATION	POTENTIAL 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.	The Investment Manager closely monitors the performance of the care providers to ensure, so far as reasonably possible, that they are financially viable and performing well. Should a care provider get into financial difficulty, the Group works with a wide range of alternative care providers who could step in to provide care services and therefore cover the voids payment. Occupancy is also closely monitored and the Investment Manager works with Approved Providers and care providers to optimise occupancy.	Moderate
		LIKELIHOOD
		Moderate
		CHANGE IN YEAR
		Stable

5. RISK CATEGORY – FINANCIAL PROPERTY VALUATIONS MAY BE SUBJECT TO CHANGE OVER TIME

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Property valuations are inherently subjective and uncertain. Market conditions, which may impact the creditworthiness of lessees, may adversely affect valuations. This is particularly relevant at the moment given rising interest rates and the resultant negative impact on property 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.	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 and Audit Committee meet 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 routinely to visit each property in the portfolio, and works closely with the Group's lessees to ensure, to the extent reasonably possible, their ongoing financial strength viability, and that governance procedures remain robust through the duration of the relevant lease.	Moderate
		LIKELIHOOD
		Moderate
		CHANGE IN YEAR
		Stable

6. RISK CATEGORY – PROPERTY RISK OF POOR OR INADEQUATE HOUSING MANAGEMENT (INCLUDING COMPLIANCE) OR POOR PROVISION OF CARE SERVICES BY THE GROUP'S APPROVED PROVIDERS LESSEES AND CARE PROVIDERS RESPECTIVELY.

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Approved Providers and care providers face a number of operational challenges (e.g. rising costs and labour shortages) which have heightened the risk of poor or inadequate housing management or poor care being provided in relation to the Group's properties. Poor services being provided to the individuals in the Group's properties could undermine the benefits of Specialised Supported Housing and cause reputational damage to the Group which could negatively impact the Group's performance and/or the price of the Company's shares.	The Investment Manager undertakes strategic property inspections in order to review the physical condition of the Group's properties as well as the quality of services being provided to the Group's residents. In addition, there is frequent engagement with the Group's Approved Providers and care providers as well as quarterly operational and compliance surveys which provide data on the performance of the Group's properties.	Moderate
		LIKELIHOOD
		Moderate
		CHANGE IN YEAR
		Stable

7. RISK CATEGORY – FINANCIAL RISK

HIGHER THAN PROJECTED LEVELS OF INFLATION MAY IMPACT APPROVED PROVIDERS' ABILITY TO PAY RENT DUE UNDER THE GROUP'S LEASES.

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Most of the Group's leases contain upward only rent reviews, generally linked to inflation (typically CPI), with the majority being uncapped. Annual rental uplifts have been, and will continue to be, higher than projected as a result of increased inflation.	Having temporarily capped annual rent increases at 7% in 2023, the Group is currently in the process of rolling out a new risk sharing clause that will link rent increase in its leases with Registered Providers to the lower of CPI or prevailing government policy in relation to Specialised Supported Housing rent increases. This should mitigate the risk of the Group's lessees having to accommodate rent increases that they are not able to fully recoup through housing benefit.	Moderate
		LIKELIHOOD
		Moderate
		CHANGE IN YEAR
		Stable

8. RISK CATEGORY – CLIMATE RISK

THE POTENTIAL IMPACT OF CLIMATE CHANGE ON THE VALUATION OF THE GROUP'S PROPERTIES

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
Changing weather patterns under projected climate change scenarios could physically damage the Group's properties and reduce their value. New minimum efficiency standards could require retrofitting of efficiency measures, or result in a reduction in valuations. The impact of the most prominent climate-related risks to the portfolio is assessed in detail in the Group's TCFD reporting on page 60.	The Investment Manager's sustainability team has been working with the housing team to assess the risk that climate change poses to the Group's properties. The key transition risks to the portfolio have been identified and qualitatively assessed. Physical risks to the portfolio have been assessed using a new piece of analytical software and the outputs of this analysis are demonstrated in the Group's TCFD reporting on page 60. The Investment Manager will work to ensure protections are put in place for any properties that are deemed to be at high risk to the negative impact of climate change. The Group believes that the Group's reporting on climate change is ahead of regulatory requirements.	Moderate
		LIKELIHOOD
		Low to Moderate
		CHANGE IN YEAR
		Stable

9. RISK CATEGORY – FINANCIAL UNABLE TO OPERATE WITHIN DEBT COVENANTS

RISK IMPACT	RISK MITIGATION	POTENTIAL 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 significantly decrease, such covenants could be breached. The impact of such an event could include (among other things): an increase in borrowing costs; a requirement for additional cash or property collateral; payment of a fee to the lender; a sale of an asset or assets, or a forfeit of an asset or any assets to a lender. Any of the above could result in a material decrease to the Group's Net Asset Value.	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 potentially cure the covenant breach by either injecting cash collateral or unencumbered property assets in order to restore covenant compliance. During the year ended 31 December 2023, no debt covenants have been breached.	High
		LIKELIHOOD
		Low
		CHANGE IN YEAR
		Stable

10. RISK CATEGORY – CORPORATE RELIANCE ON THE INVESTMENT MANAGER

RISK IMPACT	RISK MITIGATION	POTENTIAL IMPACT
The Company continues to rely on the Investment Manager's services and its reputation in the social housing market. As a result, the Group's performance will, to a large extent, depend on the Investment Manager's asset management abilities in the property market. Termination of the Investment Management Agreement would severely affect the Investment Manager's ability to effectively manage the Group's operations and may have a negative impact on the Group's performance and/or the price of the Company's shares.	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 Investment Manager to ensure that the Company and the Investment Manager maintain a positive working relationship.	High
		LIKELIHOOD
		Low
		CHANGE IN YEAR
		Stable

/ 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 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. 90% of rental income due and payable for the period ended 31 December 2023 has been collected, rent arrears are predominantly attributable to two Approved Providers, My Space Housing Solutions and Parasol Homes.

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 Long-Term Issuer Default Rating of 'A-' with a stable outlook.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, 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.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and MetLife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table below. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. 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 is remote.

	NORLAND ESTATES LIMITED	TP REIT PROPCO 2 LIMITED
Asset Cover (ACR)		
Asset Cover Ratio Covenant	x2.00	x1.67
Asset Cover Ratio 31 December 2023	x2.81	x2.01
Blended Net initial yield	5.75%	5.86%
Headroom (yield movement)	214bps	112bps
Interest Cover (ICR)		
Interest Cover Ratio Covenant	1.75x	1.75x
Interest Cover Ratio 31 December 2023	4.63x	4.26x
Headroom (rental income movement)	62%	53%

Under the downside model the forecasts have been stressed to show the effect of some Care Providers ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases. Under the downside model the Group 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 9.6 year average maturity of its long-term debt facilities with MetLife 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 Group 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.

/ 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 2028, 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 24.3 years to expiry, representing a secure income stream for the period under consideration.
- The Group's Loan Notes have a weighted average term of 9.6 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 74 to 79 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 (taking into account that two of the Group's lessees have built up arrears during 2022 and 2023).
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:** It is assumed that some care providers do not meet their void payment obligations, and this causes Approved Providers to default under some of the Group's leases; and rental receipts from one Approved Provider that has built up arrears are lower than expected.
- **Property valuations:** It is assumed that where there are void units Approved Providers will default on their leases, and those units will be valued significantly below their vacant possession value. We believe this represents a severe reduction in value.
- **Inflation:** No inflation uplift on rental income but costs increase in line with inflation.

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

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

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

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

/ BOARD APPROVAL OF THE STRATEGIC REPORT

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

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

Chris Phillips
Chair

7 March 2024







Governance

Chair's Letter



CHRIS PHILLIPS, Chair

/ DEAR SHAREHOLDER,

I am pleased to introduce the Corporate Governance Report for the year ended 31 December 2023. The Board recognises that a strong governance framework contributes to the development and implementation of our strategy. It ensures that we, as the Board, are provided with the right support, to ensure that we can effectively oversee progress in the delivery of our strategy and challenge the Investment Manager where appropriate.

/ STAKEHOLDER ENGAGEMENT

The Board's engagement with the Group's key stakeholders has been of primary focus during the period. Our investors are of vital consideration for Board decisions. This year, in accordance with Provision 5.2.4 of the AIC Code of Corporate Governance (the "AIC Code"), the Board consulted with a number of shareholders, representing c.21% of the share register, in order to fully understand and discuss their concerns, following significant votes against Resolutions 3²⁹ and 13³⁰ at the 2023 Annual General Meeting ("AGM"). Following

this consultation, it was acknowledged that the Board and Investment Manager must remain committed to addressing the Company's persistent discount to EPRA NTA, as well as ensuring that we continue to demonstrate strong operational performance.

At our quarterly Board meetings, stakeholder views are considered through Board reports and updates provided by the Investment Manager, particularly their engagement and ongoing relationship with the Approved Providers. The Investment Manager ensures us that it maintains regular dialogue to encourage Approved Providers to continually improve their operations.

A full overview of our engagement with all stakeholders is set out in more detail on pages 70 to 73. We will continue to engage openly with all our stakeholders to understand their views on governance and performance.

/ BOARD & GOVERNANCE CHANGES

During 2023, the Board continued to focus on our key priorities, and made important progress with Board succession planning, with the support of the Nomination Committee. As a result, there have been a number of changes to Board composition during the year. In May 2023, we welcomed Cecily Davis as a Non-Executive Director, following a succession process led by the Nomination Committee, facilitated by an independent search consultancy. This appointment has further ensured that the Board is equipped to carry out its duties effectively and Cecily brings a wealth of knowledge and experience in the legal, property and infrastructure sectors. In June 2023, Paul Oliver retired from the Board. We are grateful to him for his outstanding contribution and commitment to the Board and Committees.

In addition, the Board reviewed the membership and structure of the Board Committees, to better ensure that our dedicated Committees are able to consider key matters in depth. Following this review, the Board also

29. To re-elect Christopher Phillips as a Director of the Company.

30. To dis-apply pre-emption rights up to a further 5% in connection with an acquisition or specified capital investments.

decided to establish a Sustainability & Impact Committee, to reflect the Board's commitment to and focus on its ESG strategy, and to strengthen governance with regards to sustainability matters. More detail on the Sustainability & Impact Committee can be found in the Sustainability & Impact Committee Report on pages 106 to 107.

Finally, the Board made the decision to appoint Tracey Fletcher-Ray as Senior Independent Director, succeeding Ian Reeves, with effect from 7 March 2024. In taking this decision, the Board considered that Tracey's skills and experience were suitable for the role and would ensure an additional and effective means of good governance, as well as providing key stakeholders with an additional contact to discuss any issues or concerns. On behalf of the Board, I'd like to thank Ian for his expertise and contribution during his time as Senior Independent Director.

/ EXTERNAL BOARD PERFORMANCE REVIEW

As I mention in my Chair's Statement on pages 17 to 21, a performance review of the Board and its Committees for 2023 was conducted externally by Advanced Boardroom Excellence, an independent consultancy. The review confirmed that the Board and its Committees continued to operate effectively in 2023, with some areas identified for further enhancement, which are set out on page 94.

/ ANNUAL GENERAL MEETING

We are planning to hold our AGM on 16 May 2024, and I look forward to the opportunity this provides to meet with shareholders in person. The detailed arrangements will be communicated in our Notice of AGM published in March 2024.

/ COMPLIANCE STATEMENT

Throughout the year ended 31 December 2023, 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 2024

The Board remains focused on developing our high standards of governance, to support the strategic direction of the Group and deliver sustainable long-term value for shareholders and all 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

7 March 2024

Board of Directors



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

CHAIR	CHRIS PHILLIPS (73)
Appointed	17 July 2017
Committee memberships	Management Engagement Committee Nomination Committee (Chair)
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, ten 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)
SENIOR INDEPENDENT DIRECTOR (EFFECTIVE 7 MARCH 2024)	TRACEY FLETCHER-RAY (59)
Appointed	1 November 2018
Committee memberships	Audit Committee Management Engagement Committee (Chair) Sustainability & Impact Committee (appointed as a member on 23 May 2023)
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 was Managing Director of Caring Homes, a leading provider of care homes for the elderly. She is currently CEO of Witherslack Group, a leading provider of specialist education and care for young people with special educational needs. 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	Witherslack Group (CEO)

NON-EXECUTIVE DIRECTOR	
PETER COWARD (67)	
Appointed	17 July 2017
Committee memberships	Audit Committee (Chair) Management Engagement Committee
Skills and experience	Peter is a chartered accountant with international commercial and corporate finance experience. He has over 25 years' experience as a Senior Tax Partner at PricewaterhouseCoopers specialising in property, and has worked with a wide range of firms to develop a knowledge and understanding of tax regimes worldwide and of organisational and project structuring to optimise the tax position.
Principal external appointments	True Potential Wealth Management LLP (Member) ChanceryGate Limited (Director) Matfen Hall Ltd (Director) The Heat Vault Company Ltd (Director)
SENIOR INDEPENDENT DIRECTOR (UP TO 7 MARCH 2024)	
IAN REEVES CBE (79)	
Appointed	17 July 2017
Committee memberships	Audit Committee Sustainability & Impact Committee (appointed as Chair on 23 May 2023) Nomination Committee
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 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	Synaps International Limited (co-founder and CEO) The Estates and Infrastructure Exchange (Chair) Geiger Counter Limited (Chair) Xinous Inc (Director)
NON-EXECUTIVE DIRECTOR	
CECILY DAVIS (57)	
Appointed	23 May 2023
Committee memberships	Sustainability & Impact Committee Nomination Committee
Skills and experience	Cecily has significant legal, construction and infrastructure experience gained from 30 years as a construction and projects lawyer. Cecily is currently an Engineering, Procurement and Construction Partner at Fieldfisher and Co-Head of Fieldfisher's Africa Group. She was formerly a Partner at DLA Piper until 2014 and Shadbolt & Co until 2005. Cecily has an extensive understanding of the residential and affordable housing sectors, having acted as non-executive director of both L&Q Group and Places for People. Cecily sits on the board of 3M Homes Ltd and is a Trustee of the Southwark Charities, which provides almshouses to local residents. Cecily is a registered solicitor under the Solicitors Regulation Authority, and holds a degree in construction law and arbitration from King's College London and a master's degree in commercial law from the University of Exeter.
Principal external appointments	Fieldfisher LLP (Partner) 3M Homes Ltd (Director) Southwark Charities (Trustee)

CHANGES TO THE BOARD

- On 23 May 2023, immediately following the conclusion of the AGM, Cecily Davis joined the Board as an Independent Non-Executive Director.
- Paul Oliver retired from the Board with effect from 30 June 2023.
- On 7 March 2024, Tracey Fletcher-Ray succeeded Ian Reeves as Senior Independent Director.

CHANGES TO BOARD COMMITTEE MEMBERSHIP AND THE STRUCTURE OF THE BOARD'S COMMITTEES

The following changes were made, effective 23 May 2023:

- The establishment of a Sustainability & Impact Committee.
 - Ian Reeves was appointed Chair of the Sustainability & Impact Committee and stepped down as Chair of the Nomination Committee and as a member of the Management Engagement Committee.
 - Cecily Davis and Tracey Fletcher-Ray joined the Sustainability & Impact Committee.
- Chris Phillips was appointed Chair of the Nomination Committee.
 - Cecily Davis joined the Nomination Committee and Peter Coward stepped down from the Nomination Committee.

Corporate Governance

/ GOVERNANCE FRAMEWORK

Our Governance Framework demonstrates how we operate, representing the key governance arrangements through which the Board and its Committees can implement the highest standards of challenge and oversight. It is not an exhaustive list of every organisation or service provider that the Group has engaged with on governance matters.



/ KEY MATTERS RESERVED FOR THE BOARD

Board membership and powers including the appointment and removal of Board members.	Establishing the overall control framework, Stock Exchange related matters, including the approval of communications to the Stock Exchange, and communications with shareholders, other than announcements of a routine nature.
Key commercial matters, including review of all investments and divestments, and any significant changes in lease terms.	The appointment, termination, and regular assessment of the performance of the principal advisers, including the AIFM, the Investment Manager, Tax Advisers, Legal Advisers, Financial Adviser, Administrator and Company Secretary, Broker, Registrar, PR Adviser and Auditor.
The approval of the budget and financial models.	The approval of annual and half yearly financial reports, to 31 December and 30 June respectively, dividends, accounting policies and significant changes in accounting practices.
The approval of the net asset value calculation prepared by the Administrator on a quarterly basis at 31 March, 30 June, 30 September and 31 December each year.	The review of the adequacy of corporate governance procedures.
The review of significant estimates and judgements of the Group.	The review of the risk inventory and the effectiveness of internal controls.
Approval of changes to the Group's capital structure, dividend policy, treasury policy, borrowing facilities and any banking relationships, hedging strategy, cash management, the Group's business strategy, acquisitions and disposals and capital expenditure.	Approval of any related party transactions subject to further regulatory requirements.
Oversight of the Group's operations ensuring compliance with statutory and regulatory obligations.	

/ BOARD MEMBERSHIP AND MEETING ATTENDANCE

Individual Directors' attendance during the year to 31 December 2023 is set out below:

DIRECTOR	BOARD MEETINGS ATTENDED / REQUIRING ATTENDANCE	GENERAL MEETINGS ATTENDED / REQUIRING ATTENDANCE
Chris Phillips (Chair)	6/6	1/1
Ian Reeves CBE	6/6	1/1
Peter Coward	6/6	1/1
Cecily Davis*	4/4	1/1
Tracey Fletcher-Ray	6/6	1/1
Former Director		
Paul Oliver**	3/3	1/1

* Cecily Davis was appointed to the Board with effect from the conclusion of the Annual General Meeting on 23 May 2023.

** Paul Oliver retired from the Board with effect from 30 June 2023.

/ COMPOSITION

The Group has a non-executive Chair and four other non-executive Directors, including a Senior Independent Director, all of whom are considered independent on and since their appointment. All 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. The Chair also ensures that any issues arising in the Board meetings are followed up on in a timely manner. 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 to hold third-party service providers to account, where appropriate.

The Chair has put mechanisms in place to facilitate 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 was the Senior Independent Director during the year, and was succeeded by Tracey Fletcher-Ray with effect from 7 March 2024. If required, the Senior Independent Director will act as a sounding board and intermediary for the other Directors and shareholders. In addition to the Chair, the Senior Independent Director 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 her 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.

/ TIME COMMITMENT

Non-executive Directors are expected to devote sufficient time to carry out their duties effectively. The expectation regarding time commitment is set out in the Directors' letters of appointment. Directors are required to disclose any potential external role and ensure it is approved by the Board prior to the acceptance of any such appointment. During the year ended 31 December 2023, 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.

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.

The Directors' other principal commitments are listed on pages 88 to 89.

/ BOARD COMMITTEES

The Board has established a Management Engagement Committee, an Audit Committee, a Nomination Committee and a Sustainability & Impact 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 2023, the Board held four scheduled meetings and two extra Board meetings including one strategy meeting.

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 impact of macro-economic issues.

/ KEY DECISIONS OF THE BOARD IN 2023

During the year, the Board considered the following matters:

- the Group's longer-term strategy;
- analysis of the Group's current and future lease terms;
- the appointment of Cecily Davis to the Board as a Non-Executive Director, following a recommendation from the Nomination Committee;
- the launch of a share buyback programme, with a maximum aggregate consideration of up to £5 million;
- changes to the membership and structure of the Board's Committees including the establishment of a Sustainability & Impact Committee;
- the sale of four specialised supported housing properties for an aggregate consideration of £7,586,600;
- a proposed new lease clause, having sought shareholder feedback ahead of implementation. The lease clause addresses the Regulator's concerns regarding the long-lease model and ensures that where there are risks that are beyond the control of the Group's lessees, then, subject to a materiality threshold being breached, the risks will sit with the Group;
- a decision to keep the target dividend flat in order to preserve dividend cover for the year ended 31 December 2023, whilst the Investment Manager focuses on addressing material rent arrears with two Approved Providers;
- the valuation methodology of the Group's portfolio;
- the risks and related mitigations of the Group's lease counterparties;
- engagement with two of the Group's Approved Providers regarding material rental arrears during the year, and the consideration of creditor agreements;
- 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;
- the budget for general, administrative and marketing expenses;
- the Group's compliance with the REIT regime;
- the Group's financial public relations and communication strategy, and the appointment of Brunswick Group as the Company's Financial PR Adviser;
- 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;

- the recommendations of its Nomination Committee with respect to Board diversity, succession planning and the current balance of skills, experience and knowledge;
- the recommendations of its Sustainability & Impact Committee with respect to the implementation of an eco-retrofit pilot programme; and
- a quarterly review of corporate governance compliance, Group subsidiary activity and depositary report.

/ PERFORMANCE EVALUATION

The Directors recognise that the evaluation process is a significant opportunity to review the practices and performance of the Board, its Committees, and its individual Directors and to implement actions to improve the Board's effectiveness and contribute to the Group's success.

For the year ended 31 December 2023, the Board undertook an external evaluation using an independent third-party evaluator, Advanced Boardroom Excellence ("ABE"). ABE does not have any other connection with the Company or individual Directors.

RESULTS

ABE's independent review concluded that the Board, its Committees and each of its Directors continue to be effective. The Chair facilitates inclusive, open dialogue and draws upon the diverse range of experience and skills within the Boardroom. The Board and Investment Manager interact constructively, and the Directors demonstrate a high degree of independence, integrity and passion for the Company and its sector.

ABE's review identified some key opportunities for the Board to further strengthen and prioritise for 2024:

CHALLENGES	RECOMMENDATIONS OF NEXT STEPS
To continue to ensure awareness of stakeholder views	The Board to continue to consider the views of wider stakeholders across the political, social and financial communities, and to leverage the appointment of the Company's Financial PR Adviser, Brunswick, to ensure stakeholder engagement is a regular focus at Board meetings.
To review succession planning of Non-executive Director roles	The Board and the Nomination Committee to implement a phased succession plan, beginning in 2024, to reflect the tenures of the Senior Independent Director, Audit Chair and Chair, and to ensure enough time is provided for a comprehensive recruitment process, induction and handover period.
To continue to improve oversight of Risk	The Board to receive enhanced risk reporting to support with the prioritisation of key risks and facilitate more in-depth discussion when reviewing risks.
To ensure the culture of openness and constructive debate within the Board is maintained	The Board to consider processes for regular Non-executive Director-only sessions, to ensure that Board members benefit from the opportunity to discuss issues independently of the Investment Manager.
To review and refresh key governance documents	The Board to regularly review the Committee terms of reference, to ensure that these are refreshed and reflective of current best practice.

PROCESS

The review was designed to assess the strengths of the Board and to raise any opportunities for improvement. ABE observed the Board and Committee meetings in November and December 2023, and reviewed Board and Committee documentation. Interviews were held with each of the Board members, as well as key representatives of the Investment Manager and Company Secretary. Key topics under review included:

- the Board's approach to strategy setting;
- the Board dynamics;
- the information and quality of Board and Committee papers;
- Board composition and succession planning; and
- engagement with stakeholders.

Following the review, ABE provided the Board with a discussion document, outlining the current strengths and key challenges facing the Board, as well as the recommendations identified.

The Board evaluation for the year ended 31 December 2022 was undertaken internally by way of a written questionnaire. The Board has made good progress on the recommendations arising from the evaluation, as set out below:

CHALLENGES	RECOMMENDATIONS OF NEXT STEPS	ACTION TAKEN TO ADDRESS CHALLENGES
Diversity	There has been significant emphasis placed upon gender and ethnic diversity as a result of the changes to the Listing Rules, amongst other things. The Board is encouraged to ensure that diversity of all kinds, including social diversity, is given due consideration in the constitution of the Board.	The Board, with the support of the Nomination Committee, undertook a formal recruitment process, with the assistance of an independent search consultancy, for the appointment of a new Board member. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board. The Board was pleased to announce the appointment of Cecily Davis as an Independent Non-Executive Director with effect from 23 May 2023.
Director Training	The Board is encouraged to dedicate more time to enhance the professional development of the Directors, to ensure continuous improvement of knowledge and skills. With a new Director due to join the Board, the existing Directors should be conscious of ensuring that they receive a comprehensive induction and are integrated well within the Board.	Training was provided at the Strategy Day in March 2023 on Share Buybacks and regular Director briefings are held on topics such as valuations, compliance with the REIT regime, wider REIT market conditions and external market events and the resulting impact on the Company's performance. An induction programme was held for the newly appointed Director, including meetings with key advisers.
Strategy	A core focus for the Board over the coming year will be the strategy for the Company moving forward. The Board should ensure that sufficient time is given to discussing this.	A dedicated Strategy Day was held in March 2023. In addition, bi-monthly Board meetings have been arranged to ensure that the Board and the Investment Manager have a dedicated and regular meeting to focus on the key, strategic issues.
KPIs	The Board acknowledges that the KPIs and performance monitoring have improved during the year however the process is still evolving. It is therefore recommended that the Board continue to critically evaluate the KPIs to ensure that they support the strategy and allow the Board to effectively assess the performance of the Company and portfolio.	During the year, the Board has critically assessed KPIs when making key strategic decisions. In particular, the Board has reviewed the Group's LTV and Adjusted Earnings Per Share, when deciding how to utilise the proceeds from the portfolio sale and whether to proceed with another Share Buyback programme. In addition, the Board reviews the dividend every quarter ahead of payment and sets the dividend target at the start of the year.

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

/ CONFLICTS OF INTERESTS

The Group operates a conflicts 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 to 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 maintains 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 a 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 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 meet to discuss, amongst other things, the views of the Company's shareholders. The Group's Corporate Broker speaks to shareholders regularly and ensures shareholder views are clearly communicated to the Board. The Board takes responsibility for, and has a direct involvement in, the content of communications regarding major corporate matters.

The Board encourages shareholders to attend and vote on the resolutions at the Annual General Meeting, and to ask the Board any questions that they may have.

The Chair makes himself available, as necessary, to speak to shareholders. In addition, 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 publishes 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 Group regularly engaged with shareholders. Of particular note this year, the Board and Investment Manager consulted with shareholders in accordance with Provision 5.2.4 of the AIC Code of Corporate Governance, following notable votes against two resolutions proposed at the 2023 Annual General Meeting.

Audit Committee Report



PETER COWARD,
Audit Committee Chair

/ 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;

AUDIT COMMITTEE MEMBERS	AUDIT COMMITTEE MEETINGS ATTENDED / REQUIRING ATTENDANCE
Peter Coward (Chair)	4/4
Ian Reeves CBE	4/4
Tracey Fletcher-Ray	4/4
Former Member	
Paul Oliver*	2/2

* Paul Oliver retired from the Board and stepped down as a member of the Audit Committee with effect from 30 June 2023.

- 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 meetings 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 Group's Tax Adviser in relation to ensuring continuing compliance with the REIT regime;
- liaise with the Group's external Valuer in relation to the valuation of the Group's portfolio and the process undertaken in determining the valuation;
- develop and implement a 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 at <https://www.triplepointreit.com/corporate-governance/131/>.

/ COMMITTEE MEMBERSHIP

The Audit Committee is chaired by Peter Coward and comprises of three members.

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience. Peter Coward is a qualified Chartered Accountant and was, until the end of June 2016, a Senior Tax Partner at PricewaterhouseCoopers LLP specialising in property. The Board is also satisfied that the Committee, collectively, has competence relevant to the sector in which the Group operates.

/ ACTIVITIES

The Audit Committee meets at least three times 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. The Committee regularly reports 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 section on pages 94 to 95 for further details on the performance evaluation.

/ INTERNAL CONTROL AND RISK MANAGEMENT

The Group 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, which was 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 and this 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, which are reviewed by the Board;
- forecasts and management accounts prepared by the Investment Manager and Administrator, 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 74 to 79.

/ SIGNIFICANT ISSUES CONSIDERED BY THE AUDIT COMMITTEE

The Audit Committee considered the key accounting judgements underlying the preparation of the financial statements, focusing specifically on:

VIABILITY AND GOING CONCERN

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

The Audit Committee has taken account of the solvency and liquidity position of the Group from the financial statements and the forecasted Group cash flow information provided by the Investment Manager, expected pipeline and expected fund raising plans through a fundraise or debt finance over the period to December 2028. As a result, the Audit Committee considers that it is appropriate to adopt the going concern basis of preparation of the financial statements.

VALUATION OF PROPERTY PORTFOLIO

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

The valuations of the properties at the end of the financial period were performed by Jones Lang LaSalle, whom the Audit Committee considers to have sufficient local and national knowledge of social housing and Supported Housing and 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 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 has 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 the external auditor.

EXPECTED CREDIT LOSS

The Board has considered the appropriateness of the ECL provision, which relates to rental arrears for two of the Group's Approved Providers. The ECL provision represents a default probability for two Approved Providers, on outstanding rent due at 31 December 2023, which was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. Please refer to the Investment Manager's Report on page 46 for further details regarding the creditor agreement in place with Parasol.

REVENUE RECOGNITION

The Group's revenue solely comprises rental income from investment properties, 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 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 AUDITOR, AUDIT FEES AND NON-AUDIT SERVICES

An important responsibility of the Audit Committee each year is to monitor the performance, objectivity and independence of the Group's external auditor, currently BDO LLP ("BDO"). In evaluating BDO's performance, the Audit Committee examine the effectiveness of the audit process, independence and objectivity of the auditor, taking into consideration the length of tenure of the external auditor, the non-audit services undertaken during the year and relevant UK professional and regulatory requirements, and the quality of delivery of its services.

BDO were appointed as the external auditor of the Group on 18 July 2017, and a formal external audit tender process was undertaken in 2019. BDO were recommended by the Audit Committee for re-appointment at the 2023 AGM and the resolution was duly passed. We transitioned our lead BDO partner for the 2022 audit following completion of the previous audit partner's five-year term.

The auditors attend the majority of the Audit Committee meetings and I, as Audit Committee Chair, have a number of meetings with the lead audit partner as required. The auditor works with 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 although a permitted service, 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 Group's non-audit services policy is reviewed annually to ensure it continues to be in line with best practice.

The 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 31 December 2023 year end audit of the Group and subsidiaries was £292,000 (net of VAT). The total non-audit fees for the year ended 31 December 2023 were £40,000 (net of VAT) in relation to the interim review. The ratio of non-audit services fees to audit fees in the year was 14%.



Peter Coward
Audit Committee Chair

Management Engagement Committee Report



TRACEY FLETCHER-RAY,
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 at <https://www.triplepointreit.com/corporate-governance/131/>.

/ COMMITTEE MEMBERSHIP

The Management Engagement Committee is chaired by Tracey Fletcher-Ray and comprises of three members.

MANAGEMENT ENGAGEMENT COMMITTEE MEMBERS	MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS ATTENDED / REQUIRING ATTENDANCE
Tracey Fletcher-Ray (Chair)	2/2
Chris Phillips	2/2
Peter Coward	2/2
Former Members	
Paul Oliver*	0/1
Ian Reeves CBE**	0/1

* Paul Oliver retired from the Board and stepped down as a member of the Management Engagement Committee with effect from 30 June 2023.

** Ian Reeves stepped down as a member of the Management Engagement Committee with effect from 23 May 2023.

/ ACTIVITIES

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

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

/ PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 94 to 95 for further details on the performance evaluation.

/ MANAGEMENT ARRANGEMENTS

AIFM AGREEMENT

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

The Company's AIFM is Triple Point Investment Management LLP.

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 2023 was £216,000 (£192,000 as at 31 December 2022). 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 2023 was £4.65 million (£4.70 million as at 31 December 2022).

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 is satisfied that their appointment remains in the best interests of shareholders as a whole.



Tracey Fletcher-Ray
Management Engagement Committee Chair

Nomination Committee Report



CHRIS PHILLIPS, Nomination Committee Chair

/ 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, promoting 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 at <https://www.triplepointreit.com/corporate-governance/131/>.

NOMINATION COMMITTEE MEMBERS	NOMINATION COMMITTEE MEETINGS ATTENDED / REQUIRING ATTENDANCE
Chris Phillips (Chair)	2/2
Ian Reeves CBE	2/2
Cecily Davis*	1/1
Former Members	
Paul Oliver**	1/1
Peter Coward***	1/1

* Cecily Davis was appointed to the Board and the Nomination Committee with effect from the conclusion of the Annual General Meeting on 23 May 2023.

** Paul Oliver retired from the Board and stepped down as a member of the Nomination Committee with effect from 30 June 2023.

*** Peter Coward stepped down as a member of the Nomination Committee with effect from 23 May 2023.

/ COMMITTEE MEMBERSHIP

The Nomination Committee is chaired by Chris Phillips and comprises of three members. During the year, Chris Phillips took over as Chair of the Nomination Committee from Ian Reeves, who stepped down to become the Chair of the newly established Sustainability & Impact Committee.

/ ACTIVITIES

The Committee met twice during the year ended 31 December 2023 to review the balance of skills and experience, the size and structure of the Board, and succession planning.

The Committee led the recruitment process for a new Non-Executive Director, working with an independent external search consultant. The Committee identified and nominated Cecily Davis as a Non-executive Director, for the approval of the Board. This is discussed in further detail below.

In addition, the Committee considered proposals submitted by external, independent consultants to lead the external Board performance review. The Committee opted to recommend Advanced Boardroom Excellence for approval to the Board. Further information on the external Board performance review process is included on page 94.

The Committee also reviewed the time and significant commitments of the Board and satisfied itself that the Directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration of external appointments.

/ SUCCESSION PLANNING AND RECRUITMENT

A key focus of the Nomination Committee during the year was the continued implementation of a long-term succession plan for the Board. Once a decision is made to recruit an additional Director, under its Terms of Reference, the Nomination Committee has the responsibility of identifying and leading that process on behalf of the Board. A formal role description is created, which is based upon requirements identified from a review of the current balance of experience and skills, as well as having due regard to the benefits of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Committee is then responsible for engaging with an independent external search consultant in order to facilitate the search. In accordance with the Group's Diversity Policy, the Committee must engage with an external search consultant that can commit to undertaking an open and transparent process that includes potential candidates from different social and ethnic backgrounds.

The Committee engaged with Nurole Ltd ("Nurole") to support in its recruitment process for the year ended 31 December 2023. Nurole provided a longlist of candidates which was reviewed by the Committee to create a shortlist. Interviews then took place with short-listed candidates and selected Committee members, and feedback was provided to the Committee. Following this process, the Nomination Committee recommended Cecily Davis to the Board for appointment as a Non-executive Director. Cecily joined the Board with effect from the conclusion of the Annual General Meeting on 23 May 2023 and following a handover period to allow Cecily to settle into her role, Paul Oliver stepped down from the Board with effect from 30 June 2023.

/ PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 94 to 95 for further details on the performance evaluation.

/ RE-ELECTION OF DIRECTORS

The Board considers that the performance of each Director continues to be effective and demonstrates the commitment required to continue in their present roles, and that each Director's contribution continues to be important to the Company's long-term sustainable success. This consideration is based on, amongst other things, the business skills and industry experience of each of the Directors (refer to the biographical details of each Director as set out below), as well as their knowledge and understanding of the Company's business model.

The Board has also considered the other contributions which individual Directors may make to the work of the Board, with a view to ensuring that:

- (i) the Board maintains a diverse balance of skills, knowledge, backgrounds and capabilities leading to effective decision-making;
- (ii) each Director is able to commit the appropriate time necessary to fulfilling their roles; and
- (iii) each Director provides constructive challenge, strategic guidance, offers specialist advice and holds third-party service providers to account.

All Directors will submit themselves for re-election on an annual basis.

/ 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

DIVERSITY AND INCLUSION POLICY

The Board has established and maintains a formal written diversity policy.

The Board's objective is to maintain effective decision-making, including the impact of succession planning. The Board recognises the benefits of all types of diversity and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit, and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, ensuring that such appointment will develop and enhance the operation of the Board to best serve the Group'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.

FCA LISTING RULE DIVERSITY TARGETS

In accordance with the Listing Rules of the FCA, the Group is required to report on whether the following targets on board diversity have been met, as at 31 December 2023: at least 40% of individuals on the board are women; at least one of the senior board positions is held by a woman; and at least one individual on its board is from a minority ethnic background.

The following table sets out the gender and ethnic diversity of the Board as at 31 December 2023 in accordance with the FCA's Listing Rules, the disclosure of which in this Report having been approved by the Directors:

GENDER DIVERSITY	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD ³¹
Men	3	60	2
Women	2	40	–
Not specified/prefer not to say	–	–	–
ETHNIC DIVERSITY			
White British or other White (including minority white groups)	4	80	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	–	–	–
Black/African/Caribbean/Black British	1	20	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

As at 31 December 2023, the Board had met two of the FCA's targets with respect to diversity. In addition, following the year end, Tracey Fletcher-Ray was appointed as the Senior Independent Director and succeeded Ian Reeves. The appointment took effect from 7 March 2024 and means that the Board now meets all the FCA's targets on board diversity. We remain committed to pursuing the benefits of a diverse Board and will continue to make improvements in this regard.

As an investment company with solely independent, Non-executive Directors, the Group does not have a Chief Executive or a Chief Financial Officer and has no employees. Accordingly, no disclosures regarding executive management positions have been included.



Chris Phillips
Nomination Committee Chair

31. Senior positions include Chair and Senior Independent Director.

Sustainability & Impact Committee Report



IAN REEVES, Sustainability & Impact Committee Chair

/ RESPONSIBILITIES

The Sustainability & Impact Committee's main function is to oversee the development and implementation of the Company's ESG strategy, and the resultant impact on the social value that the Company provides to the UK housing market. The ESG strategy forms a key component of our wider strategic initiatives and is central to delivering sustainable value for our shareholders and providing good homes to people with care and support needs throughout the UK.

Our commitment to transparency can be seen through our sustainability-related targets and ongoing disclosure of our performance.

The Sustainability & Impact Committee's Terms of Reference can be found on the Group's website at <https://www.triplepointreit.com/corporate-governance/131/>.

SUSTAINABILITY & IMPACT COMMITTEE MEMBERS	SUSTAINABILITY & IMPACT COMMITTEE MEETINGS ATTENDED / REQUIRING ATTENDANCE
Ian Reeves CBE (Chair)	2/2
Tracey Fletcher-Ray	2/2
Cecily Davis	2/2

/ COMMITTEE MEMBERSHIP

The Sustainability & Impact Committee is chaired by Ian Reeves and comprises of three members.

/ ACTIVITIES

The Sustainability & Impact Committee was established with effect from 23 May 2023, to reflect the Board's ongoing commitment to and focus on the Company's ESG strategy.

The Committee met twice during the period from 23 May 2023 to 31 December 2023, to review a proposal to commence an eco-retrofit pilot project and to review a proposed net-zero target.

ECO-RETROFIT PILOT PROJECT

As previously reported, by 2030 all socially rented properties will require an Energy Performance Certificate ("EPC") rating of C or above. The Company is committed to protecting the value of the Group's properties, reducing carbon emissions and supporting our lessees and the individuals living in the properties within our portfolio. This led the Committee to consider a proposal to commence a pilot phase of an energy efficiency improvement initiative, which would involve undertaking works on eleven of the Group's properties with EPC ratings ranging from D to E, to upgrade these to C or above. The pilot project will provide us with an invaluable learning opportunity before we consider how to move forward with the wider portfolio. The Committee therefore recommended its commencement to the Board. Further information can be found in the Investment Manager's Report on page 41.

NET ZERO TARGET

The Committee considered and recommended to the Board the proposal to commit the Company to reduce portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021. This commitment reflects a science-based target, which is rooted in climate science and has been ratified by the Science Based Target Initiative (SBTi) and follows a specific science-aligned pathway for real estate assets. The Committee's oversight will be crucial to ensuring that the Company remains on track to successfully meeting this target, and therefore future-proofing the Group's portfolio of properties. Further information can be found in the Sustainability Report on pages 50 to 68.

/ PERFORMANCE EVALUATION

Refer to the Corporate Governance section on pages 94 to 95 for further details on the performance evaluation.

/ KEY AREAS OF FOCUS FOR 2024

Looking ahead to 2024, the Sustainability & Impact Committee will:

- continue to oversee the development and embedding of the ESG strategy with regular reviews of sustainability targets and performance against sustainability-related objectives;
- oversee the ongoing commitment to reduce portfolio emissions by 75% per m2 by 2035 from a baseline year of 2021;
- review progress with the eco-retrofit pilot programme and any learnings following its completion; and
- oversee and develop our reporting against TCFD requirements, to ensure our disclosures are transparent and clearly demonstrate sustainability outcomes for the Company.



Ian Reeves CBE
Sustainability & Impact 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 2023. It is set out in two sections in line with legislative reporting regulations:

- Directors' Remuneration Policy (on pages 109 to 110) – This sets out our Remuneration Policy for Directors of the Company and will be subject to a binding shareholder vote at the Company's 2024 AGM.
- Annual Report on Directors' Remuneration (on pages 111 to 113) – This sets out how the Directors were paid for the year ended 31 December 2023. There will be an advisory shareholder vote on this section of the report at our 2024 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.

DIRECTORS' REMUNERATION POLICY

The current remuneration policy was approved by shareholders at the Company's AGM held on 14 May 2021 with such approval expiring at the upcoming AGM. In accordance with section 439A of the Companies Act 2006, the Board will seek shareholder approval for the Directors' Remuneration Policy at the AGM scheduled for 16 May 2024. If approved, the Remuneration Policy will take effect from the conclusion of the AGM for a three-year period.

The policy is set out on pages 109 to 110 and remains unchanged from the policy that was approved at the 2021 AGM.

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 appreciate the constructive feedback we receive and we 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 that Annual General Meeting. In accordance with section 439A of the Companies Act 2006, a resolution to approve this Directors' Remuneration Policy will be proposed at the Annual General Meeting of the Group to be held on 16 May 2024. If the resolution is passed, the provisions of the policy will apply until they are next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or if the Remuneration Policy is varied, in which event shareholder approval for the new Remuneration Policy will be sought.

The policy applies to the non-executive Directors; the Company has no executive Directors or employees.

/ REMUNERATION POLICY OVERVIEW

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

/ POLICY TABLE

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

COMPONENT	OPERATION	LINK TO STRATEGY
Annual Fee	Each Director receives a basic fee which is paid on a monthly basis. The total aggregate fees that can be paid to the Directors in any given financial year will be calculated in accordance with the Company's Articles of Association.	The level of the annual fee has been set to attract and retain high calibre Directors with the skills and experience necessary for the role. The fee has been benchmarked against companies of a similar size in the sector, having regard to the time commitment and expected contribution to the role.
Additional 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, Board Committee meetings 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 [*]	ADDITIONAL FEE [†]	OTHER TAXABLE BENEFITS [‡]	TOTAL 2023	2022		2021		2020		2019	
					TOTAL	% ANNUAL CHANGE	TOTAL	% ANNUAL CHANGE	TOTAL	% ANNUAL CHANGE [#]	TOTAL	% ANNUAL CHANGE
Chris Phillips	£75,000	–	–	£75,000	£75,000	0%	£75,000	0%	£82,500	10%	£75,000	0%
Ian Reeves CBE	£50,000	–	–	£50,000	£50,000	0%	£50,000	0%	£57,500	15%	£50,000	0%
Peter Coward	£50,000	–	–	£50,000	£50,000	0%	£50,000	0%	£57,500	15%	£50,000	0%
Cecily Davis [§]	£30,513	–	–	£30,513	–	N/A	–	N/A	–	N/A	–	N/A
Tracey Fletcher-Ray	£50,000	–	–	£50,000	£50,000	0%	£50,000	0%	£57,500	0%	£50,000	0%
Former Non-Executive Directors												
Paul Oliver [¶]	£25,000	–	–	£25,000	£50,000	0%	£50,000	0%	£57,500	15%	£50,000	0%

* 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.

† The Directors received no additional fees for the year ended 31 December 2023.

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

§ Cecily Davis was appointed to the Board with effect from the conclusion of the Annual General Meeting on 23 May 2023.

¶ Paul Oliver retired from the Board with effect from 30 June 2023.

% Change in fee is in relation to additional fees for the prospectus in 2020 at £7,500 per Director.

/ 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 ended 31 December 2023 totalled £2,960 (31 December 2022: £3,238). 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 2023.

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 2022	NUMBER OF SHARES HELD AS AT 31 DECEMBER 2023	PERCENTAGE OF ISSUED SHARE CAPITAL AS AT 31 DECEMBER 2023
Chris Phillips	54,854*	54,854*	0.01%
Ian Reeves CBE	–	–	–
Peter Coward	79,263**	80,076**	0.02%
Cecily Davis	–	–	–
Tracey Fletcher-Ray	37,735	37,735	0.01%
Former Director			
Paul Oliver***	77,967	77,967	0.02%

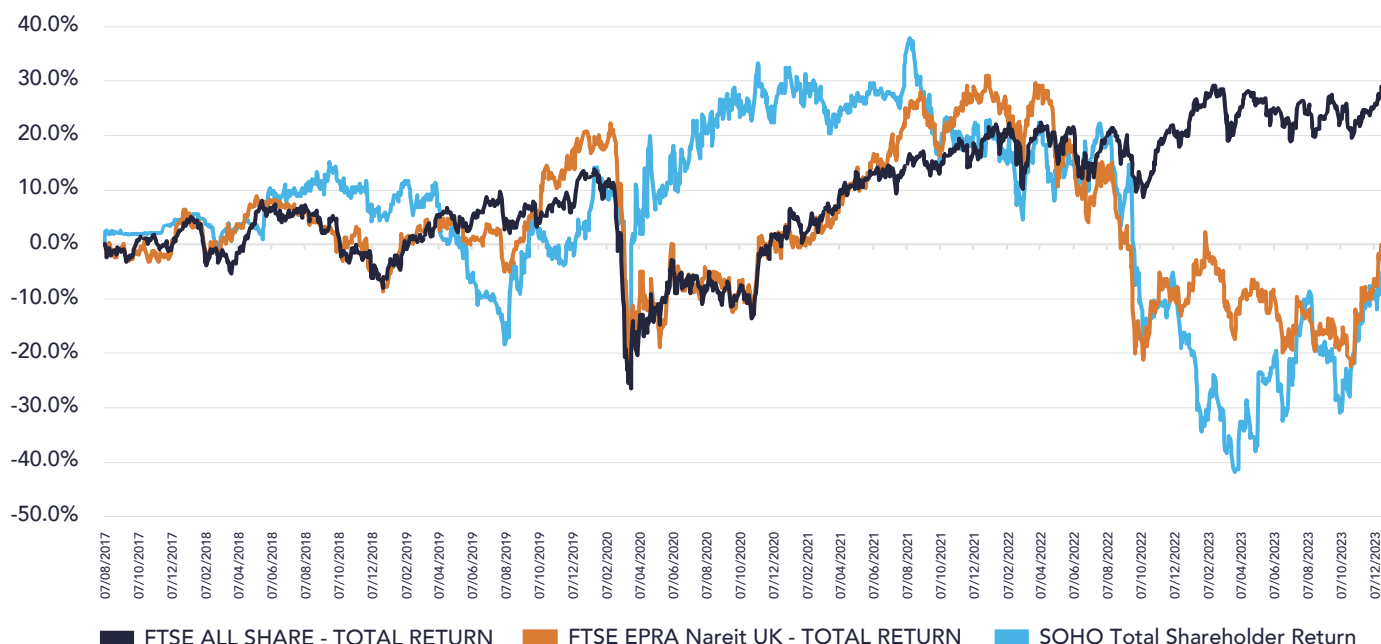
* 25,000 Ordinary Shares were subscribed through Chris Phillip's self-invested personal pension with the balance subscribed by Centaurea Investments Limited.

** 55,076 Ordinary Shares were subscribed through Peter Coward's self-invested personal pension.

*** Paul Oliver retired from the Board with effect from 30 June 2023.

/ 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.

	2023	2022
Directors' fees	£280,513	£275,000
Dividends paid	£21,622,131	£21,730,467
Share buybacks	£5,010,038	–
Management fee	£4,650,566	£4,704,319

/ CONSIDERATION OF SHAREHOLDER VIEWS

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

The resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) was passed at the Annual General Meeting on 23 May 2023. The resolution to approve the Directors' Remuneration Policy was passed on a poll at the Annual General Meeting on 14 May 2021.

DIRECTOR	VOTING FOR	VOTING AGAINST	VOTES WITHHELD
Remuneration Report (approved at AGM on 23 May 2023)	95.62%	4.38%	94,031
Remuneration Policy (approved at AGM on 14 May 2021)	97.87%	2.13%	504,233

On behalf of the Board:



Chris Phillips
Chair

7 March 2024

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 2023.

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 86 to 119 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 current serving Directors are set out in the Board of Directors section on pages 88 to 89, together with their biographical details and principal external appointments. Paul Oliver also served as a director during the year and retired from the Board with effect from 30 June 2023.

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 page 31 and a summary of the principal contents of the AIFM agreement and the Investment Management Agreement are set out in the management engagement committee report on page 102.

/ 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 132. In line with the target for the financial year, the Company declared the following interim dividends in respect of the year to 31 December 2023, amounting to 5.46 pence per share.

RELEVANT PERIOD	DIVIDEND PER SHARE (P)	EX DIVIDEND DATE	RECORD DATE	PAYMENT DATE
1 January to 31 March 2023	1.365	8 June 2023	9 June 2023	30 June 2023
1 April to 30 June 2023	1.365	14 September 2023	15 September 2023	29 September 2023
1 July to 30 September 2023	1.365	30 November 2023	1 December 2023	15 December 2023
1 October to 31 December 2023	1.365	14 March 2024	15 March 2024	On or around 29 March 2024

/ 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 financial statements.

/ AMENDMENT TO THE ARTICLES

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

/ SHARE CAPITAL

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

As at 31 December 2023, the Company had 393,916,490 Ordinary Shares in issue, 450,000 of which were held in treasury, as can be found in Notes 22 and 24 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 393,466,490. 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, the 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 23 May 2023, 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 during 2019 in the market and held in treasury and 9,322,512 Ordinary Shares were purchased during 2023 in the market and cancelled. 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 16 May 2024.

/ 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 to help reduce the industry's impact on emissions and the consumption of depleting resources. The Group voluntarily discloses Scope 3 property emissions within the sustainability report, further information on page 51.

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 2023 the Group is considered to be a low energy user, (<40,000kWh) and therefore falls below the threshold to produce an energy and carbon report.

/ 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 2023.

SHAREHOLDER	INTERESTS IN ORDINARY SHARES	% HOLDING DISCLOSED
East Riding of Yorkshire Council	32,879,797	9.36%
Investec Wealth & Investment Limited	28,892,160	8.22%
Nottinghamshire County Council Pension Fund	19,417,475	5.53%
Close Asset Management Limited	9,987,644	4.99%
Evelyn Partners Group Limited	19,892,781	4.93%
Brewin Dolphin Limited	16,032,858	4.56%
Evelyn Partners Investment Management Services Limited	14,054,009	3.99%
South Yorkshire Pensions Authority	11,955,713	3.40%
Legal & General Group Plc (Group)	12,227,217	3.03%

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 during the year ended 31 December 2023 can be found in Note 31 of the financial statements.

/ RESEARCH AND DEVELOPMENT

No expenditure on research and development was made during the year (2022: Nil).

/ DONATIONS AND CONTRIBUTIONS

No political or charitable donations were made during the year (2022: 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 on 16 May 2024 at 10.00am at Hill House, 1 Little New Street, London, EC4A 3TR.

/ 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	17 to 21
Employee engagement	58 to 59
Employment of disabled persons	58 to 59
Business relationships	58 to 59

On behalf of the Board:



Chris Phillips
Chair

7 March 2024

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 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 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.

The Directors also confirm, to the best of their knowledge, that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

/ APPROVAL

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

A handwritten signature in black ink, appearing to read 'C Phillips', written in a cursive style.

Chris Phillips
Chair

7 March 2024

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 2023 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 United Kingdom Generally Accepted Accounting Practice; 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 2023 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 material accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is United Kingdom Accounting Standards including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

/ BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

INDEPENDENCE

Following the recommendation of the Audit Committee, we were appointed by the Directors on 18 July 2017 to audit the financial statements for the year ended 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 seven years, covering the years ended 31 December 2017 to 31 December 2023. 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:

- Using our knowledge of the Group and its relevant market sector together with current general economic environment to assess the Directors' identification of the inherent risks to the Group's and the Parent Company's business and how these might impact the Group's and the Parent Company's ability to remain a going concern during the going concern period which is at least 12 months from when the financial statements are authorised for issue.
- 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 capital expenditures, the movements in investment property valuations, movements in the Group's level of borrowings and the associated interest, rental income increases and the level of cash collections. We obtained evidence, where available, to support inputs into the model.
- Testing the arithmetical accuracy of the going concern 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. We challenged assumptions made by the Directors on these stress-tested models, 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 board minutes, and evidence obtained through the audit and challenging the Directors on the identification of any contradictory information in the forecasts and the resultant impact to the going concern assessment.
- Reviewing the post year end rent receipts for trade debtors as at 31 December 2023 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*	100% (2022: 100%) of Group revenue		
	100% (2022: 100%) of Group investment property		
	99.9% (2022: 99.9%) of Group total assets		
	100% (2022: 99.8%) of Group profit before tax		
KEY AUDIT MATTERS		2023	2022
	Investment property valuations	✓	✓
MATERIALITY	Group financial statements as a whole £7,130,000 (2022: £7,060,000) based on 1% (2022: 1%) of 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 were performed by the Group audit team.

We identified four significant components, in addition to the Parent Company:

- Norland Estates Limited
- TP REIT Propco 2 Limited
- TP REIT Propco 3 Limited
- TP REIT Propco 4 Limited

All significant components were subject to full scope audits. Audit work on the remaining components in the Group were undertaken subject to Group materiality. Material balances and significant risk areas were tested substantively and through analytical procedures.

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

KEY AUDIT MATTERS

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

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Investment property valuations Refer to notes 3.1 and 4.1 in relation to significant estimates and accounting policies. Refer to note 14 in relation to investment properties.	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 the relevant accounting standards. We assessed the external valuer's qualifications, independence and objectivity. We obtained a copy of the instructions provided by the Investment Manager to the independent valuer and reviewed for any limitations in scope or for evidence of management bias. We checked the underlying data provided by the Investment Manager to the independent valuer. 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. We developed yield expectations on all properties in the Group's portfolio using available independent industry data and reports around the year end. This was undertaken with the assistance of our internal valuation experts. Alongside our internal valuation experts we discussed the assumptions used and the valuation movement in the year with both the Investment Manager and the independent valuer. Where the assumptions used or valuation movement 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 independent valuer their views on the impact on the valuations of all Approved 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. We reviewed the appropriateness of the Group's disclosures within the financial statements in relation to the valuation methodology, key valuation assumptions and valuation sensitivity analysis. 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.

/ 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	
	2023 £M	2022 £M	2023 £M	2022 £M
MATERIALITY	7.13	7.06	4.09	4.14
BASIS FOR DETERMINING MATERIALITY	1.0% of total assets	1.0% of total assets	0.9% of total assets	1.0% of total assets
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. Parent Company materiality was based on total assets at year end before consideration of the reversal of investment impairment.			
PERFORMANCE MATERIALITY	5.35	4.94	3.07	2.90
BASIS FOR DETERMINING PERFORMANCE MATERIALITY	On the basis of our risk assessment, together with our assessment of the Group's and Parent Company's overall control environment, our judgement was that performance materiality should be 75% (2022: 70%) of materiality.			
RATIONALE FOR THE PERCENTAGE APPLIED FOR PERFORMANCE MATERIALITY	We determined performance materiality based on our risk assessment, together with our assessment of the Group's and Parent Company's overall control environment, the small number of components, the low level of brought forward adjustments impacting the current year, low value of expected misstatements and the Investment Manager's open consideration to adjusting for misstatements raised.			

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 £975,000 (2022: £962,000). This was set at 5% (2022: 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, expected credit loss, directors' remuneration, general and administrative expenses, management fees, finance income and finance costs. We further applied a performance materiality level of 75% (2022: 70%) 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 65% (2022: 65%) of Group specific materiality being £634,000 (2022: £625,000).

COMPONENT MATERIALITY

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of 1% (2022: 1%) of total assets of each component after considering the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £1,520,000 to £4,860,000 (2022: £1,600,000 to £4,810,000). Consistent with the Group, we also used specific materiality set at 5% (2022: 5%) of EPRA earnings to test other account balances, classes of transactions and disclosures not related to investment properties, that specifically impact the measurement of EPRA earnings. Component specific materiality ranged from £265,000 to £634,000 (2022: £180,000 to £716,000). In the audit of each component, we further applied performance materiality levels of 75% (2022: 70%) 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 £356,000 (2022: £353,000) for items audited to financial statement materiality, and £48,000 (2022: £48,000) 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 £204,000 (2022: £207,000) for items audited to financial statement materiality, and £31,000 (2022: £31,200) 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 80 to 81; 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 81.
OTHER CODE PROVISIONS	• Directors' statement on fair, balanced and understandable set out on page 118; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 74 to 79; • The section of the Group Financial Statements that describes the review of effectiveness of risk management and internal control systems set out on page 98; and • The section describing the work of the Audit Committee set out on page 97.

/ 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:

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with the Investment Manager, Audit Committee and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting frameworks, Companies Act 2006, Listing Rules and the UK Real Estate Investment Trust regime.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the housing association regulations and health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax experts in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

FRAUD

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with Investment Manager, the Audit Committee and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensic specialists in the audit to assist in fraud risk assessment; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be investment property valuations and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by the Investment Manager for bias (refer to key audit matters section of this report); and
- We also addressed the risk of management override of controls by evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

7 March 2024

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





Financials

Group Statement of Comprehensive Income

for the year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Income			
Rental income	5	39,839	37,300
Expected credit loss	5	(4,593)	(2,073)
Other income		–	110
Total income		35,246	35,337
Expenses			
Directors' remuneration	6	(312)	(308)
General and administrative expenses	9	(3,245)	(2,854)
Management fees	8	(4,651)	(4,704)
Total expenses		(8,208)	(7,866)
Gain from fair value adjustment on investment properties	14	15,477	8,264
Operating profit		42,515	35,735
Finance income	11	52	56
Finance costs	12	(7,578)	(10,889)
Profit for the year before tax		34,989	24,902
Taxation	13	–	–
Profit and total comprehensive income for the year		34,989	24,902
IFRS Earnings per share – basic and diluted	36	8.81p	6.18p

The accompanying notes on pages 136 to 154 form an integral part of these Group Financial Statements.

Group Statement of Financial Position

as at 31 December 2023

	Note	31 December 2023 £'000	31 December 2022 £'000
Assets			
Non-current assets			
Investment properties	14	675,497	667,713
Trade and other receivables	15	4,233	2,889
Total non-current assets		679,730	670,602
Current assets			
Trade and other receivables	16	3,864	4,272
Cash, cash equivalents and restricted cash	17	29,452	30,139
Total current assets		33,316	34,411
Total assets		713,046	705,013
Liabilities			
Current liabilities			
Trade and other payables	18	2,722	3,120
Total current liabilities		2,722	3,120
Non-current liabilities			
Other payables	19	1,524	1,520
Bank and other borrowings	20	261,183	261,088
Total non-current liabilities		262,707	262,608
Total liabilities		265,429	265,728
Total net assets		447,617	439,285
Equity			
Share capital	22	3,940	4,033
Share premium reserve	23	203,753	203,753
Treasury shares reserve	24	(378)	(378)
Capital redemption reserve	25	93	–
Capital reduction reserve	25	155,359	160,394
Retained earnings	26	84,850	71,483
Total Equity		447,617	439,285
IFRS net asset value per share – basic and diluted	37	113.76p	109.06p

The Group Financial Statements were approved and authorised for issue by the Board on 7 March 2024 and signed on its behalf by:



Chris Phillips

Chair

7 March 2024

The accompanying notes on pages 136 to 154 form an integral part of these Group Financial Statements.

Group Statement of Changes in Equity

as at 31 December 2023

Year ended 31 December 2023	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		4,033	203,753	(378)	–	160,394	71,483	439,285
Profit and total comprehensive income for the year		–	–	–	–	–	34,989	34,989
<i>Transactions with owners</i>								
Dividends paid	27	–	–	–	–	–	(21,622)	(21,622)
Shares repurchased	25	(93)	–	–	93	(5,035)	–	(5,035)
Balance at 31 December 2023		3,940	203,753	(378)	93	155,359	84,850	447,617

Year ended 31 December 2022	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022		4,033	203,753	(378)	–	160,394	68,311	436,113
Profit and total comprehensive income for the year		–	–	–	–	–	24,902	24,902
<i>Transactions with owners</i>								
Dividends paid	27	–	–	–	–	–	(21,730)	(21,730)
Balance at 31 December 2022		4,033	203,753	(378)	–	160,394	71,483	439,285

The accompanying notes on pages 136 to 154 form an integral part of these Group Financial Statements.

Group Statement of Cash Flows

for the year ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities			
Profit before income tax		34,989	24,902
Adjustments for:			
Expected credit loss		4,593	2,073
Gain from fair value adjustment on investment properties		(15,477)	(8,264)
Finance income		(52)	(56)
Finance costs		7,578	10,889
Operating results before working capital changes		31,631	29,544
Increase in trade and other receivables		(5,528)	(4,127)
(Decrease)/increase in trade and other payables		(240)	280
Net cash generated from operating activities		25,863	25,697
Cash flows from investing activities			
Purchase of/capital expenditures on investment properties		67	(20,611)
Disposal proceeds from sale of assets (net of transaction costs)		7,472	2,120
Restricted cash – paid		–	(5)
Restricted cash – released		5	133
Interest received		8	18
Net cash generated from/(used in) investing activities		7,552	(18,345)
Cash flows from financing activities			
Interest paid		(7,228)	(7,226)
Shares repurchased (including transaction costs)	25	(5,035)	–
Loan arrangement fees paid	21	(212)	(599)
Dividends paid	27	(21,622)	(21,730)
Net cash used in financing activities		(34,097)	(29,555)
Net decrease in cash and cash equivalents		(682)	(22,203)
Cash and cash equivalents at the beginning of the year		29,696	51,899
Cash and cash equivalents at the end of the year	17	29,014	29,696

The accompanying notes on pages 136 to 154 form an integral part of these Group Financial Statements.

Notes to the Group Financial Statements

for the year ended 31 December 2023

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.

The preparation of financial statements in compliance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing these financial statements and their effect are disclosed in note 3.

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. 90.2% of rental income due and payable for the year ended 31 December 2023 has been collected, rent arrears are predominantly attributable to two Approved Providers, My Space Housing Solutions and Parasol Homes.

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 'C Long-Term Issuer Default Rating 'A-' with a stable outlook and a senior secured rating of 'A' for the Group's existing loan notes.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, 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.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table below. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. 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 is remote.

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover (ACR)		
Asset Cover Ratio Covenant	x2.00	x1.67
Asset Cover Ratio 31 December 2023	x2.81	x2.01
Blended Net initial yield	5.75%	5.86%
Headroom (yield movement)	214bps	112bps
Interest Cover (ICR)		
Interest Cover Ratio Covenant	1.75x	1.75x
Interest Cover Ratio 31 December 2023	4.63x	4.26x
Headroom (rental income movement)	62%	53%

Under the downside model the forecasts have been stressed to show the effect of some Care Providers ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases; and the assumptions for the amount of rent paid by one Approved Provider that has built up arrears have been sensitised. Under the downside model the Group 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 9.6 year average maturity of its long-term debt facilities with MetLife 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 Group 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 Group'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 related assets and liabilities within the next financial year are outlined below:

ESTIMATES:

3.1. INVESTMENT PROPERTIES

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

The Group's properties have been independently valued by Jones Lang LaSalle Limited ("JLL" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered

Surveyors' ("RICS") Valuation – Professional Standards, 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 in general and Specialist Supported Housing 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. Given the bespoke nature of each of the Group's investments, all of the Group's investment properties are included in Level 3 with the inputs included in note 14.

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

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

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

3.2. EXPECTED CREDIT LOSSES (ECL)

The Group recognised an additional ECL provision of £4.6 million in the current year (31 December 2022 - £2.1 million) resulting in a total ECL provision of £6.7 million as at 31 December 2023 (31 December 2022 - £2.1 million) which entirely relates to rental arrears for two of the Group's Approved Providers. A default probability for each of the two Approved Providers, representing the estimated percentage likelihood of them paying outstanding rent due at 31 December 2023, was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. For each provider the estimated percentage probability of receiving unpaid rent has been multiplied by the rental arrears as at the statement of financial position date. These two figures have been aggregated to arrive at the ECL provision.

Notes to the Group Financial Statements

for the year ended 31 December 2023

JUDGEMENTS:

3.3. LEASES INCENTIVE DEBTOR

The lease incentive debtor recognised from rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances. The credit risk associated with the tenant is considered in the determination of the fair value of the related property. In the current year, the income recognised in respect of such rent smoothing amounted to £1,500,000 (2022: £636,000).

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

4.1. 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.

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

4.2. 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.

Properties leased out under operating leases are included in investment properties 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. Tenant lease incentives are not subject to expected credit loss provision under IFRS 9 as the Group does not have unconditional right to collect cash flows relating to these assets but do impact the carrying amounts of the related investment properties as at the statement of financial position date. Therefore a lease incentive debtor is recognised based on the smoothing of rent free periods granted such that the rental income from operating leases is recognised on a straight-line basis over the lease term. The lease incentive debtor recognised from such rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances, although the credit risk is considered in the determination of the fair value of the related property.

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 trade and other payables (notes 18 and 19). The lease liabilities are measured at the present value of the remaining lease payments, discounted using an appropriate discount rate at inception of the lease or on initial recognition. 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 properties (note 14), and after initial recognition are subsequently measured at fair value.

SUB-LEASES

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

4.3. 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. Rent receivables are reported net of the ECL provision and the movement in the provision is recognised in the Group statement of comprehensive income. On confirmation that the rent receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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

4.4. 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.

4.5. 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.

4.6. DIVIDENDS PAYABLE TO SHAREHOLDERS

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

4.7. 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 and are not subjected to an expected credit loss provision under IFRS 9. 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.

4.8. 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 are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

4.9. INVESTMENT MANAGEMENT FEES

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

4.10. 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.

Notes to the Group Financial Statements

for the year ended 31 December 2023

5. RENTAL INCOME

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Rental income – freehold assets	37,473	35,087
Rental income – leasehold assets	2,366	2,213
	39,839	37,300
Expected credit loss	4,593	2,073

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

All rental income arose within the United Kingdom.

The expected loss rates are based on the Group's credit losses which started to occur during the year ended 31 December 2022 for the first time since IPO. The expected loss rates are then adjusted for current and forward-looking information affecting the Group's tenants. The ECL provision during the year of £4.6 million includes £1.0 million relating to unpaid rent for the year ended 31 December 2022 reflecting the increase in the expected credit loss from the continued partial non-payment of rent due by two of the Group's tenants.

6. DIRECTORS' REMUNERATION

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Directors' fees	280	275
Employer's National Insurance Contributions	32	33
	312	308

The Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a Director's fee of £75,000 per annum (2022: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2022: £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. Each Director was paid this additional fee in 2020 following the publication of the prospectus, but no additional fees were paid during 2023 or 2022. A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report within the Corporate Governance Report. None of the Directors received any advances or credits from any group entity during the year.

7. PARTICULARS OF EMPLOYEES

The Group and Company had no employees during the year other than the Directors (2022: none).

8. MANAGEMENT FEES

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Management fees	4,651	4,704

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; and
- 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 £4,651,000 (2022: £4,704,000) were chargeable by TPIM during the year. At the year end £1,180,000 (2022: £1,159,000) 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 2023 £'000	Year ended 31 December 2022 £'000
Legal and professional fees	972	829
Property costs	579	404
Marketing costs	466	341
Audit fees	400	371
Administration and Secretarial Fees	318	324
AIFM fees	216	192
Lease transfer costs	11	151
Other administrative expenses	283	242
	3,245	2,854

On 1 October 2019 Hanway Advisory Limited, who are associated with Triple Point Investment Management LLP the delegated investment manager, were appointed to provide Administration and Company Secretarial Services to the Group. Within Administration Fees is an amount of £318,000 (2022: £324,000) for Administration and 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 £216,000 (2022: £192,000) were chargeable by TPIM. At the year end £53,000 (2022: £48,000) was due to TPIM.

Lease transfer costs represent repairs 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 2023 £'000	Year ended 31 December 2022 £'000
Group audit fees – current year	259	242
Subsidiary audit fees	33	31
	292	273

Non audit fees paid to BDO LLP included £40,000 (2022: £36,000) in relation to the half year interim review.

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

> TP REIT Super Holdco Limited	> Norland Estates Limited
> TP REIT Holdco 1 Limited	> TP REIT Propco 2 Limited
> TP REIT Holdco 2 Limited	> TP REIT Propco 3 Limited
> TP REIT Holdco 3 Limited	> TP REIT Propco 4 Limited
> TP REIT Holdco 4 Limited	> TP REIT Propco 5 Limited
> TP REIT Holdco 5 Limited	

11. FINANCE INCOME

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Other interest income	52	56

12. FINANCE COSTS

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Interest payable on bank borrowings	7,217	7,217
Amortisation of loan arrangement fees	307	1,006
Written off loan arrangement fees	–	2,619
Head lease interest expense	44	37
Bank charges	10	9
	7,578	10,889
Total finance cost for financial liabilities not measured at fair value through profit or loss	7,568	10,880

Written off loan arrangement fees in the year ended 31 December 2022 relate to the Lloyds and NatWest loan facility that was reduced and subsequently cancelled during that year. All remaining unamortised loan arrangement fees in respect of this facility were written off.

Notes to the Group Financial Statements

for the year ended 31 December 2023

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 year ended 31 December 2023, 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 2023 £'000	Year ended 31 December 2022 £'000
Current tax		
Corporation tax charge for the year	–	–
Total current income tax charge in the profit or loss	–	–

The tax charge for the period is less than the standard rate of corporation tax in the UK of 25% (2022: 19%). The differences are explained below.

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Profit for the year before tax	34,989	24,902
Tax at UK corporation tax standard rate of 25/19%	8,747	4,731
Change in fair value of investment properties	(3,969)	(2,727)
Disposal of investment property	100	1,157
Exempt REIT income	(5,707)	(3,768)
Amounts not deductible for tax purposes	49	27
Unutilised residual current period tax losses	780	580
	–	–

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
As at 1 January 2023	667,713
Acquisitions and additions*	(224)
Fair value adjustment**	15,875
Movement in head lease ground rent liability	4
Transferred to Assets Held for Sale before disposal***	(7,871)
As at 31 December 2023	675,497

	Operational assets £'000
As at 1 January 2022	641,293
Acquisitions and additions*	19,752
Fair value adjustment**	15,239
Movement in head lease ground rent liability	(2)
Transferred to Assets Held for Sale before disposal***	(1,494)
Disposals	(7,075)
As at 31 December 2022	667,713

* Additions in the table above differs to the total investment cost of new properties in the period in the front end due to retentions no longer payable which were credited to Investment Property additions.

** Gain from fair value adjustment on investment properties in the Group Statement of Comprehensive Income is net of the loss from fair value adjustments on assets held for sale of £0.28 million (31 December 2022 – £0.88 million) and loss on disposal of four properties of £0.11 million (31 December 2022 - £6.1 million).

*** Assets transferred to assets held for sale before disposal were presented as assets held for sale during the interim period ended 30 June 2023 (30 June 2022) and were eventually disposed on 31 August 2023 (28 July 2022 & 29 July 2022).

Reconciliation to independent valuation:

	31 December 2023 £'000	31 December 2022 £'000
Investment property valuation	678,358	669,077
Fair value adjustment – head lease ground rent	1,463	1,460
Fair value adjustment – lease incentive debtor	(4,324)	(2,824)
	675,497	667,713

The carrying value of leasehold properties at 31 December 2023 was £41.1 million (2022: £40.1 million).

In accordance with "IAS 40: Investment Property", the Group's investment properties have been independently valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited external valuer with recognised and relevant professional qualifications. The independent valuers provide their fair value of the Group's investment property portfolio every 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 2023.

Portfolio metrics	31 December 2023	31 December 2022
Capital Deployed (£'000)*	574,827	581,647
Number of Properties	493	497
Number of Tenancies***	390	395
Number of Approved Providers***	27	27
Number of Local Authorities***	153	153
Number of Care Providers***	116	123
Valuation Net Initial Yield (NIY)**	5.71%	5.49%

* calculated excluding acquisition costs.

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

*** calculated excluding forward funding acquisitions.

REGIONAL EXPOSURE

Region	31 December 2023		31 December 2022	
	*Cost £'000	% of funds invested	*Cost £'000	% of funds invested
North West	109,880	19.1	115,042	19.8
West Midlands	93,635	16.3	94,790	16.3
Yorkshire	87,148	15.2	86,293	14.8
East Midlands	63,979	11.1	69,429	11.9
North East	56,653	9.9	51,986	8.9
South East	53,674	9.3	54,799	9.4
London	49,626	8.6	49,579	8.5
South West	27,466	4.8	27,466	4.7
East	24,206	4.2	23,703	4.1
Scotland	5,900	1.0	5,900	1.0
Wales	2,660	0.5	2,660	0.6
Total	574,827	100	581,647	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 2023	675,497	–	–	675,497
Investment properties	31 December 2022	667,713	–	–	667,713

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 an investment property requires an examination of the specific merits of each property that are in turn considered pertinent to the valuation.

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These include i) the regulated social housing sector and demand for the facilities offered by each Specialised Supported Housing 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 Registered Provider itself regulated by the Regulator of Social Housing.

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 Specialised Supported Housing property owned by the Group; costs of acquisition and refurbishment of each property; the anticipated future underlying cash flows for each property; benchmarking of each underlying rent for each property (passing rent); and the fact that all of the Group's properties have the benefit of full repairing and insuring leases entered into by a Housing Association.

All 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. The valuer also considers the resulting net initial yield for each property for appropriateness.

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 7.3% (2022: 6.82%).

The range of discount rates used in the Group's property portfolio valuation is from 6.5% to 10.0% (2022: 6.2% to 8.6%).

For the purposes of the valuation, CPI and RPI is assumed to increase by 2% per annum and 2.5% per annum respectively over the term of the relevant leases.

	-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 2023	38,653	(35,403)	19,143	(18,377)
Changes as at 31 December 2022	40,552	(36,941)	21,037	(20,207)

The valuations have 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 2023 £'000	31 December 2022 £'000
Lease incentive debtor	4,072	2,717
Other receivables	161	172
	4,233	2,889

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 2023 £'000	31 December 2022 £'000
Rent receivable	2,436	3,209
Prepayments	252	107
Other receivables	189	174
Lease incentive debtor	987	782
	3,864	4,272

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 rent and other receivables. Where the credit loss relates to revenue already recognised in the Statement of Comprehensive Income, the expected credit loss allowance is recognised in the Statement of Comprehensive Income. The Expected credit losses included in rent receivables is £6,666,000 (2022: £2,073,000) of which £4,593,000 (2022: £2,073,000) were charged to the Statement of Comprehensive Income in the year.

17. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2023 £'000	31 December 2022 £'000
Cash at bank	29,014	29,152
Restricted cash	438	443
Cash held by lawyers	–	544
	29,452	30,139

Cash held by lawyers is money held in escrow for retention releases and SDLT reclaimed from HMRC. These funds are available immediately on demand.

Restricted cash represents monies held in escrow in relation to the transfer of leases during 2020.

	31 December 2023 £'000	31 December 2022 £'000
Total Cash, cash equivalents and restricted cash	29,452	30,139
Restricted cash	(438)	(443)
Cash reported on Group Statement of Cash Flows	29,014	29,696

18. TRADE AND OTHER PAYABLES

	31 December 2023 £'000	31 December 2022 £'000
Current liabilities		
Trade payables	–	37
Accruals	2,270	2,014
Head lease ground rent (note 28)	40	40
Other creditors	412	1,029
	2,722	3,120

The Other Creditors balance consists of retentions due on completion of outstanding works and on the rebate of stamp duty refunds. 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

	31 December 2023 £'000	31 December 2022 £'000
Non-current liabilities		
Head lease ground rent (note 28)	1,424	1,420
Rent deposit	100	100
	1,524	1,520

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20. BANK AND OTHER BORROWINGS

	31 December 2023 £'000	31 December 2022 £'000
Bank and other borrowings drawn at year end	263,500	263,500
Unamortised costs at beginning of the year	(2,412)	(4,798)
Less: loan issue costs incurred	(212)	(131)
Add: loan issue costs amortised	307	433
Add: loan issue costs written off	–	2,085
Unamortised costs at end of the year	(2,317)	(2,412)
Balance at year end	261,183	261,088

The amount of loan arrangement fees written off and amortised in 2022 as per note 12, and loan arrangement fees paid in the Group statement of cash flows for the year ended 31 December 2022 differ to the amounts in the table above as the amounts in the table above exclude amounts related to the undrawn Revolving Credit Facility ("RCF") which was cancelled in the prior year.

At 31 December 2023 there were undrawn bank borrowings of £NIL (2022: £NIL).

As at 31 December 2023, 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 (and affiliated funds); and
- £195 million long dated, fixed rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management clients and Barings.

The Group also had access to £160 million RCF with Lloyds and NatWest which was cancelled in December 2022. Prior to being cancelled, the facility was undrawn.

LOAN NOTES

The Loan Notes of £68.5 million are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £192 million (31 December 2022 - £189 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 2.94% pa; and Tranche-B, is an amount of £27 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 3.215% pa. On a blended basis, the weighted average term is 12 years carrying a weighted average fixed rate coupon of 3.039% pa. At 31 December 2023, the Loan Notes have been independently valued at £59.3 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 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 3.357% 2028 Gilt (Tranche A) and Treasury 3.439% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

In August 2021, the Group put in place Loan Notes of £195 million which enabled the Group to refinance the full £130 million previously drawn under its £160 million RCF with Lloyds and NatWest. The Loan Notes are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £392 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% pa; 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% pa. On a blended basis, the weighted average term is 13 years carrying a weighted average fixed rate coupon of 2.634% pa. At 31 December 2023, the Loan Notes have been independently valued at £145.7 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 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 3.398% 2031 Gilt (Tranche A) and Treasury 3.716% 2036 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

The Group's loan to value at the year end was 37.0% (2022: 37.4%).

The loans are considered a Level 2 fair value measurement.

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

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 2023	261,088	1,460	262,548
Cash flows:			
Loan arrangement fees paid	(212)	–	(212)
Non-cash flows:			
– Amortisation of principal on head lease liabilities	–	(40)	(40)
– Amortisation of loan arrangement fees	307	–	307
– Accrued interest on head lease liabilities	–	44	44
At 31 December 2023	261,183	1,464	262,647

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2022	258,702	1,463	260,165
Cash flows:			
Loan arrangement fees paid	(131)	–	(131)
Non-cash flows:			
– Amortisation of principal on head lease liabilities	–	(40)	(40)
– Amortisation of loan arrangement fees	433	–	433
– Loan arrangement fees written off	2,084	–	2,084
– Accrued interest on head lease liabilities	–	37	37
At 31 December 2022	261,088	1,460	262,548

22. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2023	403,239,002	4,033
Shares cancelled in the year	(9,322,512)	(93)
At 31 December 2023	393,916,490	3,940

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2022	403,239,002	4,033
At 31 December 2022	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.

Since then there were three public offers up to 21 October 2020 and a further 193,916,490 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.

Between 19 April 2023 and 12 June 2023 the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share, the shares were subsequently cancelled.

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23. SHARE PREMIUM RESERVE

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

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	203,753	203,753
Balance at end of year	203,753	203,753

24. TREASURY SHARES RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	(378)	(378)
Balance at end of year	(378)	(378)

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. No treasury shares were purchased during the current 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 2023 and 31 December 2022, 450,000 1p Ordinary Shares were held by the Company.

25. CAPITAL REDUCTION RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	160,394	160,394
Share buybacks and cancellation	(5,035)	—
Balance at end of year	155,359	160,394

The capital reduction reserve is a distributable reserve that was created on the cancellation of share premium.

Between 19 April 2023 and 12 June 2023 the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share. The shares were subsequently cancelled.

CAPITAL REDEMPTION RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	—	—
Original shares repurchased & cancelled	93	—
Balance at end of year	93	—

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks.

26. RETAINED EARNINGS

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	71,483	68,311
Total comprehensive income for the year	34,989	24,902
Dividends paid	(21,622)	(21,730)
Balance at end of year	84,850	71,483

27. DIVIDENDS

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
1.3p for the 3 months to 31 December 2021 paid on 25 March 2022	—	5,236
1.365p for the 3 months to 31 March 2022 paid on 24 June 2022	—	5,498
1.365p for the 3 months to 30 June 2022 paid on 30 September 2022	—	5,498
1.365p for the 3 months to 30 September 2022 paid on 16 December 2022	—	5,498
1.365p for the 3 months to 31 December 2022 paid on 29 March 2023	5,498	—
1.365p for the 3 months to 31 March 2023 paid on 28 June 2023	5,382	—
1.365p for the 3 months to 30 June 2023 paid on 29 September 2023	5,371	—
1.365p for the 3 months to 30 September 2023 paid on 15 December 2023	5,371	—
	21,622	21,730

On 7 March 2024, the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period 1 October 2023 to 31 December 2023. The total dividend of £5,370,818 will be paid on or around 29 March 2024 to Ordinary shareholders on the register on 15 March 2024.

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 the Treasury shares held by the Company.

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	1-2 years £'000	2-3 years £'000
Lease payables			
31 December 2023	40	40	40
31 December 2022	40	40	40

	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease payables				
31 December 2023	40	40	7,197	7,397
31 December 2022	40	40	7,242	7,442

	31 December 2023 £'000	31 December 2022 £'000
Current liabilities (note 18)	40	40
Non-current liabilities (note 19)	1,424	1,420
Balance at end of year	1,464	1,460

The above is in respect of properties held by the Group under leasehold. There are 23 properties (2022: 23) held under leasehold with lease terms which range from 125 years to 985 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 undiscounted minimum lease payments receivable by the Group under non-cancellable operating leases are as follows:

	<1 year £'000	1-2 years £'000	2-3 years £'000
Lease receivables			
31 December 2023	40,971	40,971	40,971
31 December 2022	38,975	38,975	38,975

	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease receivables				
31 December 2023	40,971	40,971	451,354	656,209
31 December 2022	38,975	38,975	462,374	657,249

Leases are direct-let agreements with Registered Providers for a term of at least 15 years and usually between 20 to 25 years with rental uplifts 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 10% or more than 10% share in any year presented:

Registered Provider	31 December 2023 % of total annual rent	31 December 2022 % of total annual rent
Inclusion Housing CIC	29	29
Parasol Homes (previously 28A Supported Living)	10	10

Other disclosures about leases are provided in notes 5, 14, 16, 19 and 33.

29. CONTROLLING PARTIES

As at 31 December 2023 there is no ultimate controlling party of the Company.

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30. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified based on 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 493 (2022: 497) Social Housing properties as at 31 December 2023 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 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

Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a Director's fee of £75,000 per annum (2022: £75,000), and the other directors of the Board receive a fee of £50,000 per annum (2022: £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: £2,995 (2022: £2,960)

Peter Coward: £4,372 (2022: £4,266)

Tracey Fletcher-Ray: £2,060 (2022: £2,036)

Paul Oliver: dividends received in the year until resignation £2,128 (2022: £4,206)

No shares were held by Ian Reeves & Cecily Davis as at 31 December 2023 (31 December 2022: nil).

INVESTMENT MANAGER

The Company considers Triple Point Investment Management LLP (the 'Investment Manager') as a key management personnel and therefore a related party. Further details of the investment management contract and transactions with the Investment Manager are disclosed in note 8 and 9.

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

The subsidiaries listed below were held as at 31 December 2023:

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%

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

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 2023, and are not expected to in the immediate future, but will continue to be monitored closely.

Please refer to the Corporate Social Responsibility Report on pages 54 to 55 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 2023 from climate change factors, given that there is little measurable impact on inputs at present.

33.2. INTEREST RATE RISK

The Group's debt at 31 December 2023 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 risk from both its leasing activities and financing activities, including deposits with banks and other institutions as detailed in notes 17 and 20.

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CREDIT RISK RELATED TO FINANCIAL INSTRUMENTS AND CASH DEPOSITS

One of the principal credit risks the Group faces arises with the funds it holds with banks and other institutions. At 31 December 2023 the Group has £29.5 million in current accounts held at banks, see note 17. 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 2023, 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, see note 20.

All financial assets are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets disclosed in notes 15 and 16.

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 balance of outstanding rent at 31 December 2023 was £2.4 million after a provision for the expected credit loss.

The Group has leases in place with ten Registered Providers that have been deemed non-compliant by the Regulator of Social Housing (RSH) as at 31 December 2023 (2022: 10). We continue to conduct ongoing due diligence on all Registered Providers and all rents payable under these leases have been paid. We continue to monitor and maintain a dialogue with the Registered Providers as they work with advisers and the RSH to implement a financial and governance improvement action plan in order to address the RSH's concerns. The Board believes that the credit risk associated with the non-compliant rating is limited.

Rent receivable is the Group's only financial asset that is subjected to the expected credit loss model. While the Group has other financial assets that are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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:

	< 3 months £'000	3-12 months £'000	1-5 years £'000	> 5 years £'000	Total £'000
31 December 2023					
Headleases (note 28)	10	30	160	7,197	7,397
Trade and other payables	2,487	195	–	–	2,682
Bank and other borrowings (note 20):					
– Fixed interest rate	–	–	41,500	222,000	263,500
– Variable interest rate	–	–	–	–	–
Interest payable on bank and other borrowings:					
– Fixed interest rate	1,804	5,413	28,263	33,913	69,393
– Variable interest rate	–	–	–	–	–
	4,301	5,638	69,923	263,110	342,972
31 December 2022					
Headleases (note 28)	10	30	160	7,242	7,442
Trade and other payables	2,880	105	95	–	3,080
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	1,804	5,413	28,869	40,523	76,609
– Variable interest rate	–	–	–	–	–
	4,694	5,548	29,124	311,265	350,631

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, cash equivalents and restricted cash.

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 2023 £'000	Fair value 31 December 2023 £'000	Book value 31 December 2022 £'000	Fair value 31 December 2022 £'000
Financial liabilities:				
Borrowings	261,183	205,078	261,088	190,314

34. POST BALANCE SHEET EVENTS

In February 2024, the Company agreed to extend a creditor agreement with Parasol (9.7% of our Company revenues) on similar terms for a further six months whilst we finalise a longer-term agreement with Parasol that should see rent paid to the Group by Parasol increase over time. The original agreement was effective from the 1 July 2023 and was reflective of the level of rent being received by Parasol at the time. Parasol have consistently met the terms of the agreement.

On 7 March 2024, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2023 to 31 December 2023. The total dividend of £5,370,818 will be paid on or around 29 March 2024 to Ordinary shareholders on the register on 15 March 2024.

35. CAPITAL COMMITMENTS

The Group does not have capital commitments in both the prior year and the current year.

36. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary shareholders 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 2023	Year ended 31 December 2022
Calculation of Basic Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	34,989	24,902
Weighted average number of Ordinary Shares (excluding treasury shares)	397,007,975	402,789,002
IFRS Earnings per share – basic and diluted	8.81p	6.18p
Calculation of EPRA Earnings per share		
Net profit attributable to Ordinary Shareholders (£'000)	34,989	24,902
Gain from fair value adjustment on investment properties (£'000)	(15,477)	(8,264)
One-off write-off of arrangement fees on the cancelled RCF	–	2,619
EPRA earnings (£'000)	19,512	19,257
<i>Non cash adjustments to include:</i>		
Amortisation of loan arrangement fees	307	1,006
Movement in Lease Incentive Debtor	(1,500)	(636)
Adjusted earnings (£'000)	18,319	19,627
Weighted average number of Ordinary Shares (excluding treasury shares)	397,007,975	402,789,002
EPRA earnings per share – basic and diluted	4.92p	4.78p
Adjusted earnings per share – basic and diluted	4.61p	4.87p

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for non cash items, including amortisation of ongoing loan arrangement fees and the movement in the lease incentive debtor. In prior years the movement in lease incentive debtor has not been reflected in the calculation of adjusted earnings as it was not material. The comparative has been restated for consistency. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

Notes to the Group Financial Statements

for the year ended 31 December 2023

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 Company 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 2023 £'000	31 December 2022 £'000
Net assets at end of the year (£'000)	447,617	439,285
Shares in issue at end of the year (excluding treasury shares)	393,466,490	402,789,002
Dilutive shares in issue	–	–
IFRS NAV per share – basic and dilutive	113.76p	109.06p

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 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 and Barings) and an interest cover ratio of x1.75. At 31 December 2023, the Group was fully compliant with both covenants with an asset cover ratio of x2.81 (2022: x2.77) and an interest cover ratio of x4.63 (2022: x5.02).

The subsequent facility with MetLife and Barings requires an asset cover ratio of x1.67 and an interest cover ratio of x1.75. At 31 December 2023, the Group was fully compliant with both covenants with an asset cover ratio of x2.01 (2022: x2.10) and an interest cover ratio of x4.26 (2022: x4.41).

Company Statement of Financial Position

as at 31 December 2023

Company Registration Number: 10814022

	Note	31 December 2023 £'000	31 December 2022 £'000
Assets			
Non-current assets			
Investment in subsidiaries	4	432,498	395,213
Total non-current assets		432,498	395,213
Current assets			
Trade and other receivables	5	1,291	1,149
Cash, cash equivalents and restricted cash	6	15,919	14,209
Total current assets		17,210	15,358
Total assets		449,708	410,571
Liabilities			
Current liabilities			
Trade and other payables	7	2,091	2,036
Total current liabilities		2,091	2,036
Total liabilities		2,091	2,036
Total net assets		447,617	408,535
Equity			
Share capital	8	3,940	4,033
Share premium reserve	9	203,753	203,753
Treasury shares reserve	10	(378)	(378)
Capital reduction reserve	11	155,359	160,394
Capital redemption reserve	11	93	–
Retained earnings	13	84,850	40,733
Total Equity		447,617	408,535
Net asset value per share – basic and diluted	14	113.76p	101.43p

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 £65,739,000 (2022: £33,517,000).

The Company Financial Statements were approved and authorised for issue by the Board on 7 March 2024 and signed on its behalf by:



Chris Phillips
Chair
7 March 2024

The accompanying notes on pages 157 to 160 form an integral part of these Company Financial Statements.

Company Statement of Changes in Equity

for the year ended 31 December 2023

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		4,033	203,753	(378)	–	160,394	40,733	408,535
Total comprehensive income for the year		–	–	–	–	–	65,739	65,739
<i>Transaction with Owners</i>								
Dividends paid	12	–	–	–	–	–	(21,622)	(21,622)
Shares repurchased		(93)	–	–	93	(5,035)	–	(5,035)
Balance at 31 December 2023		3,940	203,753	(378)	93	155,359	84,850	447,617

	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022		4,033	203,753	(378)	–	160,394	28,946	396,748
Total comprehensive income for the year		–	–	–	–	–	33,517	33,517
<i>Transaction with Owners</i>								
Dividends paid	12	–	–	–	–	–	(21,730)	(21,730)
Balance at 31 December 2022		4,033	203,753	(378)	–	160,394	40,733	408,535

The accompanying notes on pages 157 to 160 form an integral part of these Company Financial Statements.

Notes to the Company Accounts

for the year ended 31 December 2023

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. MATERIAL 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 from the end of the reporting period, 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. 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. Interim dividends are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

2.5. INVESTMENT MANAGEMENT FEES

Investment management fees are recognised in the profit or loss on an accruals basis.

2.6 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.

Notes of the Company Accounts

for the year ended 31 December 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The estimate and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

INVESTMENTS

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

4. INVESTMENT IN SUBSIDIARIES

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	395,213	382,318
Reversal of impairment	37,285	2,334
Acquisitions	–	10,561
Balance at end of year	432,498	395,213

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

The reversal of impairment in the year is due to the underlying net asset value of the subsidiary increasing due to the valuations of the underlying property, requiring a reversal of the original impairment.

Given that the underlying investments are supported by a valuation of the properties, the Company has considered the carrying value by reference to the net asset value of the Group entities. If discount rates used in property valuations were 0.5% higher/lower, the carrying value would £38,653,000 higher/£35,403,000 (2022: £40,552,000 higher/£36,941,000 lower) respectively.

A list of the Company's subsidiary undertakings as at 31 December 2023 is included in note 32 of the Group Financial Statements.

5. TRADE AND OTHER RECEIVABLES

	31 December 2023 £'000	31 December 2022 £'000
Amounts due from subsidiaries	1,140	1,003
Prepayments	150	144
Other receivables	1	2
	1,291	1,149

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

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

6. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2023 £'000	31 December 2022 £'000
Restricted cash	438	438
Cash at Bank	15,481	13,771
	15,919	14,209

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 2023 £'000	31 December 2022 £'000
Trade payables	1	37
Accruals	2,070	1,979
Other creditors	20	20
	2,091	2,036

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 2023	403,239,002	4,033
Shares cancelled in the year	(9,322,512)	(93)
At 31 December 2023	393,916,490	3,940

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2022	403,239,002	4,033
At 31 December 2022	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.

Since then there were three public offers up to 21 October 2020 and a further 193,916,490 Ordinary Shares of 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.

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

Between 19 April 2023 and 12 June 2023 the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share, the shares were subsequently cancelled.

9. SHARE PREMIUM RESERVE

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

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	203,753	203,753
Balance at end of year	203,753	203,753

10. TREASURY SHARES RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	(378)	(378)
Balance at end of year	(378)	(378)

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. During the 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 2023, 450,000 1p Ordinary Shares are held by the Company (31 December 2022: 450,000 1p Ordinary Shares).

11. CAPITAL REDUCTION RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	160,394	160,394
Share buybacks and cancellation	(5,035)	–
Balance at end of year	155,359	160,394

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve. Between 19 April 2023 and 12 June 2023 the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share.

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 Companies Act 2006) are able to be applied.

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

Notes of the Company Accounts

for the year ended 31 December 2023

CAPITAL REDEMPTION RESERVE

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	–	–
Original shares repurchased & cancelled	93	–
Balance at end of year	93	–

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks.

12. DIVIDENDS

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
1.3p for the 3 months to 31 December 2021 paid on 25 March 2022	–	5,236
1.365p for the 3 months to 31 March 2022 paid on 24 June 2022	–	5,498
1.365p for the 3 months to 30 June 2022 paid on 30 September 2022	–	5,498
1.365p for the 3 months to 30 September 2022 paid on 16 December 2022	–	5,498
1.365p for the 3 months to 31 December 2022 paid on 29 March 2023	5,498	–
1.365p for the 3 months to 31 March 2023 paid on 28 June 2023	5,382	–
1.365p for the 3 months to 30 June 2023 paid on 29 September 2023	5,371	–
1.365p for the 3 months to 30 September 2023 paid on 15 December 2023	5,371	–
	21,622	21,730

On 7 March 2024, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2023 to 31 December 2023. The total dividend of £5,370,818 will be paid on or around 29 March 2024 to Ordinary shareholders on the register on 15 March 2024.

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 the treasury shares held by the Company.

13. RETAINED EARNINGS

	31 December 2023 £'000	31 December 2022 £'000
Balance at beginning of year	40,733	28,946
Total comprehensive profit for the year	65,739	33,517
Dividends paid	(21,622)	(21,730)
Balance at end of year	84,850	40,733

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 Company 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 2023 £'000	31 December 2022 £'000
Net assets at end of period (£'000)	447,617	408,535
Shares in issue at end of period (excluding treasury shares)	393,466,490	402,789,002
Dilutive shares in issue	–	–
Basic and dilutive per share	113.76p	101.43p

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

On 7 March 2024, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2023 to 31 December 2023. The total dividend of £5,370,818 will be paid on or around 29 March 2024 to Ordinary shareholders on the register on 15 March 2024.

Unaudited Performance Measures

for the year ended 31 December 2023

1. EPRA NET REINSTATEMENT VALUE

	31 December 2023	31 December 2022
IFRS NAV/EPRA NAV (£'000)	447,617	439,285
Include:		
Real Estate Transfer Tax* (£'000)	41,962	41,283
EPRA Net Reinstatement Value (£'000)	489,579	480,568
Fully diluted number of shares	393,446,490	402,789,002
EPRA Net Reinstatement value per share	124.43p	119.31p

* Purchaser's costs

2. EPRA NET DISPOSAL VALUE

	31 December 2023	31 December 2022
IFRS NAV/EPRA NAV (£'000)	447,617	439,285
Include:		
Fair value of debt* (£'000)	56,106	70,774
EPRA Net Disposal Value (£'000)	503,723	510,059
Fully diluted number of shares	393,446,490	402,789,002
EPRA Net Disposal Value**	128.02p	126.63p

* Difference between interest-bearing loans and borrowings included in Group Statement of Financial Position at amortised cost, and the fair value of interest-bearing loans and borrowings.

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

3. EPRA NET TANGIBLE ASSETS

	31 December 2023	31 December 2022
IFRS NAV/EPRA NAV (£'000)	447,617	439,285
EPRA Net Tangible Assets (£'000)	447,617	439,285
Fully diluted number of shares	393,446,490	402,789,002
EPRA Net Tangible Assets*	113.76p	109.06p

* Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 31 December 2023 or 31 December 2022.

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

	31 December 2023 £'000	31 December 2022 £'000
Investment Property – wholly-owned (excluding head lease ground rents)	674,033	666,253
Less: development properties	–	–
Completed property portfolio	674,033	666,253
Allowance for estimated purchasers' costs	41,962	41,283
Gross up completed property portfolio valuation	715,995	707,536
Annualised passing rental income	39,912	38,626
Property outgoings	–	–
Annualised net rents	39,912	38,626
Contractual increases for lease incentives	1,059	349
Topped up annualised net rents	40,971	38,975
EPRA NIY	5.57%	5.46%
EPRA Topped Up NIY	5.72%	5.51%

5. ONGOING CHARGES RATIO

	31 December 2023 £'000	31 December 2022 £'000
Annualised ongoing charges	7,242	7,018
Average undiluted net assets	443,451	437,699
Ongoing charges	1.63%	1.60%

Unaudited Performance Measures

for the year ended 31 December 2023

6. EPRA VACANCY RATE

	31 December 2023 £'000	31 December 2022 £'000
Estimated Market Rental Value (ERV) of vacant spaces	138	–
Estimated Market Rental Value (ERV) of whole portfolio	40,971	38,975
EPRA Vacancy Rate	0.33%	–

7. EPRA COST RATIO

	31 December 2023 £'000	31 December 2022 £'000
Total administrative and operating costs	8,208	7,866
Gross rental income	39,839	37,300
EPRA cost ratio	20.60%	21.09%

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).
"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.

Glossary and Definitions

"REGISTERED PROVIDER"

a housing association or Local Authority.

"REGULATOR OF SOCIAL HOUSING"

The Regulator of Social Housing is an executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities responsible for promoting a viable, efficient and well-governed social housing sector.

"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.

"SPECIALISED SUPPORTED HOUSING"

accommodation which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community.

"TOTAL RETURN"

the percentage increase in net asset value plus dividends paid since IPO.

"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

NON-EXECUTIVE DIRECTORS

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Ian Reeves CBE
Peter Coward
Tracey Fletcher-Ray
Cecily Davis

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INVESTMENTS
WITH PURPOSE
FOR PROFIT
BY PEOPLE
FROM TRIPLE POINT



1 King William Street | London | EC4N 7AF

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