



Trident Group

# Report and Financial Statements

Year Ended - 31 March 2020

# 2020

Trident Housing Association  
Limited and its subsidiaries  
Year Ended  
31 March 2020

# a beacon of hope



**Trident Group**

Trident Housing  
Association Limited  
and its subsidiaries.

**Year Ended**  
31 March 2020

we are trident group

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# → about us & our strategy



**Trident Group**

# a snapshot of our business

We exist to provide affordable homes for people who can't access market housing. We believe in providing safe, secure and warm homes, but we are ultimately a people business. Not only do we care about the lives of all our residents, we want those who need additional care and support services from Trident to feel supported by the Group.



# highlights of the year 2019/20

→ **83%**  
overall customer satisfaction

→ **89%**  
satisfied with the safety and security of their home

→ **11**  
contract wins for Trident Reach

Delivered **PREVENT** training to residents and customers

Operating surplus of  
**£5M**

→ **£75M** Refinancing negotiated & concluded post year-end

# chair's statement



**Colin Small**  
Group Chair

This is my first opportunity to write this annual report since being appointed as Chair in September 2019. This came about due to the departure of the former Chair who had made a significant positive difference to the organisation over a 4 year period. I want to record my thanks, and those of the Group Board and the Trident Group as a whole, as his influence on the business was exceptional. I am pleased to have taken over the role of Chair at such a time.

What I was not prepared for was COVID-19 and the lockdown from late March, and whilst the impact on the finances of the business was minimal to 31 March, the impact since then has been significant, not so much in financial terms due to government and local authority intervention, but in practical and operational terms. As I write this we are still being affected by the pandemic, however the wider Trident team has done a great job in maintaining the high standards of service delivery which Trident is noted for. My thanks, and those of the Group Board, go to the staff for their exceptional commitment during this difficult period.

During the year, Birmingham City Council awarded Trident additional Supported contracts, enabling Trident Reach to play an even bigger role in creating and managing a Homeless Pathway, helping roughsleepers to be assisted in accessing Supported Housing. We remain committed to this, whether in partnership or as Trident Reach, in isolation.

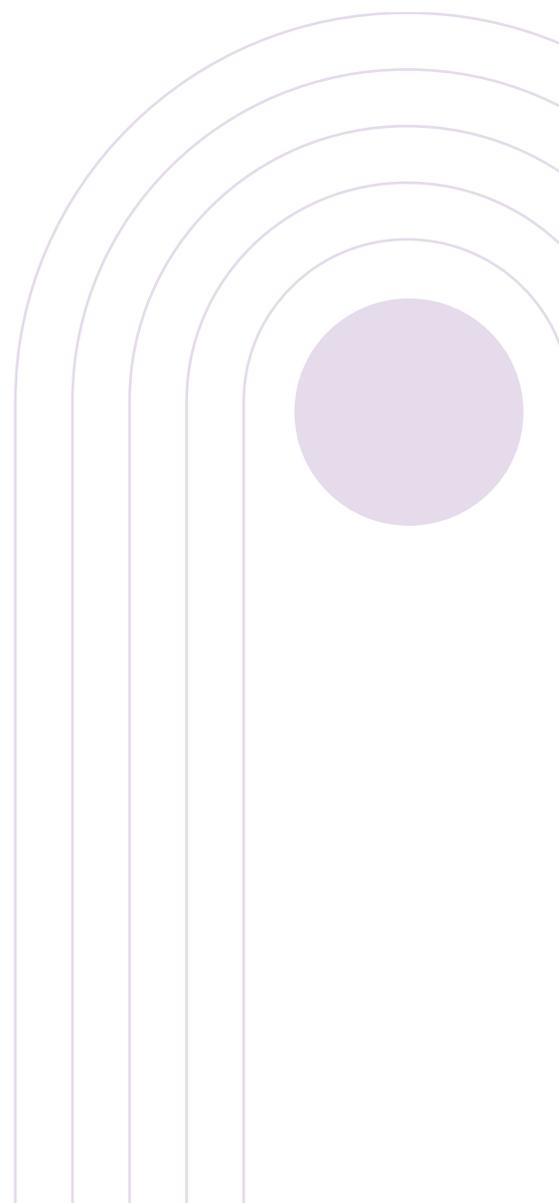
During the year the Group Board decided to re-engage in providing new build homes, following a self-imposed sabbatical. To do this Trident researched, with the assistance of consultants, the financial markets in order to provide a refinancing opportunity and additional funds for new property development.

We successfully concluded this after the year end, but it represents a significant achievement for Trident, given that this is a private debt placement arranged with the Pension Insurance Corporation plc (PIC). This is similar to a bond issue and required many of the disciplines, associated with this type of finance, to be supported. Trident is now actively pursuing new development opportunities with the support of the Matrix Partnership in which we participate as a full member.

Trident has strengthened its finances, maintained the top G1/V1 regulatory rating, received a 'Good' standard rating from the Care Quality Commission and delivered on Value For Money targets. All in all a successful year, but now the challenge is to maintain and even improve further. The Strategic Plan objectives cover People, Growth & Sustainability and Service Delivery and the challenges remain significant, particularly as the pandemic is not behind us yet.

Finally, I would like to thank the Group Board and the leadership team for driving the business forward and continuing to meet the strategic goals, whilst maintaining good governance and management of the diverse activities Trident is involved in. The staff have bought into the ambitions and delivered very well, I am grateful to them all.

I look forward to 2020/21 despite the pandemic and know that the organisation remains committed to the cause of providing quality homes and exemplary services in the communities we operate within.



# chief executive's report



**John Morris**  
Group Chief Executive

We look forward to the new financial year having learnt a lot from our experiences during 2019-20, which involved successfully retendering for exciting Support contracts with our partners, Birmingham City Council (BCC), preparing to refinance, a return to development and having completed a comprehensive survey with our residents and customers.

We also learnt a lot about ourselves during the Coronavirus pandemic, where our offices and services were able to remain fully open throughout the period, supporting our residents, customers and frontline staff. Our frontline staff remained dedicated, resilient and responsive throughout late February and March and into the current period. On the back of this we look to further improve, based on the learning gained over this period.

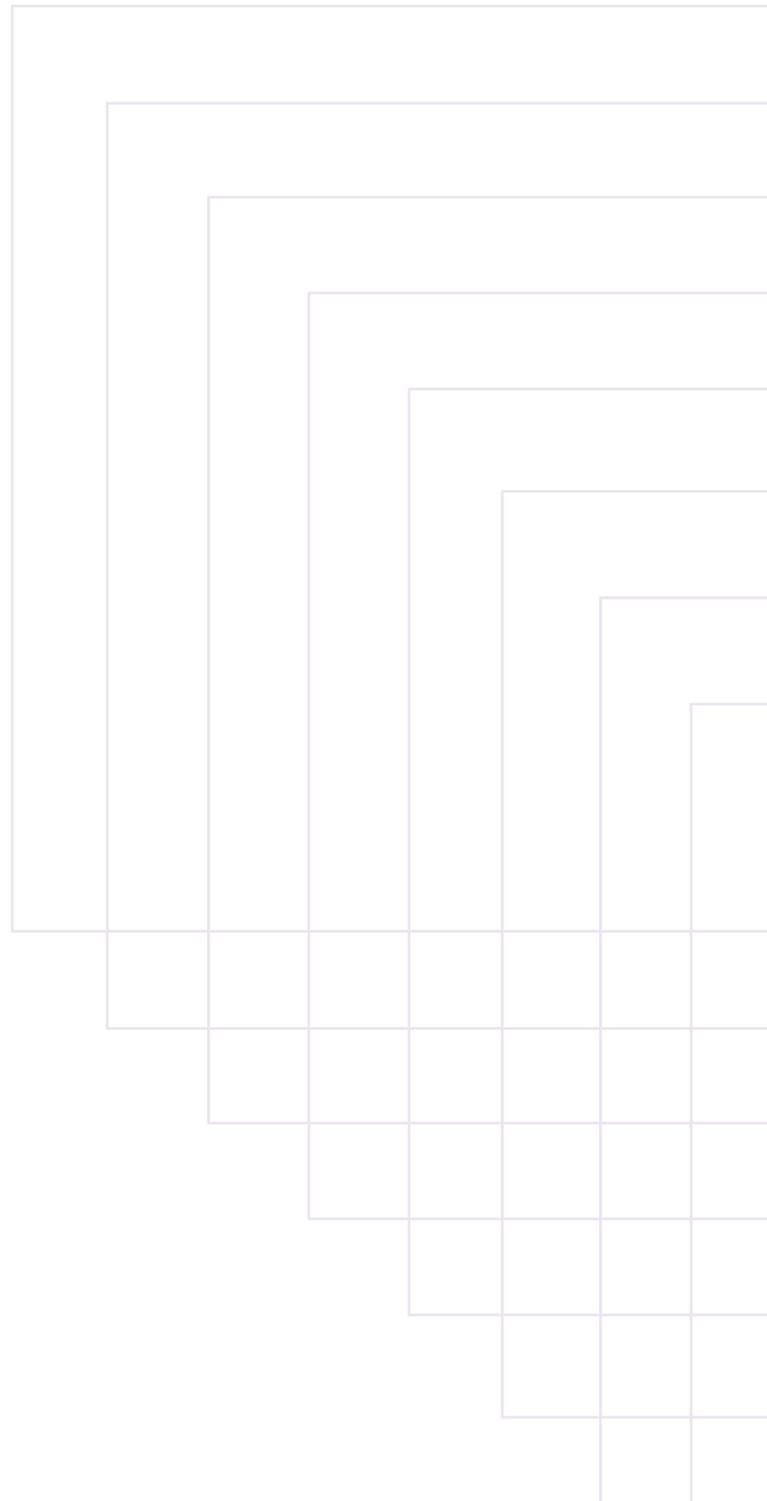
We have remained fully compliant with our lenders and Regulators throughout the year. Together with Board colleagues we have continued to deliver on our strategic and operational targets. We have also undertaken a number of key projects and targeted areas for particular concentration, such as voids, arrears and agency costs, which have to remain a key priority for a Group like Trident, since we work with some of the most vulnerable clients. This has been particularly challenging whilst mobilising and implementing new contracts in Birmingham from 1 December, taking on additional properties from Midland Heart and then having to respond to the pandemic.

Our Local Authority partners remain key to our success and we look forward to working closely with all our partners during the new financial year, where we will continue to improve both our existing services and seek new business opportunities where possible.

As Chief Executive I confirm that our Internal Controls Assurance Statement for 2019-20 fully supports our control and management arrangements, this work being supported by both executive colleagues and Audit & Assurance Committee. As always these efforts, in the background, provide a solid base from which the Group continues to progress.

The successes of the year would not be possible without the support of the Group Board, who have been appropriately challenging, whilst remaining extremely supportive. A relatively new executive have worked closely with board members on key areas, including financial management, performance and Value for Money (VFM), contract management and tendering, service delivery, asset management and Health and Safety. We look forward to further develop these key working relationships through board and committee work, task and finish groups and readers groups.

Finally, I would like to thank my colleagues and staff for all their hard work through the year, our partners, advisors and consultants for their support and look forward to a successful 2020-21.



# Trident Group board members

1

**John Morris** is Group Chief Executive of Trident Group, which he joined in January 2004. John is committed to achieving his vision, with Trident Group, of creating a diverse, modern, social business, based on three pillars of activity – Housing, Care and Support and Social Investment.



2

**Colin Small** (Chair) is a qualified Accountant, worked in the private sector until joining the Severn Trent Water Authority and then the Housing Association sector in 1979. Colin has held a number of senior finance roles in the Housing sector including Finance Director/Company Secretary at Touchstone/Keynote (now Midland Heart) and at Festival Housing Group (now Platform).

Since 2008 Colin has provided consultancy services and Board member services to a number of Housing providers. His current portfolio includes Group Chair of a Birmingham based Housing Association, Group Board member and Chair of the Group Audit and Assurance Committee of a

Kidderminster based Housing Association, and Financial Advisor to two other West Midlands Associations.

Colin was previously Chair of the Social Housing Pension Scheme from 2008 to 2018 providing a pension service to over 500 housing employers and managing an investment base in excess of £4bn. He has also previously served as a Board member on three other Housing Associations.

Colin has provided training services to the Housing sector and regularly contributed to housing and pension events and various publications.

3

**Nathan Talbot** is a Partner at a law firm, specialising in commercial litigation and was co-opted to the Group Board of Trident Group in December 2015. He is a member of The Association of Corporate Governance Practitioners and holds a degree in Law.

Nathan has acted in disputes for a number of housing associations and charities, with a detailed knowledge of the governance and legislative requirements for not-for-profit organisations. He is an ex-professional footballer with a continued involvement in the equality and diversity projects relating to professional football, and is a member of the FA's Governing Body Endorsement panel.

4

**Katie Kershaw** is a director at Node, an award-winning urban design, landscape and heritage practice based in Birmingham. Katie is a dual qualified urban design and heritage consultant, an accredited member of the Institute for Historic Building Conservation and a 'recognised practitioner in urban design' (Urban Design Group). Katie's experience in the residential sector includes the production of masterplans from complex urban infill schemes through to large scale urban extensions and new community design of over 5000 homes. She is particularly experienced in design in the historic environment, including responding sensitively to listed buildings and conservation areas.

In addition to her board role, Katie represents Trident chairing the board of the Matrix Housing Partnership, one of Homes England's first wave of development partners in the 'New Ways of Working' programme. Katie is also an associate lecturer in urban design at the University of Birmingham. Katie was awarded the 2015 property and construction category and overall winner of Birmingham Young Professional of the Year and was highly commended as a 'rising star' by the British Property Federation in their annual awards in 2017.

5

**Yvonne Leishman** is an experienced housing professional who has worked for over 30 years at a senior level in local authorities and housing associations in Yorkshire and the West Midlands. She has over her career, developed expertise in housing management, the delivery of care and support services, and in the development of new homes. In addition to her Trident role, Yvonne is also Chair of Two Rivers Housing Group.

She was President of the Chartered Institute of Housing, and has served on a number of charitable and professional boards. She was awarded the OBE in 2005 for services to housing.

6

**Brian Carr** has been Chief Executive of Birmingham Voluntary Service Council since 2005. He joined the organisation after training as a personnel manager with Marks and Spencer plc, and time spent setting up and leading a Legal Aid service as managing director of a local Citizens Advice Bureau.

His current role involves strategically leading BVSC in the full range of its activities, which focus on providing advocacy and development support to charities, community groups, and volunteers, and supporting the public and private sectors to better engage with the local voluntary sector. BVSC's aim is to help everyone to build and benefit from a fair and equitable Birmingham.

Brian is a Non-Executive Director of Birmingham Children's Trust.

Brian is the author of two books, including the Amazon bestselling career guide, How to Find Your Vital Vocation.

Trident Group  
board members  
(continued)



7

**Simon Hatchman** has worked in the social housing sector since the mid 1990s. His career has included spells at several large housing associations, and he has also worked as a regulator and lender to the sector. Simon is currently Resources Director at PA Housing based in Leicester. Simon also serves as a voluntary trustee at Linkage, a charity which provides support to people with learning disabilities throughout Lincolnshire and East Yorkshire.

8

**Yasmin Fearon** has worked in social housing for over 30 years for national housing regeneration agencies in both investment and regulation roles. She believes everyone has a right to a decent, affordable home in a safe environment.

Yasmin has worked with both housing associations and local authorities to deliver affordable housing projects in the North West and delivered national programmes including Decent Homes.

Most recently, Yasmin led on the design and delivery of the Social Sector Cladding Remediation Fund for Homes England providing support to government departments on policy delivery. She is a Fellow of the Chartered Institute of Housing and currently carries out a number of Non-Executive Board roles.

9

**Stephen Gabriel** currently works as Director of Head of Housing and Communities for Malvern Hills and Wychavon District Councils. He has specific responsibility for the Strategic Housing, Homelessness, Private Sector Housing, Community Safety, Community Development, Health Improvement, Arts, Sports and Culture.

He has worked in local government for 30 years and has held a range of roles, from both operational and strategic perspectives. Stephen has worked in Housing, Economic Development, Equalities, Education and Regulatory Services. Stephen has gained extensive knowledge in housing, regeneration and community development.

Stephen has a PGD in Urban and Regional Studies from Birmingham University and studied Law at the University of Central England obtaining a Law degree as well as having acquired British Sign Language Level 2.

10

**Patrick McCarthy** is a qualified accountant (CIMA and CIPFA) whose career has spanned across private, public and third sectors. He has over 35 years' experience of social housing with local authorities and housing associations. Patrick's experience covers treasury management, loan finance and development. He is also a mentor to aspiring first-time board directors.

11

**Chris Handy** has a Doctorate in Business Administration, a Master of Law degree and is a Fellow of the Chartered Institute of Housing. He received an OBE in the Queen's Birthday Honours in 2009 and in 2010 was made a Professor of Governance by Birmingham City University's Business School. Currently Chief Executive of Accord having been in the role over 30 years, previously working in other housing organisations and local government.

Chris is a published author with titles including 'Housing Association Law' Fifth Edition, published in January 2019 with Professor John Alder, and 'Discrimination in Housing'. He is also a member of the Editorial Board for the Journal of Housing Law. Chris is a Non-Executive Director of the Dudley Clinical Commissioning Group having previously been a Board member for the Strategic Health Authority for the Midlands and East of England. He is also a Board member of the Black Country Local Enterprise Partnership Board, Chairing the Board during 2018-2019, leading on housing, enterprise and the green growth agendas for the region. He is also on the Board of the Black Country Consortium. Chris is also on the Board of Eurhonet, a network of housing companies working together across Europe.

Stephen has held a number of Non-Executive positions such as:

- Chairman of Communities Committee at the Accord Group
- Board member at the Accord Group
- Chairman and Independent Board member with Ashram Moseley Housing Association
- Independent Board member of Bromsgrove District Housing Trust (BDHT)
- Chairman of BDHT New Business and Development Committee

# Trident Group board members



# Trident Group executive management team



**John Morris**  
Group Chief Executive



John's profile is provided above.



**John Nixon**  
Interim Group Finance Director



John is an experienced finance professional and has been engaged both nationally and internationally at a Director level with commercial businesses for over 37 years. His background has incorporated B2B activities in manufacturing as well as service sectors, primarily with owner managed businesses, and small to large entities.



**Dr Christopher Derby**  
Executive Lead for People and Resources



Dr Christopher Derby, Chartered FCIPD joined Trident Group having spent 10 years in Birmingham Arts organisations, Birmingham Hippodrome and Birmingham Royal Ballet, as Personnel Director. With a doctorate in Change Management and as a Chartered Fellow of the



**Helen Litherland**  
Executive Lead for Housing, Care and Support



Helen has worked at senior management level within Trident Group, across a range of departments, for 10 years prior to her appointment as Executive Lead of Housing, Care and Support in November 2018.



**Gareth Price**  
Executive Lead for Technical Service



Gareth joined Trident Group in 2014 and has worked across the business as a member of the Senior Management Team. Gareth has extensive experience in property management, safety and asset compliance and project management, working mainly in Social Care and Housing sectors.

Most recently, John spent 6 years with Remploy, a non-departmental public body involved in the provision of employment services for disabled persons. Recently semi-retired, John now provides consultancy services to selected operations.

Chartered Institute of Personnel and Development, since joining the Group, Christopher has worked with both the Group Chief Executive and Executive Team to transform the business, equipping it to face some of the most challenging and turbulent periods facing social housing.

As Executive Lead for People and Resources, Christopher has responsibilities for some of the Group's core business functions including, ICT, HR, Communications and Marketing and Learning and Development.

Helen aims to ensure that Trident Group provides residents and customers with good integrated Housing, Care and Support Services.

Over the last 20 years Gareth has been employed in a number of management positions at local authorities and governmental organisations within the West Midlands as well as working in the private sector working as an independent consultant.

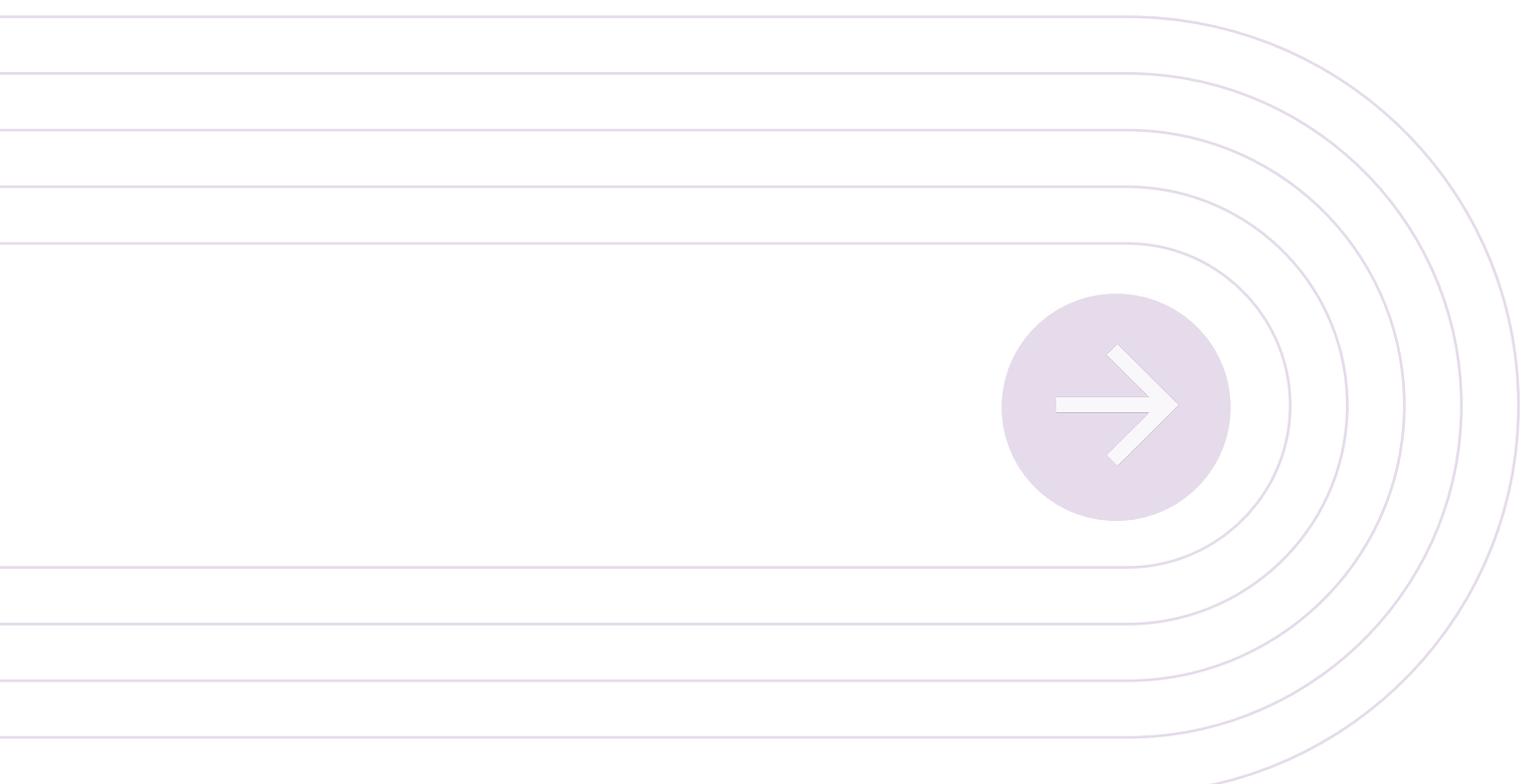
Gareth is committed to the continued investment in Trident Group's housing stock and ensuring safe and decent homes for all our residents.

# Objectives and Strategy

The Group’s overriding strategy is set out in the Strategic Plan published in 2017 entitled “A Beacon of Hope in an Age of Austerity” and takes the Group through to 2022. This ambitious plan provides details of how we plan to develop our service offer through our ambition to be one of the country’s major social business groups. The plan, built on the achievements of the last five years, takes the Group forward in a step change, year-on-year, combining social purpose and business considerations. The corporate ambitions can be summarised as follows. To be:

- acknowledged as an outstanding Social Business Group with an associated high profile and reputation;
- recognised as an excellent service provider that places involvement of people, communities and stakeholders at the core of its approach; and
- acknowledged as a successful, sustainable and environmentally friendly social group.

Within that plan, the core strengths of the Group “the three pillars” are delivered through a focus on: 







# people

→ Creating and retaining a skilled and motivated workforce. Being resident and customer focussed; being clear who our customer base is and targeting services appropriately to meet their needs. Be a great advocate and campaigner for our residents and service users.

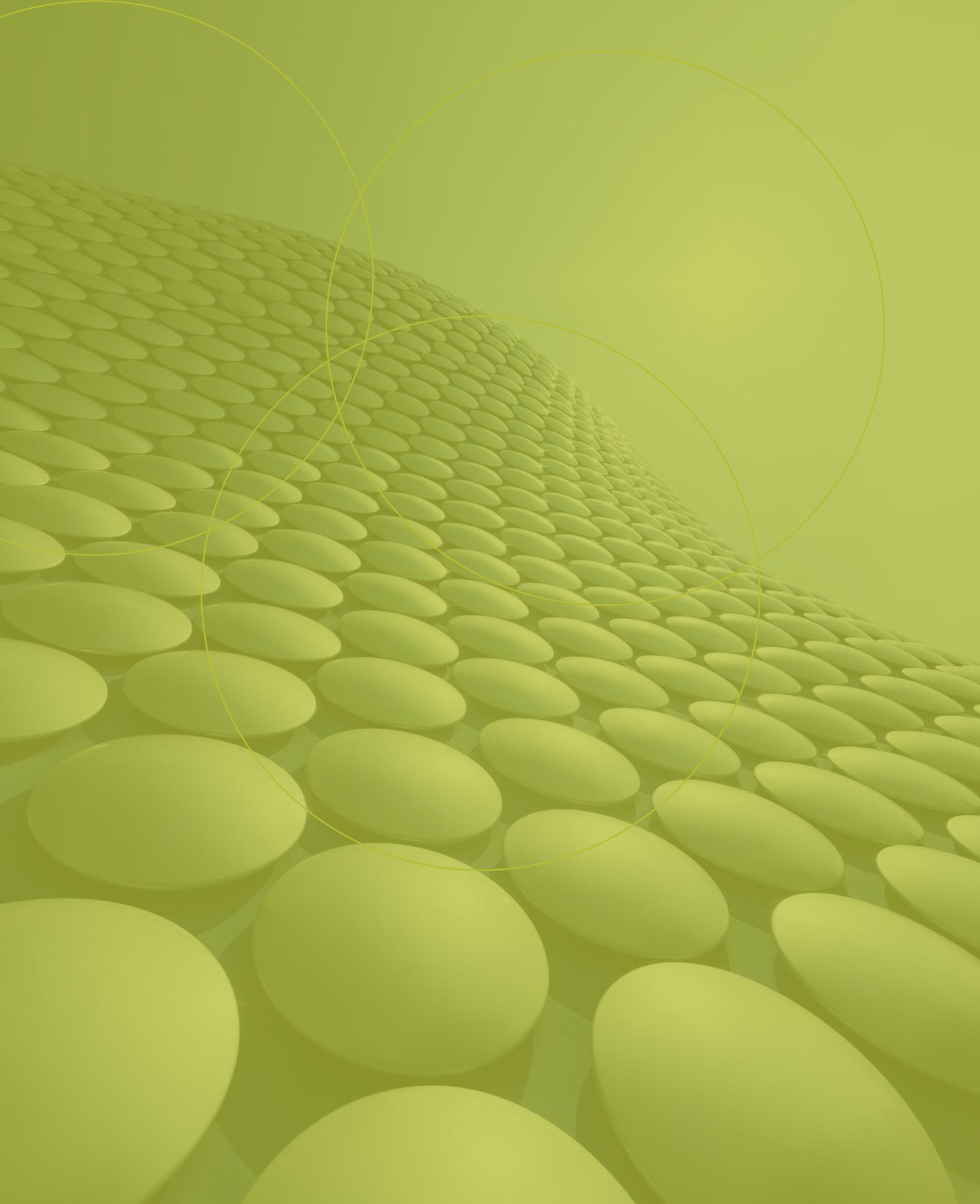
# service delivery

Deliver efficient, effective, targeted services which meet the diverse needs of our current and future customers, whilst maximising our social impact. Be recognised as a leading provider of care and support services and accommodation.

# finance and growth

Ensuring that the Group makes best use of its resources for residents, delivering consistent value for money and social value; ensure that a solid financial platform and sustainable business model is in place for future investment in homes for growth and development of services.





# → governance and committees



Trident Group

# Trident Housing Association key information

**Co-operative and Community Benefit Society number**

IP 17133R

**Regulator of Social Housing number**

L0979

**Registered Office**

12 Fairlie House, Trident Close, Erdington, Birmingham, B23 5TB

**External Auditors**

**BDO LLP**, Two Snowhill, Birmingham, B4 6GA

**Internal Auditors**

**Irvine Lauder**

**Principal Solicitor**

**Trowers and Hamlins**  
10 Colmore Row, Birmingham, B3 2QD

**Principal Bankers**

**National Westminster Bank Plc**,  
1 St Philips Place, Birmingham, B3 3PP

**Website**

[www.tridentgroup.org.uk](http://www.tridentgroup.org.uk)

# Trident Group Legal and Governance Structure

## Trident Group Legal Structure

### Trident Housing Association Ltd

Registered Society under the Co-operative and Community Benefits Society Act 2014  
 Registration number IP17133R  
 RSH Registration Nr: L0979  
 landlord services  
 property management and maintenance  
 provides central services to the Group members

### Trident Reach the People Charity

Registered Charity  
 Charity Number 1129187  
 Company Number 06761385

Care and Support services to residents over a number of geographical areas in the Midlands from Trident Housing Association properties and those of other registered providers

### Trident Star Ltd

Company Limited by Shares  
 Company Number 06860712

Commercial purpose company  
 Currently manages one social enterprise for the Group and the residents shop situated in Trident House

## Partnerships/commercial arrangements

The Group continues to engage in a range of partnerships/commercial arrangements, including participation in the Matrix partnership of housing associations which seeks to pool resources for joint procurement and housing development.

# Trident Group Governance Structure



There has continued to be a collective and collaborative approach to effective governance across the Group Board and the Executive at Trident which is helping to ensure that the Group not only complies with its adopted codes of governance and conduct but also with international best practice. The Group Board and Executive Team communicate regularly ensuring there is a clear flow of information which helps to inform robust decision-making in the boardroom.

In the last financial year Trident Group have undertaken an independent assessment of their governance against The Governance Framework, a best practice framework which identifies compliance and performance drivers of an effective governance model, which is accredited by ICASA: The Governance Institute. Work to implement the compliance drivers which are Resources, Competency and Execution, helps to monitor compliance with the adopted code of governance, examines the competency of the Group Board in relation to the skills, experience, contribution, balance, diversity, probity, training and evaluation mechanisms that are in place. The execution element addresses how well the Group Board make decisions, assesses the internal and financial controls, their engagement with the vision and also with all stakeholders.

In relation to these Compliance Drivers, there is clear evidence that the main requirements for demonstrating effectiveness in these areas are routine aspects of the governance work undertaken at Trident Group. Examples of this are outlined below:

## Resources

Terms of Reference for Group Board and Committees reviewed;

NHF Code of Governance Compliance Checklist completed;

RSH Standards Compliance Checklist completed;

## Competency

The Group Board has good range of skills as outlined in the Board skills report;

Recognition of need to improve some aspects of diversity included in skills and succession reports;

Proportion of executives and non-executives is in line with the rules and NHF Code;

## Execution

Decisions are recorded in meeting minutes with a full, monitored, RAG rated action tracker in place;

The risk register is discussed at each Audit and Assurance Committee as well as at Board meeting;

The People and Performance Committee oversee remuneration and a full, external review of Board Member Pay has been scheduled for the next financial year in line with provision D10 of the NHF Code. Employee pay is appropriately scrutinised and benchmarked at this Committee;

There is a Strategic Plan in place which embodies the vision and objectives of the Group;

Aspects of the work across these areas has formed part of the ongoing Governance Action Plan which lists specific actions for improvement, related deadlines and responsible persons. The implementation of the plan is monitored by the Governance Forum and reported to the Chief Executive and the Group Board.

With compliance aspects satisfied, the Board have also examined aspects of their performance, for example a Board Observation was undertaken in October 2019, and a full Board Appraisal and individual Board Members appraisal took place in August 2019. Looking forward, the Performance Drivers – Behaviour, Impact and Transparency have been explored in detail as part of the Group's candidacy for a Quality Mark in governance via The Governance Framework – a process that is accredited by ICSA: The Governance Institute. This is an in depth and robust process that allows organisations to assess their governance practices against internal best practice, alongside the requirements of practice within their own sector.

The continued commitment to good governance at Trident Group is evidenced by the retention of its G1 and V1 grading from the Regulator of Social Housing last assessed via a stability check in December 2019. Ever striving to operate in a manner that reflects all facets of its work, the Group also reflect the practices of the principles of the Charity Governance Code and the Good Governance Standard for Public Services in what they do.



# Key Responsibilities of the Trident Group Board

The Trident Group Board has the following main responsibilities:

- Legal – to carry out the legal and statutory functions of the Trident Group in line with all relevant legal and statutory requirements;
- Strategic direction - to set, review and monitor the Group's mission, values and standards, strategies, priorities and key objectives;
- Budgeting and Business Planning –approve annually the Group's business plan and long-term financial model and approve the annual budget;
- Treasury – approve the annual treasury strategy;
- Risk Management – Oversee and approve the Group's risk management framework and process;
- Finance and development – to approve the Group Business Plan, annual budget and recommend the approval of the annual statutory accounts to the shareholders. Also, to approve the Group's development programme, review the Group's use of public funds and establish and oversee a framework of internal control and effective delegation;
- Public Relations, Communication and Culture - approve and monitor the Group's public relations, communications and culture;
- Effective Management - Ensure that the Group Board and its Committees have the capacity, commitment and experience to control the Group and that the Executive Team have the capacity, commitment, skills and experience to implement the Group Board decisions effectively.

Towards financial year end, Coronavirus became a current topic and significant business issue for the Board. The ever changing landscape required the Board and Trident executives to review related risks and mitigations on a daily basis, to ensure continuity of key services for tenants and care receivers.

# Board Appraisal

An independent appraisal of the Trident Group was carried out in September 2019 by The Governance Forum (tgf) as part of Trident's implementation of the Governance Framework and submission for Governance Accreditation with ICOSA: The Chartered Governance Institute. The purpose of the appraisal was to independently assess the Board performance as part of the Group's commitment to excellence in governance practices.

The overall conclusion of the appraisal was that the Board of Trident Group is generally very effective in all three key areas of resources, competence and execution and scored very well throughout the appraisal. In summary the assessment found that:

- The board has many clear strengths, particularly in the areas of attendance and making time for other demands of their position, rigorous and transparent procedure for the appointment of new board members and compliance with governance best practice and meeting the requirements of a code of governance appropriate for the sector (the NHF Code).
- Areas for development were related to the Board having clear goals for its own performance and benchmarking in relation to length of meetings, board packs and agenda items, succession planning for both executive and non-executive members and actively seeking feedback from internal and external stakeholders. All of these areas have been addressed in the Governance Action Plan and have been scheduled for action and review. The Board now has a clear succession plan which is underpinned by a Skills Matrix developed at the end of last year. A Stakeholder engagement workshop was held in December 2019, the findings of which were reported to the Board and the necessary actions were reflected in the Governance Action Plan.

Board Members continue to have collective oversight and ownership of the risk management framework and the internal control and assurance framework. The work of the Board provides clear oversight for the monitoring of the work of the Executive and there remains a good but challenging relationship between the Board and the Executive with the Executive being held to account.

# Key Responsibilities of the Audit and Assurance Committee

- Internal controls – to review the accounting policies of the Group and ensure these are in line with legal requirements; review and advise the Group Board in relation to the effectiveness of the Group's framework of financial controls; internal controls and risk management systems; receive reports, investigate and where necessary report to the Group Board any significant control failures;
- Internal audit – to ensure appropriate internal audit arrangements are in place and establish a systematic review of internal controls; recommend the appointment of the internal auditor to the Group Board and review their performance, approve the Group's internal audit plan; review and recommend to the Group Board the annual assurance statement;
- External audit and statutory financial statements – to recommend the appointment of the external auditors to the Group Board and review their performance; review and approve the annual external audit plan; review the Group's financial statements and the results of the external audit and make recommendation to the Group Board for their approval; to ensure that the independence and objectivity of the external auditor is not compromised through the provision of non-audit services;
- Financial viability, risk compliance and management - to provide the Group Board and Executive with advice and guidance in terms of the financial viability and risk management of the Group; review the risk management strategy of the Group and recommend changes where necessary; oversee and approve the risk management framework and process; ensure that the Group Board receives an annual report on the risk register and review and monitor the register on a quarterly basis; provide additional scrutiny, support, advice and guidance in relation to financial management across the Group;
- Other responsibilities - receive reports related to matters raised by staff under the Whistleblowing Policy, ensure that there is adequate leadership on Health and Safety matters relating to planning, delivering of training, effective monitoring and reporting and review of Health and Safety provisions within the Group. Also, ensure the effective delivery of the Group's IT systems, including the assessment of risks in this area.

## Key Responsibilities of the People and Performance Committee

- Employment of Chief Executive – to support the Group Board in the appointment or dismissal of the Chief Executive and recommend their remuneration package;
- Employment of Executive Directors - to support the Chief Executive in the appointment and dismissal of Executive Directors and in developing their remuneration packages;
- Recruitment, Induction and Training of Group Board and Committee Members and regular review and recommendations on the Remuneration Policy for the Group Board. Make recommendations sensitively based on the pay and employment conditions elsewhere in the Group;
- Shareholding - review and make recommendations regarding the Group and subsidiary shareholding membership;
- Stakeholder Communication - review the Group's Communication Strategy on an annual basis, including the use of stakeholder surveys;
- Human Resources - to oversee and recommend the Group's HR strategy for approval by the Group Board, monitor and receive reports on key HR related matters and oversee these matters where required, oversee Equality & Diversity within the Group; and
- Performance - oversee the implementation and monitoring of the performance management framework.

## Key Responsibilities of the Safeguarding Committee

- Provide an environment which offers protection to vulnerable people and staff in the performance of their duties;
- Encourage staff to gain the necessary knowledge and practice that proactively understands safe ways of carrying out their responsibilities to others who are vulnerable;
- Ensure the correct support policies, protocols, training and guidance are in place;
- Ensure that learning after each reported incident is engrained in support practice;
- Assist the Head of Social Care and Inclusion (or the organisation's nominated Safeguarding lead) by offering support and guidance;
- Define the aims and objectives of the protection service;
- Monitor incidents and reports to the Group Board on an annual basis;
- Suggest ways of improving and expanding the influence of the protection service throughout the group structure;
- Receive quarterly reports on the service from the adult and child protection officers;
- Undertake to monitor the management of the service by robust examination and questioning of the policy and processes; and
- Make representations to and respond to issues from protection agencies and authorities as required.



## Training, Succession and Induction

The work conducted on succession and skills has helped to inform recruitment campaigns to address gaps in membership and also to ensure the right skills are represented on the Group Board, also taking into account the future needs of the Group. Board Members are encouraged to attend training with a number of them having attended the NHF Board Members Conference, the Housing Finance Conference, the CIH National Conference and the National Housing Summit 2019. Individual Board Members have also attended various NHF and in-house training courses, such as Complaints Process, Assurance, IDA Prep, etc. All Board Members

have attended the training course “High Performance Board” delivered by The Governance Forum, and the Chief Executive attended the West Midlands Leaders Conference in February 2020.

The Group Board has a succession plan in place which was last updated in September 2019 which indicates that one Board Member will have 6 years tenure in 2020, with two further Members due to retire in 2021, one of whom is the SID. There is a Board skills matrix in place which, together with the strategic objectives of the Group, will underpin the recruitment process moving forward. The Group Board will also continue to consider

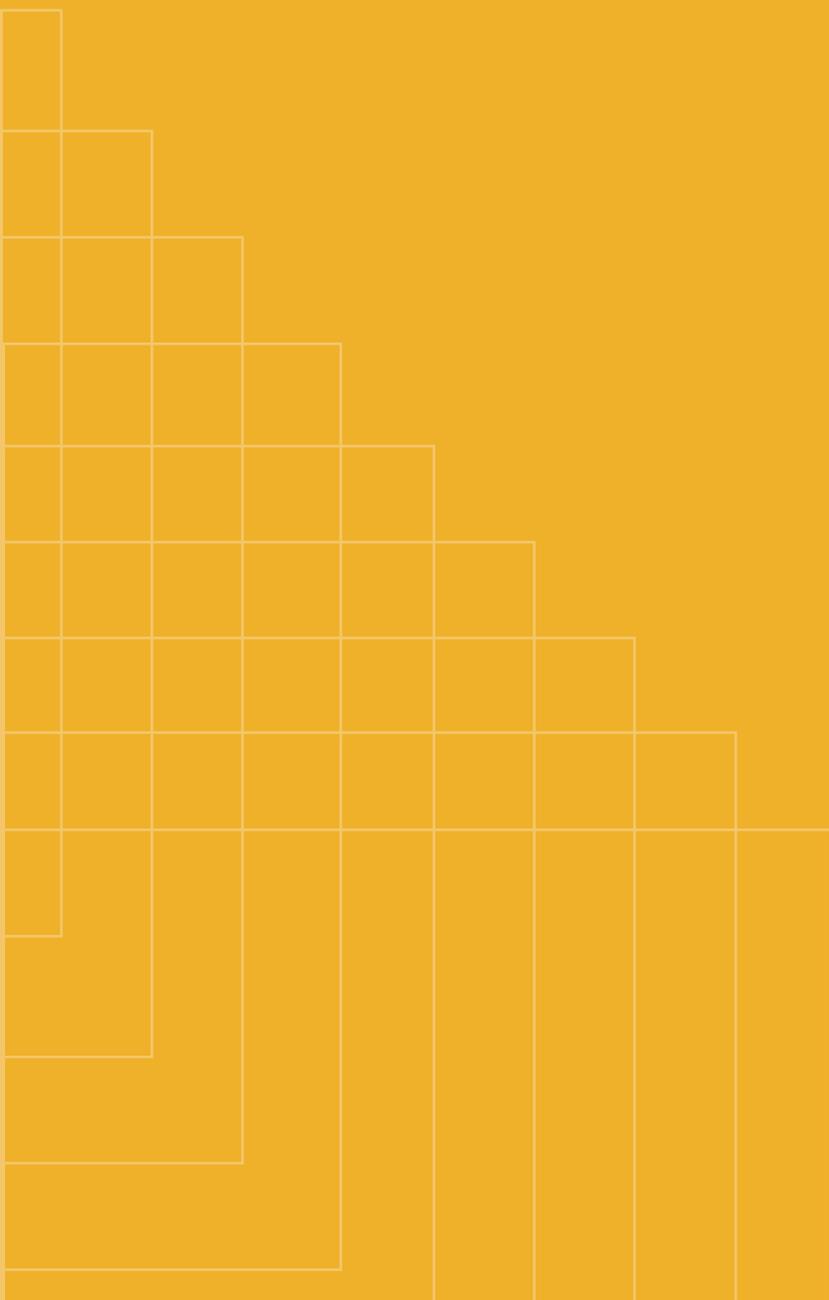
its commitment to boardroom diversity across the recruitment processes and in line with its pledge to the Diversity in the Boardroom Campaign.

All newly appointed Board Members are subject to a structured and robust induction programme which includes site visits and presentations from the Executive and Senior Leadership Teams and governance refresher course. Board Members are invited to comment on the structure and appropriateness of the induction as well as record any comments and training needs.



# → performance

(value for money and risk)



**Trident Group**

# Business and Financial Review

## Operational performance

The Board are pleased to report an operating surplus from total activities of £2,131k (2019: £2,520k). This achievement, whilst reflecting an overall reduction in performance year on year of £389k, is to be considered in the light of the reduction to normal operating surplus of £223k (4.3%). The operating surplus reduction was a result of a number of factors including CV-19, changes in business operations especially within care and support, TUPE transfers and implementation of 9 new delivery contracts

with Birmingham City Council (BCC); downsizing and closure of 3 contracts with BCC not renewed; absorption and alignment of 223 social housing properties from Midland Heart into the Trident managed property portfolio.

The cumulative effect of all these matters took effect from 1 December 2019.



## Strategic plan 2017-2022 (5 Years)

In spite of the reduction in retained surplus for the year ended 31 March 2020, the Group is still in advance of the forecasts projected within the latest 5 year strategic plan. The summary of key performance indicators in the table below, reflect the progress made.

	2020 Strategic Plan	2020	2019	2018
<b>Consolidated Statement of Comprehensive Income (£000)</b>				
Housing	17,259	18,567	17,594	17,133
Care and support	14,047	13,450	13,397	13,455
Other activities	1,325	2,186	2,272	2,080
<b>Total Income</b>	<b>33,631</b>	<b>34,203</b>	<b>33,263</b>	<b>32,688</b>
<b>Operating Surplus</b>	<b>5,833</b>	<b>5,000</b>	<b>5,223</b>	<b>5,300</b>
<b>Net surplus transferred to reserves</b>	<b>1,830</b>	<b>2,131</b>	<b>2,520</b>	<b>2,589</b>
<b>Statement of Financial Position (£000)</b>				
Housing Properties, net of depreciation	152,240	152,714	154,223	153,105
Other fixed assets	3,612	3,412	3,324	3,236
Investment properties	1,320	1,390	1,380	1,330
	157,172	157,516	158,927	157,671
<b>Net current assets / (liabilities)</b>	<b>(1,251)</b>	<b>3,668</b>	<b>870</b>	<b>1,672</b>
<b>Total assets less current liabilities</b>	<b>155,921</b>	<b>161,184</b>	<b>159,797</b>	<b>159,343</b>
Creditors: amounts falling due after more than one year	(132,076)	(135,235)	(135,962)	(138,007)
	-	-	-	(21)
<b>Provision for liabilities and charges</b>	<b>23,845</b>	<b>25,949</b>	<b>23,835</b>	<b>21,315</b>
Revaluation Reserve	1,114	1,097	1,114	1,114
Revenue Reserves	22,731	24,852	22,721	20,201
	23,845	25,949	23,835	21,315
<b>Housing properties at year end:</b>				
In management	3,532	3,645	3,421	3,347
In development	0	0	0	48
<b>Total</b>	<b>3,532</b>	<b>3,645</b>	<b>3,421</b>	<b>3,395</b>
<b>Statistics</b>				
Operating surplus as % of turnover	17.3%	14.6%	15.7%	16.2%
Surplus transferred to reserves as % turnover	5.4%	6.2%	7.6%	7.9%
<b>Net debt per unit</b>	<b>£27,101</b>	<b>£25,068</b>	<b>£26,294</b>	<b>£26,916</b>

# Business Changes

During the year we were successful in securing the following contracts/grants:

## Birmingham

- Domestic Abuse Refuge and Long Term Supported Accommodation Services
- Rough Sleepers Outreach Services and Emergency Bed Provision for Homeless Adults
- Homeless Long Term and Complex Needs Supported Accommodation
- Homeless Lead Worker Services Working In The Community
- Supported Long Term Accommodation for Young People
- Lead Worker Services working with Young People
- Rapid Rehousing Service to support entrenched rough sleepers working in partnership with other providers
- PURE (Putting Urban Residents into Employment/Education) to deliver enhanced opportunities into education, training and employment
- Roll With It – PREVENT training – delivering PREVENT training to residents and customers
- Home Support for Children and Young People – providing care packages to children with learning disabilities and dual diagnosis.

## South Derbyshire

- New Horizons – Domestic Abuse Accommodation and Community support for people experiencing domestic abuse in South Derbyshire.

## Liquidity

The Group's liquidity remains strong; this is forecasted to continue within its long term plan. The Group Board continues to focus on the level of liquidity the organisation holds, and it has been agreed that a minimum level of £6,000k cash will be held during the 2020/21 financial year enhancing its risk mitigation factors. The cash will be supplemented by undrawn revolving credit facilities (see refinancing below) amounting to £20m.

## Refinancing

At the point of signing this report the Group has a £20,000k revolving credit facility (RCF) in place, the amount drawn against this facility is £2,000k with a further £18,000k charged and immediately available.

As a result of the refinancing with PIC, the revolving credit facilities drawn and in use will reduce to nil and the continued strong cash flow from expected activities throughout 2020/21, will maintain in excess of £6m cash resources. Overall group access to liquid resources and cash will reflect in excess of £27m for the twenty four month period to 30 June 2022. Such resources will more than adequately sustain Trident commitments and resources while the challenging environment around CV-19 remains.

## Regulatory accreditation

During the period 2019/20 Trident Group had its grading reconfirmed at V1 by the Housing Regulator, a grading that provided the regulator with sufficient assurance that it had met the viability requirements of the Standard. The Group has been able to demonstrate that it has a strong financial profile, built on robust and prudent assumptions, good headroom within the financial covenants, and appropriate levels of liquidity. The level of financial risk being taken on, by Trident Group, is not considered to be unreasonable and the regulator has assurance that the crystallisation of the identified risks can be mitigated successfully in most circumstances.

## Funding compliance

The Group is financially compliant in respect of funder's covenants, having significant headroom built within the Group Board risk appetite early warning indicators. All entities within the Group have strong cash surpluses compared to their peers.

## Effects of material estimates and judgement:-

In preparing these financial statements, the key judgements and estimates have been made in respect of the following:

- Impairment of tangible assets

A key judgement has been made in respect of whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the assets and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

The Association obtained a valuation from JLL on behalf of the Pension Insurance Corporation plc. (PIC) in March 2020 for charged properties assumed from Nationwide. The total portfolio was represented by 1366 individual properties and represents 42.5% of the total social housing stock operated by Trident. These properties were valued at EUV (existing use value) of £68.75m, with a MVT (market value subject to tenancies) of £82.83m. The collective book value adjusted for grants for the same portfolio amounts to £40.05m. The portfolio secured by PIC in the refinancing completed 15 June 2020, was representative of the general social housing portfolio owned and maintained by Trident.

We have considered the following impairment indicators and concluded that no impairment is required:-

- Long term voids – there are 37 (21 in 2018/19) long term voids, which represent a insignificant proportion of the total stock.
- Obsolescence – there has been no unexpected decline in asset values. Stock issues noted within the stock condition report are scheduled to be completed within the next 4 years, preserving the underlying value of each property.
- There has been no major contamination.
- There are no changes in Government policy that we consider would lead to impairment.
- Trident Group is fully compliant with fire safety and none of its properties have issues in respect to cladding.
- While COVID-19 may bring some uncertainty within the property market, the valuations placed upon the property portfolio by lenders is EUV, valuing the income stream attached to the social housing stock of Trident. Such valuations are in excess of book values and significantly less than market values of the portfolio sales potential, at either sitting tenant basis or with vacant possession.

# Achievements and Services

Cumulatively to the end of 2019/20 Trident Group has performed well against its Strategic Plan for the three years 2018-2020, exceeding the net surplus targets, ensuring cash is ahead of plan and performing; with considerable headroom in relation to lender covenants, at the same time fulfilling its commitment to providing value for money and affordable homes.

# Care and Support Services

## Registered Care

Trident Reach manages 12 Registered Care homes (10 in Birmingham and 2 in Shropshire), offering 24 hour residential care and support to adults with learning disabilities and associated needs. The services are regulated by the Care Quality Commission (CQC) and with Trident Reach operating robust internal audit and quality assurance processes. In the last twelve months there have been nine inspections across Trident Reach's registered care services; 10 homes currently have an overall rating of 'Good' in their CQC inspection reports with 2 homes currently rated as "Requires Improvement". The utilisation levels have decreased in 2019/2020 due to referrals requiring more specialist behavioural needs, which place a risk to current cohort of customers in the homes. Across the care homes 10% of customers have secured Continuing Healthcare funding to better meet customer's increased care requirements. This is also in line with objectives in the department's Strategic Plan to diversify income streams.

As part of Trident Reach's Birmingham Care Framework for the city, the 10 Birmingham care homes have received and completed the Provider Quality Assurance Statement (PQAS) which is an annual self-assessment tool cross referenced with the Care Service Standards. As part of the framework, care homes receive at least one quality monitoring visit a year from Birmingham City Council or CQC. Currently, the majority of care homes have received their quality monitoring visit from their Commissioning Officer, with all being awarded a Silver rating.

## Shropshire Services

All services across the region have maintained a high level of service delivery. Since successfully being selected as the new provider for Elms House, the service has continued to provide a mental health rehabilitation and recovery service. The Elms is

currently undergoing de-registration from CQC as a residential care home, and to re-register as a supported living provision. This is due to customers of this service not meeting the Personal Care criteria set out by CQC. Service delivery will remain the same with continued partnership between Trident Reach and the CCG.

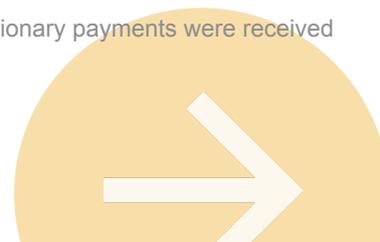
The Specialist Mental Health Supported Housing and Crisis House continue to run at full capacity with waiting lists.

## Community Services Department

Our Coventry service continues to deliver community based preventative support for people with learning disabilities and through this we enjoy a strengthened position in the market, as the sole provider of learning disability housing related support in Coventry. We actively participate in quarterly contract review meetings with commissioners and the tools and processes we have introduced to capture outcomes and Key Performance Indicators, have been well received and cited by commissioners as good practice to other health and social care providers.

In 2019 Birmingham Domiciliary Care services were awarded a three year Home Support contract and placed on the Local Authority's Provider Framework. The new contract has resulted in an increase in the hourly rate for home care provision, which will reflect positively on service budgets. The service has maintained an overall rating of 'good' following its last CQC inspection. The service has received and completed the Provider Quality Assurance Statement (PQAS), with an overall rating as Silver.

Murray Grey Mews in Dudley continues to provide intensive support to all individuals and Trident Housing provides the Housing Management of two purpose built shared house facilities. The Payment By Outcome model has been reviewed and a number of discretionary payments were received



in line with progression, associated with mental health recovery as captured in support plan and risk assessment documentation. There is a focus on nominations, referrals and move on, as the service is coming to its final few months of operation. Based on the current position of this contract a full review is being undertaken of Murray Grey Mews internally to assess future direction, with findings being discussed with the CCG.

The Birmingham Supporting People Service contracts for both the Learning Disability and Mental Health, have achieved their required targets in terms of utilisation and outcomes, in line with contract requirements. The key performance indicators place these contracts in a favourable position with commissioners with clear and demonstrable outcomes every quarter.

We have seen a decline in referrals into the Dudley Care and Wolverhampton Short Breaks service from the Local Authorities and also private packages. The services have undergone rigorous Local Authority audits throughout 2018/2019 and have met all identified actions and have also received CQC inspections, and received the overall rating of 'good'.

May 2020 saw the end of our Wolverhampton Adults service through the re-commissioning process and the rates set by the local authority not being sufficient to meet the cost of delivering the services.

### **Sandwell Services**

Sandwell Vulnerable Housing Person Services Supporting People Contracts were retained in 2018. The Sandwell MBC contracts were issued in November 2018 (the Meeting House, Wednesbury and Brasshouse Lane, Smethwick), providing 36 units of accommodation and support to vulnerable single adults faced with homelessness and associated needs, that may include alcohol and substance misuse, mental health, offending and complex and chaotic behaviour. We

continue working positively with the staff team, commissioners, providers and stakeholders to embed the requirements of the contract.

### **Birmingham Support Services**

We currently deliver a total of 11 Vulnerable Adults Housing and Wellbeing Support Service contracts across the city, commissioned by Birmingham City Council (BCC), supporting some of the most vulnerable citizens through a range of services. Following a re-tendering process throughout the summer of 2019 we were awarded 9 contracts commencing in December 2020, across homeless services, domestic abuse services and young people services.

Our Homeless Support Services, both accommodation and lead worker services continue to be committed to tackling homelessness and reducing rough sleeping. We work closely with BCC, contributing to the Homelessness Strategy and Rough Sleeper Strategy and attend Homelessness Partnership meetings, West Midlands Police tasking meetings, rough sleeper tasking meetings and contract review meeting with commissioners. We also take a lead role in coordinating input from other key organisations for both case management, and to meet strategic objectives of these contracts

The crisis end of our provision includes, our rough sleepers outreach service and emergency beds provision which are part of the commissioned contracts, listed above. Our outreach provision works 6 days per week, between 6.30am and 11.30pm. There is a team of 10 outreach staff working across the city giving support, advice and offers of accommodation to people identified as rough sleeping. The team co-ordinate partner agencies via a tasking model and together have been successful in reducing rough sleeping in Birmingham by 90%. The second stage of our crisis provision is our emergency bed provision at Washington Court which provides 101 emergency

beds for stays of up to 56 nights, the main aims of the service is to support with health, finance, addiction, relationships and to stabilise and to prepare people for move on into longer term accommodation.

To complement the above service we have two separate navigator contracts that work with entrenched rough sleepers, who in the main, refuse support of traditional services. The Rapid Rehousing project is a local initiative that identifies properties, moves people in and then intensely supports to ensure that they remain. Housing first is a national and European project which follows the same principles of rapid rehousing. With both services, the navigators have access to individual budgets to support the customer with ID, furnishings, crisis situations, clothing and food.

Trident Reach is the only commissioned provider of complex needs services in Birmingham, for people experiencing homelessness. Providing 115 units of accommodation across five locations, for individuals with chaotic lifestyles impacted by trauma, poor mental health and substance misuse, we deliver intensive, recovery-focussed support as part of a coordinated multi agency approach to focus on crisis prevention and early intervention.

We provide accommodation for single adults and childless couples as part of the Long Term Accommodation contract, creating four hubs from which teams support 211 units of accommodation and have developed an exciting partnership with Midland Heart to provide an additional 92 units. The team deliver outcome focussed support, encouraging individuals to develop community networks and personal resilience, to stop the 'revolving door' into homeless services.

We have a European Funded project called PURE (Putting Urban Residents into Education/ Employment) it is aimed at 4500 customers aged 29+ across the most deprived parts of central Birmingham. We deliver the homeless element of

the project to bring customers at risk of, or currently experiencing homelessness, into education or training with work being the ultimate aim.

Our Business Development Strategy includes a focus on accessing additional funding to enhance the quality and range of opportunities for individuals accessing these services, and we have recently achieved additional funding from the West Midlands Combined Authority and the Rough Sleeper Initiative, to intensify support in complex needs services, to provide additional resources to support individuals as the move on to more independent accommodation and for individuals with no recourse to public funding.

### Young People Services

Due to changing commissioning intentions, Reach House, a service for 16-19 year old offenders, was not part of the BCC re-commissioning and existing customers were re-located at the end of 2019. This was also the case for the Young People Exiting Gangs contract, which ended 30 November 2019.

The Birmingham Young People Lead Worker contract (a floating support model) significantly increased in size on 1 December 2019, as approximately 65% of the contract was awarded to Trident Reach. We also provide 39 units of long term accommodation for young people and a further 108 units through our partnership with Midland Heart.

The organisation leads on key work streams as part of the provider forum and focuses on early intervention and a collaborative approach to working with other agencies, to achieve the outcomes that are important for each young person to increase their independence and life skills.





The number of Domestic Abuse Emergency Bed provision has increased to 30 units, with an additional refuge provision commissioned from 1 December 2019.

We were also awarded new service provision of Domestic Abuse Dispersed Refuge Long Term Accommodation commenced on 1 December 2019 for single people, couples, families, males victims and complex families experiencing domestic abuse. This accommodation is provided by Trident Housing Association and Trident Reach and includes, self-contained flats, shared accommodation and family homes, there is a 'stay put' option when individuals have achieved all of their support outcomes.

We have forged positive working relationships with the local police, specialist Family Law organisations and training providers, which has added value to the service provision across all contracts and contribute to the Birmingham Domestic Abuse Provider Forum.

Derbyshire Domestic Abuse Service (New Horizons) is a small localised service to South Derbyshire. The service provides housing, DV support and floating support for families in DV situations or fleeing DV. It also provides specialist Childrens support via a Children in Need grant.

Our Extra-Care service at Oakland Village is a recognised and established provider of accommodation and support to older people within South Derbyshire. We have now embedded two separate entities being support and commercial within the service. The support element raises funds from commissioned funding, whilst the commercial element brings in funds/profits from the activities of the service. These models infused the staff team and they had come up with some good profitable ventures pre Covid-19. This also means the menu of activities for people living at Oakland Village and also in the community, had grown significantly.

## Housing Services

The housing service continues to deliver tenancy services and support to our general needs residents, through the Locality Officer model, providing all aspects of tenancy and community support to everyone living in a Trident Home.

### Locality Working

Through the team of 10 Locality Officers, residents have access to their dedicated officer whose main focus is on working with them to build trusting relationships, enabling successful tenancy management and sustainment and thriving communities.

The team aim to carry out at least one annual Health and Wellbeing visit to every resident. This is to ensure that those residents who, apart from a gas service or repairs visit, do not necessarily require the engagement of their Locality Officer but we wish to maintain contact and have a face-to-face contact at least once a year, as a minimum. The Health and Wellbeing checks provide support for residents as well as giving us the opportunity to conduct property condition checks, identify any breaches of tenancy and provide appropriate interventions and signposting. Following the visit, Locality Officers where identified, will also make external referrals where required, for example to debt advice services, mental health support, training and employment agencies. Safeguarding concerns are reported and support is very often put in place from Trident Reach services, such as domestic abuse and domiciliary care. We continue to work successfully with West Midlands Fire Service who work with us in carrying out safety and wellbeing visits, taking a joint approach to tackling hoarding, overcrowding and mental health issues.

We continue to work with 14 Local Authorities and engage with them on their work around the Housing and Homeless agenda and local priorities.

### Arrears Management

Rent account and arrears management continues to be a key area of focus for the organisation and continues to be challenging in relation to Universal Credit and the administration of Housing Benefit. To provide increased support to residents we have a Welfare Reform Officer that works specifically to give support to residents on Universal Credit claims and managing payments. This specialist role has helped with increasing knowledge for staff and liaising with Locality Officers to ensure the proactive management of those tenants, who are in receipt of the benefit. The Group's finance department Revenue Recognition team provides administrative support in the management of rent accounts. The Locality Team work closely with the Group's in-house Legal team to manage the process when all other options have been exhausted and court action is required. The Locality Officers continue to give focus on arrears management improvement and support to residents and the Intensive Housing Management Officers replicate this and are responsible for the arrears performance on supported schemes.

### Community Safety

The Community Safety Team over the year has engaged in some effective and proactive partnership working with the police, social services and other agencies, to address some of the wider issues that affect our residents and the neighbourhoods where they live. We have tackled incidents of anti-social behaviour (ASB) across most of the areas in which we operate and worked with both statutory and voluntary agencies to support residents and communities. We have worked with community policing teams and also mental health teams to support residents both carrying out acts of anti-social behaviour and those experiencing

ASB in managing and tackling this through multi-agency and community approach, engaging with relevant support to ensure all residents conduct their tenancies successfully and live peacefully as a community. Safeguarding is a key priority for the Community Safety team and improved awareness and understanding of Safeguarding being everyone's business, has led to early identification and intervention where there are potential safeguarding situations and increased cases of referrals to appropriate agencies to support prevention. We continue to work on our "Make a Stand" pledge, an initiative developed by the Chartered Institute of Housing in partnership with Women's Aid and The Domestic Abuse Housing Alliance.

### Allocations and Lettings

The Void Process has been reviewed which has led to streamlined processes in order to minimise the time that properties are void and enable allocations and lettings to take place quickly. We continue to work with local authorities to ensure that the nominations processes are correctly adhered to and will embark in 2020/21 to review all nomination agreements. We are continuing our programme as part of our commitment to sustaining tenancies and supporting prospective and new tenants to understand their obligations as a tenant and what they can expect from us as a landlord. We continue to offer workshops on Understanding Tenancies; Managing your Money and Tenant Responsibilities.

### Intensive Housing Management

Our Intensive Housing Management Officers continue to work across our supported accommodation services with a key focus on voids, arrears, safety, security and property maintenance and work in partnership with support teams to provide a co-ordinated approach between housing and support.





## Resident Engagement

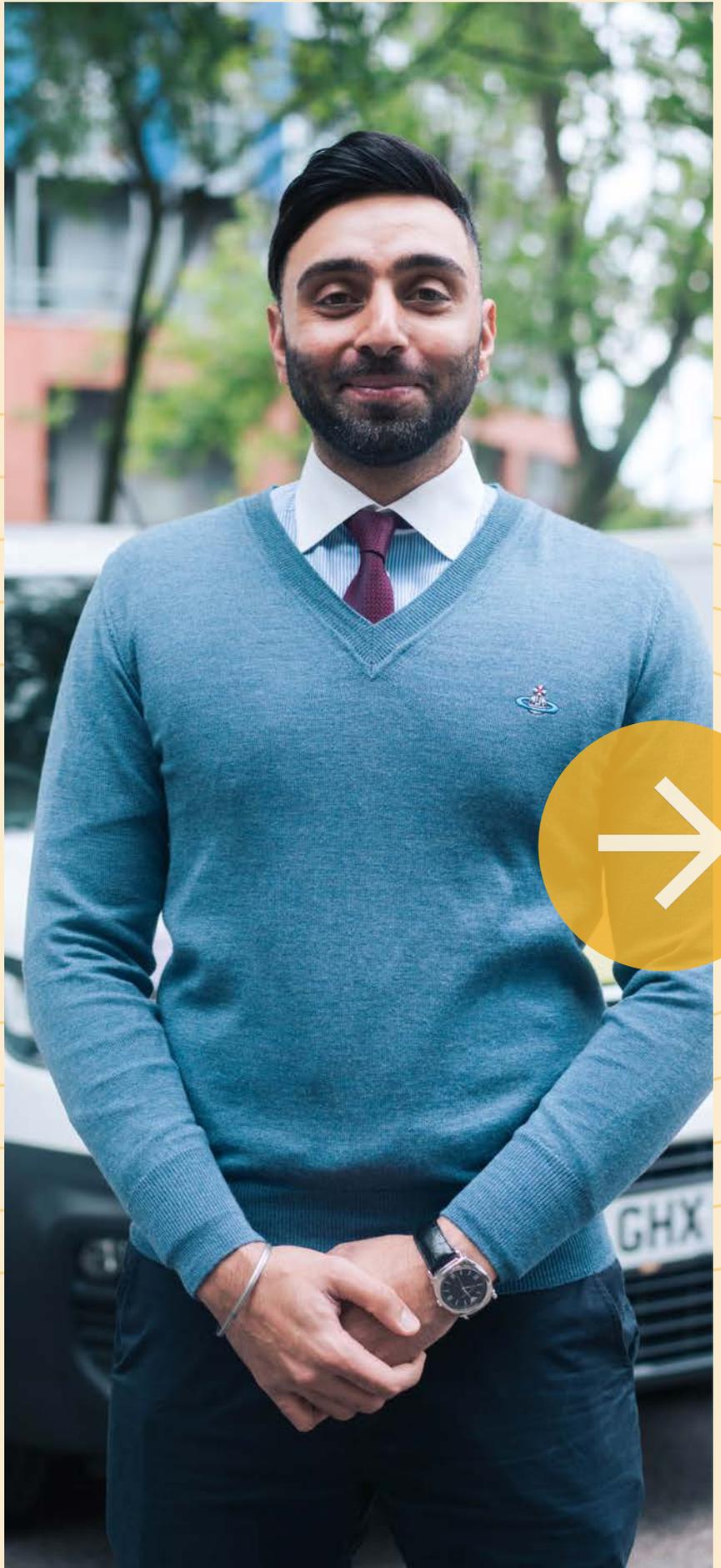
With the launch of our Resident and Customer Engagement Strategy and the results of our Customer Survey in 2019, we have a clear and solid foundation to move forward in 2020/21 with the delivery plan for Resident and Customer Engagement. We have established a positive number of residents and customers who want to be engaged in giving their views on how Trident deliver services and we have a broad range of formal and informal engagement opportunities from “armchair” engagement, to being part of scrutiny groups chaired by a member of the Board, Executive and Senior Team. Our offer to Tenants is formulated under the headings of Governance, Involvement and Communication. During 2020 we will be conducting a full review of the Strategy, utilising the results of the Customer Survey, and driving forward the Resident and Customer Voice.





## People and Resources

The People and Resources function is central to the Group's infrastructure that supports the day-to-day delivery of services to our clients.



# Equality, Diversity and Inclusion

Having been recognised for our commitment to Equality, Diversity and Inclusion (EDI) by both the National Centre for Diversity and Stonewall's index of Top 100 companies to work for, the Group continues to review its approach to EDI. The Group's anti-racism statement also states that the Group stands together with our Black colleagues, the community and all people of colour who are publicly condemning racism in any form. The Group is committed in its work to the acceleration of equality, diversity and inclusion for all.

In recognition of our commitment to EDI, the Group remains a 'Disability Confident Committed Employer' for the third consecutive year (up to March 2021) since signing up to the Disability Confident Scheme, which replaced the Department of Works and Pension (DWP), Two Ticks accreditation. Being Disability Confident is a unique opportunity for the Group to demonstrate its approach to recruitment and retention of disabled people and those with health conditions, making the most of the talents that these people can bring to the workplace.



# Human Resources

The organisation continues to be accredited as an Investors in People (IIP) organisation at the Standard award level, having continued to demonstrate the requirements of the IIP framework with the successful interim reviews as part of the three year accreditation period. The Group's achievement of the Standard award once again reflects the commitment, and acknowledges the effort of everyone that works for the Group.

The IIP state themselves that the Standard award is a very challenging one for organisations to meet and we have consistently met the Standard award for two consecutive years. The HR team continues to work with staff, volunteers and apprentices across the organisation to provide dedicated and responsive support for the development of skills and knowledge, to continue to contribute effectively to the Group's strategic vision and direction.



# Learning and Development

In line with the Group's strategic vision and direction, the Group continues to deliver mandatory and developmental training to employees and managers. Management training on HR topics has been rolled out in 2019 with delivery by face-to-face and e-learning courses, and will continue throughout 2020 and 2021. The purpose is to equip managers across the Group, with the necessary skills, knowledge and confidence to manage day-to-day employee relations within their teams.

The Group also continues to utilise the technology available, increasing the e-learning training courses on offer.



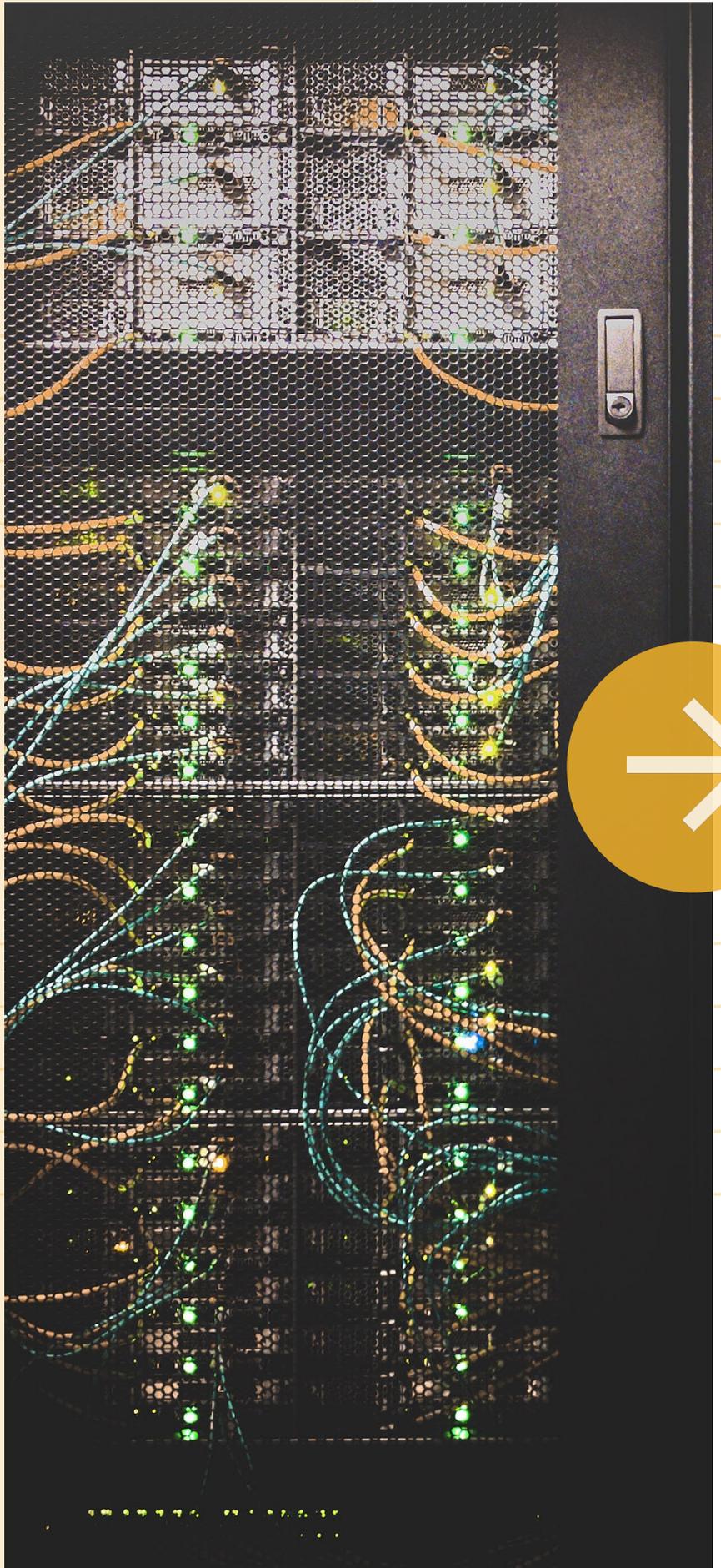
## Gender Pay Reporting

The Group completed its second review of the Gender Pay Gap Reporting as required by law. The report which provided a snapshot of participating organisations as of 5 April 2019, showed that the Group's figure of 14.4% was below the Office of National Statistics figure of 17.3%.

The Group is committed to reducing the pay gap and will continually review pay and pay arrangements in line with business transformation, market rates, sector benchmarking and legislative changes.

**14.4%**

was below the Office of National Statistics figure of 17.3%



# Information Communication and Technology

This past year has seen the ICT team consolidate some of their biggest support agreements and increase digitilisation across Trident Group.

Within Trident Reach we moved over to a new network provider to improve resiliency, speed and realise contractual cost savings. We also moved to a new mobile provider to improve coverage, billing granularity and realise further cost savings, whilst providing large amounts of data to support digitilisation.

In addition, as part of further digitalisation, 150 smart phones were rolled out to Trident Reach teams, to support the new cloud based Inform system to instantly realise customer engagement data and outcomes, whilst moving away from paper based solutions.

We also commissioned seven new sites and ICT equipment installed as part of the partnership with Midland Heart.

Across the Group we rolled out a new digital signing system to the three core sites at Fairlie House, Holliday Street and St Phillips. This enabled Fire Marshalls to instantly know who was at these locations as well as having visual images of any visitors in attendance.

A new lone worker system was also implemented, supported by an industry accredited Alarm Response Centre (ARC), backed by a 15 minute police response time. This system was rolled out to 40 members of staff identified as most at risk, who can be contacted or located by the ARC, even if incapacitated.

In March 2020, we were faced with the unprecedented Coronavirus Pandemic and ICT were able to react immediately to recommission old equipment to support home working for members of staff, some of whom did not have access to Broadband or WIFI in their homes and the Group were able to keep those employees working and fully operational throughout. Our Virtual Desktop Infrastructure (VDI) was perfectly poised to support remote working, providing virtually the same experience as working from the desk. Our phone system also supported mobile redirection and mobile devices were provided to those that required them.

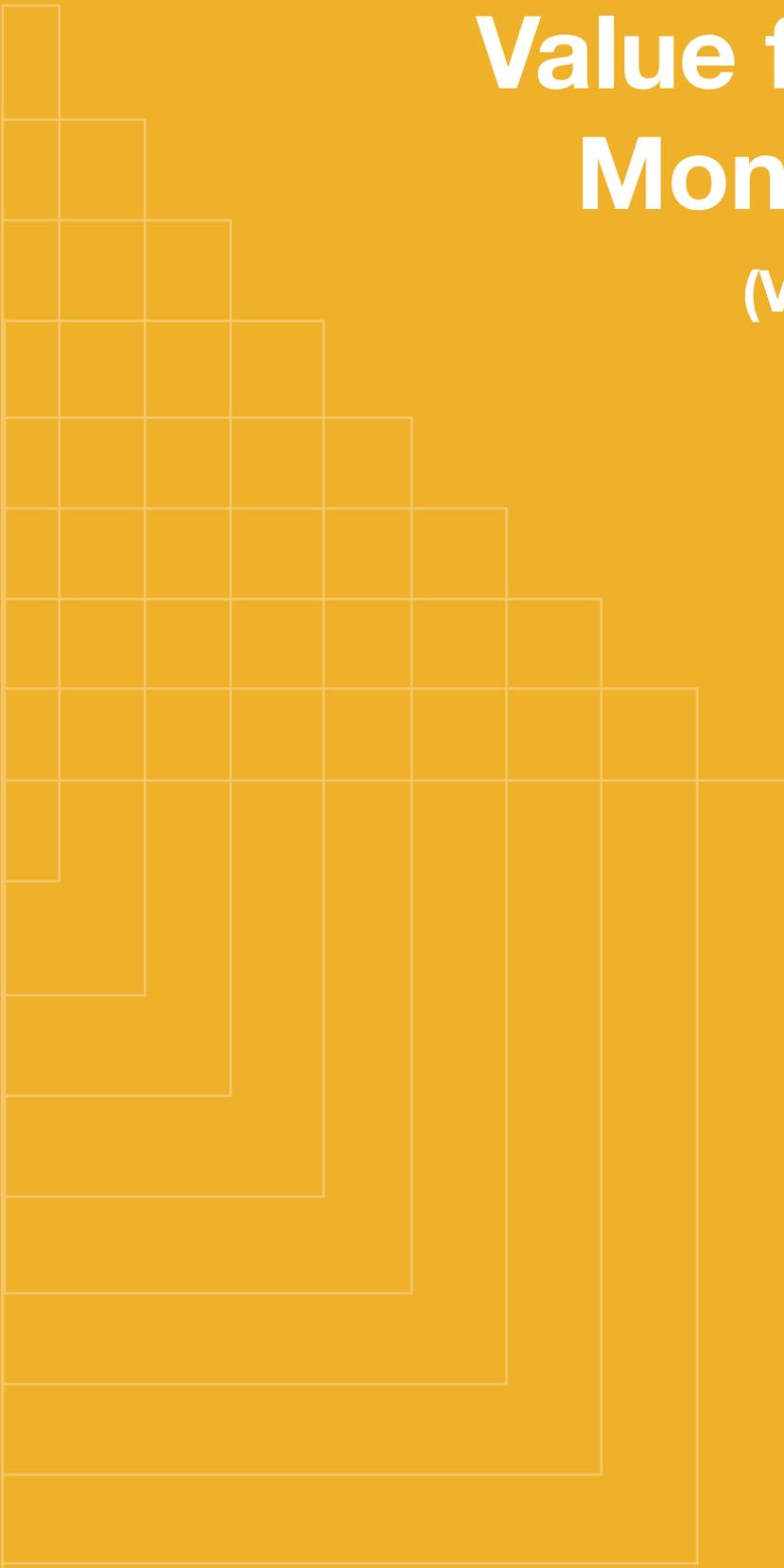
In addition to responding to mobilisation, ICT set-up and ongoing support of Trident Reach

contract wins and responding to the pandemic issue, the past year has seen ICT also concentrate on Cyber Security to be compliant with GDPR. This has involved upgrading to the latest network infrastructure hardware, and engaging a new network security provider to monitor and enforce resilience. As part of this project, the Group also tested our network security utilising a third party tasked with penetrating our network and identifying any areas of concern, which were then addressed. A regular offsite backup of our data was also commissioned.

ICT has obtained the government backed, industry supported, Cyber Security Essentials Certification - a pre-requisite to conducting business with government organisations.

Furthermore, aiding the Group's approach to digitalisation, ICT also during the period, moved Trident Reach, to the latest VDI to bring them in line with Trident Housing Association, and to transfer all local data for storage within the Group's datacentre. Also as part of ICT's remit to 'champion Digital Inclusion for the excluded', 14 Trident Reach sites had Wi-Fi installed and tablets provided, to enable residents to engage with the wider world.

Finally, ICT commissioned a Stock Condition Module to be created to house all of the data collected during the Stock Condition programme by the Group's Technical Services team.



# Value for Money

(VFM)

Value for Money is integral to Trident Group's strategic approach; this is both explicit in our stated objectives and also implicit in the targets that drive improvement in the efficiency and effectiveness of our services.

# Overview

The Group operates under the mantra 'Every Pound Counts'. Many of our residents and customers have complex needs and vulnerabilities, meaning that due to the additional investment this requires in services, we are unlikely to be the cheapest when compared with our peers. We therefore aim to derive the most value out of every pound spent, balancing costs against the diverse requirements of our customer-base, whilst still aiming for at least sector median in terms of cost-performance.

The Group's aim is to be "an employer of choice", and seeks to understand its customers better in order to provide targeted services. The Group is committed to delivering an effective service which represents best value and aspires to create steady, sustainable growth both in terms of property numbers and contract income. The strategic aims and objectives, as well as the key performance indicators (KPIs) and business finances that drive and support attainment of them, are reconfirmed within the Group's Strategic Plan.

The Strategic Plan covers a five year period starting in 2017/18 with a Business Plan refreshed annually. Although our aims and objectives remain consistent through this period, our activities and targets are fully reviewed and revised annually to ensure we are driving performance improvement at the right pace.

## How We Manage and Monitor VFM

Our strategic objectives are set and agreed by the Group Board, as are the Group's performance targets. The targets are reviewed and revised annually, based on analysis of the organisation's performance, as well as comparison with peers. We continually benchmark against other organisations with similar objectives.

All strategic objectives are monitored through a set of linked KPIs reported to the Senior Management Team on a monthly basis and to the Group Board on a quarterly basis. In addition to this, the

management accounts, supported by a clear finance report analysing the accounts, are reported on the same frequency, analysing any variance from agreed cost-improvement targets.

As part of the budgetary approval process with the Group Board, cost improvement targets are discussed, agreed and then transacted within the budget statements. A cost improvement log is then created which can be monitored throughout the period through the management accounts and key performance indicators, a set of indicators that is also linked to the Strategic Risk Register.

The information and evidence that is present within the Group allows us to assess how we are achieving VFM against the three aspects of economy, efficiency and effectiveness; definitions aligned to those used by the Regulator of Social Housing within its Value For Money Code of Practice publication.

## Who Is Responsible for VFM

VFM is a key driver within the organisation with dedicated accountability and responsibility, all staff have a responsibility to utilise the asset base to its optimal efficiency, the following tables demonstrates the responsibilities and accountabilities relevant to the achievement of the VFM plan:

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VFM owners	
Function	Action
Group Board Audit & Assurance Committee Chief Executive and Group Finance Director Senior Management Team Group Performance Business Partner All staff All staff / Board members	Overall responsibility for VFM strategy and oversight of VFM delivery To challenge VFM assumptions and achievement Champion VFM within Senior Management Team Operational responsibility for delivery of VFM To support staff with new VFM initiatives Ongoing drive to VFM Review performance against VFM targets

## Our VFM Performance in 2019/20

As stated, the Group monitors performance through a range of Key Performance Indicators, with targets set to achieve or exceed sector median performance where possible; a number of these KPIs relate directly to VFM and are set out below.

In addition to monitoring KPIs, the Group participates in wider sector benchmarking of VFM performance through Housemark, undertaking an annual appraisal of costs and performance, comparing the Group's VFM performance with that of its peers and the sector.

The seven metrics in the tables below are those which are examined by the Regulator of Social Housing as part of its approach to regulation of VFM. In addition, other operational metrics are reviewed by the Senior Management Team and Group Board.

## Group Performance

No.	VFM Performance Metrics	2019/20 performance	2018/19 performance
1	Reinvestment	0.98%	2.60%
2a	New Supply Delivered (social housing)	0.00%	1.63%
2b	New Supply Delivered (non-social housing)	0.00%	0.00%
3	Gearing	46.83%	47.61%
4	Interest Cover – EBITDA (MRI)	202.31%	205.07%
5	Headline Social Housing Cost	£8,064	£8,260
6a	Operating Margin (social housing)	23.94%	25.96%
6b	Operating Margin (overall)	14.62%	15.70%
7	Return on Capital Employed (ROCE)	3.17%	3.44%

## Housing Association only

2019 benchmark (Housemark)

No.	VFM Performance Metrics	2019/20 performance	2018/19 performance	Sector Upper quartile	Sector median	Sector lower quartile
1	Reinvestment	0.98%	2.60%	9.30%	5.70%	3.20%
2a	New Supply Delivered (social housing)	0.00%	1.63%	2.40%	1.00%	0.04%
2b	New Supply Delivered (non-social housing)	0.00%	0.00%	-	-	-
3	Gearing	47.55%	48.61%	20.80%	33.80%	47.80%
4	Interest Cover - EBITDA (MRI)	197.79%	196.75%	282.60%	197.90%	148.80%
5	Headline Social Housing Cost	£3,690	£4,700	£3,162	£3,725	£4,557
6a	Operating margin (social housing)	24.38%	26.53%	34.00%	27.20%	19.80%
6b	Operating margin (overall)	24.92%	26.67%	31.70%	25.50%	18.00%
7	Return on Capital Employed (ROCE)	3.20%	3.38%	4.58%	3.20%	2.50%

## Cost Per Unit

	Social housing CPU (£k)	Management CPU (£k)	Service charge CPU (£k)	Maintenance CPU (£k)	Major repairs CPU (£k)	Other social housing costs CPU (£k)
<b>Trident Group</b>						
2019/20	8.06	0.82	1.46	1.12	0.46	4.21
2018/19	8.26	0.72	1.39	1.20	0.47	1.06
2017/18	8.04	0.77	1.41	1.05	0.34	1.13
<b>Housemark benchmark - 2019</b>						
Sector Upper Quartile	3.16	0.89	0.13	0.85	0.58	0.09
Sector Median	3.64	1.13	0.29	1.04	0.79	0.19
Sector Lower Quartile	4.66	1.43	0.54	1.24	1.04	0.44

It is important to understand the reasons behind differences in performance in certain key areas; for example operating margin (metric 6b), that arises from the Group's commitment to providing care and support services integrated with our housing services. Care and support contracts, primarily funded by Local Authorities, have significantly lower operating margins and this affects our Group Performance. However, when viewed at Housing Association level (metrics 6a and 6b) the Association performs close to sector median and better than our peers.

The Group carries a significantly higher than average level of cost within our service charges, and our other social housing cost, arising from our decision to work with the most disadvantaged customer groups, who need generally greater levels of support. The Group employs additional staff specifically for the housing management of our supported schemes, and this, alongside costs created through flatted accommodation, (door entry systems, lifts, laundry) result in a greater cost per unit compared to the Housemark housing sector benchmark.

The Group's development programme (metric 2a) is a cyclical one; in order to develop sustainably from a financial and management perspective. As a result of this, the Group does not undertake significant development programmes each year.

The relative cost per unit applicable to the Housing association, reflect a more comparable position to the sector, is as follows:

### Costs Per Unit Trident Housing Association

	Social housing CPU (£k)	Management CPU (£k)	Service charge CPU (£k)	Maintenance CPU (£k)	Major repairs CPU (£k)	Other social housing costs CPU (£k)
<b>Trident Group</b>						
2019/20	3.69	0.74	1.38	1.11	0.46	0.00
2018/19	3.61	0.63	1.32	1.18	0.47	0.00
2017/18	3.38	0.68	1.34	1.03	0.34	0.00
<b>Housemark benchmark - 2019</b>						
Sector Upper Quartile	3.16	0.89	0.13	0.85	0.58	0.09
Sector Median	3.64	1.13	0.29	1.04	0.79	0.19
Sector Lower Quartile	4.66	1.43	0.54	1.24	1.04	0.44

### Benchmarking

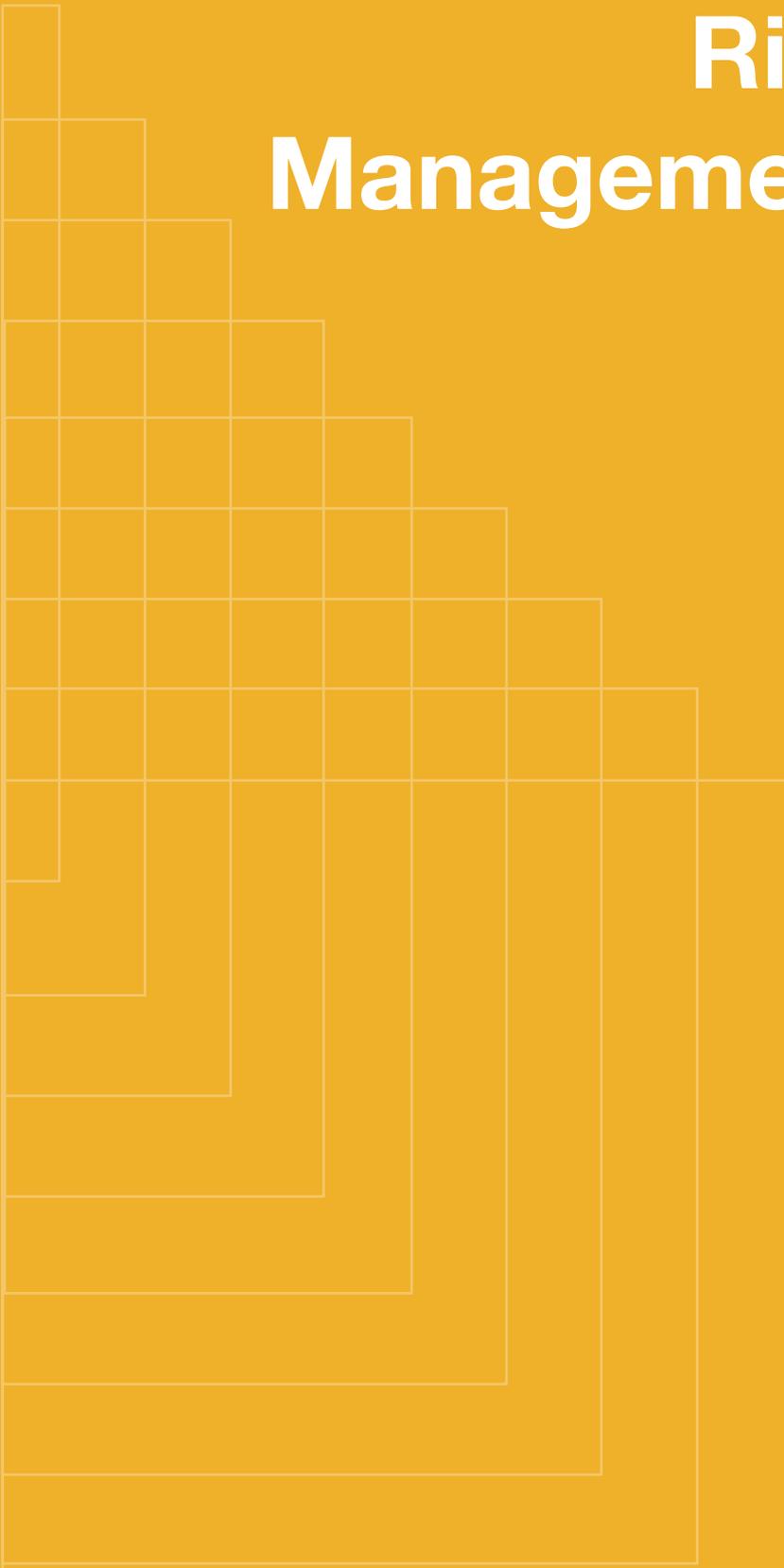
In addition to the sector and peer benchmarking work highlighted earlier in this report, the Group is a member of the Matrix Partnership, a partnership that not only supports members in housing development but also provides, through regular meetings at Chief Executive and Group Finance Director level, the sharing of best practice. The aims of each Finance Director meeting are as follows, to:

- bring like minded senior people together across the sector;
- share strategic and relevant operational performance information; in particular key metrics;
- share best practice and consistency in reporting;
- provide learning and access to experts within the sector;
- deliver and exceed regulatory requirements; and
- enhancing benchmarking and challenging one another's performance information.

The Finance Directors share this additional knowledge and benchmarking with their Group Board and Senior Management Teams to put key variances into context.

### Future VFM savings and initiatives

- Recruitment of a dedicated Procurement role to review all suppliers.
- Refinancing exercise in first half of 2020 expected to drive down future interest costs
- Business efficiency projects will be identified and presented to the board within a cost benefit analysis, enabling the tracking and assessment of VFM projects and transparency of performance.



# Risk Management

Management of Risk remains a key priority for Trident, reflecting the ongoing change in both our external and internal operating environments.



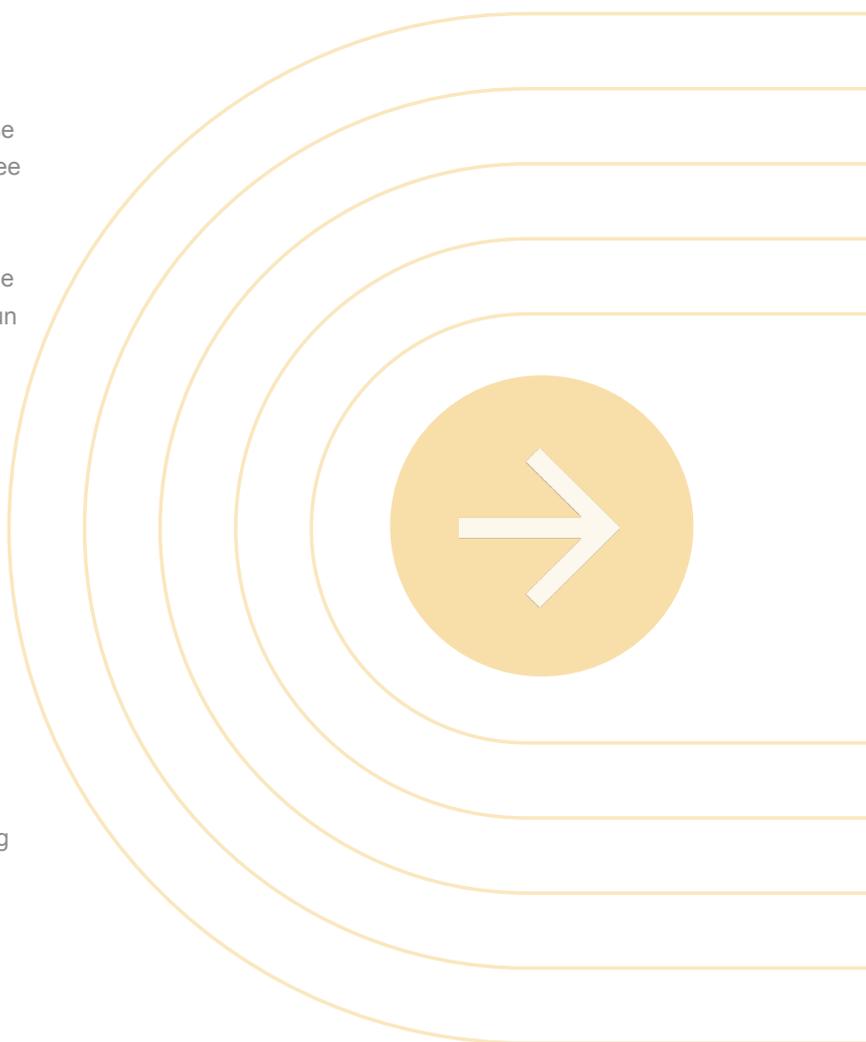
Trident has a clear strategic approach to risk, including both programmed and reactive reviews, and this is documented in the Trident Risk Strategy. Risk is understood at all levels of the organisation, but is led by a very risk-aware Board.

We have continued to support our approach to risk management with a robust programme of stress testing. A complete stress testing exercise is formally programmed in for a minimum of three times a year, firstly as part of the budget setting process, secondly as part of the Strategic Plan review, and thirdly, later in the year as part of the financial reforecasting, but is adjusted and re-run responsively to internal and external changes, both for current and perceived future events.

Trident carefully examines its approach to both strategic and operational Risk in the short, medium and longer term, and our approach to risk review and management will continue to evolve to meet the needs of a changing environment.

Trident's Strategic Risk Register is a living document, reviewed and updated on a monthly basis by the Senior Management Team and by the Group Board at least quarterly as a standing agenda item at each Group Board meeting. All identified risks are mapped to corresponding Key Performance Indicators, giving both management and Board early indicators if risk and performance tolerances may be breached.

The table on the following page summarises the principal risks identified and monitored on the Strategic Risk Register at the year end, together with a statement of the key mitigations applicable to the risk.



# Strategic Risks and Mitigations

Risk Description	Current Mitigations
<p><b>Health and Safety</b></p> <p>1, Health &amp; safety failures put at risk our customers, service users, staff and the general public. They could lead to injury/loss of life, regulatory intervention and downgrading, prosecution, loss of finance and damage to Trident and the wider sector.</p> <p>2. COVID-19 pandemic has resulted in lockdown, and there is a risk to the health and safety of customers and staff from business continuity decisions taken regarding service continuity.</p>	<p>1. Enhanced Programmed Fire Risk Assessment and action plan for remedial work Fire safety awareness programme</p> <p>2. Staff re-deployed to support frontline service delivery. Effective rota management. Support for staff, including those working from home. Budget agreed to support residents, customers and staff. Action taken to maintain availability of materials and supplies. Maintain good news flow and positivity.</p>
<p><b>Data Safety and Monitoring</b></p> <p>1. Our IT systems and information management procedures must be sufficiently robust to support delivery of our business plan, to withstand any form of cyber attack, and to ensure all information is managed securely and in accordance with GDPR. Any failure can lead to significant financial losses and damage to reputation. Data that is stored or reported on must be entered correctly and reported to all staff including board members accurately and on time.</p> <p>2. Need to support new ways of working for staff whilst maintaining data security (note risk of unmanaged WIFI networks; use of personal devices and scams targeting remote workers).</p>	<p>1. Investment in electronic, auditable, secure systems for data retention and use within Trident. Customer database can be tailored in-house to store relevant data.</p> <p>Executive, Senior Management and staff review of regulatory returns prior to submission. IT and GDPR training for staff</p> <p>2. Virtual desktop infrastructure is encrypted. External connectivity is secure. Information cannot be downloaded or uploaded into infrastructure. Personal devices cannot have corporate data on them.</p>
<p><b>Staff Turnover/Reputational Damage</b></p> <p>1. Turnover of staff leads to increased costs through the use of temporary staff and recruitment. Loss of key staff can lead to issues in information retention, as well as reputational damage.</p> <p>2. Frontline services under greater than usual scrutiny during COVID-19 pandemic, as we try to maintain key services but balance that with the need to protect residents, customers and staff who may have underlying health conditions, putting them at greater risk of contracting COVID-19</p>	<ul style="list-style-type: none"> <li>- Staff engagement workshops</li> <li>- Salary benchmarking &amp; reviews</li> <li>- Extensive staff benefits</li> <li>- Management of use of agency staff</li> <li>- Creation of internal bank of cover staff and volunteers</li> <li>- Use of IT system to support information retention</li> <li>- Succession planning for key roles</li> </ul> <ul style="list-style-type: none"> <li>- Vigilant and proactive communication</li> <li>- Sensitive handling of residents, customers, staff and relatives.</li> <li>- Maintain communication with, and morale of, staff</li> <li>- Heightened awareness of risk among Executive, managers and staff when supporting key workers</li> <li>Good working relationship with local authority commissioners.</li> </ul>
<p><b>Stock Condition/Compliance</b></p> <p>Failure to adequately invest in and manage out stock and estates leads to decline in stock condition, property values and failure to meet compliance standards, as well as inability to refinance to necessary level. Failure to understand our assets, leads to unexpected costs incurred. Failure to meet statutory requirements on condition or compliance could lead to prosecution and loss of reputation.</p>	<p>Asset and liability register kept up to date. Stock condition and asset appraisal tool used to develop a robust asset management strategy. Insurance in place to cover unforeseen investment requirements (i.e fire, criminal damage, weather damage) and to cover against losses from public or employers liability claims. Communicate Asset investment plans to customers.</p>

# Strategic Risks and Mitigations

Risk Description	Current Mitigations
<p><b>Financial Management</b></p> <p>If we overspend or fail to collect sufficient income we will be unable to return the surplus needed to meet our strategic aims, to satisfy our regulators and could ultimately breach our banking covenants. If we do not manage our cash flow appropriately, we could breach payments, terms with contractors, leading to reputational as well as financial losses.</p>	<ul style="list-style-type: none"> <li>- Contingency built into budget</li> <li>- Budgets are prudent; overspend will breach our internal targets but not affect our external covenants.</li> <li>- Minimum £6m cash holding</li> <li>- Refinancing has reduced cost of debt</li> <li>- Stress testing of Financial Plan to identify any future issues</li> </ul>
<p><b>Impact of Brexit</b></p> <p>The ongoing decision to leave the EU, may be with a deal to trade with other EU member states or may not. This may have an impact on interest rates, inflation, access to development funding, labour market and an increase in bad debts.</p> <p>Transition period may also create further risks to the business.</p>	<p>Our current mitigation is significant headroom within our EBITDA MRI &amp; Net Debt per unit covenants. Trident Group continues to hold significant cash reserves of £6m and an RCF with Barclays of £6.15m.</p> <p>Further mitigations identified via stress testing and available, if required. Interest rate change risk mitigated by significant level of fixed rate debt.</p>
<p><b>Impact of Failure to meet Financial Targets</b></p> <p>Inability to meet financial performance targets set out in the budget, including cost improvement targets and agree efficiency measures leads to financial losses, inability to deliver services and our business plan.</p> <p>Failure to meet and demonstrate our compliance with the VFM Standards leads to intervention from commissioners, lenders and/or regulators leading to reputational damage.</p>	<ul style="list-style-type: none"> <li>- Internal controls and strict budgets management.</li> <li>- An achievable VFM cost reduction plan included in the budget, and fully stress-tested Regular reiteration of VFM principles in staff induction and ongoing briefings.</li> </ul> <p>Ongoing concentration on identifying impacts from and responses to Coronavirus.</p>
<p><b>New Development</b></p> <p>Undertaking new development leads to increased cost exposure, as well as potential Regulatory ones.</p> <p>Developing as part of a consortium presents risks where there is reliance on partners to deliver targets and services.</p>	<p>No development for sale. All development covered by Clerk of Works to assist with quality control and timely completion. Retention is held to cover off any required additional works.</p> <p>Counterparty risk is taken into account when contracting with an external organisation; financial robustness of contractors is reviewed.</p>
<p><b>Supported Housing and Care Services</b></p> <p>1.If Central or Local Government decisions led to the withdrawal of funding for support services and supported housing we would be unable to achieve our strategic aims. If funding were removed this would impact on the wellbeing of our residents and service users, as well as representing significant income loss for the organisation. If the loss was due to performance this would have an impact on reputation.</p> <p>2.Risk to wellbeing of vulnerable customers if some supported housing services cannot be maintained because of COVID-19.</p>	<p>1.Income insurance, prudent reserves policy which allows quick access and covers operation for 18+ months, diversification of contracts and contract end dates. Partnership working with Local Authority partners. Avoid over dependency on individual partners. No Care home expansion. Reconfiguration of supported accommodation, where appropriate.</p> <p>2.Provide support and back up to all frontline staff. Use Holiday Inn for those needing to self isolate. Support staff to access COVID-19 testing. Effective communication with L.A commissioners. Respond to issues/new guidelines as they arise. Manage absenteeism and returns to work. Place emphasis on good rota management.</p>

## Capital Structure and Treasury Policy

Trident completed its refinancing of debt on 15 June 2020. This changed the structure and length of the debt portfolio.

The position at 31 March 2020 reflected the following:

In respect of Treasury arrangements, these are actively managed. The Group does not have any abnormal exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The Group does not enter into any hedging transactions and no trading in financial instruments is undertaken.

The loans maturity at 31 March 2020 reflected:

Maturity	2020 £m	2019 £m
Within one year	3.4	3.3
Between one and two years	3.1	3.3
Between two and five years	25.1	21.1
After five years	49.3	52.6
<b>Total loans</b>	<b>80.9</b>	<b>80.3</b>

At 31 March 2020 the Group had four principal funders being Nationwide, THFC, Orchardbrook and Barclays.

The Group has three key financial covenants: EBITDA, net debt per unit and gearing. It is the policy of the Group to ensure that performance targets are set which give a significant “buffer” between target level and covenant level. This together with regular Board reporting and monitoring of covenant performance, mean that the risk of a covenant breach is greatly reduced.

The fundamental impact of refinancing was to issue £75m loan notes to PIC and from the proceeds completely repay Nationwide, the principal lender at 31 March 2020.

The PIC debt is repayable in 2051 and 2053 at tranches of £37.5m respectively.

Interest was fixed at an all in cost of 2.531% per annum.

The profiling of the loan maturity changed to reflect:

Maturity	Jun 2020 £m	2019 £m
Within one year	0.3	3.3
Between one and two years	0.1	3.3
Between two and five years	14.1	21.1
After five years	80.5	52.6
<b>Total loans</b>	<b>95.0</b>	<b>80.3</b>

In relation to liquidity risk:

- The Group maintains a minimum cashholding of £6m at all times together with a £20m revolving credit facility, £18m of which is undrawn at the date of this report. Current cash flows are expected to mean that Trident will be able to repay the remaining £2m drawn and in use in December 2020. It is anticipated that this facility should not need to be utilised in the normal course of business.

- It is the Group's policy that it must be able to meet its contractually committed obligations, within a period of 18 months, from existing facilities.

The Group has a Board approved minimum credit rating criteria for counterparties.

Treasury transactions can only be entered into with Board approved counterparties.

Trident has put in place an active Interest Management Strategy. This combines current and future hedging arrangements to provide longer term certainty around interest costs, whilst obtaining some financial benefits from the current low libor rates offered by the financial markets. As a proportion of our loan portfolio at the date of this report, around 85.43% (2019: 57%) of our loans are at a fixed rate.

The period of financing as at 31 March 2020 is 36 months, this compares comfortably with the Regulator of Social Housing's expectation of a minimum of 18 months.

## Statement of Compliance

In preparing the Operating and Financial Review and Board Report, the Board has followed the principles set out in the Housing SORP 2014 and FRS 102.

## Code of Governance and Financial Viability Standard

The Board has adopted the National Housing Federation's Code of Governance (2015), and Code of Conduct (2012). There are no known instances of non-compliance with the NHF Code. On an annual basis, Trident completes the NHF Code Compliance Checklist which offers the Board assurance on how the Group is complying with the Code.

The Board has formally assessed its compliance against the Code of Governance and confirms that the organisation is compliant.

The Board has also assessed compliance with the Governance and Financial Viability Standards of the Regulator of Social Housing and confirms that the organisation complies.



# → board report



# Report of the Board

The Board of Trident Housing Association Limited and its subsidiaries are pleased to present its report together with the audited financial statements for the year ended 31 March 2020.

## Principal Activities, Business Review and Future Developments

Details of the Group's principal activities, its performance during the year and factors likely to affect its future development are contained within the Strategic Report and Operating and Financial Review, which precedes this report.

## Board Members and Executive Directors

Details of the Board members and the Executive Directors are set out in the Association information.

The Executive Team comprises of the Group Chief Executive and Group Finance Director (Executive Directors) and Group Executive Leads.

The Executive Directors act as executives within the authority delegated by the Board.

## Service Contracts

The Group Chief Executive and the Executive Team are employed on terms and conditions providing for a notice period of six months.

## Legal proceedings

From time to time, the Group may be involved in legal proceedings incidental to its operations. The outcome of such proceedings, either individually or in aggregate, is not expected to have a material effect upon the results of our operations or financial position.

## Pensions

The Group Chief Executive and Executive Team are ordinary members of staff and members of the defined contribution scheme and participate in the scheme on the same terms as all other eligible staff.

## Other benefits

The Group Chief Executive and Executive Team do not receive any other significant benefits.



## Employees, Employee Involvement and Diversity and Gender Pay

We recognise that the success of our business depends on the quality of our managers and staff. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees. In line with the Group's strategic vision and direction, the Group continues to deliver mandatory and developmental training to employees and managers. Management training on HR topics has been rolled out in 2019 with delivery by face-to-face and e-learning courses, and will continue throughout 2020 and 2021. The purpose is to equip managers across the Group, with the necessary skills, knowledge and confidence to manage day-to-day employee relations within their teams.

The Group also continues to utilise the technology available, increasing the e-learning training courses on offer.

The Group operates an Employee Forum (EF), which is the key forum for communication and consultation with employees. The EF meets bi-monthly and an Executive and the Head of HR attends to enable employees to raise matters of concern or interest directly with the Executive Team.

We are committed to equal opportunities and raising awareness of Equality, Diversity and Inclusion (EDI) to staff across the Group. We encourage applications from all groups within the community to ensure that the workforce employed reflects the diversity of the population and customers we serve. Having been recognised for our commitment to EDI by national

organisations (National Centre for Diversity and Stonewall) and featuring in their Top 100 index as companies to work for, for promoting EDI, the Group continues to review its approach to EDI. Our anti-racism statement further supports this by stating that the Group stands together with our Black colleagues, the community and all people of colour who are publicly condemning racism in any form. The Group is committed in its work to the acceleration of equality, diversity and inclusion for all.

Furthermore, in recognition of our commitment to EDI, the Group remains a 'Disability Confident Committed Employer' for the third consecutive year since signing up to the Disability Confident Scheme. Being Disability Confident is a unique opportunity for the Group to demonstrate its approach to recruitment and retention of disabled people and those with health conditions, making the most of the talents that these people can bring to the workplace.

The Group completed its second review of the Gender Pay Gap Reporting as required by law. The report which provided a snapshot of participating organisations as of 5 April 2019, showed that the Group's figure of 14.4% was below the Office of National Statistics figure of 17.3%.

Moreover, the Group is committed to reducing the pay gap and will continually review pay and pay arrangements in line with business transformation, market rates, sector benchmarking and legislative changes. From November 2020, the Group will also be one of the organisations demonstrating their commitment to fair and equal pay by becoming a Living Wage employer.

## Health and Safety

The Group is committed to ensuring and maintaining the health, safety and welfare of its staff, customers, contractors, partners and members of the public who may be affected by its activities.

This is achieved through continuous application and monitoring of our Health & Safety Policy and Management System, by training and raising awareness of Health & Safety risk among our staff and customers, and by conducting audits, inspections and investigations. We adopt a practical approach to the way we manage health and safety performance whilst supporting our customers to live independent lives within our communities, with the aim of promoting safer environments in everything that we do.

Health and Safety risks are identified and regularly reviewed and, where required, staff are supported by independent technical specialists to ensure that the Group meets its health and safety obligations. We implement a programme of risk reduction measures as part of ongoing controls. Any work identified is undertaken in a timely way and is prioritised for action on the basis of risk.

The Executive Board together with the Audit and Assurance Committee and Board, receive regular reports on a number of measures, which include details of the organisation's risk profile and audit activity, accidents at work and health and safety incidents, in order to assess the Group's performance on health and safety issues and identify any areas for improvement.



## Employment of disabled persons

The Association and Group are committed to a policy of recruitment, promotion and retention on the basis of aptitude and ability without discrimination. The Group is part of the government's Disability Confident Scheme which supports employers to make the most of the talents disabled people can bring to the organisation.

Management actively encourages applications from disabled people whenever a suitable job vacancy arises and supports the continued employment and retraining of employees who become disabled whilst employed by the Group. As a Disability Confident Committed organisation, the Group is demonstrating its commitment to equal opportunities for disabled people.

## Investment for the Future

Trident has a clear understanding of the future investment needs of its stock, using the information gathered from the stock condition surveys undertaken over the last two years. This has been supported by a range of internal information sources on property condition, local priorities and external demands to help us forecast investment levels to replace existing building elements.

The Group is committed to investing in our properties and the communities in which we serve. During the year we invested £1.5m on planned improvements and major repairs to our properties. The Group is committed to planned improvements investment of £8m across the main property components for the next five years.

Our Asset Management Strategy also provides for the disposal of a number of properties which do not meet the needs of our customers. Proceeds from these properties are used to fund development of properties within our core area.

## Policy on payment to suppliers

The Group is committed to paying suppliers in line with the payment terms agreed with those suppliers. Where suppliers can evidence undue hardship due to COVID-19 factors, the Group will agree payment arrangements to assist suppliers and mitigate issues and difficulties wherever possible.

## Environmental Matters

The Group ensures compliance with all environmental legislation and standards. We are committed to embedding sustainable practices into our business operations, ensuring a positive impact on the environment, our homes and communities.

We aim to minimise the impact on the environment and ensure that carbon emissions are reduced, committing resources to improving the thermal efficiency and performance of our homes. Our aim is to deliver affordable and efficient homes, understanding the effect that energy costs and environment can have on our residents.

We continue to reduce CO2 emissions and our carbon footprint, managing energy consumption and continuing to look at new technologies, approaches and funding opportunities to achieve this.

The Group's long-term goal is to achieve 'zero carbon' homes across our stock, in the most efficient and cost effective way, achieving sustainable investment in our assets.

## Our Assets

Trident manages 3,645 properties across the Midlands. Around a third of these are homes used as care and support schemes. Over 75% of our residents are characterised by low income, economic inactivity, disability, vulnerability and isolation in the most disadvantaged communities in the Midlands.

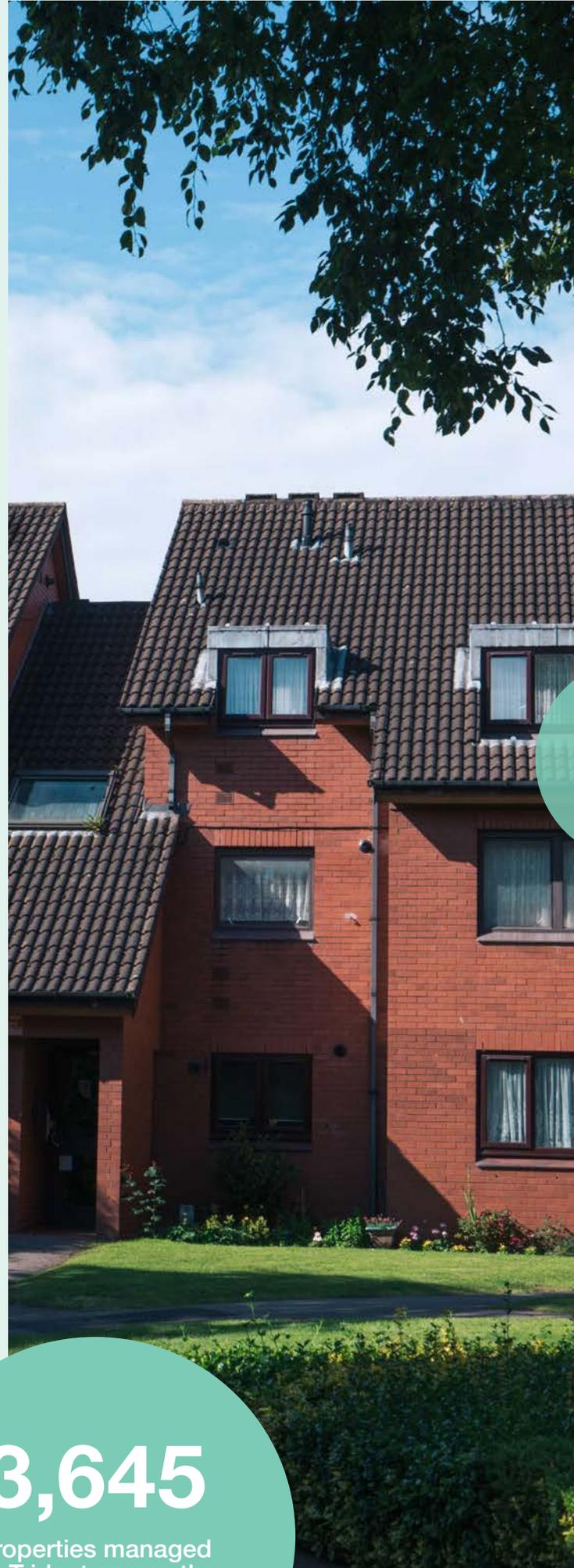
Trident has a relatively wide geographical spread and its property assets are diverse with a range of different archetypes and investment demands. A significant proportion of Trident's stock is made up of bedsits and one-bedroom flats, with generally lower investment demands. Conversely we have greater investment costs for common and external elements; this balance is recognised in our approach to capital investment.

It recognises that with high levels of smaller single occupancy stock, shorter tenancy cycles are to be expected and results in higher than average void rates. The Group therefore places importance on improved standards for our voids, with a focus on cost efficiencies.

This underlines the need for us to have a good knowledge of our stock, through the collection and management of data to drive intelligence-based asset management, to enable better delivery of services and targeted investment in our assets.

Our aims for Asset Management are summarised into five key Service Standards

- Understand our investments and maintain accurate data;
- Maintain Safe, Decent and Efficient Homes;
- Meet Resident Needs through Effective Communication and Involvement;
- Deliver a Quality and Cost-Effective Service;
- Optimise Asset Performance and Ensure Continued Business Growth.



**3,645**  
properties managed  
by Trident across the  
Midlands.

# Asset Management Strategy

The Group is committed to paying suppliers in line with the payment terms agreed with those suppliers.

Where suppliers can evidence undue hardship due to COVID-19 factors the Group will agree payment arrangements to assist suppliers and mitigate issues. In the summer of 2019 Savills undertook year two of the stock condition programme and has now surveyed approximately 49% of its properties. Trident aims to complete an overall four-year stock condition programme in which we will survey 100% of stock. The stock condition analysis completed for the Group by Savills, illustrates future stock investment requirements of £10.3 million across the main elements and components over the next five years.

The importance of ensuring that residents are at the heart of decisions, is a key theme for Trident. This includes effectively communicating with residents on such areas as building safety, improvements, and major works programmes. Trident aims to ensure greater empowerment of residents through strengthening their involvement in the delivery of services.

Ensuring that all residents live in homes that are safe, well-maintained and appropriate for their needs, as well as meeting the Decent Homes Standard, is an essential outcome for Trident.

Energy sustainability continues to be part of our wider asset management agenda with fuel poverty remaining a considerable concern. Trident is committed to reduce resident utility costs by investing in its assets to bring all homes to a minimum standard of energy efficiency and achieving performance targets set out in the government's Clean Growth Strategy.

Our strategy recognises the significant economic challenges faced by Trident to ensure that key assets remain fit-for-purpose but also the potential opportunities that the increased demand for land and commercial development within Birmingham City Centre might present. This includes the development of a long-term plan to look at future opportunities for over 600 properties at Central Site scheme, including redevelopment, investment and potential partnership options.

Our strategy sets out future development commitments as part of the Homes England funding package for the Affordable Homes Programme, with a target to deliver 50 extra homes as part of the Matrix partnership in 2021/22. This supports our development aspirations of 250 new homes (50 homes per year) across a five-year period in line with our business plan until 2024/25.

In the short-term we will invest in our existing assets to future proof them, and to bring redundant or under-utilised spaces into active use. To achieve this, we will be working to further evaluate and appraise our assets, including land, in order to create a fully articulated investment plan.

It is recognised that CV-19 will have an impact upon the current implementation of areas within the Asset Management Strategy however that is likely only to represent a short term deferral. As soon as is practical Trident will reinstate all plans which have been agreed within the 2020/21 budget and fulfil the works. There will be no cost saving, this will be recognised through a timing differential in commitment and spend.



# Financial Risk Management Objectives and Policies

The Group uses various financial instruments, including loans and cash, and other items such as rental arrears and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The existence of these financial instruments exposes the Group to a number of financial risks. The main risks arising from the Group's financial instruments are considered by the Board to be interest rate risk, liquidity risk and credit risk. The Board review these through the work of the Audit & Assurance Committee and agree policies for managing each of these risks, and they are summarised below:

## Treasury Management

Trident Group engages Savills to support with the management of liquidity, interest rate risk and counterparty risk. These activities are governed by a Treasury Policy and strategy which are reviewed, challenged and approved by the Group Board. The policy is based on industry good practice.

The Group adopts a risk-based approach to liquidity and interest rate management, with an objective to mitigate unacceptable risk. Cash reserves are held with approved counterparties in line with the Treasury Policy. The organisation is funded primarily through bank loans, retained earnings and grants provided by Government Agencies. In June 2020 the Group made a private placement of loan notes with Pension Insurance Corporation which replaced traditional bank funded debt. There is no exposure to derivatives or foreign currency.

## Interest Rate

The Group's exposure to interest fluctuations on its borrowings is extensively stress tested and reviewed

by the Group Board on a regular basis. The Group Treasury Policy requires up to 80% of drawn debt to be held at fixed rates of interest. As at 31 March 2020, 54.97% of the Group's drawn monies were held on this basis.

Post the refinance transition on 15 June 2020, the level of fixed interest debt was 85.43%.

## Liquidity Risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and investing cash assets safely and profitably. The Group Board approved the 2020/21 budgeted cash flow in March 2020, with minimum levels of cash at bank at any one time of £6,000k in line with the Group's risk appetite. In addition to cash held on deposit, Trident Group operates a revolving credit facility (RCF) with Barclays, at the point of signing this report charged and immediately available facilities were £18,000k. The Group Board do not expect to utilise this facility during 2020/21, further enhancing Trident Group's risk mitigations

## Credit Risk

The Group's principal credit risk relates to tenant arrears and appears as a high risk within the Group Strategic Risk Register in line with the Sector Risk Profile. Trident Group has reviewed its Allocation policy and strengthened the support to eligible tenants with their application for Housing Benefit and closely monitors the arrears of self paying tenants. During the year, Trident Group employed a dedicated resource to monitor and manage the transition to Universal Credits. The current level of rents paid direct from benefit bodies, Housing benefit and Universal Credit is in excess of 63%. This level is expected to increase as more claimants appear as future tenants.

## Going Concern

Group budgets for 2020/21 were finalised before the impact of CV-19 had become apparent. The expectation for the consolidated surplus were approved in the order of £3.1m. The increase to 2019/20 performance being the settlement of the new business streams within Trident Reach, integration of additional managed housing stock to Trident systems, as well as the increase of rents for the first time in 5 years. The impact of CV-19 was built into stress testing and various scenarios modelled. The Group believe the worst impact in relation to CV-19 costs and income losses would not exceed £1.1m for the full financial year. In any event Group surplus would more than adequately support the requirements of the operations, meet funders covenants and provide positive cash flow.

Projections were revised to extend to 30 June 2022 where similar modelling indicated continuance of similar positive performance for the 15 months to 30 June 2022. While there are expected to be variations in business plans arising due to CV-19, these are not expected to impact to such an extent that would reduce operating cash surplus to a level approaching break even or negativity. This would require an impact of reduced revenue in the order of £7m in 2020/21 and a similar amount in 2021/22. Even at that level of reduction the Group would be cash neutral and have sufficient cash resources to sustain activities, and service debt from £20m+ of liquid resources.

This level of downturn would impact upon interest covenant performance with all Group lenders. A reduction of £3.5m would provide the Group with a positive cash flow and satisfy interest covenants with Group lenders. Covenant performance is measured upon Trident Housing Association performance with a rider of any material adverse matters, which would require subsidiary performance to be measured and evaluated in terms of the levels quoted above, £7m and £3.5m reduction. These equate to 35% and 17.5% of Association revenue forecasts. Any reduction in revenue would be incurred from private tenant payment stream forecasted at 37% or £7.4m per annum. While there would be an increase of non-collection of rents due to individual employment and earnings issues, it is not expected to exceed 20% of the private rental yield i.e. £1.4m or £700k.



The stress testing for variations of that nature and reviewed by the board, indicated positive cash flows for both periods 2020/21 and 2021/22, and covenant compliance in all areas with Group funders. The Board also reviewed the need or applicability of asset impairment, particularly in line with CV-19 implications and in line with latest valuations conducted to support the securitisation of freehold stock to secure £75m borrowings from PIC. The transaction values reported in spite of the uncertainty did not in the Board's opinion require any impairment within the financial statements.

On this basis, the Group Board has reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

## Internal Controls Assurance

The Group Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness for the Group as a whole.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, and not absolute, assurance against material misstatement or loss.

In meeting its responsibilities, the Group Board has approved an effective framework to identify and manage the significant risks to the Group's operations. This risk-based approach to establishing and maintaining internal controls is embedded within day-to-day management and governance processes. The approach includes the regular evaluation of the nature and extent of risks, to which the Group is exposed and is consistent with best practice.



# Annual Review of the effectiveness of the System of Internal Control

The Group Board delegates responsibility for the annual review of the effectiveness of the system of internal control to the Audit & Assurance Committee. The Audit & Assurance Committee take account of any changes needed to maintain the effectiveness of the management and control process for risk and fraud. Audit & Assurance Committee met six times during the course of the year. Assurance over the control environment was obtained from the following main sources:

## Risk Management

An effective risk management framework sits at the core of the system of internal control. The Group Board confirms that the process for identifying, evaluating and managing the significant risks faced by the organisation is ongoing. The process has been in place throughout the year and is regularly reviewed by the Group Board. The Group Board has approved a statement of risk appetite, setting out the Group Board's attitude to risk in the achievement of its objectives.

The Audit & Assurance Committee approves at each meeting, the contents and scoring of the risk register on behalf of the Group Board who maintain direction and oversight as part of good governance. The Executive and Senior Management Team regularly consider reports on risks and the Group Chief Executive is responsible for reporting to the Group Board any significant changes affecting key risks.

The risk register is further enhanced by assurance provided to the Board based upon the 3 Lines of Defence:

- First Line – Day-to-Day Management
- Second Line – Corporate Oversight
- Third Line – Independent Assurance



## Internal Audit Service

The prime responsibility of the internal audit service is to provide the Group Board with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Internal Audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced. Internal Audit is delivered by an Internal Auditor with an element of external support. The Internal Auditor has direct access to the Audit & Assurance Committee including one in-camera meeting each year, without management present.

The Audit & Assurance Committee reviews the findings arising from all Internal Audit reports and is provided with progress reports on the implementation of all agreed recommendations for improvement to the point of conclusion. The Recommendation Tracker records all agreed recommendations which are followed up by the internal auditor. Progress made in implementing recommendations recorded on the Recommendation Tracker is monitored by the Audit & Assurance Committee.

Internal Audit is sufficiently independent of the activities that it audits so as to enable the Internal Auditor to make impartial and effective professional judgements and recommendations.

The Internal Auditor provides an annual report and overall assurance opinion on the system of internal control based on the Internal Audit work performed during the year, and management responses to that work. The 2019/20 Internal Auditor Opinion and Annual Report identified no material concerns.

An Internal Audit Charter sets out the nature, role, responsibilities and authority of the Internal Audit service within the Group.

## Fraud Management

There is an established code for Integrity & Bribery prevention and Trident Group operates a zero tolerance approach to any instances of fraud or corruption. There is a Fraud & Bribery Prevention, Detection and Response Policy, along with a Money Laundering Policy and Whistleblowing Policy. These policies are reviewed regularly. A fraud register is maintained by Internal Audit of identified incidents. In addition there is an electronic hospitality register which is maintained by the Company Secretary; and a register that identifies any gifts that may have been received. There were no material issues identified during the year. The Group has appropriate insurance cover in place to mitigate the potential financial losses associated with fraud.

## Information and Financial Reporting Systems

Financial reporting procedures include a long-term financial plan, detailed annual budgets, detailed treasury reports, value for money reporting and regular management accounts which are reviewed by the Group Board.

Any issues raised in the external audit management letter issued at conclusion of the annual audit, are dealt with to the satisfaction of both the external auditors and the Audit & Assurance Committee, with progress tracked to the point of conclusion.

Key performance indicators and business objectives, set as part of the performance management framework, are regularly reviewed by the Group Board to assess progress and outcomes against the Strategic and Business Plan.

## Executive Leads and Senior Management Team

The Group's Recruitment and Selection Policy supports the appointment of experienced and suitably qualified staff being responsible for important business functions. Annual appraisal procedures have been established to maintain standards of performance.

Each employee who has financial or devolved budgetary responsibility is provided with a copy of the Financial Regulations and provided with appropriate training. Employees are accountable for the control of all resources including plant, buildings,

materials, cash and stores relating to their areas of responsibility.

The Audit & Assurance Committee shall be responsible for making recommendations to the Group Board on new Financial Regulations and amendments to existing ones, as it considers necessary for the supervision and control of the finances, accounts, income, expenditure and assets of the Group.

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## Investment for the Future

Governance arrangements are subject to continuing review and development to ensure they remain fit for purpose. Board and committee membership is reviewed annually in line with the Membership Policy terms. Compliance with the Group's chosen code of governance and the Regulator of Social Housing's Regulatory Framework, is reviewed annually.

The Board retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance matters and new investment projects. The Board disseminates its requirements to employees through a framework of policies and procedures.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group and for preventing, detecting, investigating and insuring against fraud. This process had been in place throughout the year under review, up to the date of the Annual report, and is regularly reviewed by the Board.

# Statement of the responsibilities of the Board for the report and financial statements

The Board members are responsible for preparing the report of the Board and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law and social housing legislation require the Board members to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice: Accounting by registered social housing providers 2014 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group and Association will continue in business.

The Board members are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Association's transactions, and disclose with reasonable accuracy at any time, the financial position of the Group and Association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing

2019. They are also responsible for safeguarding the assets of the Group and Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the report of the Board is prepared in accordance with the Statement of Recommended Practice: Accounting by registered social housing providers 2014.

Financial statements are published on the Group and Association'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 Group and Association's website is the responsibility of the board members. The Board members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

All of the current Board members have taken all reasonable steps to make themselves aware of any information needed by the Group's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Board is not aware of any relevant audit information of which the auditors are unaware.

## Annual General Meeting

The Annual General Meeting will be held in September 2020.

## External Auditors

A resolution to re-appoint BDO will be proposed at the forthcoming annual general meeting.

The report of the Board is to be approved by the Board on 27 July 2020 and signed on its behalf by:

**John Morris**  
Chief Executive



A photograph of a lighthouse situated on a rocky outcrop in the middle of a stormy sea. The lighthouse is a small, cylindrical structure with a lantern room on top. The waves are crashing against the rocks, creating a large amount of white foam and spray. The sky is overcast and grey. The overall mood is dramatic and resilient.

# a beacon of hope



# → financial statements



Trident Group

# Opinion

We have audited the financial statements of Trident Housing Association Limited (“the Association”) and its subsidiaries (“the Group”) for the year ended 31 March 2020 which comprise the consolidated and Association statement of comprehensive income, the consolidated and Association statement of financial position, the consolidated and Association statement of changes in reserves, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Association’s affairs as at 31 March 2020 and of the Group’s and the Association’s surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Association 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

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

## Other information

The Board are responsible for the other information. 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report and Report of the Board and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.



### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Report of the Directors.

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 association, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent association financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board member and or 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 the board

As explained more fully in the Board members responsibilities statement, the Board is 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 Board members 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 Board are responsible for assessing the Group and the Association'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 Board either intend to liquidate the Group or the Association 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 members of the Association, as a body, in accordance with in accordance with the Housing and Regeneration Act 2008 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Association'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 Association and the members as a body, for our audit work, for this report, or for the opinions we have formed.



# Consolidated Statement of Comprehensive Income

	Note	2020 £'000	2019 £'000
<b>Turnover</b>	3	34,203	33,263
Operating costs	3	(29,203)	(28,040)
<b>Operating surplus</b>	3,6	5,000	5,223
Surplus on disposal of fixed assets	9	105	270
Other interest receivable and similar income		27	17
Movement in fair value of investment properties	15	27	50
Interest and financing costs	11	(3,028)	(3,040)
Surplus before and after taxation and total comprehensive income for the year		2,131	2,520

All activities are continuing.

The notes on pages 92 to 121 form part of these financial statements

# Association Statement of Comprehensive Income

	Note	2020 £'000	2019 £'000
<b>Turnover</b>	3	19,953	18,967
Operating costs	3	(14,980)	(13,909)
<b>Operating surplus</b>	3,6	4,973	5,058
Surplus on disposal of fixed assets	9	105	270
Other interest receivable and similar income		27	17
Movement in fair value of investment properties	15	27	50
Interest and financing costs	11	(3,028)	(3,040)
Surplus before and after taxation		2,104	2,355
Other comprehensive income for the year	10		
total comprehensive income for the year		2,104	2,355

The Association's results all relate to continuing activities.

The notes on pages 92 to 121 form part of these financial statements

# Consolidated Statement of Financial Position

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets					
Housing Properties					
- Cost	13		186,927		185,886
- Depreciation	13		(34,213)		(31,663)
			152,714		154,223
Other fixed assets	14		3,412		3,324
Investment properties	15		1,390		1,380
<b>Total fixed assets</b>			157,516		158,927
<b>Current assets</b>					
Stocks	17	55		57	
Debtors – receivable within one year	18	4,646		3,052	
Cash at bank and in hand		8,446		6,269	
		13,147		9,378	
<b>Creditors: amounts falling due within one year</b>	19	(9,479)		(8,508)	
<b>Net current assets/(liabilities)</b>			3,668		870
			161,184		159,797
<b>Creditors: amounts falling due after more than one year</b>	20		(135,235)		(135,962)
Provisions for liabilities	21		-		-
<b>Total net assets</b>			25,949		23,835
Income and expenditure reserve			24,424		22,257
Restricted reserve			428		464
Revaluation Reserve			1,097		1,114
<b>Accumulated funds</b>			25,949		23,835

The financial statements were approved by the Board on 27 July 2020 and were signed on its behalf by:

**Colin Small**  
Chair of the Group Board

**John Morris**  
Chief Executive

The notes on pages 92 to 121 form part of these financial statements

# Association Statement of Financial Position

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible assets					
Housing Properties					
- Cost	13		186,927		185,886
- Depreciation	13		(34,213)		(31,663)
			152,714		154,223
Other fixed assets	14		3,056		3,083
Investment properties	15		1,390		1,380
<b>Total fixed assets</b>			157,160		158,686
<b>Current assets</b>					
Stocks	17	45		48	
Debtors – receivable within one year	18	2,724		1,828	
Cash at bank and in hand		7,500		4,904	
		10,269		6,780	
<b>Creditors: amounts falling due within one year</b>	19	(8,575)		(7,972)	
<b>Net current assets/(liabilities)</b>			1,694		(1,192)
			158,854		157,494
			(135,235)		
<b>Creditors: amounts falling due after more than one year</b>	20		(135,235)		(135,962)
<b>Total net assets</b>			23,619		21,532
Share capital	22		-		-
Income and expenditure reserve			22,522		20,418
Restricted reserve			-		-
Revaluation Reserve			1,097		1,114
<b>Accumulated funds</b>			<b>23,619</b>		<b>21,532</b>

The financial statements were approved by the Board on 27 July 2020 and were signed on its behalf by:

**Colin Small**  
Chair of the Group Board

**John Morris**  
Chief Executive

The notes on pages 92 to 121 form part of these financial statements

## Consolidated Statement of changes in reserves

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2019	22,257	464	1,114	23,835
Surplus/(deficit) for the year	2,140	(36)	-	2,104
Other Comprehensive Income Unrealised surplus/(deficit) on revaluation of housing properties	27	-	(17)	10
Balance at 31 March 2020	24,424	428	1,097	25,949

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2018	19,678	523	1,114	21,315
Surplus/(deficit) for the year	2,529	(59)	-	2,470
Other Comprehensive Income Unrealised surplus/(deficit) on revaluation of housing properties	50	-	-	50
Balance at 31 March 2019	22,257	464	1,114	23,835

The notes on pages 92 to 121 form part of these financial statements

## Association Statement of changes in reserves

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2019	20,418	-	1,114	21,532
Surplus/(deficit) for the year	2,077	-	-	2,077
Other Comprehensive Income Unrealised surplus/(deficit) on revaluation of housing properties	27	-	(17)	10
Balance at 31 March 2020	22,522	-	1,097	23,619

	Income and expenditure reserve £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2018	18,063	-	1,114	19,117
Surplus/(deficit) for the year	2,305	-	-	2,305
Other Comprehensive Income Unrealised surplus/(deficit) on revaluation of housing properties	50	-	-	50
Balance at 31 March 2019	20,418	-	1,114	21,532

The notes on pages 92 to 121 form part of these financial statements

# Consolidated Statement of Cash Flows

	2020 £'000	2020 £'000	2019 £'000	2019 £'000
<b>Cash Flow from operating activities</b>				
Surplus for the financial year		2,131		2,520
Adjustments for:				
Depreciation of Housing Properties		2,780		2,622
Depreciation of Other Fixed Assets		724		759
Grant amortisation		(922)		(897)
Investment property revaluation		(27)		(50)
Interest payable and finance costs		3,028		3,040
Interest received		(27)		(17)
Surplus on disposal of fixed assets		(90)		(269)
Decrease / (increase) in debtors		(1,594)		1,318
Decrease / (increase) in stocks		2		2
(Decrease) / increase in creditors		881		(1,678)
(Decrease) / increase in provisions		-		(21)
Net cash generated from operating activities		6,886		7,329
<b>Cash flow from investing activities</b>				
Proceeds from sale of Housing Properties	347		575	
Purchase of Housing Properties	(1,500)		(3,980)	
Purchase of Other Fixed Assets	(830)		(848)	
Receipt of grant	-		599	
Interest received	27		17	
Net cash from investing activities		(1,956)		(3,637)
<b>Cash flow from financing activities</b>				
Interest paid	(2,894)		(2,944)	
New loans – bank	4,000		1,500	
Debt issue costs incurred	(467)		(27)	
Repayment of loans – bank	(3,392)		(3,235)	
Net cash used in financing activities		(2,753)		(4,706)
<b>Net increase / (decrease) in cash and equivalents</b>		2,177		(1,014)
Cash and cash equivalents at beginning of year		6,269		7,283
<b>Cash and cash equivalents at end of year</b>		8,446		6,269

A photograph of a family walking barefoot on a gravel path in a park. The image is overlaid with a light blue tint. In the center, a young girl with long brown hair, wearing a pink dress with colorful polka dots, holds hands with her mother on the left and her father on the right. The mother is wearing a red dress with a white and yellow floral pattern. The father is wearing a light blue t-shirt and dark blue shorts. The background shows a grassy area and trees, slightly out of focus.

**a beacon  
of hope**

# Notes to the financial statements

## 1 Legal status

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2016, is a registered social landlord, and an exempt charity.

Trident Reach the People Charity is incorporated under the Companies Act 2006 and is registered as a charity.

Trident Star Limited, a company limited by shares, is incorporated under the Companies Act 2006.

## 2 Accounting policies

The financial statements of the Group and Association are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015.

### Going Concern

The financial statements have been prepared on a going concern basis.

In response to COVID-19, the Board has reviewed the Group's and Association's financial position including cash flows. The Board considered the impact on forecasts and loan covenants to July 2021 applying a base case, worst case and a breakpoint assessment.

The base case assumes increases in bad debts and void levels, and the worst case takes this further modelling an overall reduction in income of over 9% for the year. This is offset by only moderate savings in repairs and maintenance spend, and revenue linked reduction in variable costs for Trident Reach. In both scenarios the Group forecasts a positive

cash balances of £9.2m and £8m respectively at July 2021, with all covenants met and the £20m RCF undrawn.

While there are expected to be variations in business plans arising due to cv-19 these are not expected to impact to such an extent that would reduce operating cash surplus to a level approaching break even or negativity. Modelling demonstrated that this would require an impact of reduced revenue in the order of £7m in 2020/21 and a similar amount in 2021/22. Even at that level of reduction the Group would be cash neutral and have sufficient available resources to sustain activities and service debt from the £20m RCF. This level of downturn would however impact interest covenant performance with all Group lenders. A reduction of £3.5m would provide Group with positive cash flow and in the main satisfy interest covenants with Group lenders.

Covenant performance is measured upon Trident Housing Association performance with a rider of any material adverse matters which would require subsidiary performance to be measured and evaluated.

In terms of the levels quoted above, £7m and £3.5m reduction, these equate to 35% and 17.5% of Association revenue forecasts. As 63% of these forecasts are payments made by Housing Benefits and Universal credit it is unlikely that collectability would be an issue from such sources. Therefore any reduction in revenue would be incurred from private tenant payment stream forecasted at 37% or £7.4m per annum. While there would be an increase of non-collection of rents due to individual employment and earnings issues it is not expected to exceed 20% of the private rental yield i.e.£1.4m or £700k. The stress testing for variations of that nature reviewed by the board indicated positive cash flows for both periods 2020/21 and 2021/22 and covenant compliance in all areas with Group funders.

Given the strength of the balance sheet and

availability of liquid resource, the Board believe that while uncertainty exists, this does not pose a material uncertainty that would cast doubt on the Group's or

Association's ability to continue as a going concern. The Board therefore consider it appropriate for the accounts to be prepared on a going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see below).

### **Basis of consolidation**

The Group accounts consolidate the accounts of the association and all its subsidiaries at 31 March 2020 as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method.

### **Significant judgements and estimates**

In preparing these financial statements, the key judgements and estimates have been made in respect of the following:

- Impairment of tangible assets

A key judgement has been made in respect of whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

The Group undertakes a cyclical review of all its assets which includes a programme of independent stock condition surveys and building safety

assessment. We can confirm that there have been no significant issues identified in respect to the physical condition of any property or other factors that could negatively impact on asset value or future operational life.

Fire risk assessments are updated annually or sooner (subject to risk) supported remedial programme to ensure that all our properties comply with the relevant fire safety legislation and guidelines. Trident does not manage or own any residential high-rise buildings with combustible cladding systems (i.e. Aluminium Composite Material).

The Association obtained a valuation from JLL on behalf of the Pension Insurance Corporation plc. (PIC) in March 2020 for charged properties assumed from Nationwide. The total portfolio was represented by 1,366 individual properties and represents 42.5% of the total social housing stock operated by Trident. These properties were valued at an existing use value of £68.75m. The portfolio secured by PIC in the refinancing completed 15 June 2020 is representative of the general social housing portfolio owned and maintained by Trident. Further stock is held through Barclays charged assets and loan facilities with THFC and FRESH.

We have also considered the following additional impairment indicators: -

- Long term voids – there are 21 long term voids this represents an insignificant proportion of the total stock.
- Obsolescence – there has been no unexpected decline in asset values.

This provides sufficient reassurance that no impairment provisions are necessary in 2019/20.

- Useful Economic Life of components

Each component has been assessed and an asset life determined. The useful life used for asset management purposes has been used in the accounts.



# Notes to the financial statements

## 2 Accounting policies (continued)

- Financial instruments – borrowings – Negative compensation and funding indemnity clauses

Management have assessed the Association's loan facilities as basic financial instruments. The Association's fixed rate loan facilities allow early payment of the principal and accrued interest in relation to fixed interest tranches. There is an indemnity clause that requires the borrower to pay a compensation premium to the lender if market rates have fallen since the inception of the loan. There is also a clause that means that if market rates have increased, the borrower (i.e. Trident) would benefit from a compensation premium.

Management do not consider that the clause allowing Trident to potentially receive a compensation premium upon early repayment of some or all of the fixed rate loan liability makes this financial instrument 'non-basic' or 'other' as outlined in FRS 102 section 11. Management consider that this particular loan clause is specifically compliant with section 11.9b) and 11.9c) of FRS 102 and that the substance of this loan arrangement was always that it was always intended to be a simple fixed rate loan arrangement.

- Investment properties

An estimate relates to the determination of carrying value of investments at fair value through profit and loss. In determining this amount, the Group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology. 13 properties were identified as being market rent property. These properties are therefore not held for social benefit and have been re-classified as an investment property at valuation £1.390m and will not be depreciated.

- Recoverability of debtors

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed based on assessing collectability at an individual debtor level to consider whether the debt is recoverable.

The business provides 100% against debts from former tenants. For current tenants a provision is made using a % recoverability based on age profile, supported by the Revenue Recognition Team with adjustments made as required.

### Turnover and revenue recognition

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and other services included at the invoiced value (excluding VAT) of goods and services supplied in the year and revenue grants receivable in the year.

Rental and service charge income is recognised from the point when properties under development reach practical completion or otherwise become available for letting. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with administering authorities.

### Service charges

The Group adopts the variable method for calculating and charging service charges to its tenants and leaseholders. Expenditure is recorded when a service is provided and charged to the relevant service charge account or to a sinking fund. Income is recorded based on the estimated amounts chargeable.

### Value added tax

The Group charges Value Added Tax (VAT) on some of its income and is able to recover part of the VAT it incurs on expenditure. The financial statements include VAT to the extent that it is suffered by the Group and not recoverable from HM Revenue and Customs. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

### Interest payable

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) Interest on borrowings specifically financing the development programme after deduction of social housing grant (SHG) received in advance; or
- b) A fair amount of interest on borrowings of the Association as a whole after deductions of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

### Disclosure exemptions

In preparing the separate financial statements of THA, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and THA company would be identical;
- No cash flow statement has been presented for the parent company, THA;
- Disclosures in respect of THA's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of THA, as their remuneration is included in the totals for the Group as a whole.

### Pensions

Final salary scheme

This scheme was closed to new entrants as at 31 March 2002 and the benefits of members secured with an insurance company in December 2013.

### Money purchase scheme

Contributions payable to this pension scheme are charged to the income and expenditure account in the period to which they relate.

### Housing properties

Housing properties are principally properties available for rent and are stated at cost less depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

The Association's development programme is managed by the lead social housing provider in the Matrix Partnership, whose management costs relating to development are charged to the Association and capitalised.

Development department costs are capitalised where they are directly attributable to bringing the properties into working condition for their intended use. Directly attributable costs are the labour costs of our employees arising directly from the construction or acquisition of the property and incremental costs that would have been avoided only if individual properties had not been constructed or acquired.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, thereby enhancing the economic benefits of the assets, are capitalised as improvements.



# Notes to the financial statements

## 2 Accounting policies (continued)

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

### Investment properties

Investment properties consist of commercial properties and other properties not held for the social benefit or for use in the business. Investment properties are measured at cost on initial recognition and subsequently at fair value as at the year end, with changes in fair value recognised in income and expenditure. Fair value is determined by external valuers. No depreciation is provided.

### Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

### Holiday pay accrual

A 31 March year end for holidays was adopted across the Group during 2018/19, with no carry forward of unused holiday pay allowed.

The application of the policy would require no provision for unused holiday at the year end. Where any is agreed to facilitate operational matters the appropriate accrual would be recognised.

### Government grants

Grants received since the transition date in relation to newly acquired or existing housing properties is accounted for using the accrual model set out in FRS 102 and the Housing SORP 2014. Grant is carried as deferred income in the balance sheet and released to income and expenditure account on a systematic basis over the useful economic lives of the asset for which it was received. In accordance with Housing SORP 2014 the useful economic life of the housing property structure has been selected (see below).

### Recycled capital grant fund

On the occurrence of certain relevant events, such as the sale of property, Homes England can direct the Association to recycle capital grants or to make repayments of the recoverable amount. The Group adopts a policy of recycling, for which a separate fund is maintained (recycled capital grant fund or RCGF). If unused within a three year period, it will be repayable to Homes England with interest. Any unused recycled capital grant held within the RCGF, which it is anticipated will not be used within one year is disclosed in the balance sheet under creditors due after more than one year. The remainder is disclosed under creditors due within one year.

### Depreciation

#### Housing land and buildings

Freehold land is not depreciated. Depreciation of housing properties is charged so as to write off the cost of freehold housing properties (net of social housing and other grants) to their estimated residual value on a straight line basis over their expected useful economic lives as follows:

**Housing Properties****100 years**

Major components:

Kitchens	20 years
Gas boilers/fires	15 years
Bathrooms	30 years
Windows and external doors	30 years
Electrics	40 years
Roof structure and covering	70 years
Mechanical systems (heating, ventilation, plumbing)	30 years
Environmental Works	30 years

Housing properties, including those with individual components, which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amount, being the higher of the net realisable value or the value in use to the Group. Any such write down is charged to operating surplus.

**Other fixed assets**

Depreciation is calculated to write off the cost less estimated residual value of other fixed assets on a straight line basis over their estimated lives as follows:

Housing fixtures and fittings	15 to 30 years
Motor vehicles	2 to 5 years
Housing furniture and equipment	5 to 7 years
Direct labour equipment	3 years
Tenant amenities equipment	5 to 10 years
Office equipment	4 to 10 years
Leasehold offices	70 years

**Leased assets**

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability.

The interest element of rental obligations is charged to the income and expenditure account over the period of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

**Heritage assets**

There is no active acquisition policy for acquiring heritage assets. Any assets acquired are held as part of the social investment strategy and are held at cost. The assets are maintained and preserved in accordance with the title restrictions and are accounted for under FRS 102.



# Notes to the financial statements

## 2 Accounting policies (continued)

### Stock and properties for sale

Stock represents work in progress and completed properties, including housing properties developed for transfer to other registered providers; properties developed for transfer to other registered providers; properties developed for outright sale; shared ownership properties. For shared ownership properties the value held as stock is the estimated cost to be sold as a first tranche. Stock is stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales proceeds after allowing for all further costs to completion and selling costs.

### Loans, investments and short term deposits

All loans, instruments and short term deposits held by the Group, with the exception of the Lenders Option Borrowers Option Loan and Cancellable embedded option arrangements are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost), FRS102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and instruments that are payable or receivable within one year are not discounted.

### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

### Cash and cash equivalents

Cash and cash equivalents in the Group's Consolidated Statement of Financial Position consists of cash at bank, in hand, deposits and short term investments with an original maturity of three months or less.

### Reserves

Income received, and expenditure incurred, for restricted purposes is separately accounted for within restricted funds. Realised and unrealised gains and losses on assets held by these funds are also allocated to the fund.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the funders or which have been raised by the charity for a particular purpose.

The revaluation reserve is created from surpluses on asset revaluation.

### Agency managed units

In respect of units owned by the Association where the managing agent suffers the risks and has control of the benefits, the income and expenditure and related assets and liabilities are not included in the financial statements.

### Leasehold sinking funds

Unexpected amounts collected from leaseholders for major repairs on leasehold schemes and any interest received are included in creditors.

# Notes to the financial statements

## 3 Turnover, operating costs and operating surplus

Group	Turnover 2020 £'000	Operating costs 2020 £'000	Operating surplus 2020 £'000	Turnover 2019 £'000	Operating costs 2019 £'000	Operating surplus 2019 £'000
<b>Social Housing Lettings</b>						
General needs housing	10,667	(7,624)	<b>3,043</b>	10,481	(7,648)	2,833
Supported housing	7,576	(6,293)	<b>1,283</b>	6,769	(5,175)	1,594
Shared ownership	324	(205)	<b>119</b>	344	(204)	140
	<b>18,567</b>	<b>(14,122)</b>	<b>4,445</b>	<b>17,594</b>	<b>(13,027)</b>	<b>4,567</b>
<b>Other Social Housing Activities</b>						
Care and support services	13,450	(13,520)	<b>(70)</b>	13,397	(13,366)	31
<b>Activities other than Social Housing Activities</b>						
Home owners	271	(236)	<b>35</b>	279	(243)	36
Market rents and other income	993	(1,325)	<b>(332)</b>	1,097	(1,404)	(307)
	<b>1,264</b>	<b>(1,561)</b>	<b>(297)</b>	<b>1,376</b>	<b>(1,647)</b>	<b>(271)</b>
Grant amortisation	922	-	<b>922</b>	896	-	896
<b>Total</b>	<b>34,203</b>	<b>(29,203)</b>	<b>5,000</b>	<b>33,263</b>	<b>(28,040)</b>	<b>5,223</b>

# Notes to the financial statements

## 3 Turnover, operating costs and operating surplus

	Turnover 2020 £'000	Operating costs 2020 £'000	Operating surplus 2020 £'000	Turnover 2019 £'000	Operating costs 2019 £'000	Operating surplus 2019 £'000
<b>Association</b>						
<b>Social Housing Lettings</b>						
General needs housing	10,667	(7,624)	<b>3,043</b>	10,481	(7,648)	2,833
Supported housing	6,956	(5,743)	<b>1,213</b>	6,119	(4,596)	1,523
Shared ownership	324	(205)	<b>119</b>	344	(204)	140
	<b>17,947</b>	<b>(13,572)</b>	<b>4,375</b>	<b>16,944</b>	<b>(12,448)</b>	<b>4,496</b>
<b>Activities other than Social Housing Activities</b>						
Home owners	271	(236)	<b>35</b>	279	(243)	36
Market rents and other income	813	(1,172)	<b>(359)</b>	848	(1,218)	(370)
	<b>1,084</b>	<b>(1,408)</b>	<b>(324)</b>	<b>1,127</b>	<b>(1,461)</b>	<b>(334)</b>
Grant amortisation	922	-	<b>922</b>	896	-	896
<b>Total</b>	<b>19,953</b>	<b>(14,980)</b>	<b>4,973</b>	<b>18,967</b>	<b>(13,909)</b>	<b>5,058</b>

# Notes to the financial statements

## 4 Income, Expenditure and Operating surplus on social housing lettings

Group	General	Supported housing	Shared ownership	Total	Total
	Needs Housing				
	2020	2020	2020	2020	2019
	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Rents receivable	9,563	4,696	286	14,545	14,139
Service charges receivable	1,104	2,880	38	4,022	3,455
<b>Net rental income</b>	<b>10,667</b>	<b>7,576</b>	<b>324</b>	<b>18,567</b>	<b>17,594</b>
<b>Expenditure</b>					
Services	(1,418)	(3,226)	(33)	(4,677)	(4,150)
Management	(1,610)	(916)	(93)	(2,619)	(2,161)
Responsive maintenance	(1,807)	(572)	(18)	(2,397)	(2,461)
Planned maintenance	(977)	(215)	(5)	(1,197)	(1,126)
Bad debts	(42)	(397)	(13)	(452)	(510)
Depreciation of housing properties	(1,770)	(967)	(43)	(2,780)	(2,619)
	(7,624)	(6,296)	(205)	(14,122)	(13,027)
<b>Operating surplus on social housing lettings</b>	<b>3,043</b>	<b>1,283</b>	<b>119</b>	<b>4,445</b>	<b>4,567</b>
<b>Void losses</b>	<b>(162)</b>	<b>(692)</b>	<b>-</b>	<b>(854)</b>	<b>(796)</b>

# Notes to the financial statements

## 4 Income, Expenditure and Operating surplus on social housing lettings (continued)

	General needs housing 2020 £'000	Supported housing 2020 £'000	Shared ownership 2020 £'000	Total 2020 £'000	Total 2019 £'000
<b>Association</b>					
<b>Income</b>					
Rents receivable	9,563	4,344	286	14,193	13,749
Service charges receivable	1,104	2,612	38	3,754	3,195
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net rental income</b>	<b>10,667</b>	<b>6,956</b>	<b>324</b>	<b>17,947</b>	<b>16,944</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Expenditure</b>					
Services	(1,418)	(2,984)	(33)	(4,435)	(3,947)
Management	(1,610)	(664)	(93)	(2,367)	(1,892)
Responsive maintenance	(1,807)	(540)	(18)	(2,365)	(2,396)
Planned maintenance	(977)	(215)	(5)	(1,197)	(1,126)
Bad debts	(42)	(373)	(13)	(428)	(468)
Depreciation of housing properties	(1,770)	(967)	(43)	(2,780)	(2,619)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>(7,624)</b>	<b>(5,743)</b>	<b>(205)</b>	<b>(13,572)</b>	<b>(12,448)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Operating surplus on social housing lettings</b>	<b>3,043</b>	<b>1,213</b>	<b>119</b>	<b>4,375</b>	<b>4,496</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Void losses</b>	<b>(162)</b>	<b>(582)</b>	<b>-</b>	<b>(744)</b>	<b>(632)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# Notes to the financial statements

## 5 Accommodation in management and / or development

	2020 Number	2019 Number
<b>Group</b>		
<b>Social Housing</b>		
General needs housing		
- Social	2,104	2,104
- Affordable	349	350
Supported housing and housing for older people	608	379
Care Homes	59	59
Low cost home ownership	91	96
	<hr/>	<hr/>
<b>Total social housing</b>	<b>3,211</b>	<b>2,988</b>
	<hr/>	<hr/>

The basis of allocation of properties is based upon definitions as set out in the Welfare Reform and Work Act.

	2020 Number	2019 Number
<b>Group</b>		
<b>Non social housing</b>		
Home Owners	288	288
Market rent	135	134
Commercial shop lets	11	11
	<hr/>	<hr/>
<b>Total non social housing</b>	<b>434</b>	<b>433</b>
	<hr/>	<hr/>
<b>Total owned and / or managed</b>	<b>3,645</b>	<b>3,421</b>
	<hr/>	<hr/>
<b>Housing under development</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

The figures above include 31 properties (2019: 35) that are managed on the Group's behalf, under management agreements, by other bodies.

Included in the above Group figures are 10 (2019: 10) commercial units which are managed by Trident Star Limited. All other units are managed by, or under the development of, the Association.

# Notes to the financial statements

## 6 Operating surplus

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
The operating surplus for the year is stated after charging:				
Depreciation of housing properties- annual charge	2,707	2,576	2,707	2,576
Depreciation of housing properties – Accelerated depreciation on replaced components	73	46	73	46
Depreciation of other tangible fixed assets	724	759	614	668
Rent losses from bad debts	451	510	468	468
Operating lease charges				
- land and buildings	824	640	465	246
- other	289	248	231	296
Auditors' remuneration (excluding VAT):				
- Fees payable to the Company's auditors for the audit of the financial statements	24	22	24	22
- Audit of the financial statements of the Company's subsidiaries pursuant to legislation	9	9	-	-
- Fees for tax advice given to the Company	11	-	11	-
- Fees for tax advice given to the Company's subsidiaries	1	-	-	-
- Fees for tax computations for the Company's subsidiaries	2	4	-	-

# Notes to the financial statements

## 7 Staff Costs

	2020 £'000	2020 £'000
<b>Group (excluding temporary agency costs)</b>		
Wages and salaries	12,899	12,209
Social security costs	1,065	945
Cost of defined contribution scheme	307	222
	<hr/>	<hr/>
	14,271	13,376
	<hr/>	<hr/>
<b>Average number of full-time equivalent persons (including the Chief Executive) employed during the year based on a standard working week of 36.5 hours.</b>		
<b>Group</b>	<b>Number</b>	<b>Number</b>
Office staff	108	163
Care and support staff	503	430
Maintenance staff	39	27
	<hr/>	<hr/>
<b>Total employees</b>	<b>650</b>	<b>620</b>
	<hr/>	<hr/>
<b>Association (excluding temporary agency costs)</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	3,641	3,905
Social security costs	318	316
Cost of defined contribution scheme	94	77
	<hr/>	<hr/>
	4,053	4,298
	<hr/>	<hr/>
<b>Average number of full-time equivalent persons (including the Chief Executive) employed during the year based on a standard working week of 36.5 hours.</b>		
<b>Office staff</b>	<b>Number</b>	<b>Number</b>
Office staff	87	89
Maintenance staff	27	23
	<hr/>	<hr/>
<b>Total employees</b>	<b>114</b>	<b>112</b>
	<hr/>	<hr/>

Pension costs include the defined contribution scheme which was introduced following the closure of the final salary scheme in 2002. All contributions have been paid during the year in respect of the defined contribution scheme. The Group introduced auto enrolment on 1 November 2014.

# Notes to the financial statements

## 8 Board members and executive directors

The key management personnel of the Group comprise the Executive Directors.

	2020 £'000	2019 £'000
Executive Directors' emoluments	197	376
Compensation for loss of office	-	33
Pension contributions	14	21
	<u>208</u>	<u>430</u>

The full time equivalent number of staff who received emoluments:

	2020 £'000	2019 £'000
<b>Group</b>		
£60,000 to £70,000	3	-
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£110,001 to £120,000	-	1
£130,001 to £140,000	1	1
	<u>          </u>	<u>          </u>
<b>Association</b>		
£60,000 to £70,000	2	-
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-
£110,001 to £120,000	-	1
£130,001 to £140,000	1	1
	<u>          </u>	<u>          </u>

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a money purchase pension scheme funded by annual contributions by the employer and the employee. No enhanced or special terms apply. There are no additional pension arrangements.

# Notes to the financial statements

## 8 Board members and executive directors

	2020 £'000	2019 £'000
The highest paid director - Chief Executive	136	132

The following were members of the committees set out below and received remuneration for this as detailed

	Remuneration	Audit & Assurance Committee	People & Performance Committee	Safeguarding Committee	Group Board of Management
Rosemarie Anderson	417		x		x
Andrew Ballard	6,255		x	x	x
Brian Carr	5,349		x	x	x
Andrew Cooke	0	x			x
Yasmin Fearon	3,260		x		x
Stephen Gabriel	3,004			x	x
Chris Handy	137			x	x
Simon Hatchman	5,812	x			x
Katie Kershaw	5,088	x			x
Yvonne Leishman	5,088	x			x
Patrick McCarthy	3,146	x			x
John Morris	0		x		x
Colin Small	10,572		x		x
Nathan Talbott	5,349			x	x
	53,477				

Rosemarie Anderson, Andrew Ballard, and Andrew Cooke resigned during 2019/20, with Yasmin Fearon, Stephen Gabriel Chris Handy and Patrick McCarthy being appointed during the year.

# Notes to the financial statements

## 9 Surplus on sale of properties

	Shared ownership: further tranches £'000	Other Disposals £'000	Total 2020 £'000	Total 2019 £'000
Proceeds of sales	266	81	347	575
Less: costs of sale	(144)	(98)	(242)	(305)
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus on disposal of fixed assets	122	(17)	105	270
	<hr/>	<hr/>	<hr/>	<hr/>

## 10 Income from investments

No dividends were received in 2020.

## 11 Surplus on sale of properties

	2020 £'000	2019 £'000
<b>Group and Association</b>		
Bank loans	3,009	3,035
Indexation	19	40
	<hr/>	<hr/>
Less: Interest capitalised on construction of housing properties	3,028	3,075
	-	(35)
	<hr/>	<hr/>
	3,028	3,040
	<hr/>	<hr/>

No interest was capitalised in 2020, the average rate used to capitalise interest in 2019 was 2.2%.

# Notes to the financial statements

## 12 Taxation

The Association and its subsidiary, Trident Reach the People Charity, both have charitable status and therefore are not liable to pay Corporation Tax.

Trident Star Limited, a company limited by shares and incorporated under the Companies Act 2006, is subject to corporation tax. The company made a surplus in the year and believe that no tax is due on the surplus in Trident Star Limited due to Gift Aid..

## 13 Tangible fixed assets - housing properties

Group and Association	General needs		Shared ownership		Supported		Total £'000
	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	Completed £'000	Under construction £'000	
Cost							
At 1 April 2019	113,765	-	11,624	-	60,497	-	185,886
Reclassification	-	-	-	-	-	-	-
Additions	-	17	-	-	-	-	17
Properties Acquired	-	-	-	-	-	-	-
Works to Existing Properties	1,307	-	-	-	176	-	1,483
Schemes completed	-	-	-	-	-	-	-
Disposals	(100)	-	(151)	-	-	-	(251)
Replacement of components	(178)	-	-	-	(30)	-	(208)
	<b>114,794</b>	<b>17</b>	<b>11,473</b>	<b>-</b>	<b>60,643</b>	<b>-</b>	<b>186,927</b>
At 31 March 2020							
Depreciation							
At 1 April 2019	25,083	-	768	-	5,812	-	31,663
Charge for the year	1,928	-	43	-	736	-	2,707
Accelerated depreciation on replaced assets	66	-	-	-	7	-	73
Depreciation on disposals	(182)	-	(18)	-	(30)	-	(230)
	<b>26,895</b>	<b>-</b>	<b>793</b>	<b>-</b>	<b>6,525</b>	<b>-</b>	<b>34,213</b>
At 31 March 2020							
Net book value							
At 31 March 2020	<b>87,899</b>	<b>17</b>	<b>10,680</b>	<b>-</b>	<b>54,118</b>	<b>-</b>	<b>152,714</b>
At 31 March 2019	88,682	-	10,856	-	54,685	-	154,223

Expenditure on works to existing properties comprised new components capitalised £860,011 (2019: £553,426) and capitalised improvements £622,623 (2019: £865,530). Major works charged to the income and expenditure account during the year totalled £111,980 (2019: £108,187).

# Notes to the financial statements

## 14 Other Tangible fixed assets

Group	Leasehold office £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2019	1,574	13,790	15,364
Additions	106	724	830
Disposals	-	(224)	(224)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,680	14,290	15,970
<b>Depreciation</b>			
At 1 April 2019	726	11,314	12,040
Charge for the year	57	667	724
Disposals	-	(206)	(206)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	783	11,775	12,558
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2020	897	2,515	3,412
	<hr/>	<hr/>	<hr/>
At 31 March 2019	848	2,476	3,324
	<hr/>	<hr/>	<hr/>
<b>Association</b>			
<b>Cost</b>			
At 1 April 2019	1,540	12,808	14,348
Additions	-	605	605
Disposals	-	(210)	(210)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	1,540	13,203	14,743
<b>Depreciation</b>			
At 1 April 2019	633	10,632	11,265
Charge for the year	23	591	614
Disposals	-	(192)	(192)
	<hr/>	<hr/>	<hr/>
At 31 March 2020	656	11,031	11,687
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2020	884	2,172	3,056
	<hr/>	<hr/>	<hr/>
At 31 March 2019	907	2,176	3,083
	<hr/>	<hr/>	<hr/>

# Notes to the financial statements

## 15 Investment properties

Group and Association	2020 £'000	2019 £'000
At 1 April 2019	1,380	1,330
Revaluation	10	50
	—	—
At 31 March 2020	1,390	1,380

Thirteen market rent properties are held at valuation. The fair value has been determined by external valuers JLL. The historic cost amount is £116k.

In valuing investment properties, a discounted cash flow methodology was adopted with the following key assumptions: -

Discount Rate	7.75% - 8.00%
Level of Long Term Annual Rent Increase	1.00% - 1.50%

The surplus on revaluation of eleven investment properties of £27k has been credited to the Statement of Comprehensive Income for the year, with losses on two of the investment properties of £17k debited to the Revaluation Reserve..

## 16 Fixed asset investments – Group undertakings

As at 31 March 2020, the Association had the following Group undertakings:

### Trident Reach the People Charity

Trident Housing Association at all times will have a majority of the votes in Trident Reach the People Charity. Trident Reach the People Charity is a charitable company limited by guarantee and not having a share capital. It was incorporated on 28 November 2008 and registered as a charity on 16 April 2009. It commenced trading on 1 October 2009.

### Trident Star Limited

Trident Housing Association is the sole shareholder in Trident Star Limited, a company limited by shares, incorporated on 27 March 2009. After a period of non-trading, the company was re-launched in 2012/13 as the commercial vehicle of the Group.

# Notes to the financial statements

## 16 Fixed asset investments - Group undertakings (continued)

All transactions between Group entities are carried out so that no party makes a surplus or deficit on the transaction.

Trident Housing Association is the ultimate parent undertaking.

During the year the Association had the following intra-group transactions with Trident Reach the People Charity, a non-regulated entity:

### Trident Reach the People Charity to Trident Housing Association

Intra-group transactions	Allocation basis	2020	2019
		£'000	£'000
Employment costs of staff at housing schemes	Payroll costs of scheme staff	1,264	1,068
Tenancy Support Service	Direct cost of service	-	29
Central Control Department	Payroll costs of staff	13	32
Development function	Percentage of payroll costs	-	-
Finance Staff	Percentage of payroll costs	-	-
		<u>1,277</u>	<u>1,129</u>

### Trident Reach the People Charity to Trident Housing Association

Intra-group transactions	Allocation basis	2020	2019
		£'000	£'000
Recharge of rent on care homes	Rent agreement	226	256
Service costs relating to care homes	Actual costs	-	-
Depreciation of assets	Percentage of depreciation costs	28	33
Employment costs of Executive and Central Services	Percentage of payroll costs	442	396
CRB Checks	Direct cost allocation	-	-
Provision of refurbishment services	Labour and material costs	25	35
Office overheads	Direct cost allocation	69	106
Vehicle costs	Direct cost allocation	8	15
ICT systems	Staff numbers	270	161
Audit and insurance brokerage	Direct cost allocation	7	6
Consultancies	Percentage of Payroll Costs	-	-
		<u>1,075</u>	<u>1,008</u>

# Notes to the financial statements

## 16 Fixed asset investments - Group undertakings (continued)

During the year the Association had the following intra-group transactions with Trident Star, a non-regulated entity:

Trident Housing Association to Trident Star			
Intra-group transactions	Allocation basis	2020	2019
		£'000	£'000
Property and Management	Finance	24	18
	Property	16	12
	General Overheads	31	27
		<u>71</u>	<u>57</u>

## 17 Stocks

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Maintenance materials and tenant amenities stocks	<u>55</u>	<u>57</u>	<u>45</u>	<u>48</u>

## 18 Debtors

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Amount falling receivable within one year:				
Rental debtors	5,438	4,335	5,438	4,335
Less: provision for bad debts	(3,963)	(3,399)	(3,963)	(3,399)
	<u>1,475</u>	<u>936</u>	<u>1,475</u>	<u>936</u>
Intercompany debtors	-	-	-	-
Trade and other debtors	1,447	562	635	257
Prepayments and accrued income	1,724	1,554	614	635
	<u>4,646</u>	<u>3,052</u>	<u>2,724</u>	<u>1,828</u>

# Notes to the financial statements

## 19 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
Housing loans	3,389	3,305	3,389	3,305
Trade creditors	1,542	1,200	1,127	928
Rents & Service Charges Received in Advance	934	1,291	934	1,291
Intercompany creditor	-	-	147	179
Other taxation and social security costs	311	263	105	117
Other creditors	50	28	-	-
Recycled capital grant fund	-	-	-	-
Grant creditor	921	915	921	915
Accruals and deferred income	2,332	1,506	1,952	1,237
	<u>9,479</u>	<u>8,508</u>	<u>8,575</u>	<u>7,972</u>

## 20 Creditors: amounts falling due after more than one year

	Total 2020 £'000	Total 2019 £'000
<b>Group and Association</b>		
Housing loans	77,510	76,986
Amortisation of loan fees	(935)	(602)
Recycled Capital Grant Fund	774	687
Grant Creditor	57,886	58,891
	<u>135,235</u>	<u>135,962</u>

Loans are secured by specific charges on the housing properties of the group. The loans bear interest at fixed rates ranging from 4.5% to 12.6% or at variable rates calculated at a margin above the London Inter Bank Offer Rate.

# Notes to the financial statements

## 20 Creditors: amounts falling due after more than one year (continued)

Movements on recycled capital grant fund:

	Total 2020 £'000	Total 2019 £'000
<b>Group and Association</b>		
Opening balance	687	573
Inputs to reserve: Grants recycled	87	114
Recycling of grant: New build		-
	<hr/>	<hr/>
Closing balance	774	687
	<hr/>	<hr/>

Movements in social housing grant:

	Total 2020 £'000	Total 2019 £'000
<b>Group and Association</b>		
Opening balance	59,806	60,190
Received	-	599
Recycled	(87)	(114)
Transfer from Recycled Capital Grant Fund	-	-
Released	(912)	(869)
	<hr/>	<hr/>
Closing balance	58,807	59,806
	<hr/>	<hr/>

# Notes to the financial statements

## 20 Creditors: amounts falling due after more than one year (continued)

The housing loans are repayable as follows:

	2020 £'000	2019 £'000
<b>Group and Association</b>		
Housing loans repayable by instalments:		
Between one and two years	3,070	3,319
Between two and five years	25,119	21,124
Repayable after five years	45,821	49,043
	<hr/>	<hr/>
	74,010	73,486
Wholly repayable after five years	3,500	3,500
	<hr/>	<hr/>
	77,510	76,986
	<hr/>	<hr/>

The carrying values of financial assets and liabilities is summarised below:

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
<b>Financial assets</b>				
<i>Measured at undiscounted amounts receivable</i>				
Rent arrears and other debtors	1,475	936	1,475	936
Cash	8,446	6,269	7,500	4,904
Amounts due from related entities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,921	7,205	8,975	5,840
	<hr/>	<hr/>	<hr/>	<hr/>

# Notes to the financial statements

## 20 Creditors: amounts falling due after more than one year (continued)

	Group 2020 £'000	Group 2019 £'000	Association 2020 £'000	Association 2019 £'000
<b>Financial liabilities</b>				
Measured at amortised cost				
Loans payable	80,070	79,689	80,070	79,689
<i>Measured at undiscounted amount payable</i>				
Trade and other creditors	1,542	1,200	1,127	928
Amounts owed to related entities	-	-	147	179
	<hr/>	<hr/>	<hr/>	<hr/>
	81,612	80,889	81,344	80,796
	<hr/>	<hr/>	<hr/>	<hr/>

## 21 Provisions for liabilities

	Total 2020 £'000	Total 2019 £'000
<b>Sleep-in provision</b>		
Opening balance	-	21
Charged to income & expenditure	-	-
Released to income & expenditure	-	(21)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

# Notes to the financial statements

## 22 Share capital

	Association 2020 £	Association 2019 £
At start of financial year	8	51
Issued during the year	4	3
Cancelled during the year	(2)	(46)
	<hr/>	<hr/>
At end of financial year	10	8
	<hr/>	<hr/>

Shares carry no right to a dividend or a distribution on winding up. Shareholders have a right to vote at the annual general meeting. When a shareholder ceases to be a shareholder their share is cancelled and becomes the property of the Association. All shares issued are fully paid. The par value per share is £1.

# Notes to the financial statements

## 23 Operating leases

### Group

At 31 March 2020 the Group was committed to make the following payments under non-cancellable operating leases in the year to 31 March 2020.

	Land and buildings 2020 £'000	Other 2020 £'000	Land and buildings 2019 £'000	Other 2019 £'000
Operating leases which expire:				
Within 1 year	943	102	321	42
Between 1 and 5 years	2,529	108	595	25
After more than 5 years	4,822	-	4,902	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,294	210	5,818	67
	<hr/>	<hr/>	<hr/>	<hr/>

# Notes to the financial statements

## 23 Operating leases (continued)

At 31 March 2020 the Association was committed to make the following payments under non-cancellable operating leases in the year to 31 March 2020.

	Land and buildings 2020 £'000	Other 2020 £'000	Land and buildings 2019 £'000	Other 2019 £'000
Operating leases which expire:				
Within 1 year	956	102	275	42
Between 1 and 5 years	2,539	108	575	25
After more than 5 years	4,854	-	4,867	-
	<u>8,349</u>	<u>210</u>	<u>5,717</u>	<u>67</u>

## 24 Capital Commitments

Group and Association	2020 £'000	2019 £'000
Capital expenditure contracted for but not provided for in the financial statements	144	122

The Board expects none of the expenditure they have authorised to be financed by SHG, loan finance or other capital grants (2019: None).

# Notes to the financial statements

## 25 Related party transactions

The Chief Executive Officer was also the company secretary of Shahjalal Housing Co-operative Limited until he resigned on 30 April 2019. Trident Housing Association Limited had sales to Shahjalal Housing Co-operative Limited of £44,929 (2019: £88,576) during the year. All transactions took place under normal commercial terms.

Intra-group transactions between regulated and non-regulated entities are detailed in note 16.

## 26 Analysis of net debt

	2019 £'000	Cash flows £'000	Association 2020 £'000	Association 2019 £'000
<b>Cash and cash equivalents</b>				
Cash at bank and in hand	6,269	2,177	-	8,446
	<u>6,269</u>	<u>2,117</u>	<u>-</u>	<u>8,446</u>
<b>Borrowings</b>				
Debt due within one year	(3,305)	(84)	-	(3,389)
Debt due after one year	(76,986)	(524)	-	(77,510)
	<u>(80,291)</u>	<u>(608)</u>	<u>-</u>	<u>(80,899)</u>
Net debt	<u>(74,022)</u>	<u>1,569</u>	<u>-</u>	<u>(72,453)</u>

## 27 Post Balance Sheet Events

### Refinancing

Trident had been in discussions with Pension Insurance Corporation plc (PIC) during the year in relation to a refinancing exercise to secure long term funding and repay the existing senior lender. At the balance sheet date PIC had agreed credit facilities of £75m these being subject to securitisation and completion of agreed legal documentation and security charges. All matters were finally agreed and completed on 15th June 2020 when Trident issued and secured loan notes totalling £75m in favour of PIC. The loan notes were equal amounts of £37.5m due June 2051 and 2053 respectively. All in interest costs at 2.531% fixed for the duration, payable in half yearly instalments, June and December annually.

# Notes to the financial statements

## 27 Post Balance Sheet Events (continued)

Funds raised were initially used to discharge existing debt repayment of the primary lender, together with agreed breakage costs, totalling £1.6m. The surplus funds yielded will provide additional liquid resources in the first instance to ensure the untroubled passage through the current impact of Corona virus (cv-19). Thereafter alongside additional potential further fund raising Trident will recommence development of additional housing stock to cater for the growing requirements in today's environment.

Overall the payback on breakage costs from reduction in debt servicing costs is under 8 years.

The existing covenants pertaining to debt service and interest cover are not expected to be breached in 2020/2021. Notwithstanding lenders have indicated their willingness to waive the covenant breach to the extent of the additional breakage costs.

### Coronavirus (Covid-19)

The latter stages of March 2020 saw the early impact of Covid-19 and the measures being taken to deal with a worldwide pandemic. Since that time the social, working and economic lives of people, business and countries have seen significant impact and changes which have tested operations and personalities to their foundation.

Trident as a key sector providing social housing, care homes and care support to the majority of its tenants and customer base continued to secure services to the most vulnerable throughout the period from March 2020 to the time of the publication of these financial statements. Of key significance was the delivery of requirements to meet the needs of those needing support and security and as a result additional costs were incurred to achieve service goals and expectations. Recovery of additional costs was not a significant element within the 2019/20 performance, but these continued in 2020/21 and on-going discussions take place with contract bodies to attribute these additional costs and seek an acceptable recovery in current circumstances. The extent and length of the provision of additional services are unknown and are reviewed in line with reported and required risk mitigation conditions.

The outbreak of the Covid-19 pandemic is an in-year even reflected in the financial statements to 31 March 2020. The pandemic has impacted on the operations of the group and this is expected to continue into the 2020/21 financial year. From a financial perspective activity has reduced due to lockdown which may reduce income however, as detailed in note 2, the Directors are satisfied that the company is a going concern.





**Trident Group**

# 2020

Trident Housing Association  
Limited and its subsidiaries  
**Year Ended**  
**31 March 2020**

**Trident Group**  
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