

NewArch Homes Limited
Company number 08961418
Registered Housing No: 4824

Annual report and Audited Financial Statements
for the year ended 31 March 2026

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Directors, Officers and Advisers

Directors:

E M S Austerberry
K T Beirne
S A Thomson
S L Thomas (Appointed 27 June 2025)

Company secretary:

Octopus Company Secretarial Services Limited

Registered office:

6th Floor 33 Holborn
London
EC1N 2HT

Registered Number:

Company number: 08961418
Registered Housing number: 4824

Auditor:

BDO LLP
55 Baker Street
London
W1U 7EU

Report of the Board of Management

The Board of NewArch Homes Limited ("the Company") presents its report, together with the audited financial statements, for the year ended 31 March 2026.

Principal activities

The Company is a registered provider of social housing ("Registered Provider"), with its principal activities being the provision of affordable housing to people who are in housing need, via rentals under affordable tenancy agreements; with activity in England.

The Company was acquired by Octopus Affordable Housing Fund Limited ("OAHF") on 15 November 2023.

Directors

The Directors who served during the year and up to the date of signing were:

K T Beirne
S A Thomson
E M S Austerberry
S L Thomas (Appointed 27 June 2025)

Financial review

The Company made a profit of £8,238,333 (2025: profit of £2,459,703) which included turnover of £6,882,234 (2025: £2,115,818).

Statement of Internal Control

The Board is responsible for NewArch Homes' internal control, risk management and assurance arrangements. These provide reasonable, but not absolute, assurance that material risks are identified and managed.

During 2025/2026, the Board oversaw the internal control framework through risk reporting, Board and Committee papers, financial reporting, external audit outputs, management partner oversight and assurance planning. Controls are considered across financial, operational, compliance and regulatory, and reporting areas. These support Board oversight of governance, financial resilience, landlord compliance, resident outcomes, data quality and regulatory obligations. The Board also completed a dry run Provision 29 assessment.

The Board reviewed the system during the year and up to approval of the financial statements, drawing on management, risk and assurance reporting, financial performance, covenant compliance and outsourced service delivery updates. Financial controls operated effectively during the year, supported by budgeting, forecasting, treasury monitoring, delegated authorities, management oversight, external audit assurance and regular Board reporting. Operational, compliance and regulatory controls continued to mature through the Assurance Map, partner oversight, policy tracking and targeted management review.

Reporting controls provide regular visibility of key risks, performance trends and assurance needs. The Board will continue to focus on data quality, completeness and audit trails as NewArch's portfolio and obligations develop. Some reliance remains on third-party management partner assurance, which is actively monitored and increasingly being replaced by first-hand assurance in a risk informed programme.

Report of the Board of Management (continued)

Metric Commentary:

Value for Money (VfM) – Our Strategic Approach

The Board is committed to embedding a culture that ensures Value for Money (VfM) for all our stakeholders. VfM is considered as part of the decision-making process and defined as “achieving the optimum balance of economy, efficiency and effectiveness when using resources, managing risk, meeting obligations and delivering housing services”. Oversight sits with the Board, while operational responsibility rests with the Executive Team.

The Value for Money Strategy details how NewArch will ensure direct benefit for its residents in meeting its Strategic Objectives. For the FY25/26 period of reporting, these were:

1. Supporting Growth – increasing the number of genuinely affordable homes of different types and tenures under ownership.
2. Maintaining the quality of our homes – high quality asset management, delivering safety and energy efficiency improvements.
3. Ensuring our customers are treated well – high quality housing management services, delivered in partnership with other Registered Providers.
4. Operating safely, soundly and securely – a robust governance and risk framework, protecting social housing customers, homes and the reputation of the sector.

NewArch assesses value over the lifecycle of homes, contracts and partnerships, rather than through short-term cost alone. The approach prioritises purpose-driven procurement, resident-centred outcomes, proportional assurance and transparent justification of trade-offs.

Three core business areas are highlighted: acquisitions of affordable homes, procurement of corporate services, and strategic Management Partner relationships. Across these areas, NewArch seeks to balance social impact, financial sustainability, environmental considerations, service quality, risk management and resident outcomes. As our scale allows, NewArch will increasingly use resident feedback as its measure of operational Value for Money.

Value for Money (VfM) 2026 Metrics:

This commentary explains the movement in each Value for Money metric between the year ended 31 March 2025 and the year ended 31 March 2026 and sets NewArch's performance against sector benchmarking. The comparators used are drawn from the Regulator of Social Housing's 2025 Global Accounts of private registered providers and the accompanying Value for money metrics and reporting 2025 annex, which cover the sector's year ended 31 March 2025. That is the most recent published sector data and is therefore one year behind NewArch's reporting period.

Two features of NewArch's position dominate the metrics and are referred to throughout rather than repeated in full under each heading. First, NewArch remains in a rapid growth phase, so ratios measured against an existing asset base or an existing unit count are exceptionally high relative to established providers. Second, the intra-group loan from Octopus Affordable Housing Fund Limited was converted to equity after the 2025 year end, which removes both the gearing and the interest cover metrics from the 2026 reporting position.

Report of the Board of Management (continued)

Metric Commentary: (continued)

Metric	NewArch 2026	NewArch 2025	Sector benchmark (RSH, year to 31 March 2025)
Reinvestment %	59%	15%	Median 7.7%; quartile range 4.3% to 9.4%
New supply delivered %	54%	19%	Upper quartile 2.1% of stock; lower quartile 0.6%
Gearing %	N/A	99%	Sector gearing broadly stable; total debt £105.4bn
EBITDA MRI interest cover %	1336%	391%	Sector 87%; median 113% (lower quartile 76%, upper quartile 152%)
Headline social housing cost per unit	£1,336	£1,430	Median £5,136, up 12% on the prior year
Operating margin – social housing lettings %	48%	33%	22.1% (2024: 21.8%)
Operating margin – overall %	36%	28%	17.3%
Return on capital employed %	2%	1%	3.0%
New supply – non-social housing %	Nil	Nil	Sector non-social development fell in the year

Notes from the Board on the VfM 2026 Metrics:

Metric 1: Reinvestment (%)

For the year ended 31 March 2026 NewArch reported reinvestment of 59%, against 15% in the prior year. The movement reflects a further year of intensive acquisition and development activity measured against an existing property base that remains small, so each pound of new investment carries disproportionate weight in the ratio. The comparison with the sector is stark rather than meaningful in the usual sense: the median registered provider reinvested 7.7% of the value of its social housing assets in the year to March 2025, with even the upper quartile reaching only 9.4%. NewArch's figure is close to eight times the sector median because it is a measure of portfolio formation rather than of stock reinvestment.

The Board expects this metric to fall closer towards sector norms as the portfolio grows but NewArch will always aim to accelerate delivery of new, quality affordable homes. Spend on the existing stock remains modest given the low average age of the properties held, and the stock condition survey completed in the prior year continues to inform the planned component replacement profile for future years.

Metric 2a: New supply - Social housing units

New supply delivered rose from 19% to 54% of units owned. Completion of the contracted pipeline in the current year, together with further acquisition and development activity, accounts for the great majority of the movement. NewArch acquired or developed a total of 506 additional homes during the reporting year, of which 283 were new supply.

Sector comparison again requires context. Across registered providers, new social housing supply as a percentage of existing stock was 2.1% in the upper quartile and 0.6% in the lowest quartile in the year to March 2025, with the sector as a whole delivering around 49,000 new social homes. NewArch's 54% is a function of a small opening stock rather than of scale of delivery, and the Board's expectation is that the ratio will drop as the portfolio grows.

Metric 2b: New supply - Non-social housing units

As in the prior year, no non-social housing units were acquired or developed and the Company owns no non-social housing stock.

Report of the Board of Management (continued)

Metric Commentary: (continued)

Metric 3: Gearing

Gearing is reported as not applicable for the year ended 31 March 2026, against 99% at 31 March 2025. The prior year figure arose entirely from the long-term inter-company loan from Octopus Affordable Housing Fund Limited. As reported in last year's statement, that loan was converted to equity in July 2025, and the Company therefore carries no drawn external or intra-group debt at the year end.

Metric 4: EBITDA MRI – Interest cover

Prior to the conversion of the inter-company loan to equity, the Company had £783,166 interest payable, giving interest cover of 1336%, against 391% for the year ended 31 March 2025. Earnings themselves remain positive and are discussed under the operating margin metrics below.

Metric 5: Headline social housing cost per unit

The headline social housing cost per unit fell by 6.6% to £1,336 (2025: £1,430). The reduction reflects the full year effect of units acquired late in the prior year, which spread a broadly fixed management cost base across a materially larger and more stable unit count, together with the low maintenance requirement of a portfolio whose average age at acquisition was under five years. Major repairs and component replacement spend remains minimal at this stage of the stock's life.

The median registered provider reported a headline cost of £5,136 per unit in the year to March 2025, an increase of 12% and the highest level recorded since the metrics were introduced, driven by building safety, decarbonisation and stock quality work on older homes. NewArch's cost per unit sits around three quarters below that median. The Board does not present this as a sustainable long-term efficiency advantage: it reflects the age and condition of newly acquired stock, and costs are expected to converge towards sector levels as the portfolio ages and planned component replacement begins.

Metric 6a: Operating margin – social housing lettings

The operating margin on social housing lettings improved from 33% to 48%. The prior year margin was struck on turnover of £1,857,818 and an operating surplus of £609,977, at a point when a substantial part of the portfolio had been owned for only days. The current year captures a full twelve months of rental income from those units, so turnover has grown faster than the underlying cost base and operating leverage has come through in full.

The sector achieved an operating margin on social housing lettings of 22.1% in the year to March 2025, a marginal improvement on 21.8% the year before but still historically low, as permitted rent increases lagged cost inflation. NewArch's margin is around 26 percentage points ahead of that figure, which the Board attributes to new stock with low repairs demand, a lean overhead structure and the absence of legacy service commitments, rather than to any difference in rent policy.

Metric 6b: Operating margin – overall (%)

The overall operating margin rose from 28% to 36%, moving broadly in line with the social housing lettings margin.

Metric 7: Return on capital employed (%)

Return on capital employed improved from 1% to 2%, continuing the progression from the negative return reported in 2024. The improvement follows directly from the operating margin movement described above, as a full year of lettings income is set against a capital base that grew substantially during the year. The metric remains suppressed because acquisitions completed during the year contributed only part-year income while carrying their full asset value at the balance sheet date, and because the carrying value of the portfolio reflects revaluation gains that generate no corresponding operating surplus.

The sector reported a return on capital employed of 3.0% in the year to March 2025, its highest level in over three years. NewArch remains a percentage point below that figure, which the Board considers appropriate for a portfolio still in formation, and expects the gap to close as acquisition activity slows and income annualises.

Report of the Board of Management (continued)

Corporate governance

NewArch Homes Limited is not required to comply with the UK Corporate Governance Code ("the Code"). However, the Board considers the principles of the Code to represent good governance practice and has voluntarily adopted those principles and provisions that are proportionate and relevant to the size, complexity and nature of the Company.

During the year, the Board undertook a review of its governance arrangements, including Board effectiveness, skills, succession planning, risk oversight and stakeholder engagement. The Board concluded that the Company's governance arrangements remain appropriate and effective for its current scale and operating model. The Board will continue to review its governance framework as the organisation grows, including consideration of future adoption of the For-Profit Registered Provider Code of Governance and the establishment of a dedicated Audit and Risk Committee.

Given the Company's size, complexity and current stage of development, the Board considers it proportionate for audit, risk, internal control and financial reporting matters to be considered by the Board as a whole. The Board keeps its governance structure under regular review and will consider establishing a separate Audit and Risk Committee as the portfolio grows and organisational complexity increases.

Going Concern

The Directors have carefully considered the most appropriate basis for preparing these statutory financial statements and consider it appropriate to adopt a going concern basis in preparing the financial statements. The Group's controlling shareholder is Octopus Affordable Housing Feeder Fund I LP ("OAHF LP"). The Directors note that the Group currently has £79,716,259 of commitments for the purchase of new properties. As at the date of signing, OAHF LP had a total of £142,677,562 in undrawn commitments and cash.

Given this undertaking the Directors consider it appropriate to adopt a going concern basis in preparing the financial statements.

Future Developments

The Company has plans to work with its shareholders to develop plans to acquire more affordable homes over the coming years.

Regulatory framework

In line with the Regulator of Social Housing's requirements under the Regulatory Framework, the Company confirms full compliance with the Governance and Financial Viability Standard for the year ended 31 March 2026 and up to the date of this report.

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 of Management and the financial statements in accordance with applicable law and regulations.

Company law and social housing legislation require the Board to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

Report of the Board of Management (continued)

Statement of the responsibilities of the Board for the report and financial statements (continued)

The Board is responsible for ensuring adequate accounting records are kept 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 enables them to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board members are 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 2018.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the group's website is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Report of the Board of Management is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

BDO LLP were appointed the auditors for the year ended 31 March 2024 audit and subsequent financial periods in accordance with section 485 of the Companies Act 2006.

Events after the reporting period

Between 1 May 2026 and 28 August 2026, the Company completed the purchase of 205 affordable homes across multiple developments in England for £37,232,753. In addition, the Company exchanged contracts and committed to acquire a further 187 affordable homes across five developments in England for a total consideration of £32,815,087.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the board of Directors on 23 September 2026.



Chair

Elizabeth Austerberry

23 September 2026

Independent Auditor's Report to the members of NewArch Homes Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of the surplus and the cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements of NewArch Homes Limited ("the Company") for the year ended 31 March 2026 which comprise the following:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Reserves
- Statement of Cash Flows
- Notes 1 to 25 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).

Basis of opinion

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

Independence

We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent Auditor's Report to the members of NewArch Homes Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Management.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Report of the Board of Management and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of the responsibilities of the Board for the report and financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of NewArch Homes Limited (continued)

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. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates
- Discussion with management and those charged with governance; and
- Obtaining and understanding the Company's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the UK tax legislation, the Social Housing's regulatory standards and legislation relevant to the rental of properties.

Our procedures in respect of the above included:

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

Fraud

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

- Enquiries with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.

Independent Auditor's Report to the members of NewArch Homes Limited (continued)

- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and the valuation of housing properties.

Our procedures in respect of the above included:

- Testing a sample of journal entries, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias in the valuation methods, assumptions used and the inputs and judgements adopted therein in valuing the housing properties.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit is available on the Financial Reporting Council's website at: <https://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 Company's members, as a body, 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 Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Chris Young
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Christopher Young (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

23 September 2026

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

Statement of Comprehensive Income

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Turnover	4	6,882,234	2,115,818
Shared ownership cost of sales	4,5	(950,671)	(127,360)
Operating costs	4,5	(2,772,124)	(1,247,841)
Gain on disposal of housing properties	4,5	-	57,683
Operating surplus before finance costs		3,159,439	798,300
Finance income		2,038	634
Loan interest payable	21	(783,166)	(1,013,378)
Surplus/(deficit) before tax		2,378,311	(214,444)
Taxation charge	10	(25,744)	(203)
Surplus/(deficit) for the year		2,352,567	(214,647)
Other comprehensive income			
Revaluation of housing properties	11	5,885,766	2,674,350
Total other comprehensive income		5,885,766	2,674,350
Total comprehensive income		8,238,333	2,459,703

The notes on pages 17 to 32 are an integral part of these financial statements

Statement of Financial Position

As at 31 March 2026

	Note	As at 31 March 2026 £	As at 31 March 2025 £
Fixed Assets			
Tangible fixed assets – housing properties	11	173,932,808	68,456,253
Housing properties under construction	11	15,546,994	400,747
Total non-current assets		189,479,802	68,857,000
Current assets			
Stock	12	516,342	902,094
Debtors – amounts falling due within one year	13	1,988,544	1,008,895
Cash at bank and in hand		13,584,986	302,078
Deposits on future acquisitions	14	1,700,569	300,000
Total current assets		17,790,441	2,513,067
Current liabilities			
Creditors: amounts falling due within one year	15	(1,323,033)	(660,945)
Net current assets		16,467,408	1,852,122
Total assets less current liabilities		205,947,210	70,709,122
Creditors: due in more than one year	16	-	(68,184,263)
Deferred government grant	17	(11,220,281)	-
Provisions for liabilities			
Other provisions	18	-	(12,520)
Total non-current liabilities		(11,220,281)	(68,196,783)
Net Assets		194,726,929	2,512,339
Capital and reserves			
Ordinary shares	19	100,005	100,001
Share premium	19	183,908,484	-
Revaluation reserve		8,614,732	2,728,966
Income and expenditure reserves		103,708	(316,628)
Capital reduction reserve		2,000,000	-
Total Equity		194,726,929	2,512,339

The financial statements on pages 13 to 32 were approved by the Board and authorised for issue on 23 September 2026.



Chair

Elizabeth Austerberry

23 September 2026

The notes on pages 17 to 32 are an integral part of these financial statements

Statement of Changes in Reserves

For the year ended 31 March 2026

	Note	Share capital £	Share premium £	Revaluation reserve £	Capital reduction reserve £	Income and expenditure reserve £	Total reserves £
As at 1 April 2024		100,001	-	54,616	-	(101,981)	52,636
Deficit for the year		-	-	-	-	(214,647)	(214,647)
Revaluation of properties		-	-	2,674,350	-	-	2,674,350
As at 31 March 2025		100,001	-	2,728,966	-	(316,628)	2,512,339
As at 1 April 2025		100,001	-	2,728,966	-	(316,628)	2,512,339
Surplus for the year		-	-	-	-	2,352,567	2,352,567
Revaluation of properties		-	-	5,885,766	-	-	5,885,766
Dividends		-	-	-	-	(1,932,231)	(1,932,231)
Capital reduction		-	(2,000,000)	-	2,000,000	-	-
Issue of ordinary shares	19	4	185,908,484	-	-	-	185,908,488
As at 31 March 2026		100,005	183,908,484	8,614,732	2,000,000	103,708	194,726,929

The notes on pages 17 to 32 are an integral part of these financial statements

Statement of Cash Flows

For the year ended 31 March 2026

	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Cash flows from operating activities		
Total surplus/(deficit) before tax for the financial year	2,378,311	(214,444)
Adjustments for:		
Depreciation charge	1,418,293	544,669
Profit on sale of housing properties	-	(57,683)
Interest expense	783,166	1,013,378
Increase in debtors	(980,111)	(723,868)
Increase in creditors	92,254	8,700
Decrease/(increase) in stock	385,752	(902,094)
Release of provision	(12,520)	-
Cash flows generated from/(used in) operating activities	4,065,145	(331,342)
Income taxes paid	-	(203)
Net cash generated from/(used in) operating activities	4,065,145	(331,545)
Cash flows from investing activities		
Purchase of housing properties	(100,264,447)	(62,384,073)
Subsequent expenditure on housing properties	(4,126,050)	(1,775,493)
Deposits paid for housing properties	(1,400,569)	(300,000)
Net cash used in investing activities	(105,791,066)	(64,459,566)
Cash flows from financing activities		
Proceeds from issue of shares	19 60,585,124	-
Dividends paid to parent company	(1,932,231)	-
Proceeds from intercompany loan	56,355,936	65,041,436
Net cash generated from financing activities	115,008,829	65,041,436
Net increase in cash and cash equivalents	13,282,908	250,325
Cash and cash equivalents at the beginning of the year	302,078	51,753
Cash and cash equivalents at end of year	13,584,986	302,078

All of cash and cash equivalents comprise cash at bank and in hand.

Analysis of net debt

	As at 31 March 2025 £	non cash interest accrued in the year £	Cash flows £	Non cash change in net debt £	As at 31 March 2026 £
Cash at bank and in hand	302,078	-	13,282,908	-	13,584,986
Debt due after 1 year	(68,184,263)	(783,165)	(56,355,936)	125,323,364	-
	(67,882,185)	(783,165)	(43,073,028)	125,323,364	13,584,986

The non cash change in net debt relates to two debt to equity swaps made during the year.

The notes on pages 17 to 32 are an integral part of these financial statements

Notes to the Financial Statements

For the year ended 31 March 2026

1 Legal status

NewArch Homes Limited is a Company incorporated and registered in England and Wales limited by shares, registered under the Companies Act 2006 and is also a registered provider of social housing. The registered office address can be found on the Directors, Officers and Advisors page (page 2) and the principal activity is disclosed in the Report of the Board of Management (page 3).

2 Accounting policies

(a) Basis of preparation

(i) Preparation of the financial statements

The financial statements have been prepared in accordance with applicable law, the Companies Act 2006 and UK accounting standards (United Kingdom Generally Accepted Accounting Practice). The Company is subject to the Housing and Regeneration Act 2008, FRS 102 "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018, the Accounting Direction for Private Registered Providers of Social Housing 2022.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (note 3).

The financial statements are presented in Sterling (£) and rounded to the nearest pound.

The financial statements are prepared under the historical cost convention as modified by housing properties recognised at revalued amounts, in line with the Housing SORP.

(ii) Going Concern

The financial statements have been prepared on the going concern basis, with net current assets of £16,467,408 (2025: net current assets of £1,852,122), which the Directors believe to be appropriate for the following reasons:

The Directors have carefully considered the most appropriate basis for preparing these statutory financial statements and consider it appropriate to adopt a going concern basis in preparing the financial statements. The Group's controlling shareholder is Octopus Affordable Housing Feeder Fund I LP ("OAHF LP"). The Directors note that the Group currently has £79,716,259 of commitments for the purchase of new properties. As at the date of signing, OAHF LP had a total of £142,677,562 in undrawn commitments and cash.

Given this undertaking the Directors consider it appropriate to adopt a going concern basis in preparing the financial statements.

(b) Rental Income

Rental Income is measured at the fair value of the consideration received or receivable after deducting lost rent from void properties available for letting.

Rental income is recognised from the point when properties under development reach practical completion and are formally let.

The Company is a provider of social rent, affordable rent, intermediate rent and shared ownership.

(c) Income from sale of properties

The Company recognises income from the sale of properties at the point of sale, being legal completion of the sale.

(d) Finance costs

All finance costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

2 Accounting policies (continued)

(e) *Deferred government grant*

Government grants are recognised in accordance with Section 24 of FRS 102. A government grant is recognised only when there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received.

The government grant liability represents grant funding attached to certain housing properties owned by the Company. The grant was not received directly by the Company in cash. The grant liability transferred with the acquisition of the related housing properties and remains subject to the conditions of the original funding agreements.

The government grant is released to the Statement of Comprehensive Income over the useful economic lives of the related housing properties, consistent with the depreciation policy applied to those assets.

(f) *Current taxation*

The Company is a member of a Real Estate Investment Trust (REIT) group and is subject to the provisions of Part 12 of the Corporation Tax Act 2010.

In accordance with the REIT regime, no provision for corporation tax is made on profits arising from the Company's qualifying property rental business, provided the conditions of the regime are met. Corporation tax is recognised only in respect of non-qualifying activities, which fall outside the scope of the REIT exemption.

No deferred tax is recognised on profits or gains from the qualifying property rental business, as these are exempt from corporation tax under the REIT regime.

(g) *Housing properties held as stock*

Housing properties intended for sale, including first tranche shared ownership units, outright sale developments, and completed units awaiting disposal, are classified as stock in accordance with FRS 102 Section 13 – Inventories. These properties are stated at the lower of cost and net realisable value. Cost includes:

- Direct construction costs
- Land acquisition costs
- Attributable overheads
- Interest and finance costs incurred during development (where capitalisation criteria are met)

Net realisable value represents the estimated selling price in the ordinary course of business, less estimated costs to complete and sell.

Recognition of Income Revenue from the sale of housing properties held as stock is recognised when:

- The significant risks and rewards of ownership have transferred to the buyer
- The amount of revenue can be measured reliably
- It is probable that economic benefits will flow to the entity

(i) *Shared Ownership – First Tranche Sales*

The cost of first tranche shared ownership sales is included in stock until the point of sale. Upon sale, the cost is recognised in the Statement of Comprehensive Income, and the remaining unsold equity is transferred to tangible fixed assets – housing properties.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

2 Accounting policies (continued)

(h) *Tangible fixed assets - housing properties*

Tangible fixed assets are held initially at cost and subsequently at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of housing land and property represents their purchase price and any directly attributable costs of acquisition, such as legal fees incurred on the purchase.

Revaluations increases are recognised in other comprehensive income only to the extent that the increase does not reverse a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an asset's carrying amount as a result of a revaluation is recognised in other comprehensive income only to the extent that it reverses a previously recognised revaluation increase accumulated in equity in respect of that same asset.

Expenditure on major refurbishment to properties is capitalised where works increase the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the life of the property. All other repair and replacement expenditure is charged to the Statement of Comprehensive Income.

(i) *Depreciation of housing property*

Housing land and property is split between land, structure and other major components that are expected to require replacement over time.

A breakdown of depreciation charges to specific asset types is provided below.

The cost of all other housing property (net of accumulated depreciation to date and impairment, where applicable) and components is depreciated on a straight line basis over the useful economic lives of the assets on the following basis:

Description	Percentage Depreciation	Useful economic life
Structure (including internal fitout)	1%	100 years
Roof	2%	60 years
Heating System	3%	30 years
Boiler	7%	15 years
Bathroom	5%	20 years
Kitchen	5%	20 years
Windows / soffits / fascias / guttering	3%	30 years
Electrical Installations	3%	30 years

(j) *Deferred income*

Reservation fees received from prospective purchasers of housing properties, including shared ownership and outright sale units, are recognised as deferred income until the Company has fulfilled its obligations under the reservation agreement. In accordance with FRS 102 Section 23, reservation fees are treated as advance receipts for services not yet performed.

(k) *Debtors and creditors*

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

(l) *Recoverable amount of rental and other trade receivables*

The Company estimates the recoverable value of rental and other receivables and impairs the debtor by the appropriate amounts. When assessing the amount to impair it reviews the age profile of the debt, historical collection rates and the class of debt.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

2 Accounting policies (continued)

(m) *Intercompany interest payable*

Intercompany interest payable is recognised in accordance with the terms of the relevant intercompany loan agreement. Interest is accrued using the effective interest method and charged to profit or loss over the period of the loan.

(n) *Cash and cash equivalents*

Cash and cash equivalents in the Company's Statement of Financial Position consist of cash at bank and cash in hand.

(o) *Deposits on future acquisitions*

Deposits paid to third parties—such as developers, vendors, or local authorities—are recognised as assets when the payment creates a contractual or constructive right to receive a housing property or related services in the future.

Deposits are initially recorded at cost, representing the amount of cash paid. Deposits continue to be carried at cost unless there is evidence of impairment.

Deposits are classified based on the expected timing of settlement:

- Current Asset — where completion or recovery is expected within 12 months.
- Non-current Asset — where completion or recovery is expected after more than 12 months, typically for development schemes or long-term acquisition arrangements.

A deposit is derecognised when:

- it is applied to the purchase price or development cost of the housing property, or
- the organisation's rights to recover the deposit expire or are relinquished.

(p) *Provisions*

The Company recognises provisions when the Company has an obligation at the reporting date as a result of a past event, and when that obligation is probable and can be estimated reliably.

(q) *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.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

3 Judgements in applying accounting policies and key sources of estimation and uncertainty

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

- Whether or not there are indicators of a change in fair value of the Company's tangible assets. Factors taken into account in reaching such a decision include economic viability and expected future financial performance of the asset where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit. The Company considers the scheme to be a single cash generating unit. The Company has considered the measurement basis to determine the recoverable amount of assets where there are indicators of fair value on a depreciated replacement cost basis.
- In applying the policy to measure stock at the lower of cost and net realisable value, the Company exercises judgement in determining the most appropriate basis for estimating net realisable value in accordance with paragraphs 17.15B and 17.15F of FRS102.
- The Company has applied judgement in allocating the carrying value of housing properties disclosed by tenure type. As housing property assets are accounted for and monitored at a portfolio level, directly attributable carrying values were not available for each tenure category. Accordingly, the amounts disclosed by tenure have been apportioned based on the number of units held within each tenure at the reporting date.

Other key sources of estimation uncertainty:

- *Revaluation of completed and under construction housing properties*

During the year the housing properties within tangible fixed assets were revalued in accordance with paragraphs 17.15B and 17.15F of FRS102. Management assessed the revaluation and judged that the structure rather than the components had changed in value. Factors taken into consideration include replacement value of components and their expected remaining useful life.

The latest valuation has been undertaken using RICS Red Book Methodology by Savills UK Limited, a RICS Registered Valuer with suitable experience in Affordable Housing Valuations. This considered rental growth, assumptions on costs and future inflation and concluded that the valuation of the property had increased since the previous valuation. Properties are stated at EUV-SH, adopting a discounted cash flow methodology with the following key assumptions:

Discount rate – 6.50-7.75%

Long-term future rent increases based on – Consumer price index (CPI) 2% + 1% = 3% / Retail Price Index (RPI) 3.1% + 0.5% = 3.5% per annum

Voids and bad debt - 3.0% per annum

Future Management Cost increases based on Consumer Price Index (CPI) 2% + 1% = 3% per annum

Annual repairs/maintenance cost increase based on Consumer Price Index (CPI) 2% + 0.5-1% = 2.5-3% per annum

If the valuation of the housing properties increased by 5% or 10%, the net assets would increase by £8,696,640 (2025: £3,422,813) or £17,393,281 (2025: £6,845,626) respectively. If the valuation of the housing properties decreased by 5% or 10%, the net assets would decrease by £8,696,640 (2025: £3,422,813) or £17,393,281 (2025: £6,845,626) respectively.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

3 Judgements in applying accounting policies and key sources of estimation and uncertainty (continued)

- *Tangible fixed assets*

Tangible fixed assets classed as property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives factors such as condition and investment are taken into account. Residual value assessments consider factors such as future market conditions, the remaining life of the asset and projected disposal values.

For housing property assets, the assets are broken down into components based on management's assessment of the properties, using peer comparison and surveyor input. Individual useful economic lives are assigned to these components and this drives the depreciation allocations.

Structure (including internal fitout)
Roof
Heating System
Boiler
Bathroom
Kitchen
Windows / soffits / fascias / guttering
Electrical Installations

4 Particulars of turnover, operating costs, cost of sales and operating surplus

	Turnover 2026 £	Gain on disposal 2026 £	Shared ownership sales revenue 2026 £	Cost of sales 2026 £	Operating costs 2026 £	Operating surplus 2026 £
Social housing activities (Note 5)	<u>5,261,359</u>	<u>-</u>	<u>1,620,875</u>	<u>(950,671)</u>	<u>(2,772,124)</u>	<u>3,159,439</u>

The amount of £27,314 relating to amortised government grant income has been included in the turnover figure.

	Turnover 2025 £	Gain on disposal 2025 £	Shared ownership sales revenue 2025 £	Cost of sales 2025 £	Operating costs 2025 £	Operating surplus 2025 £
Social housing activities (Note 5)	<u>1,857,818</u>	<u>57,683</u>	<u>258,000</u>	<u>(127,360)</u>	<u>(1,247,841)</u>	<u>798,300</u>

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

5 Particulars of income and expenditure from social housing lettings

	Intermediate housing 2026 £	Affordable housing 2026 £	Shared ownership housing 2026 £	Freehold ground rent housing 2026 £	Total 2026 £	Total 2025 £
Income from lettings						
Rent	74,053	3,073,456	1,797,968	19,389	4,964,866	1,803,304
Service charge	-	24,998	212,513	6,599	244,110	54,151
Insurance	-	-	8,175	-	8,175	363
Other property income	-	-	10,935	5,959	16,894	-
Amortised government grant income	-	11,474	14,898	942	27,314	-
Other social housing activities	-	-	-	-	-	-
Shared ownership sales revenue	-	-	1,620,875	-	1,620,875	258,000
Gain on disposal of housing properties	-	-	-	-	-	57,683
Total income	74,053	3,109,928	3,665,364	32,889	6,882,234	2,173,501
Operating costs						-
Management	(26,127)	(534,029)	(379,661)	(14,114)	(953,931)	(345,152)
Depreciation	(21,417)	(884,556)	(511,047)	(1,273)	(1,418,293)	(544,669)
Cost of sales	-	-	(950,671)	-	(950,671)	(127,360)
Administration	(5,554)	(210,631)	(164,489)	(19,226)	(399,900)	(358,020)
Total operating costs	(53,098)	(1,629,216)	(2,005,868)	(34,613)	(3,722,795)	(1,375,201)
Operating profit	20,955	1,480,712	1,659,496	(1,724)	3,159,439	798,300

6 Units of housing stock

	2026	2025
General needs housing:		
Affordable rent	492	167
Intermediate rent	12	12
Shared ownership	387	242
Fully staircased freehold ground rent units	8	8
Social rent	35	-
Total owned and managed	934	429
Units under construction at the year end	210	227

From the 934 completed units, there are six property managers:

- 12 intermediate rent properties are managed by Bromford Flagship,
- 225 affordable rent, 11 social rent properties and 24 shared ownership properties are managed by Pinnacle Housing Limited,
- 111 affordable rent, 67 shared ownership and one fully staircased freehold ground rent properties are managed by Southern Housing,
- 96 affordable rent, 39 shared ownership, 24 social rent properties, and one fully staircased freehold ground rent property are managed by Sage Property Management Limited,
- 60 affordable rent, 175 shared ownership properties and six fully staircased freehold ground rent properties are managed by Chelmer Housing Partnership, and

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

6 Units of housing stock (continued)

- 82 shared ownership properties are managed by Park Properties Housing Association.

The Company purchased a development site at Thornwood in Epping which has 38 units. At year end 31 March 2026, 22 units have been completed.

The Company purchased five development sites at Devon, Dorset, Gloucestershire, Somerset and Wiltshire. The total units across all the sites is 160. At year end 31 March 2026, all 160 units are completed.

The Company purchased two development sites at Northam and Bideford. The units are valued as assets under development and therefore, they are not completed at year end.

The Company purchased five development sites at Lydney, Bishops Stortford, Little Easton, Layer de la Haye and Weston. The total units across all the sites is 125. At year end 31 March 2026, 50 units have been completed.

The Company purchased six development sites at the Landings, Banbury, Bideford, Shaftesbury, Boyton Place and Blaise park. The total units across all the sites is 252. At year end 31 March 2026, 69 units have been completed.

The Company purchased a development site at Ringmer in East Sussex which has 16 units. At year end 31 March 2026, 16 units have been completed.

The Company purchased three development sites at Mill Road, Clavering Walk and Willowbrook. The units are valued as assets under development and therefore, they are not completed.

For the 210 units under construction at year end:

- These are properties which are valued as assets under development.
- The Company is committed to funding these units in the future, once the units have reached the point of practical completion.

7 Operating surplus

The operating surplus is stated after charging:

	2026 £	2025 £
Depreciation of housing properties	(1,418,293)	(544,669)
Audit fee	(105,000)	(89,727)
Accountancy and tax compliance fees	(78,600)	(48,687)
Legal and professional fees	(26,941)	(27,984)
Dead deal fees	(87,428)	(64,382)
Director fees	(77,748)	(49,035)
Valuation fees	(3,250)	(11,535)
Other fees	(15,625)	(7,261)
Irrecoverable VAT	10,575	(59,409)
Consultancy fees	(15,200)	-
Regulatory fees	(683)	-
Total charges	(1,818,193)	(902,689)

The Company's auditor did not provide any non-audit services to the Company (2025: £Nil).

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

8 Employees

In both the current and prior year, the Company had no full-time corporate employees. Day-to-day running of the Company's properties is outsourced to third party property managers, but effective oversight is by the board of Directors (see note 9).

The board members are considered to be the key management personnel of the Company (note 9).

9 Board members

During the year, three members (2025: two) of the board of Management received fees of £77,748 (2025: £49,035). The highest paid member was paid fees of £33,219 (2025: £33,219). No pension contributions were made to board members.

The Board of Management received £Nil (2025: £Nil) for board expenses during the year which was borne by Octopus Investments Limited.

10 Taxation

	2026 £	2025 £
Current income tax		
Corporation tax	<u>25,744</u>	<u>203</u>
	<u>25,744</u>	<u>203</u>
	<u>25,744</u>	<u>203</u>
Reconciliation of tax charge:		
	2026 £	2025 £
Surplus/(Deficit) for the year before tax	2,378,311	(214,444)
Tax calculated at 25 % (2025 – 25%)	594,578	(53,611)
Deferred tax assets (not recognised due to unabsorbed losses)	-	53,611
REIT exemption on qualifying property rental business	(426,517)	-
Corporation tax in respect of the prior year	-	203
Group relief surrendered	(142,317)	-
Total income tax expense	<u>25,744</u>	<u>203</u>

In July 2024, OAHF became a Group UK Real Estate Investment Trust ("REIT"). The Group is exempt from corporation tax on profits from a property rental business.

The Company is part of a REIT structure and, as such, profits arising from its qualifying property rental business are exempt from corporation tax.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

11 Tangible fixed assets – Housing properties

Held for lettings	Intermediate housing £	Affordable housing £	Shared ownership housing £	Freehold ground rent housing £	Housing properties under construction £	Total £
Cost						
As at 1 April 2025	1,930,697	26,868,871	38,935,730	1,287,132	400,747	69,423,177
Purchase of housing properties	-	47,934,884	37,433,935	4,278,164	11,134,701	100,781,684
Subsequent expenditure	-	1,770,697	1,382,796	158,034	814,523	4,126,050
Completions	-	214,282	167,340	19,125	(400,747)	-
Revaluation	84,184	3,192,522	2,493,146	284,931	(169,017)	5,885,766
As at 31 March 2026	<u>2,014,881</u>	<u>79,981,256</u>	<u>80,412,947</u>	<u>6,027,386</u>	<u>11,780,207</u>	<u>180,216,677</u>
Depreciation and impairment						
As at 1 April 2025	(7,872)	(298,529)	(233,132)	(26,644)	-	(566,177)
Charge for the year	(19,720)	(747,827)	(584,003)	(66,743)	-	(1,418,293)
As at 31 March 2026	<u>(27,592)</u>	<u>(1,046,356)</u>	<u>(817,135)</u>	<u>(93,387)</u>	<u>-</u>	<u>(1,984,470)</u>
Net book value						
As at 31 March 2026	1,987,289	78,934,900	79,595,812	5,933,999	11,780,207	178,232,207
As at 31 March 2025	<u>1,922,825</u>	<u>26,570,342</u>	<u>38,702,598</u>	<u>1,260,488</u>	<u>400,747</u>	<u>68,857,000</u>
Government grant						
As at 1 April 2025	-	-	-	-	-	-
Grant recognised with property acquisitions	-	4,000,041	3,123,765	357,002	3,766,787	11,247,595
As at 31 March 2026	<u>-</u>	<u>4,000,041</u>	<u>3,123,765</u>	<u>357,002</u>	<u>3,766,787</u>	<u>11,247,595</u>
Carrying value						
As at 31 March 2026	1,987,289	82,934,941	82,719,577	6,291,001	15,546,994	189,479,802
As at 31 March 2025	<u>1,922,825</u>	<u>26,570,342</u>	<u>38,702,598</u>	<u>1,260,488</u>	<u>400,747</u>	<u>68,857,000</u>

During the year, the Company completed first-tranche sales in respect of fifteen shared ownership units and three staircasing transactions, including one final staircasing.

First-tranche sales

- Three units were sold with 25% of equity, retaining 75% ownership within tangible fixed assets.
- Eight units were sold with 40% of equity, retaining 60% ownership within tangible fixed assets.
- Two units were sold with 30% of equity, retaining the remaining 70% as tangible fixed assets.
- One unit was sold with 75% of equity, retaining the remaining 25% as tangible fixed assets.
- One unit was sold with 35% of equity, retaining the remaining 65% as tangible fixed assets.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

11 Tangible fixed assets – Housing properties (continued)

Staircasing transactions

- One unit had a further 25% equity sold to the leaseholder, reducing the Company's interest retained to 50%.
- One unit had a further 65% equity sold to the leaseholder, reducing the Company's interest retained to nil and completing the final staircasing.
- One unit had a further 25% equity sold the leaseholder, reducing the Company's interest retained to 30%.

The retained equity in the part-sold units remains classified within housing properties and will continue to be held at fair value. Proceeds from the sale of initial equity tranches are recognised within turnover, with the corresponding carrying value transferred from stock to cost of sales.

At year end on 31 March 2026, the housing properties were revalued by Savills UK Limited to the value of £178,232,207 (note 3). This amount is net of the government grant. It is the view of the Directors that this valuation is materially correct as at 31 March 2026.

The net book value can be further analysed as follows:

Housing properties in the course of construction are held initially at cost and subsequently at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. All houses under construction are purchased on a forward commitment basis, meaning a minimal deposit has been put down.

	2026 £	2025 £
Intermediate rent	1,413,000	1,240,000
Affordable rent	111,929,201	31,781,000
Shared ownership	58,469,397	35,836,000
Social rent	6,420,609	-

Expenditure on works to existing properties

Amounts charged to income and expenditure	-	-
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The Company has £11,220,281 of government grant attached to the properties. This does not have a maturity date, the amount granted may become repayable if the conditions of the grant are not complied with. Grant is taken into consideration when valuing at EUV-SH, so the liability is included in the valuation.

None of the properties have restricted title or are pledged as security against any financial instruments.

12 Stock

	2026 £	2025 £
Opening stock balance	902,094	-
First-tranche shared ownership	516,342	1,019,674
Disposals	(866,820)	(117,580)
Transfer between tenure types	(35,274)	-
Total stock	516,342	902,094

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

12 Stock (continued)

At 31 March 2026, the Company held a portfolio of shared ownership properties that are intended for first tranche sale. These properties are classified as current assets under 'Stock', as they are expected to be disposed of through partial equity sales.

Properties held for first tranche disposal are measured at the lower of cost and net realisable value.

One property previously classified as shared ownership has been reallocated to intermediate rent during the year. This is presented as a transfer between tenure categories and not as a disposal.

13 Debtors: amounts falling due within one year

	2026 £	2025 £
Trade receivables	333,784	686,964
Cash held by managing agent	1,553,908	-
Prepayments	93,759	54,931
Shared ownership disposals	-	266,000
VAT receivable	7,093	1,000
Total trade and other receivables	1,988,544	1,008,895

14 Deposits on future acquisitions

As at 31 March 2026, the Company had paid deposits totalling £1,700,569 in respect of housing properties under development.

The Company expects to complete the acquisitions in the next financial year.

The deposits are allocated across the following projects:

- Thurston and Littleport - £1,584,569
- Bellway Kent - £116,000

15 Creditors: amounts falling due within one year

	2026 £	2025 £
Accrued retention costs	(246,000)	-
Deferred income	(3,850)	-
Accrued expenses	(834,174)	(465,812)
Trade creditors	(239,009)	(195,133)
Total creditors due within a year	(1,323,033)	(660,945)

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

16 Creditors: due in more than one year

	Note	2026 £	2025 £
Loan principal due to OAHF	21	-	(67,134,670)
Interest due to OAHF	21	-	(1,049,593)
Total creditors due in more than a year		-	(68,184,263)

On 15 November 2023, the Company entered into a loan facility agreement with OAHF at a fixed rate of 5.25%. During the year there was an amendment to the loan agreement with OAHF; from 1 April 2024 the interest rate on the loan was reduced to 3% and the loan was due for repayment in 2028.

On 30 June 2025, the Company completed a debt-for-equity swap with its immediate parent company, OAHF. Loan principal and accrued interest payable totalling £92,748,412 were capitalised in exchange for the issue of one new £1 ordinary share in the Company, allotted to OAHF at a share-premium of £92,748,411.

On 14 January 2026, the Company completed a debt-for-equity swap with its immediate parent company, OAHF. Loan principal and accrued interest payable totalling £32,574,953 were capitalised in exchange for the issue of one new £1 ordinary share in the Company, allotted to OAHF at a share-premium of £32,574,952.

During the year, the Company settled £125,323,365 of intercompany loan balances through non-cash arrangements.

17 Deferred government grant

	2026 £	2025 £
Government grant recognised with property acquisitions	(11,247,595)	-
Amortised government grant income	<u>27,314</u>	-
Total government grant	<u>(11,220,281)</u>	-

The government grant liability represents grant funding attached to certain housing properties owned by the Company. The grant was not received directly by the Company in cash. The grant liability transferred with the acquisition of the related housing properties and remains subject to the conditions of the original funding agreements.

The government grant is released to the Statement of Comprehensive Income over the useful economic lives of the related housing properties, consistent with the depreciation policy applied to those assets.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

18 Other provisions

	2026 £	2025 £
Carrying amount at beginning of year	(12,520)	(12,520)
Credit to profit and loss	<u>12,520</u>	<u>-</u>
Carrying amount at end of year	<u>-</u>	<u>(12,520)</u>

As at 1 April 2025, the Company held a provision of £12,520 relating to an estimated employment tax liability. During the year, management reassessed the obligation and concluded that no present obligation exists and no probable outflow of economic benefits will be required.

Accordingly, the provision has been fully written back, resulting in a credit of £12,520 recognised within operating expenses in the profit and loss account.

19 Share capital

	2026 £	2025 £
Allotted, called up and fully paid		
100,005 (2025: 100,001) Ordinary share of £1 each	<u>100,005</u>	<u>100,001</u>
Total issued capital	<u>100,005</u>	<u>100,001</u>

On 30 June 2025, the Company completed a debt-for-equity swap with its immediate parent company, OAHF. Loan principal and accrued interest payable totalling £92,748,412 were capitalised in exchange for the issue of one new £1 ordinary share in the Company, allotted to OAHF at a share-premium of £92,748,411.

On 3 October 2025, the Company completed a reduction of share premium for £2,000,000. The reduction became effective upon registration by the Registrar of Companies, and the amount cancelled was transferred to a capital reduction reserve.

On 2 January 2026 the Company issued one new ordinary share to its immediate parent company for cash consideration of £35,781,159 which resulted in a share premium of £35,781,158.

On 14 January 2026, the Company completed a debt-for-equity swap with its immediate parent company, OAHF. Loan principal and accrued interest payable totalling £32,574,953 were capitalised in exchange for the issue of one new £1 ordinary share in the Company, allotted to OAHF at a share-premium of £32,574,952.

On 9 March 2026, the Company issued one new ordinary share to its immediate parent company for cash consideration of £24,803,965 which resulted in a share premium of £24,803,964.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

20 Dividends

	2026 £	2025 £
Interim dividends paid	<u>1,932,231</u>	<u>-</u>
	Dividend per share £	Total £
Interim dividends paid as at 1 April 2024		-
Interim dividends paid as at 31 March 2025		-
Interim dividends paid as at 1 April 2025		-
Interim dividends paid on 21 November 2025	10.3712	1,037,141
Interim dividends paid on 20 February 2026	8.9505	<u>895,090</u>
Interim dividends paid as at 31 March 2026		<u>1,932,231</u>

Dividends were paid out of distributable reserves to the Company's immediate parent, OAHF, following board approval.

21 Related party transactions

The Company's immediate parent company is OAHF.

On 15 November 2023, the Company entered into a loan facility agreement with OAHF at a fixed interest rate of 5.25%. During the year 2025, there was an amendment agreement for the loan from OAHF and a new accrued interest rate of 3% became effective from 1 April 2024. Interest of £783,166 (2025: £1,013,378) was charged and added to the loan balance. The amount outstanding at year end was £Nil (2025: £68,184,263).

22 Financial assets and liabilities

	2026 £	2025 £
Financial assets		
Financial assets, that are debt instruments measured at amortised cost	<u>15,479,771</u>	<u>1,256,042</u>
Total financial assets	<u>15,479,771</u>	<u>1,256,042</u>
Financial liabilities		
Provisions measured at amortised cost	-	(12,520)
Financial liabilities measured at amortised cost	<u>(1,323,033)</u>	<u>(68,845,208)</u>
Total financial liabilities	<u>(1,323,033)</u>	<u>(68,857,728)</u>

Financial assets that are debt instruments measured at amortised cost are made up of rent receivable, receivable relating to a shared ownership disposal, VAT receivable and cash at bank and in hand.

Financial liabilities measured at amortised cost are made up of other creditors, accruals and loans.

Notes to the Financial Statements

For the year ended 31 March 2026 (continued)

23 Capital commitments

As at 31 March 2026, the Company's off balance sheet commitments for capital expenditure amounts to £105,353,730 (2025: £45,836,188), which are expected to be incurred over the next 18 months. These commitments are not included in the balance sheet as the expenditure has not yet been incurred.

24 Ultimate controlling party

The immediate parent of NewArch Homes Limited is OAHF, a company registered in England and Wales, with registered office of 6th Floor, 33 Holborn, London, England, EC1N 2HT.

There is no entity with overall control of the Company as at 31 March 2026.

The Company is a member of a group headed by OAHF. Copies of the financial statements can be obtained from the Secretary, Octopus Company Secretarial Services Limited, 33 Holborn, London, EC1N 2HT.

25 Events after the reporting period

Between 1 May 2026 and 28 August 2026, the Company completed the purchase of 205 affordable homes across multiple developments in England for £37,232,753. In addition, the Company exchanged contracts and committed to acquire a further 187 affordable homes across five developments in England for a total consideration of £32,815,087.