

Bath & North East Somerset Council

Audit Committee

26th November 2025

AGENDA
ITEM
NUMBER

Council Company Aequus (ADL, ACL & AGHL) Annual Accounts 2024/25

ALL

AN OPEN PUBLIC ITEM

List of attachments to this report:

Appendix 1 - ADL Signed Annual Accounts 2024/25

Appendix 2 - ACL Signed Annual Accounts 2024/25

Appendix 3 – AGHL Signed Annual Accounts 2024/25

1 THE ISSUE

- 1.1 This report is to provide the Committee with the final approved and signed accounts for Aequus Developments Ltd (ADL), Aequus Construction Ltd (ACL) & Aequus Group Holding Limited (AGHL) for 2024/25.

2 RECOMMENDATIONS

- 2.1 In line with the Committees Terms of Reference the Corporate Audit Committee notes on behalf of the Council the audited accounts of ADL, ACL & AGHL (Council wholly owned companies).

3 THE REPORT

ADL Statutory Accounts 2024/25 (see appendix 1)

- 3.1 Aequus Developments Limited (ADL), a property asset investment and rental company, providing a range of rental homes directly and in partnership with Bath & North East Somerset Council.
- 3.2 In the 2024/25 fiscal year, the total turnover was £1.65m. This includes service income of £987k primarily from ADL staff providing management and project management services to ACL, together with rental income of £663k, resulting in a profit before taxation of £154k.
- 3.3 ADL assets value increased by £2m including £3.4m from the purchase of 14 properties for the Local Authority Housing Fund scheme and, the gain on the investment property revaluation of £162k. This was offset by (£1.56m) from the disposal of six of our apartments at Riverside View to reduce the gearing on the remaining 5 Riverside View apartments to ensure they remain viable.

- 3.4 There were no new properties transferred from the Council to ADL during the financial year. As at the end of the financial year the ADL property portfolio holds 50 properties and provides 71 tenancies.
- 3.5 The B&NES Council Revenue return from ADL for the year of £369k, includes £319k from commercial interest payments on asset backed loans and a £50k contribution to the dividend paid via AGLH following Board and Shareholder approval on 23rd Oct 25.
- 3.6 Further details of the company performance for the year are covered in the Directors Report on pages 4 to 6 of the ADL accounts (see appendix 1).

ACL Statutory Accounts 2024/25 (see appendix 2)

- 3.7 Aequus Construction Limited (ACL), a local authority housing development and construction company, dedicated to providing homes for the community in partnership with, Bath & North East Somerset Council as well as working with our partner councils South Gloucestershire Council & North Somerset Council.
- 3.8 We successfully completed our fourth development at Malmaison Drive, Frenchay, delivering 30 low-energy family homes, including 11 affordable units. Additionally, we constructed nine well-appointed apartments at Argyle Works on behalf of B&NES Council, designated for affordable housing completed during the summer 2025.
- 3.9 In the financial year 2024/25, ACL achieved a total turnover of £11.8m. This includes £8.2m from the handover of four remaining affordable units to Alliance Homes and fourteen privately sold units at Malmaison Drive, Frenchay, South Glos as well as £3.6m of Development Management Services to our council Partners.
- 3.10 B&NES Council Revenue returns from ACL for the year of £631k will be paid to the Council as dividends via AGHL following Board and Shareholder approval was given at the AGM on 23rd Oct 25. A dividend payment for financial years 2023/24 of £771k was paid during this financial year.
- 3.11 Further details of the company performance for the year are covered in the Directors Report on pages 4 to 6 of the ACL accounts (see appendix 2).

AGHL Statutory Accounts 2024/25 (see appendix 3)

- 3.12 As AGHL is purely an investment holding company AGHL Profit before taxation for the year is net nil. AGHL has incurred minimal operational costs that are paid via ACL to ensure that AGHL remains a thin company with no operational activity. Dividends received from ADL and ACL during the financial year will be transferred by way of a dividend payable to B&NES as Shareholder.
- 3.13 The AGHL interim dividend of £681k based on the financial outturn for 2024/25 will be paid to B&NES Council following Board and Shareholder approval on the 23rd Oct 25 to meet the total revenue returns target of £1m per year. Dividend payment for financial years 2023/24 of £771k was paid to the Shareholder during this financial year.
- 3.14 Total returns to date for the Council now exceeds £6m and Aequus is one of only a few LAHC's to consistently deliver financial returns to their parent Council shareholder.

4 STATUTORY CONSIDERATIONS

- 4.1 Aequus is a wholly owned B&NES group of companies, established by the Executive in accordance with the powers set out under S1 of the Localism Act 2011(the general power of competence). The Council approved a Transfer Agreement with Aequus in January 2020 which provides for the transfer of development sites from the Council to the Company, to support the delivery of the Shareholder objectives and subject to Shareholder approval of development business cases.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 The approved Aequus Business Plan sets out the Company's financial assumptions and projections, including delivery against the Council's Medium Term Financial plan target of £1M of revenue returns each year.

6 RISK MANAGEMENT

- 6.1 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.
- 6.2 The Corporate Audit Committee has responsibility for ensuring the Council's Risk Management and Financial Governance framework is robust and effective.

7 EQUALITIES

- 7.1 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

8 CLIMATE CHANGE

- 8.1 The Company aims set out by the Council as sole Shareholder include the requirement to support the Council to meet its climate emergency objectives and best practice for property development. The Company's approved business plan addresses how the company will do this in detail, including the EPC A energy efficiency standard as the benchmark for all new Aequus housing developments.

9 OTHER OPTIONS CONSIDERED

- 9.1 No other options to consider related to this report.

10 CONSULTATION

- 10.1 The Council's Section 151 Officer has had the opportunity to input to this report and has cleared it for publication.

Contact person	<i>Jeff Wring (01225477323); Karen Flint Financial Controller Aequus</i>
Background papers	

Please contact the report author if you need to access this report in an alternative format