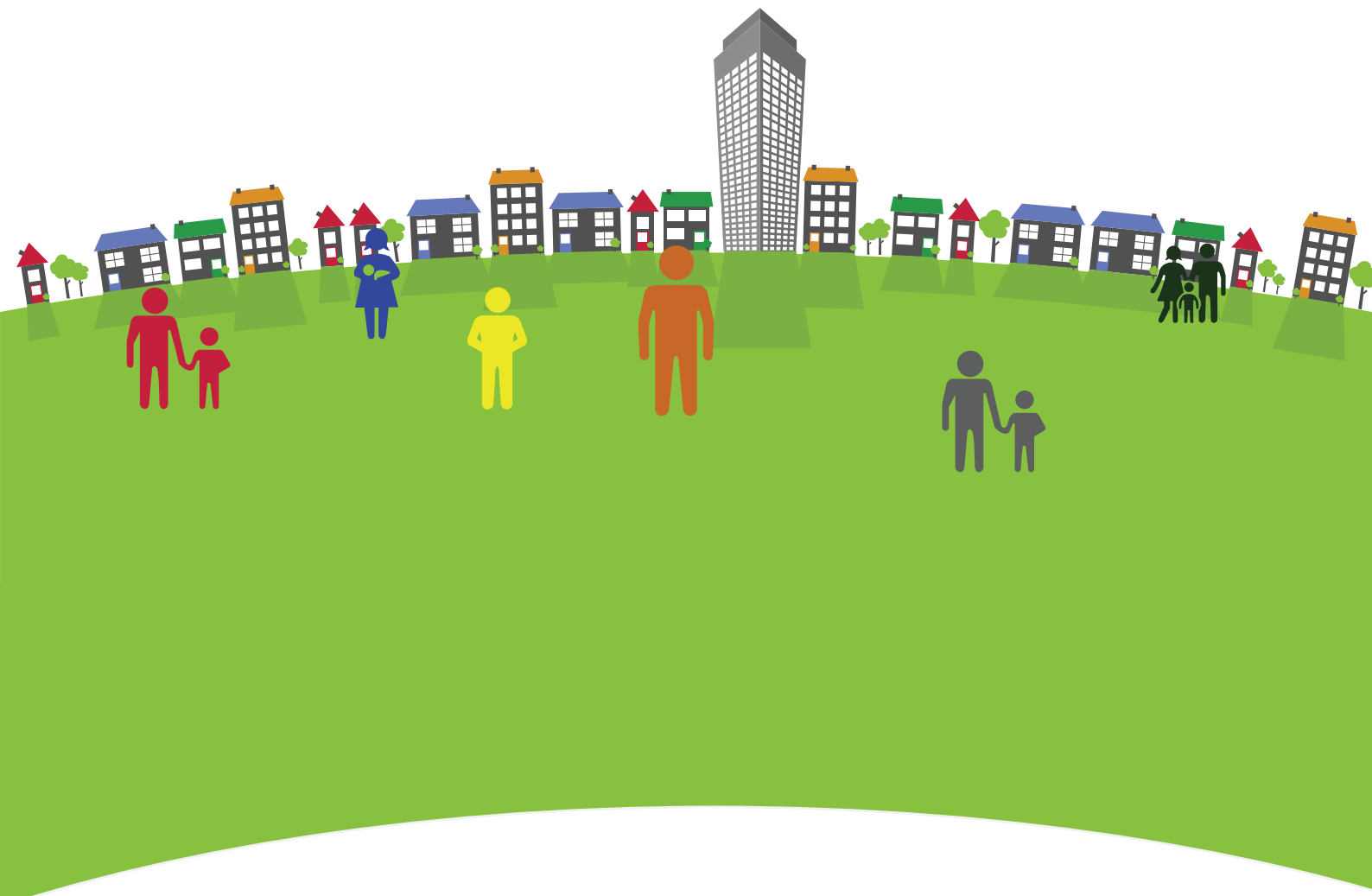




**TRIDENT**

THE SOCIAL INVESTMENT GROUP



# Report and Financial Statement Summary

Year End 31 March 2016



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## ASSOCIATION INFORMATION

**Co-operative and Community Benefit Society number:**  
IP 17133R

**Homes and Communities Agency registration number:**  
L0979

**Registered Office:**  
239 Holliday Street, Birmingham, B1 1SJ

**Directors and Board of Management:**  
The directors of the company who served during the year ended 31 March 2016 are listed as follows:

### **Board of Management**

Abigail Robson (Group Chair)  
Abigail Davies (resigned)  
Frances Anderson (resigned September 2016)  
Rob Turton  
Katie Kershaw  
Colin Small  
Matt Knopp  
Nick Parker (resigned August 2016)  
Nathan Talbot (appointed December 2015)

### **Directors**

John Morris - Group Chief Executive  
Anthony McCool - Director of Care and Support (resigned August 2015)  
Noel Grace – Group Finance Director (resigned April 2015)  
Ann Rivera - Director of Organisational Development  
Tony Clark - Director of Housing (resigned October 2015)  
Owen Mendez – Interim Finance Director (resigned May 2016)

### **Company Secretary**

John Morris

### **Auditors**

BDO LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3AT

### **Bankers**

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

## YEAR AT A GLANCE

(Previous year in brackets)

### Operating Margin

Group: 14.8% (11.6)

THA: 25.4% (25.4)



**Interest Cover**  
(EBITDA) 22.8%  
(19.1%)



**Homes**  
3,358

**Rent loss from voids** 3% (4.1%)



**Turnover**  
**Social Housing:**  
£16,786,000  
(£16,659,000)



**Turnover**  
**Group:**  
£33,131,000  
(£33,112,000)

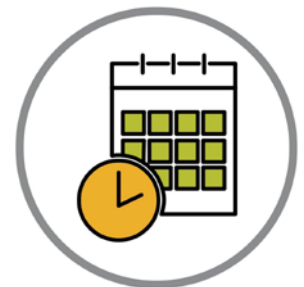


**Highest debt**  
**per unit**  
£28,829  
(£31,446)

**New**  
**Developments**  
24 units  
(56 units)



**Avg. letting**  
**time**  
51 days



**BME lettings**  
51% (43%)



**First Tranche**  
**Sales 7**

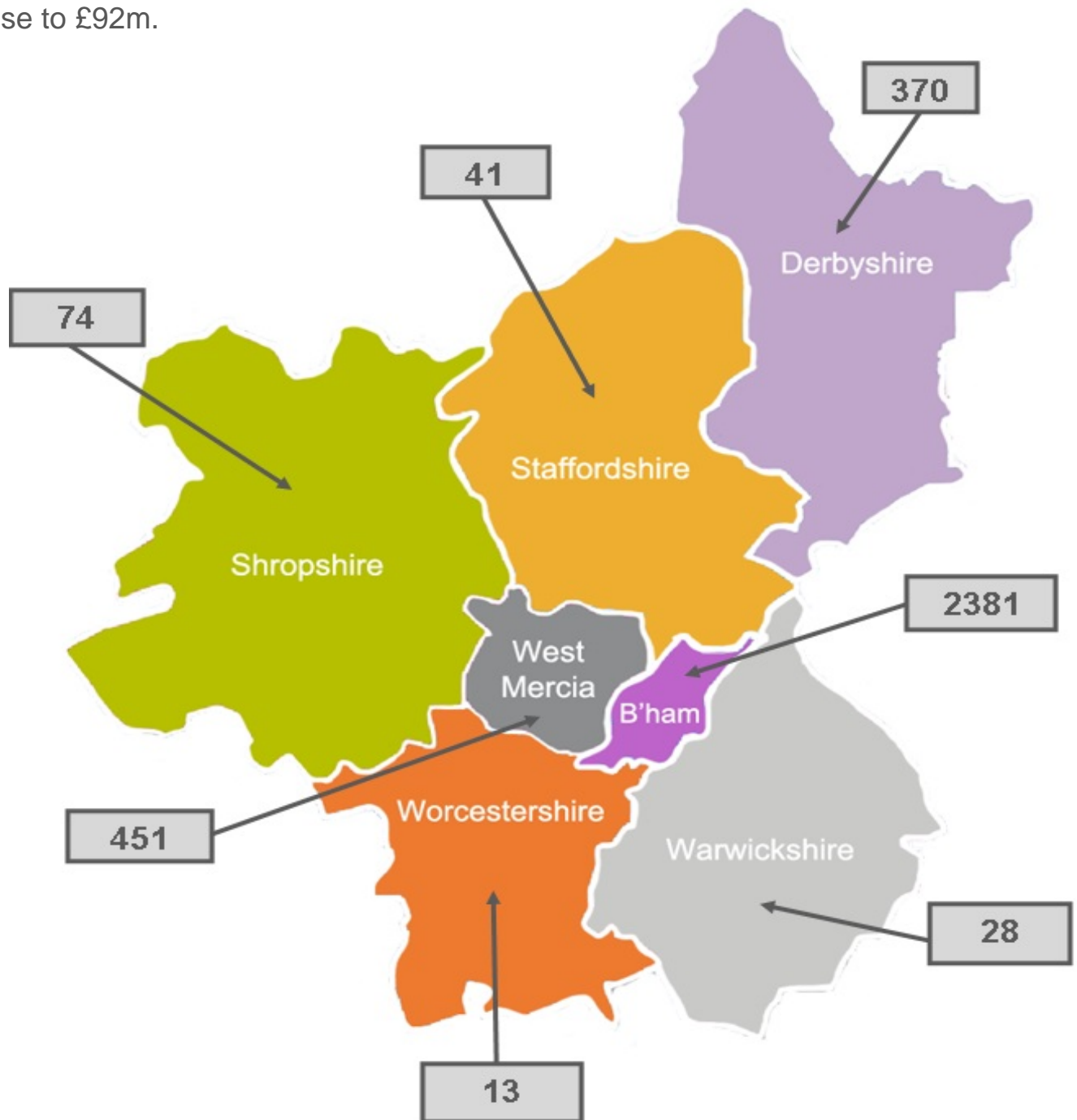
### Operating Surplus

Group: £4,908,000 THA: £4,248,000



## ABOUT US

Trident has over 50 years of delivering homes, services and innovation to over 6,000 people in 3,358 homes in some of the most disadvantaged communities in the Midlands. It employs more than 800 staff, works with over 150 volunteers and provides training places and apprenticeships for many more. The Group has an annual turnover of more than £33m and owns assets close to £92m.



## CHAIR'S STATEMENT

It has been a challenging but successful year for the Trident Group. During the year we continued to respond to the wide range of needs and requirements of our vulnerable customers, providing homes and support services for; the Homeless, those experiencing Domestic Violence, those with an offending background and those requiring flexible floating Support in their homes.

As for many in the sector, it has also been a period of regrouping in response to the significant sectoral changes which have and are being introduced.

We have responded to the downward financial pressure on Housing Associations, in particular, a 1% cut in rental income on the majority of our stock and a reduction in the availability of funds for work with Local Authority partners. To this end we have revisited our Corporate Plan, resetting it for the next three years.

There has also been a concentrated effort on voids management, income management and tenancy support in order to address an increase in stock turnover, increased pressure on customers' incomes, and changes to the benefit system.

Despite the pressures, Trident continues to look forward and plan development. During the year Trident completed a new Asset Management Strategy, finalised plans for some strategic sales, starting with a redundant hostel, Oakview, in Moseley, Birmingham. We continue to produce new homes through the development programme, supported by the Matrix Development Partnership. Consequently, an exciting new housing project is in preparation in Telford, Shropshire, to start on site in 2016 and Trident is looking to bid, alongside Matrix partners, in the next Homes and Communities Agency (HCA) funding round; thereby continuing to use its assets to best effect.

Trident is also continuing to work in the areas of Value for Money, Risk management and Treasury management, working closely with our lenders, supported by our advisors from Savills, to maintain a firm financial footing to drive the business forward. To this end Trident re-negotiated covenant arrangements with Nationwide during the year and continues to receive support from Barclays.

Governance remains a key priority for the Board and Executive. We continue to work with The Governance Forum on the implementation of a Succession Strategy and a Governance Action Plan in order to retain the highest grading with The Governance Forum. Trident also continues to expand the use of the governance IT portal, CG First.

As part of the implementation of the Succession Strategy a number of Group Board members completed their service and following a skills audit four new Group Board members were introduced during the year, three in April 2015, and an additional member joined in December 2015.

We now look forward to the implementation of our Group Structure Review, which was supported by Altair Ltd, and will see consolidation of the group structure, the introduction of a unitary and virtual board and a continued concentration on skills auditing and succession. This work goes hand-in-hand with the implementation of a refreshed Corporate Plan and a refocusing of our work with Trident Reach and Dorcas.

In March 2016 the Trident Group adopted the National Housing Federation Code of Governance, replacing the previous Code adopted by Trident, the Public Sector Code. Trident carried out a comprehensive exercise on compliance with this code, alongside the requirements of the HCA's Standards.

During 2015/2016 Trident continued to respond to our regulator, the HCA, following an enquiry in October 2014 that placed our G1, V1 gradings under review, and in January 2015 updated our

gradings to G2, V1. In July 2016 the regulator carried out an in-depth assessment and further updated their regulatory judgement to G2, V2.

Trident's regrading to V2 reflects changes in the external environment in relation to exposure to supported housing and the Welfare Reform and Work Act 2016 and is in line with other providers who similarly deliver a high proportion of supported housing services. Trident continues to work with the HCA with an action plan to strive to obtain G1, V2 status. Trident has a positive and supportive relationship with the regulators.

Towards the end of the financial year Trident completed its preparations for the recruitment of a new Chair, by September 2016. In addition, following a review of its Senior Management structure, preparations were made for the recruitment of two new strategic Directors; a Group Finance Director and a Director of Housing and Social Care. Trident completed this recruitment during the Summer of 2016.

Throughout the year Trident continued to work closely with its Local Authority partners, successfully delivering on a wide range of Support contracts across the West and East Midlands. This included 12 contracts with Birmingham City Council which were newly introduced in December 2015, following a successful tendering exercise. Through this process Trident expanded its ex-offender services; introduced a new male Domestic Violence service; and responded to the demands of a challenging Guns and Gangs contract, with its Dorcas partners. Trident also successfully managed its Care portfolio, achieving good results in its Care Home inspections, whilst making plans for some reconfiguration work, centred on a number of small Birmingham Care Homes.

Trident completed a Star Plus Survey of its customers, supported by the Human City Institute, and continues to work with Housemark on comparative key performance indicator benchmarking and Value for Money assessment.

2015/2016 has been a challenging year, but one in which the Trident Social Investment Group has successfully regrouped and refocused. It has established a firm platform on which to respond to the challenges that lie ahead. This has been achieved whilst looking forward to the successful implementation of a new Corporate Plan, the introduction of new Group Structure arrangements and to further successful partnership working with Local Authority and regional stakeholders.

Abigail Robson  
**Chair of Trident Social Investment Group**



## STRATEGIC REPORT AND OPERATING AND FINANCIAL REVIEW

### Principal Activities, Governance and Legal Structure

Trident Group comprises:

#### TRIDENT HOUSING ASSOCIATION LIMITED

A Co-operative and Community Benefit Society, an exempt charity and registered provider with the Homes and Communities Agency. Trident Housing Association provides landlord services for the Group in respect of housing management and maintenance. Trident Housing Association is also the parent company of the Group and provides central services to Group members.

#### TRIDENT CHARITABLE HOUSING ASSOCIATION LIMITED

A Co-operative and Community Benefit Society, exempt charity and registered provider with the Homes and Communities Agency. Trident Charitable Housing Association is the legal owner of one housing scheme and all services for residents are provided by Trident Housing Association.

#### TRIDENT REACH: THE PEOPLE CHARITY

A registered charity. Trident Reach the People Charity provide 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 LIMITED

Trident Star, a company limited by shares, is the Group's commercial arm and currently manages one social enterprise for the Group and the residents' shop situated in Trident House.

#### DORCAS HOUSING AND COMMUNITY SUPPORT ASSOCIATION LIMITED

A Co-operative and Community Benefit Society and exempt charity, providing support services, mentoring and employment training alongside a maintenance and home improvement service.

### Partnerships

The Group continues to engage in a wide range of partnership working including participation in the Matrix partnership of housing associations which seeks to pool resources for joint procurement and housing development.

The Group also works with the Human City Institute (HCI), an independent research initiative and "think tank" which investigates social and economic exclusion and promotes solutions that seek to build more human cities and community services. In addition, the Group is engaged in a social enterprise partnership with Jericho Landscape, a community controlled business that delivers grounds maintenance, property development and refurbishment to Trident schemes. Finally, the Group also has a partnership with Shahjalal, a Bangladeshi co-operative based in Aston. Trident provides maintenance and housing services to Shahjalal.

## Objectives and Strategy

The Group's overriding strategy was set out in our corporate plan published in 2011 entitled "A Beacon of Hope in an Age of Austerity" which took the Group through to 2016. This ambitious plan set out how we planned to develop our service offer through our ambition to be one of the country's major social investment groups. This plan built on the achievements of the last five years but took the Group forward in a step change 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 public profile and reputation.
- ❖ To be recognised as an excellent service provider that places involvement of people, communities and stakeholders at the core of its approach.
- ❖ To be acknowledged as a successful, sustainable and environmentally friendly social investment group.

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

### PEOPLE

- ❖ Offering high quality services to all our residents, putting our customers first and ensuring that staff are highly motivated and given continued support through effective training and career development.

### PROPERTY

- ❖ Investing in our properties and the environment to ensure that homes are well maintained, safe and secure and that the surrounding environment is a good place to live.

### FINANCE

- ❖ Ensuring that the Group makes best use of its resources for residents and that a solid financial platform is in place for future investment in homes for growth and development of services.

The Group continues to implement its Social Investment Strategy 2014 – 2018 which supports and further defines the objectives and delivery methods of the Corporate Plan.

In light of the changing environment Trident finds itself working within, both a new Corporate Plan and an update to the Social Investment Strategy which are being developed and will be in operation before the end of 2016.

## Achievements

At Trident we continue to seek new ways to ensure that we offer as much protection as we can to those who are most vulnerable to economic and social change. We have responded to the economic environment and taken positive intervention when appropriate to protect services and jobs. There were many achievements and set out below are some highlights.

### Customer Support and Wellbeing

The Care and Support part of the business has continued to successfully deliver and develop services and continues its efforts to diversify its income streams in support of contract income; this work being centred on obtaining grants and developing new bidding partnerships for the forthcoming year. The business remains well respected with Care and Support partners, in particular the Care Quality Commission, the Local Authority and the Charity Commission.

- ❖ **YOUNG PEOPLE** – the service offered to Young People now includes support to those clients exiting gang lifestyles. A new service has also been introduced for offenders and those at risk of offending.
- ❖ **DOMICILIARY SERVICES** – work has commenced operating alongside a new authority in Solihull, and also in other areas. Services in Shropshire have been expanded to include our domiciliary activity.
- ❖ **HOMELESS SERVICES** – there has been a strong focus on health and wellbeing within Birmingham and Derbyshire, two of our main operational hubs. Services now include delivery of healthy eating programmes and encouraging clients to partake in more sporting activities, and a tuberculosis screening service.

We are now engaged in a number of strategic partnerships to support delivery of our services, including work with UHB Umbrella Partnership, The Suicide Prevention Partnership, Forward for Life, and the Healthy Lifestyles Partnership.

### Housing

- ❖ The Asset Strategy and Planning team completed development of a new 5 and 30 year Investment Plan. The plan provides a robust route map for the future investment in stock and also the achievement of a minimum SAP 70 rating for each home by 2020. Furthermore, the benchmarking of Trident's unit rates places the service in the upper quartile category for both capital and revenue spend.
- ❖ The 'pilot' partnership with social enterprise SoarBuild Limited (for the delivery of Trident's planned maintenance programme) was judged to be a success. Results from a resident's satisfaction survey showed a score of 90%. A formal contract has been agreed following this successful pilot.
- ❖ Our gas servicing team were subject to a number of short notice inspections and deemed to be 100% compliant. The inspections were carried out by Blue Flame Associates.
- ❖ We remain focussed on sustainable energy solutions and completed installation of a biomass boiler to serve 300 homes using grant funding of £307,500.
- ❖ The Asset Strategy and Planning team (in conjunction with Trident's Resident Procurement Panel) successfully delivered year one requirements of the Buy Social Procurement Plan, with anticipated savings of £40k per annum.

- ❖ We are working with HACT's (Housing Association Charity Trust) Micro Enterprise Initiative – working with Walsall Housing Group and Black Country Housing Group to start up their own business.
- ❖ We achieved a Silver Award Sustainable Homes Index For Tomorrow (SHIFT), an improvement on the Bronze Award previously achieved, further recognising Trident's commitment to supporting the Green Agenda.
- ❖ With our focus on voids performance we have reduced our average void period by 9 days, and our turnover rate by 2%.

## Organisational Development

- ❖ The organisation successfully achieved the Leaders in Diversity Stage 3 accreditation, recognising our commitment to Equality, Diversity and Inclusion (EDI). This accreditation marks the highest level of attainment by the awarding body and places Trident Group in the top quartile of companies for this award. In addition our subsidiary Trident Reach has successfully retained its Gold accreditation awarded by Committed to Equality (C2E), demonstrating outstanding work in this area.
- ❖ The Investment in People (IiP) Gold Standard was awarded across the Group and places Trident in the top 1% of UK organisations accredited by Investors in People.
- ❖ 2,617 e-learning courses for staff were completed in the last 12 months.
- ❖ Through our Organisational Development Department (OD) we are now able to deliver ILM Level 5 courses, increasing our ability to provide further support to our clients.
- ❖ Our ICT team have had another busy year delivering business critical projects which have included, 100% server virtualisation and installation of resident "WiFi" in approximately 700 tenanted homes.
- ❖ Our OD team developed partnerships with local colleges and universities to offer student placements within our offices and supported schemes and includes social work, social policy and nursing students who spent a total of 9,655 hours working with us.
- ❖ The department supported a significant degree of staff restructuring as part of the Group Structure review and our ongoing realignment of services.

## Business and Financial Review

The Trident Group successfully delivered a broad range of services to a diverse and vulnerable client group. This has been achieved during a period of unprecedented change across the Housing and Social Care sectors, and at a time where austerity measures present an ongoing challenge for Local Authority partners.

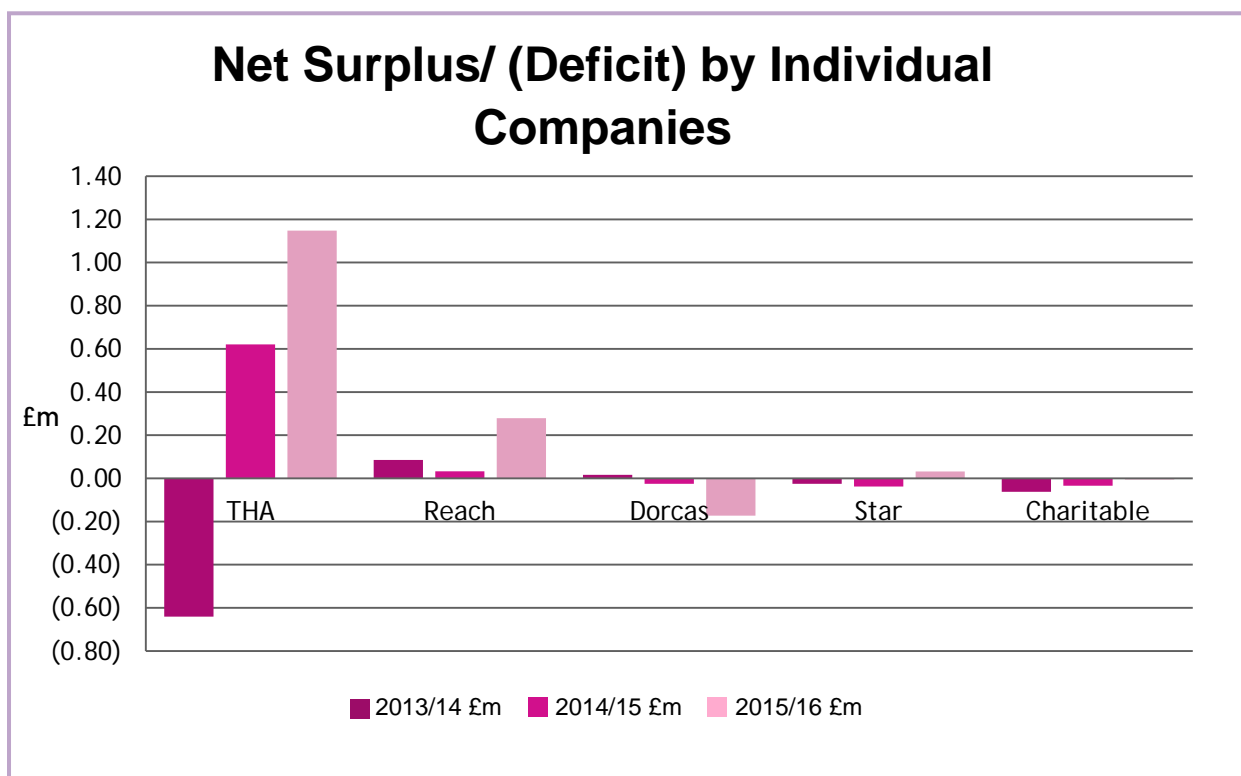
Like most organisations in our sector we have had to critically review our finances and the services we deliver; we have started the process of business transformation including the alignment of services and the aforementioned review of our Group Structure. We are confident the changes we have made ensure that we can continue to deliver essential services to vulnerable individuals whilst retaining a robust financial position (as evidenced by extensive stress testing).

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and investing cash assets safely and profitably. In addition to drawn borrowings, the Group has £13.7 million of undrawn facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Group's day-to-day operations.

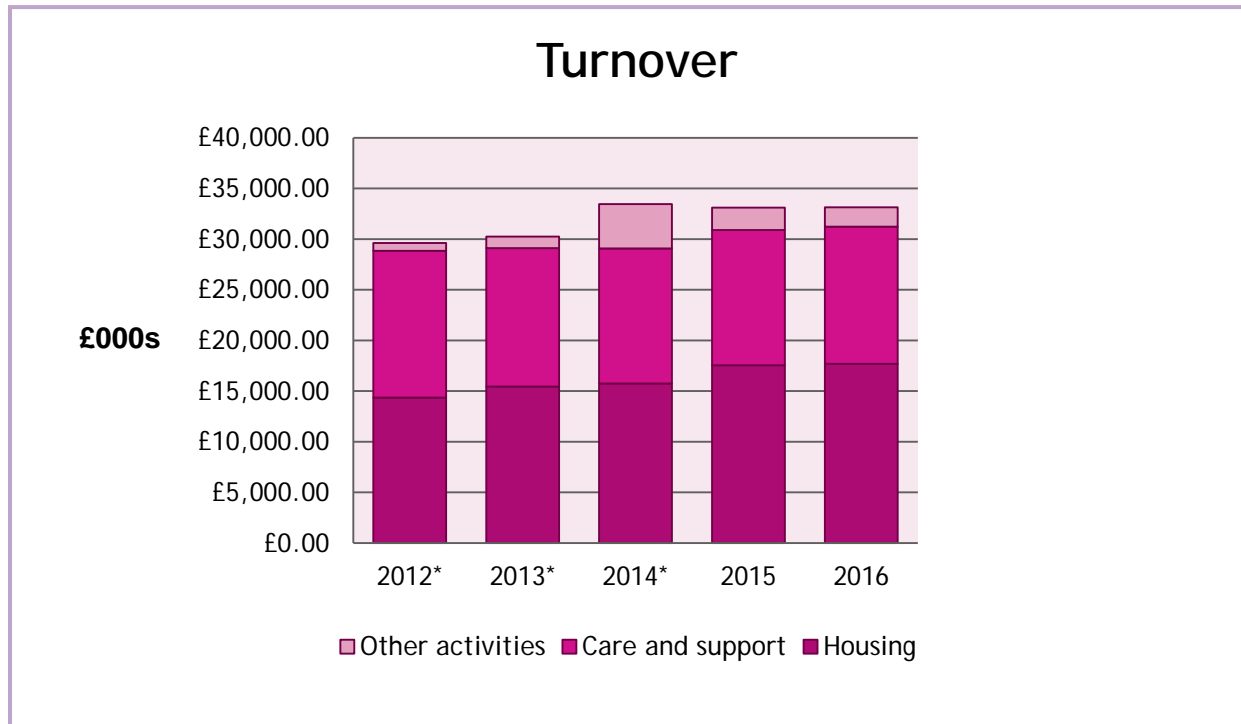
Additionally, we are pleased that despite the increasing challenge of our external environment, both our turnover and surplus show an improving position on the previous year.

The five year summary of the Group income and expenditure statement can be found on the following page, but highlights from this and the full financial statements include:

- ❖ A surplus from normal operational activities of £1,448,000 (2015: £1,216,000) or 19% increase on previous year.
- ❖ Net surplus in all but one subsidiary show a positive trend, and this subsidiary's future is subject to current review.



- ❖ We transferred the pension obligations in respect of pensioners and deferred members of the Trident Retirement Pension Scheme (closed 2002). The Trustees and the Group formally agreed to the transfer in December 2014. However, in this financial year, an exceptional item of £660k with respect to the closure of the pension scheme was charged in 2015.



- ❖ The cost of transferring our pension liabilities to Aviva has affected our surplus for the past three financial years but is now complete and represents a long-term cost liability saving for the organisation. The final payment made this year was £69k.
- ❖ Our operating margin as a percentage of turnover is the highest it has been for the last five years.
- ❖ Our net margin for the Housing Association significantly improved from last year's £0.62m to £1.15m this year.
- ❖ The Group remains financially compliant in respect of funders covenants and has successfully negotiated new arrangements with Nationwide.
- ❖ We exceeded our new lower risk liquidity threshold expectation; we held a cash balance of £4.7m at year end against a lower limit of £2.5m. This offers us a secure cash platform to operate from.
- ❖ The 1% rent reduction affected 1,848 of our properties, but was partially offset by those unaffected (supported, market rent, shared owners) and so the net impact was a reduction in income circa £40k for the year.
- ❖ The Group donated a total of £1,300 (2015: £2,100) to Trident's Charity Committee for onward distribution to the Group's chosen charity and £700 to other local charities (2015: £1,200). The Group made no political donations.

## Business and Financial Review (continued)

	2016	2015	2014*	2013*	2012*
<b>Consolidated Statement of Comprehensive Income (£000)</b>					
Income					
- Core	17,692	17,543	15,739	15,444	14,357
- Care and support	13,539	13,352	13,341	13,659	14,488
- Other activities	1,900	2,217	4,380	1,149	774
<b>Total Income</b>	<b>33,131</b>	<b>33,112</b>	<b>33,460</b>	<b>30,252</b>	<b>29,619</b>
<b>Operating Surplus</b>					
Surplus for the year transferred to reserves before pension scheme closure costs	1,448	1,216	1,571	1,623	1,683
Pension scheme closure costs	(69)	(660)	(2,198)	-	-
<b>Net surplus / (deficit)</b>	<b>1,379</b>	<b>556</b>	<b>(627)</b>	<b>1,623</b>	<b>1,683</b>
<b>Statement of Financial Position (£000)</b>					
Housing Properties, net of depreciation	151,441	151,415	156,948	146,993	136,324
SHG and other grants	-	-	74,153	72,154	66,960
	<b>151,441</b>	<b>151,415</b>	<b>82,795</b>	<b>74,839</b>	<b>69,364</b>
Other fixed assets	3,645	4,128	4,059	4,201	4,156
Investment properties	1,230	1,230	-	-	-
	<b>156,316</b>	<b>156,773</b>	<b>86,854</b>	<b>79,040</b>	<b>73,520</b>
Net current assets	<b>1,178</b>	<b>702</b>	<b>14</b>	<b>4,789</b>	<b>3,016</b>
Total assets less current liabilities	<b>157,494</b>	<b>157,475</b>	<b>86,868</b>	<b>83,829</b>	<b>76,536</b>
Creditors: amounts falling due after more than one year	(141,035)	(142,395)	(74,781)	(68,749)	(63,060)
Pension liability	-	-	-	(2,084)	(1,042)
	<b>16,459</b>	<b>15,080</b>	<b>12,087</b>	<b>12,996</b>	<b>12,434</b>
Revaluation Reserve	1,114	1,114	-	-	-
Revenue Reserves	15,345	13,966	12,087	12,996	12,434
	<b>16,459</b>	<b>15,080</b>	<b>12,087</b>	<b>12,996</b>	<b>12,434</b>
<b>Housing properties at year end:</b>					
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
In management	3,354	3,355	3,351	3,366	3,243
In development	4	22	94	227	296
<b>Total</b>	<b>3,358</b>	<b>3,377</b>	<b>3,445</b>	<b>3,593</b>	<b>3,539</b>
<b>Statistics</b>					
Operating surplus as % of turnover	14.8%	11.6%	13.8%	14.5%	14.7%
Surplus transferred to reserves as % turnover (pre exceptional item)	4.4%	3.7%	4.7%	5.4%	5.7%
Gearing ( <i>Debt per unit</i> )					
Nationwide	£28,248	£31,446	£28,146	£26,887	£24,230
Barclays	£28,829	£29,247	-	-	-

\* Under old UK GAAP

## Asset Performance and Development

The Trident Group's investment in HCA programmes has been significant and over the last five years Trident has invested significantly in the provision of new homes. We have carefully stretched our financial ratios in respect of gearing and whilst staying within financial covenants, allocated substantial, internally generated resources to the development programme.

Trident continues to play an active role within the Matrix development programme and during the year has worked on a number of development projects, in readiness for completion or start on site during 2016. Trident is looking to continue to provide rented homes, but also to respond to the government imperative of providing new homes for sale.

The Board has approved plans for the development programme through to 2017. This investment will be funded through Social Housing Grant (SHG), reserves and borrowings. The programme is in progress and on target to complete on time in accordance with HCA requirements, and sufficient funding is in place to meet the programme.

Moving forward Trident Social Investment Group will continue to balance its investments in new and existing stock in line with its Business Plan projections.

During 2016 the new Asset Management Strategy will be implemented, together with a new Options Appraisal methodology, informed by the PAVE business model (Portfolio Asset Valuation Evaluation). This will help to inform both decisions regarding the investment in existing stock and the identification of potential strategic sales.

As a result Trident is looking to appropriately invest in its stock, deliver VFM and to use its existing assets to support the provision of new homes.

	2016 £	2015 £	2014 £	2013 £	2012 £
Investment in New Homes	2.7m	6.3m	7.6m	10.1m	9.6m
Investment in Existing Homes	1.0m	1.0m	1.7m	1.4m	1.9m
New Loan Debt Taken On	2.7m	8.8m	5.8m	5.6m	9.9m
Highest Debt Per Unit	28,829	31,446	28,146	26,887	24,230
Housing Properties In management	3,354	3,355	3,351	3,366	3,243
Housing Properties In development	4	22	120	227	296



## Performance and Cost Management

During 2015/2016 the Group reviewed its Corporate Plan and Group Structure arrangements and made a critical assessment of arrangements in relation to performance management, key performance indicators (KPIs) and cost management. This work centred on the following:-

- ❖ The timely production, review and monitoring of monthly accounts by both the Executive and the Board.
- ❖ Rigorous support by the Audit Committee.
- ❖ A review of KPI reporting, which resulted in a reduction in the overall number reported on a monthly basis to the Audit Committee and the Group Board, to aid focus on mission critical indicators.

In addition to internal KPI and performance monitoring, we have reviewed our external benchmarking. We continue to work with Housemark to benchmark the activities and costs of the Housing Association and worked with their teams to create a more bespoke peer group this year. In addition we have carried out more work comparing the costs against other housing providers using the HCA's Global accounts.

	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 2015/16</b>	3.64	0.9	1.28	0.9	0.5	0
<b>Trident 2014/15</b>	3.88	1	1.29	0.9	0.68	0
<b>Sector Level data</b>						
<b>Upper Quartile</b>	4.3	1.27	0.61	1.18	1.13	0.41
<b>Median</b>	3.55	0.95	0.36	0.98	0.8	0.2
<b>Lower Quartile</b>	3.19	0.7	0.23	0.81	0.53	0.08

The above table demonstrates our position on a cost per unit basis compared with all registered housing providers. We are satisfied that in all but service charge, we are close to the median. This is where we aim to position ourselves as an organisation. The reason our service charge costs are high is that we have a significantly higher than average number of supported schemes where charges, for example personal heating and lighting, support services, communal furniture costs, are all accounted for in the charges.

Trident is also looking very closely at the cost of its services and is conscious of the potential higher level of costs that result from the management services provided to a vulnerable client group and as a result of a significant amount of Care and Support work being delivered. The review of the Group Structure, and the ongoing realignment of services based on a one organisation approach, are just the beginning of a period of significant change across the Group, providing the basis for the proposed business transformation agenda introduced in the new Corporate Plan 2016 – 2019.

In the coming years our focus is on establishing working partnerships with other organisations to carry out more granular benchmarking at a service-specific level in order for us to compare our performance more effectively across the whole group.

## Value for Money (VFM)

Our full statement and assessment of Trident's approach to VFM can be found in our accompanying document 'Every Pound Counts'.

During 2015/2016 VFM has remained at the heart of the work undertaken across the Group and has centred on the following areas:-

- ❖ Embedding our "Every Pound Counts" VFM culture.
- ❖ Establishing a computerised recording methodology for staff.
- ❖ The introduction of an efficiency and savings programme, including a planned reduction in staff costs and the closer realignment of services across the Group, based on a one organisation approach.
- ❖ A review of office costs which resulted in a proposal for the reduction in office accommodation in 2016.
- ❖ Renewed concentration on voids, income management and bad debts.
- ❖ A rigorous approach to compliance with HCA Standards.
- ❖ A rigorous programme of monitoring in relation to the delivery of support contracts, together with a proactive dialogue with Local Authority partners.
- ❖ Embarking upon a programme of business analysis to achieve leaner working practices.
- ❖ Following discussion with Local Authority stakeholders the introduction of plans to reconfigure Care Home provision.
- ❖ The planned streamlining of governance arrangements.

In support of the above, the Group has an active financial strategy, linked to the VFM requirements that we see as fundamental to our role as an organisation in receipt of capital and revenue funding from the government and ultimately the tax payer. That strategy has some fundamental key drivers:-

- ❖ To achieve financial covenants with funders, thereby protecting social housing assets.
- ❖ To generate financial resources for the investment and upkeep of existing homes.
- ❖ To generate financial resources for the provision of new homes for rent and sales.
- ❖ To support residents and clients with additional services where possible.

## Risk Management

During 2015/2016 Trident has also reviewed its approach to Risk management. This includes the following:-

- ❖ Risk appetite.
- ❖ Risk Management Policy.
- ❖ Risk Management recording and monitoring.
- ❖ The relationship between strategic and operational risks.
- ❖ A review of Risk Management in the context of decision making in a group structure situation, linking work of subsidiaries with the Group Board.

Risk Management was a key factor in the review of the Group Structure undertaken by Altair Ltd, together with delivery of VFM and is very much a factor behind the decision to introduce a unitary and virtual board from September 2016 onwards.

The Group felt that it was important to review its approach to risk management in the light of dialogue with our regulators and as a result of the uncertainties which are created by both austerity measures and a period of unprecedented changes within the Housing and Care and Support sectors.

In October 2015 Trident resubmitted its FFR, following on from the budget which introduced the 1% rent cut. This was supported by stress testing, which has been ongoing. At the same time Trident reviewed its Treasury Policy and renegotiated covenant arrangements with Nationwide. In addition, Trident refreshed its Corporate Plan centred on business transformation and proposals for diversifying income via the use of the Star commercial vehicle from September 2016 onwards.

In short, Trident has been carefully examining its approach to both strategic and operational risk in the short, medium and longer term, given the amount of sectoral uncertainty.

Trident has recently reviewed its reporting and monitoring arrangements with regard to risk Management, with a view to prioritising the mission critical strategic risks for monthly review and response. Our approach to risk review and management will continue to evolve to meet the needs of a changing environment.

## Capital Structure and Treasury Policy

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 is as follows:

<b>Maturity</b>	<b>2016 £m</b>	<b>2015 £m</b>
Within one year	3.4	2.4
Between one and two years	3.1	3.9
Between two and five years	16.3	13.7
After five years	61.7	64.1
	<b>84.5</b>	<b>84.1</b>
	<b>84.5</b>	<b>84.1</b>

The Group has four principal funders being Nationwide, THFC, Orchardbrook and Barclays. 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 59% (2015 - 60%) of our loans are at affordable fixed rates. This strategy leaves us well placed with certainty around funding costs.

## 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.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Exceptional Item		Total	
	2016 £'000	2016 £'000	2016 £'000	2015 £'000
<b>Turnover</b>	<b>33,131</b>	-	<b>33,131</b>	33,112
Operating costs	<b>(28,164)</b>	-	<b>(28,164)</b>	(28,608)
Other operating income	<b>10</b>	-	<b>10</b>	8
Pension scheme closure cost	-	<b>(69)</b>	<b>(69)</b>	(660)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Operating surplus</b>	<b>4,977</b>	<b>(69)</b>	<b>4,908</b>	3,852
Surplus on disposal of fixed assets	<b>77</b>	-	<b>77</b>	84
Other interest receivable and similar income	<b>13</b>	-	<b>13</b>	8
Interest and financing costs	<b>(3,619)</b>	-	<b>(3,619)</b>	(3,388)
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus before and after taxation and total comprehensive income for the year	<b>1,448</b>	<b>(69)</b>	<b>1,379</b>	556
	<hr/>	<hr/>	<hr/>	<hr/>

The Group's results all relate to continuing activities.

## ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

	2016 £'000	Exceptional Item 2016 £'000	Total 2016 £'000	2015 £'000
<b>Turnover</b>	<b>19,262</b>	-	<b>19,262</b>	19,322
Operating costs	<b>(14,526)</b>	-	<b>(14,526)</b>	(14,753)
Other operating income	<b>10</b>	-	<b>10</b>	8
Pension scheme closure cost	-	<b>(69)</b>	<b>(69)</b>	(660)
<b>Operating surplus</b>	<b>4,746</b>	<b>(69)</b>	<b>4,677</b>	3,917
Surplus on disposal of fixed assets	<b>77</b>	-	<b>77</b>	84
Other interest receivable and similar income	<b>13</b>	-	<b>13</b>	8
Interest and financing costs	<b>(3,619)</b>	-	<b>(3,619)</b>	(3,388)
Surplus before and after taxation and total comprehensive income for the year	<b>1,217</b>	<b>(69)</b>	<b>1,148</b>	621

The Association's results all relate to continuing activities.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Fixed assets</b>				
Tangible assets				
Housing Properties				
- Cost		176,648		174,728
- Depreciation		(25,207)		(23,313)
		<hr/>		<hr/>
		151,441		151,415
Other fixed assets		3,645		4,128
Investment properties		1,230		1,230
		<hr/>		<hr/>
<b>Total fixed assets</b>		156,316		156,773
<b>Current assets</b>				
Stocks	1,165		1,149	
Debtors - due within one year	3,467		3,714	
Cash at bank and in hand	4,729		3,079	
	<hr/>		<hr/>	
	9,361		7,942	
<b>Creditors: amounts falling due within one year</b>	(8,183)		(7,240)	
	<hr/>		<hr/>	
<b>Net current assets</b>		1,178		702
		<hr/>		<hr/>
		157,494		157,475
<b>Creditors: amounts falling due after more than one year</b>		(141,035)		(142,395)
<b>Pension fund liability</b>		-		-
		<hr/>		<hr/>
<b>Total net assets</b>		16,459		15,080
		<hr/>		<hr/>
Share capital		-		-
Income and expenditure reserve		15,328		13,949
Revaluation reserve		1,114		1,114
Restricted reserve		17		17
		<hr/>		<hr/>
<b>Accumulated funds</b>		16,459		15,080
		<hr/>		<hr/>

The financial statements were approved by the Board on behalf by:

and were signed on its

A Robson  
Chair of the Group Board

R Turton  
Chair of the Group  
Audit Committee

J Morris  
Company Secretary

## ASSOCIATION STATEMENT OF FINANCIAL POSITION

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Fixed assets</b>				
Tangible assets				
Housing properties				
- Cost		176,481		174,566
- Depreciation		(25,180)		(23,287)
		<u>151,301</u>		<u>151,279</u>
Other fixed assets		3,291		3,795
Investment properties		1,230		1,230
		<u>155,822</u>		<u>156,304</u>
<b>Total fixed assets</b>				
<b>Current assets</b>				
Stocks	1,159		1,141	
Debtors - due within one year	2,398		2,673	
Cash at bank and in hand	3,396		1,908	
	<u>6,953</u>		<u>5,722</u>	
<b>Creditors: amounts falling due within one year</b>	<b>(7,204)</b>		<b>(6,243)</b>	
	<u>(251)</u>		<u>(521)</u>	
<b>Net current assets</b>		<b>(251)</b>		<b>(521)</b>
		<u>155,571</u>		<u>155,783</u>
<b>Creditors: amounts falling due after more than one year</b>		<b>(141,035)</b>		<b>(142,395)</b>
<b>Pension fund liability</b>		<b>-</b>		<b>-</b>
		<u>14,536</u>		<u>13,388</u>
<b>Total net assets</b>				
Share capital		-		-
Income and expenditure reserve		13,405		12,257
Revaluation reserve		1,114		1,114
Restricted reserve		17		17
		<u>14,536</u>		<u>13,388</u>
<b>Accumulated funds</b>		<b>14,536</b>		<b>13,388</b>

The financial statements were approved by the Board on

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Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Income and expenditure account £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2015	13,949	17	1,114	15,080
Surplus and total comprehensive income for the year	1,379	-	-	1,379
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	<b>15,328</b>	<b>17</b>	<b>1,114</b>	<b>16,459</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Income and expenditure account £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2014	13,393	17	1,114	14,524
Surplus and total comprehensive income for the year	556	-	-	556
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015	<b>13,949</b>	<b>17</b>	<b>1,114</b>	<b>15,080</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



## ASSOCIATION STATEMENT OF CHANGES IN EQUITY

	Income and expenditure account £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2015	12,257	17	1,114	13,388
Surplus and total comprehensive income for the year	1,148	-	-	1,148
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2016	<b>13,405</b>	<b>17</b>	<b>1,114</b>	<b>14,536</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Income and expenditure account £'000	Restricted reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2014	11,636	17	1,114	12,767
Surplus and total comprehensive income for the year	621	-	-	621
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2015	<b>12,257</b>	<b>17</b>	<b>1,114</b>	<b>13,388</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<b>Cash flow from operating activities</b>				
Surplus for the financial year		1,379		556
Adjustments for:				
Depreciation of fixed assets - housing properties		2,580		1,734
Depreciation of fixed assets - other fixed assets		852		799
Interest payable and finance costs		3,619		3,388
Interest received		(13)		(8)
Surplus on disposal of fixed assets		(77)		(84)
Decrease / (increase) in debtor		247		(55)
(Increase) / decrease in stocks		(16)		479
(Decrease) in creditors		(810)		(3,385)
<b>Net cash generated from operating activities</b>		<b>7,761</b>		<b>3,424</b>
<b>Cash flow from investing activities</b>				
Proceeds from sale of fixed assets - housing properties	430		557	
Purchase of fixed assets – housing properties	(2,888)		(7,093)	
Purchase of fixed assets – other	(375)		(868)	
Receipt of grant	128		589	
Interest received	13		8	
<b>Net cash from investing activities</b>		<b>(2,692)</b>		<b>(6,807)</b>
<b>Cash flow from financing activities</b>				
Interest paid	(3,533)		(3,249)	
New loans – bank	2,700		8,848	
Debt issue costs incurred	(166)		(280)	
Repayment of loans - bank	(2,420)		(888)	
<b>Net cash used in financing activities</b>		<b>(3,419)</b>		<b>4,431</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,650</b>		<b>1,048</b>
Cash and cash equivalents at beginning of year		3,079		2,031
<b>Cash and cash equivalents at end of year</b>		<b>4,729</b>		<b>3,079</b>





# TRIDENT

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