

STORM
HOUSING
GROUP

STORM HOUSING GROUP LIMITED

ANNUAL REPORT

2022

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06/01/2023

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COMPANIES HOUSE

I OUR VISION

Storm's vision is for everybody in the UK to have a comfortable, safe and affordable home.

I OUR MISSION

Storm intends to be a major contributor towards the vision by building sustainable communities and delivering social housing at the same quality as the best on the open market.

We will use innovative technology, cutting edge housing services and a team that cares to redefine how social housing is delivered.

I OUR VALUES

Our values underpin every decision we make in our business.

Put people first

Our residents and employees are central to our business. Their wellbeing is at the forefront in all of our decisions.

Find a better way

We continually strive to improve what we do and how we work, challenging the status quo.

Act ethically and sustainably

We will always act ethically and sustainably, doing the right thing and maintaining a balance between the short, medium and long terms needs of our people.

Make a difference

We aim to make decisions that have a positive impact on people, communities and the environment.

Work in partnership

We understand working together will take us all further than working alone. We're passionate about working with organisations that will enable us to provide better homes and services.

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HIGHLIGHTS

2022

Registered by the

**Regulator of
Social Housing**

Statement of intent to provide
annual funding of

£100m

secured from Social Impact
Investment Funds

Handed over keys to its

**first
customers**

100%

approval rate from local
authorities to deliver future
pipeline in their areas

Aim is to deliver

5,000

homes by 2027

The team has over

200 **years**

of housing experience

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS

D A Burgher
M E Dunn
P J Gannon
S J Roden
R J Starkey
M Shenkman - Appointed 25 November 2022

REGISTERED OFFICE

Suite 29, Hilton Hall
Hilton Lane
Essington
Staffordshire
WV11 2BQ

REGISTERED NUMBERS

Company Number – 12664596 (England and Wales)
RSH Registration Number – 5160

ACCOUNTANTS

Freedman Frankl & Taylor
Chartered Accountants
Reedham House
31 King Street
West Manchester
M3 2PJ

CHAIR'S STATEMENT

Richard Starkey

Chair

Looking to the future

The year to 2022 represents our first year of trading and we are delighted that Storm Housing Group has been given Registered Provider "RP" status by the Regulator of Social Housing. This change of status will enable Storm to accelerate its mission of providing high quality, affordable housing to individuals and families throughout the UK.

Storm is helping to tackle the housing crisis by delivering new build sustainable homes in mixed private and social communities to people on social housing waiting lists and those whose needs are not met by the commercial market. The company's sustainability and quality targets underpin each new home, offering those who need it a move-in ready home that is designed and built for life.

Registered Provider status gives Storm the opportunity to deliver regulated housing, to broaden its geographical reach and provide more high-quality homes where they are needed most. With over 1.3 million households on social housing waiting lists around the UK, Storm will now be able to help alleviate the country's housing pressures and give more people the opportunity to live in desirable homes for life.

Storm's target is to acquire over 1,000 homes across England per year and deliver 5,000 by 2027. Storm has secured a statement of intent to provide annual funding of £100m secured from Social Impact Investment Funds to acquire and build new homes. The company already provides homes in Stoke, and has been approved by Local Authorities across the Midlands, Lincolnshire and the surrounding areas.

The housing sector is demonstrating that Registered Providers and institutional funders can work together to ensure that private capital complements government funding, to deliver more homes and provide greater choice to Local Authorities and individuals on social housing waiting lists.

Building value for our Stakeholders

Residents

Happy Residents are the core of our business. Storm are proud to offer a range of properties via three affordable routes:



**Social
Rent**



**Affordable
Rent**



**Shared Ownership
purchase**

We aim for all of our homes to be modern high-quality and energy-efficient whilst maintaining excellent customer service. We hope to deliver housing across the whole of England.

Housebuilders and landowners

We pride ourselves on our open and transparent ways of working and aim to deliver best value to our housebuilder, developer and landowner partners. We are always looking for additional partnerships to help provide one to five bedroom homes across the country. We can buy land, both affordable housing required as part of Section 106 agreements and non-restricted homes, as well as sites eligible for Homes England grant funding.

Local authorities

Storm works in partnership with local authorities to not only meet housing targets but to work in a way that meets the specific needs of each area. We pride ourselves on long-term relationships based on trust and flexibility.

Investors

Storm Housing Group provides an open and transparent mechanism for institutional capital to invest in the affordable housing marketplace. We offer investors inflation linked income, attractive occupation profiles and stable operating income.

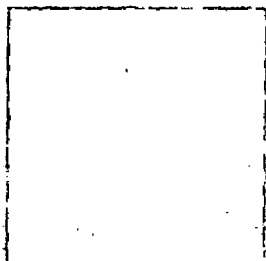
**Registration with
the Regulator of
Social Housing**

"Storm Housing Group is delighted to have achieved this important milestone. Securing registration will allow us to push forward with our ambitious targets for growth while also striving to deliver carbon-neutral homes that our tenants will be proud to call home."

Richard Starkey
Chair

BOARD OF DIRECTORS

STORM HOUSING GROUP

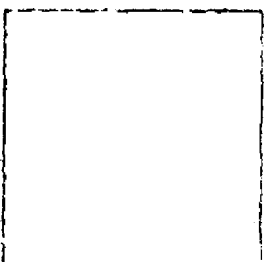


Richard Starkey

Chair

Richard's passion is to work with ethical, sustainable, high growth businesses which are serious about further success and growth. His practical, collaborative approach and ability to identify issues and find workable solutions achieves real results for businesses as demonstrated by his leadership of the following organisations:

- Chair, Hillcrest Homes
- Managing Director, St Joseph Homes Ltd (Berkeley Group Holdings PLC)
- Director of Property Investments, Elysium Capital
- COO of Crosby Lend Lease, a UK division of the Lend Lease corporation, with global revenues of c\$1 Obn.

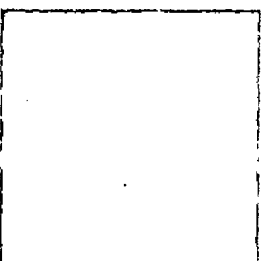


Sam Roden

Chief Executive

Since coming into property in 2009 Sam has worked in many sectors from planning to land referencing. Prior to founding Storm, Sam spent the previous 8 years working for Deloitte LLP where he helped clients within the Property, Care and Investment Management Industries such as FTSE 100 House Builders, FTSE 250 Regeneration Companies, Local Authorities, the NHS and Pension Schemes Investing in Property.

Sam is also Managing Director of Storm Property, a development company that specialises in care and social housing.



John Gannon

Technology & Risk Director

John is responsible for the overall risk framework of Storm as well as ensuring our internal technology and processes are market leading.

John founded the highly successful Home builders "Asquith Homes" and prior to that, was a founding director of TerraQuest, a highly successful consultancy business which provides specialist property services to major infrastructure and regeneration projects as well as delivering the planning portal.

John and his team have a proven track record of delivering high quality developments and is now turning his focus to developing homes that make a difference.

Dena Burgher

Non-Executive Director

Dena is an Independent Director who's primary aim is to assist businesses and social impact organisations operating in the Residential Real Estate sector to increase market share and achieve tangible growth. Dena has worked for both the public and private sector in a career spanning more than 25 years and she has been involved with many high profile projects across the Midlands including Housing Action Trusts, Prince's Foundation and Homes England Developer Programmes.

Dena has held strategic Board Level roles for blue chip FTSE 250 construction companies as well as Senior roles for public sector organisations including:

- Non-executive Director, Onward Homes
- New Business Director, Vistry Partnerships
- Business Development Director, Kier Living
- Regional Business Development Manager, Lovell
- Asst. Head of Home Ownership, Waterloo Housing Association.

Mike Dunn

Non-Executive Director

Mike's main area of focus is on housing and development especially organisations that bring social value.

Mike is an experienced Main Board Director with 10 years of listed and FTSE250 CFO experience including:

- Chair of the Audit and Risk Committee, Places for People
- Non-executive Director, London & Continental Railways PLC
- Non-executive Director and Chair of Audit and Risk Committee, Metropolitan Thames Valley Housing Trust
- Group Finance Director, St Modwen Properties PLC
- Group Finance Director, May Gurney Integrated Services PLC.

I STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Review of business

The Company is a Registered Provider of Social Housing.

Since incorporation, Storm has been working with the Regulator of Social Housing to obtain Registered Provider status and was awarded this in June 2022. This change of status will enable Storm to accelerate its mission of providing high quality, affordable housing to individuals and families throughout the UK.

Storm is helping to tackle the housing crisis by delivering new build sustainable homes in mixed private and social communities to people whose needs are not met by the commercial housing market. The company's sustainability and quality targets underpin each new home, offering those in need a move-in ready home that is designed and built for life.

Financial review

Since inception Storm has primarily incurred set up costs in relation to becoming registered and compliant with the regulatory standards. The set up costs have been funded by the parent company and therefore the Reserves of the Company remain unchanged since the prior year, keeping the net assets of the company positive at £10.

As the company is now registered, there are no further set up costs and the company expects to become profit making by FY 23/24.

Storm and its investors are committed to the retention of stock within the regulated sector and have developed a 'passthrough' business model - akin to a management agreement, that protects the long-term interests of both the tenants and the RP. Storm's passthrough model operates for a period of between 40-60 years, with the RP having the option to acquire the homes or renew the lease at the end of the term. This protects the residents by ensuring that they have a home for life whilst making sure that homes remain within the social housing sector.

The table below shows the position of the options to acquire properties at the end of this financial year.

The inherent value of these options will increase over the next 40-60 years as and when property prices increase. Under FRS 102, these options are valued at cost, which is zero. Therefore the value of these options are not reflected in the financial statements.

Number of homes	Market value	Price Storm can acquire homes	Value of options
5	£927,500	£815,000	£112,000

NHF code of governance

The Company adopted and was compliant with the NHF Code of Governance 2020.

NHF code of conduct

The Company adopted and was compliant with the NHF Code of Conduct 2012.

Equality and diversity

The Company is committed to equality and diversity and will ensure that the work environment is free from harassment and discrimination. People with disabilities will be treated fairly in job applications, training, promotion and career development opportunities. If employees become disabled while employed, we will endeavour to ensure they continue working either in their original job or a suitable alternative. Our business is built on the basis of embracing diversity and being fully inclusive in everything we do.

Key performance indicators (KPI)

KPI	2022 Actual	2023 Target	2024 Target
Customer experience			
Customer satisfaction with service	100%	95%	95%
Complaints responded to within target time	No complaints received	95%	95%
Delivering new affordable homes			
Number of new homes exchanged on	5	250	1,000
Number of new homes completed	5	0	250
Operational			
Rent collected as % of rent due	100%	97%	97%
Property compliance - % of compliance certifications completed	100%	100%	100%

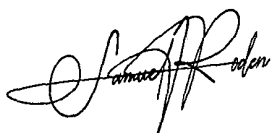
Principal risks and uncertainties

Risks to the business are regularly considered and their impact mitigated.

Principal risks and uncertainties are:

- Availability and sources of financing
- Ability to source new housing opportunities
- Non-compliance with the regulatory standards
- Reputational and operational damage from use of outsourced managing agents
- Political changes that impact the housing or operating environment

Approved by the Board of Directors and signed on behalf of the Board.



Sam Roden - Chief Executive

Date: 06/12/2022

DIRECTOR'S REPORT

The directors present their annual report and the consolidated financial statements for the year ended 31 March 2022.

The principal risks and uncertainties and financial risk management are set out in the Strategic Report and form part of this report by cross-reference.

Principal activity

The Company is a Registered Provider of social housing for profit. The Company is a private company limited by shares incorporated under the Companies Act 2006 and is registered in England and Wales.

Going concern

The directors have prepared the financial statements on the going concern basis. More detail is provided in note 1 to the financial statements.

Results and dividends

The profit for the year after taxation amounted to £0 (2021: £0).

No Dividends were paid during the year.

Future developments

The Company's ambition is to acquire over 1,000 homes across England per year and deliver 5,000 by 2027.

Post balance sheet events

Post the balance sheet date there was a reorganisation to facilitate funding Storm's initial pipeline. The reorganisation resulted in:

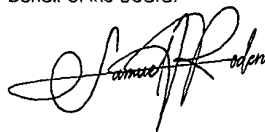
- The direct parent of the Company changing from Storm Property Limited to SHG Holdco Limited
- The ultimate beneficial owners changed from 100% owned by Storm Property Limited to:
 - 50% owned by Storm Property Limited
 - 50% owned by Triple Point LLP.

Directors

The directors during the year under review and to the date of this report were as follows:

D A Burgher
M E Dunn
P J Gannon
S J Roden
R J Starkey
M Shenkman - Appointed 25 November 2022

Approved by the Board of Directors and signed on behalf of the Board.



Sam Roden - Chief Executive

Date: 06/12/2022

Director's responsibility statement


The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Ambition is to acquire

1,000

homes across England per year



Aim is to deliver

5,000

homes by 2027

BALANCE SHEET

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Current Assets			
Debtors	4	19,304	37,781
Cash at bank		19,950	994
		39,254	38,775
Creditors			
Amounts falling due within one year	5	39,244	38,765
Net Current Assets		10	10
Total Assets Less Current Liabilities		10	10
Capital and Reserves			
Called up share capital		10	10
		10	10

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

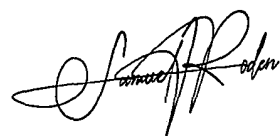
The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:



Sam Roden - Chief Executive

Date: 06/12/2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Storm Housing Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Property Call Options

Call options are accounted for as non-financial instruments and are initially measured at cost and assessed annually for impairment. Any uplift in the property valuations will not be accounted for until the option has been exercised.

Going concern

The company's financial statements for the year ended 31 March 2022 have been prepared on a going concern basis as, after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Leases

Leases that pass the financial and operational risks to the lessor are not accounted for in the financial statements as when considering the principle of substance over form, the leases are more aligned to a management agreement and have been accounted for accordingly.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2021 - 6).

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	8,848	-
Amounts owed by group undertakings	10	10
Other debtors	10,446	37,771
	19,304	37,781

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	8,201	1
Amounts owed to group undertakings	20,275	6,764
Other creditors	10,768	32,000
	39,244	38,765

7. ULTIMATE CONTROLLING PARTY

The company's parent undertaking at the balance sheet date was of Storm Property Limited, a company registered in England and Wales.

Registered Office

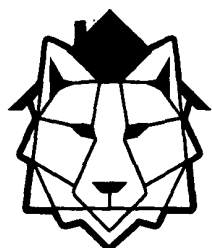
Suite 29, Hilton Hall,
Hilton Lane, Essington
United Kingdom
WV11 2BQ

8. POST BALANCE SHEET EVENTS

On 9th June 2022, Storm Housing Group achieved Registered Provider status by the Regulator of Social Housing. This change of status will enable Storm to accelerate its mission of providing high quality, affordable housing to individuals and families throughout the UK.

On 25th October 2022 there was a reorganization to facilitate funding Storm's initial pipeline. The reorganisation resulted in:

- The direct parent of the Company changing from Storm Property Limited to SHG Holdco Limited
- The ultimate beneficial owners changed from 100% owned by Storm Property Limited to:
 - 50% owned by Storm Property Limited
 - 50% owned by Triple Point LLP.



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