

Company registration number: 10060817

**Aequus Developments Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 March 2025**

Company registration number: 10060817

**Aequus Developments Limited**

**Financial Statements**

**Year Ended 31 March 2025**

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## **Aequus Developments Limited**

### **Company Information**

#### **Year Ended 31 March 2025**

**Company registration number**

10060817

**Directors**

D P E Quilter (Resigned 30 September 2024)  
T Richens  
C D Gerrish (Resigned 6 May 2024)  
M Hyde  
L J Kew (Resigned 6 May 2024)  
R H Marshall (Resigned 7 December 2024)  
E Pickering  
A W Wright  
V O'Brien  
S Higham (Appointed 7 May 2024)  
A Johnston (Appointed 19 August 2024)  
T Rollings (Appointed 6 January 2025)

**Registered office**

Cambridge House  
Henry Street  
Bath  
BA1 1BT

**Auditor**

Bishop Fleming LLP  
Chartered Accountants and Statutory Auditors  
10 Temple Back  
Bristol  
BS1 6FL

## **Aequus Developments Limited**

### **Directors' Report**

#### **Year Ended 31 March 2025**

The directors present their report with the financial statements of the company for the year ended 31 March 2025.

#### **Principal activity**

The principal activity of the company in the year under review was that of a property asset investment and rental company.

#### **Review of Business**

We are pleased to present this Annual Report, which focuses on the business of Aequus Developments Limited (ADL), a property asset investment and rental company. ADL is a wholly owned subsidiary of Aequus Group Holdings Limited (AGHL), providing a range of rental homes directly and in partnership with Bath & North East Somerset Council (B&NES Council the sole Shareholder of the Aequus Group).

Under our approved five-year Strategic Business Plan (2024/25 to 2029/30), ADL remains committed to supporting our shareholder increase the supply of local housing. As a fair and responsible Landlord we provide quality homes that are maintained to a good standard to our tenants.

Throughout this year, our rental income levels have remained healthy, and we regularly review and adjust rents in a fair and proportionate way. ADL disposed of six apartments, at Riverside View, Keynsham to pay down debt and reduce the gearing on the remaining portfolio to improve viability. No new properties were transferred from B&NES Council for private rental this financial year. Independent external valuations have been conducted to reflect the current market values of the property portfolio.

ADL has continued to support B&NES Council with the LAHF scheme by purchasing 14 properties from the market to provide affordable rental properties for approved refugees. The LAHF property value is capitalised at the purchase price and amortised over 100 years.

As at the 31st March ADL rental portfolio consists of 50 properties that provides 71 homes. Void levels (unoccupied properties) were low at 2.96% during the year, and we expect them to remain within the target of 5% of the portfolio for the foreseeable future.

ADL is also the group company holding all staff employment contracts, including those staff with transferred from the Council under TUPE in 2022.

#### **Financial performance**

In the financial year 2024/25, ADL achieved a total turnover of £1,649,270. This includes service income of £986,853 primarily from ADL staff providing management and project management services to ACL, together with rental income of £662,417, resulting in a profit before taxation of £153,721.

Returns to the Shareholder include commercial interest of £319,451 to B&NES Council for asset backed loans pertaining to previously transferred properties and a proposed dividend contribution of £50,000 to be paid via Aequus Group Holdings Limited

Going forward we will continue to work with B&NES Council to explore the potential of repurposing void and surplus properties within its estate for future residential use either in the private market or supporting B&NES Council with delivery of its affordable housing objectives.

Although the outlook for the rental market remains positive, ADL's ability to grow is dependent on the future pipeline. The Board will monitor this situation regularly and provide updates to the shareholder accordingly.

#### **Events since the year end**

Information relating to events since the end of the year is given in the notes to the financial statements.

## **Aequus Developments Limited**

### **Directors' Report**

#### **Year Ended 31 March 2025**

##### **Directors of the company**

The directors shown below have held office during the whole of the period from 1 April 2024 to the date of this report.

D P E Quilter (Resigned 30 September 2024)

T Richens

C D Gerrish (Resigned 6 May 2024)

M Hyde

L J Kew (Resigned 6 May 2024)

R H Marshall (Resigned 7 December 2024)

E Pickering

A W Wright

V O'Brien

S Higham (Appointed 7 May 2024)

A Johnston (Appointed 19 August 2024)

T Rollings (Appointed 6 January 2025)

##### **Financial instruments**

Aequus Developments' financial risk management objectives and policies, including exposure to market risk, credit risk and liquidity risk are set out in note 18 to the financial statements.

##### **Statement of directors' responsibilities**

The directors are responsible for preparing the directors' 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 International Financial Reporting Standards (IFRS) 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 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 judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

##### **Disclosure of information to the auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Aequus Developments Limited**

### **Directors' Report**

#### **Year Ended 31 March 2025**

##### **Auditors**

The auditors, Bishop Fleming, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



Tim Richens

T Richens, Director

Date: 23 October 2025

## **Aequus Developments Limited**

### **Independent Auditor's Report**

#### **Year Ended 31 March 2025**

We have audited the financial statements of Aequus Developments Limited (the 'company') for the year ended 31 March 2025 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025, and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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.

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

#### **Other information**

The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual report. 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

**Aequus Developments Limited****Independent Auditor's Report****Year Ended 31 March 2025**

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.

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

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

**Auditor 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.

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.

**Aequus Developments Limited****Independent Auditor's Report****Year Ended 31 March 2025**

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial procedures;
- We have considered the results of enquiries with management and trustees in relation to their own identification of the risk of irregularities within the entity;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. We have also obtained understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those law and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, IFRS and UK tax legislation. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Enquiring of management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

## **Aequus Developments Limited**

### **Independent Auditor's Report**

**Year Ended 31 March 2025**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with 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.

*N Coughlin*

Nathan Coughlin

Nathan Coughlin  
For and on behalf of  
**Bishop Fleming Audit Limited**  
Chartered Accountants  
Statutory Auditors  
10 Temple Back  
Bristol  
BS1 6FL

Date 27 October 2025

**Aequus Developments Limited****Statement of Profit or Loss and Other Comprehensive Income****Year Ended 31 March 2025**

|                                                               | Note | 2025<br>£        | 2024<br>£        |
|---------------------------------------------------------------|------|------------------|------------------|
| Revenue                                                       | 4    | 1,649,270        | 1,563,794        |
| Cost of sales                                                 |      | (172,736)        | (168,257)        |
| <b>Gross profit</b>                                           |      | <b>1,476,534</b> | <b>1,395,537</b> |
| Other operating income                                        |      | -                | -                |
| Administrative expenses                                       |      | (1,168,511)      | (1,100,281)      |
| Gain/ (loss) on revaluation of investment property            | 10   | 162,046          | (285,295)        |
| <b>Profit from operations</b>                                 |      | <b>470,069</b>   | <b>9,961</b>     |
| Finance income                                                |      | 103              | 3,032            |
| Finance expense                                               | 8    | (316,451)        | (231,004)        |
| <b>Profit before taxation</b>                                 |      | <b>153,721</b>   | <b>(218,011)</b> |
| Taxation                                                      | 9    | (56,418)         | 54,145           |
| <b>Profit/(Loss) for the year</b>                             |      | <b>97,303</b>    | <b>(163,866)</b> |
| <b>Other comprehensive income</b>                             |      |                  |                  |
| <i>Items that will not be reclassified to profit or loss:</i> |      |                  |                  |
| Re-measurement gain/(loss) on defined benefit pension plan    | 16   | 263,000          | 181,000          |
| Part of actuarial gain not recognised                         |      | (267,000)        | (109,000)        |
| Tax relating to items that will not be reclassified           | 9    | 1,000            | (18,000)         |
| <b>Other comprehensive income for the year</b>                |      | <b>(3,000)</b>   | <b>54,000</b>    |
| <b>Total comprehensive income for the year</b>                |      | <b>94,303</b>    | <b>(109,866)</b> |

**Aequus Developments Limited****Statement of Financial Position****Year Ended 31 March 2025**

|                                         | Note | 2025<br>£           | 2024<br>£   |
|-----------------------------------------|------|---------------------|-------------|
| <b>Non-current assets</b>               |      |                     |             |
| Long term leasehold property            | 10   | 6,149,998           | 7,500,521   |
| Property, plant and equipment           | 11   | 6,120,157           | 2,761,321   |
|                                         |      | <b>12,270,155</b>   | 10,261,842  |
| <b>Current assets</b>                   |      |                     |             |
| Trade and other receivables             | 12   | 90,684              | 150,791     |
| Cash and cash equivalents               |      | 465,809             | 361,998     |
|                                         |      | <b>556,493</b>      | 512,789     |
| <b>Current liabilities</b>              |      |                     |             |
| Trade and other payables                | 13   | (555,813)           | (380,635)   |
| Borrowings                              | 15   | (31,935)            | (33,510)    |
| Current tax liabilities                 | 9    | (73,225)            | (27,726)    |
|                                         |      | <b>(104,480)</b>    | 70,918      |
| <b>Net current assets/(liabilities)</b> |      |                     |             |
|                                         |      | <b>12,165,675</b>   | 10,332,760  |
| <b>Non-current liabilities</b>          |      |                     |             |
| Trade and other payables                | 14   | (3,359,414)         | (1,542,578) |
| Borrowings                              | 15   | (6,900,905)         | (6,965,134) |
| Deferred tax                            | 9    | (303,306)           | (317,299)   |
| Retirement benefit obligation           | 16   | -                   | -           |
|                                         |      | <b>(10,563,625)</b> | (8,825,011) |
| <b>Total non-current liabilities</b>    |      |                     |             |
|                                         |      | <b>1,602,050</b>    | 1,507,749   |
| <b>Equity</b>                           |      |                     |             |
| Share capital                           |      | 100                 | 100         |
| Revaluation reserve                     |      | -                   | -           |
| Pension reserve                         |      | 207,690             | 210,690     |
| Retained earnings                       |      | 1,394,260           | 1,296,959   |
|                                         |      | <b>1,602,050</b>    | 1,507,749   |

The financial statements were approved and authorised for issue by the Board on 23 October 2025

Signed on behalf of the board of directors

*T Richens*

Tim Richens

**Aequus Developments Limited****Statement of Changes in Equity****Year Ended 31 March 2025**

|                                                | Share capital | Revaluation<br>reserve | Retained<br>earnings | Pension<br>reserve | Total equity     |
|------------------------------------------------|---------------|------------------------|----------------------|--------------------|------------------|
|                                                | £             | £                      | £                    | £                  | £                |
| <b>Balance at 1 April 2023</b>                 | 100           | 64,736                 | 1,396,089            | 156,690            | 1,617,614        |
| Profit/(loss) for the year                     | -             | -                      | (163,866)            | -                  | (163,866)        |
| Revaluation of tangible fixed assets           | -             | (64,736)               | 64,736               | -                  | -                |
| Re-measurement on defined benefit pension plan | -             | -                      | -                    | 163,000            | 163,000          |
| Part of actuarial gain not recognised          | -             | -                      | -                    | (109,000)          | (109,000)        |
| <b>Balance at 31 March 2024</b>                | 100           | -                      | 1,296,959            | 210,690            | 1,507,749        |
| Profit/(loss) for the year                     | -             | -                      | 97,303               | -                  | 97,303           |
| Revaluation of tangible fixed assets           | -             | -                      | -                    | -                  | -                |
| Re-measurement on defined benefit pension plan | -             | -                      | -                    | 263,000            | 263,000          |
| Part of actuarial gain not recognised          | -             | -                      | -                    | (266,000)          | (266,000)        |
| <b>Balance at 31 March 2025</b>                | <b>100</b>    | <b>-</b>               | <b>1,394,262</b>     | <b>207,690</b>     | <b>1,602,052</b> |

**Aequus Developments Limited****Statement of Cash Flows****Year Ended 31 March 2025**

|                                                  | Note | 2025<br>£        | 2024<br>£   |
|--------------------------------------------------|------|------------------|-------------|
| <b>Cash generated from operations</b>            | 21   | <b>585,620</b>   | 411,106     |
| Interest charge                                  |      | -                | -           |
| Tax paid                                         |      | (24,912)         | (85,529)    |
| <b>Net cash flow from operating activities</b>   |      | <b>560,708</b>   | 325,577     |
| <b>Cash flow from investing activities</b>       |      |                  |             |
| Purchase of tangible assets                      |      | (3,420,744)      | (2,770,008) |
| Purchase of investment property                  |      | -                | -           |
| Sale of investment property                      |      | 1,513,000        | 260,201     |
| Interest received                                |      | 103              | 3,032       |
| Capital grants received                          |      | 1,832,998        | 1,562,962   |
| <b>Net cash flow from investing activities</b>   |      | <b>(74,643)</b>  | (943,813)   |
| <b>Cash flow from financing activities</b>       |      |                  |             |
| Receipts from issue of new long-term loans       |      | 1,434,108        | 1,290,262   |
| Repayment of long term loans                     |      | (1,499,911)      | (264,109)   |
| Interest paid                                    |      | (316,451)        | (231,004)   |
| <b>Net cash flow from financing activities</b>   |      | <b>(382,254)</b> | 795,149     |
| <b>Net increase in cash and cash equivalents</b> |      | <b>103,811</b>   | 176,913     |
| <b>Cash and cash equivalents at 1 April</b>      | 20   | <b>361,998</b>   | 185,085     |
| <b>Cash and cash equivalents at 31 March</b>     |      | <b>465,809</b>   | 361,998     |
| <b>Cash and cash equivalents consists of:</b>    |      |                  |             |
| Cash at bank and in hand                         | 20   | 465,809          | 361,998     |
| <b>Cash and cash equivalents at 31 March</b>     |      | <b>465,809</b>   | 361,998     |

## **Aequus Developments Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2025**

##### **1 Statutory information**

Aequus Developments Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page. The nature of the company's operations and principal activities are that of an investment property company.

##### **2 Accounting policies**

###### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board and in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006. They have been prepared using the historical cost convention except that as disclosed in the accounting policies below certain items, including investment properties, derivatives, and some investments, are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound.

###### **2.2 Preparation of consolidated financial statements**

The financial statements contain information about Aequus Developments Limited as an individual company and do not contain consolidated financial information as the part of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

###### **2.3 Changes in accounting policies**

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective. As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed.

Reference to the Conceptual Framework (Amendments to IFRS3 Business Combinations)

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS37 Provisions, Contingent Liabilities and Contingent Assets)

Annual improvements 2018-2020 cycle

IFRS 17 Insurance contracts

Amendments to IFRS17 – Insurance Contracts; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 Insurance Contracts)

Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)

Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)

Classification of Liabilities as Current or Non-Current: amendments to IAS 1

## **Aequus Developments Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2025**

##### **2.4 Revenue recognition**

Rental income from operating leases on investment property is accounted for on a straight-line basis over the lease term except for contingent rental income which is recognised when it arises.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight term basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidation are recognised in the income statement when the right to receive them arises.

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable.

Service and management charges provided to group companies and other parties are recognised in the period in which the services are provided in accordance with the stage of completion of the work contracted.

##### **2.5 Investment properties**

Investment properties are initially measured at cost and subsequently each year re-measured at fair value. Gains or losses arising from changes in fair values of investment properties are included in profit or loss in the period in which they arise.

An external property valuation will be carried out on the full portfolio every four years and in the interim an external valuation based on a sample of properties across the portfolio.

##### **2.6 Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property – 1% on straight line basis

##### **2.7 Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

##### **2.8 Borrowings**

Borrowings are classified as current liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.9 Borrowing costs**

Borrowing costs are recognised on an accruals basis. Included in borrowing costs is the amortisation of fees associated with the arrangement of financing. The company pays and received interest on some of its intercompany loan balances. These are recognised within interest in the statement of income when incurred or receivable. All costs directly attributable to the cost of a qualifying asset are capitalised.

##### **2.10 Government grants**

Government grants are recognised when there is reasonable assurance that the company will comply with any conditions attached to the grant and the grant will be received.

Grants for capital assets are held in deferred income and released as income over the life of the asset.

##### **2.11 Taxation**

The tax expense for the period 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. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **Aequus Developments Limited**

### **Notes to the Financial Statements**

#### **Year Ended 31 March 2025**

##### **2.11 Taxation (continued)**

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on items that may become taxable in the future, or which may be used to offset against taxable profits in the future, on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes on an undiscounted basis.

Deferred tax assets and liabilities are offset when their legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and there is an intention to settle the balances on a net basis.

##### **2.12 Employee benefit costs**

Retirement benefits to employees of the company are provided by the Local Government Pension Scheme (LGPS). This is a defined benefit scheme.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability / asset is also recognised in the profit or loss and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

##### **2.13 Financial instruments**

Debtors and creditors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. For trade receivables, the company applies the simplified approach permitted by IFRS 9, which required expected lifetime losses to be recognised from initial recognition of the receivables.

At the end of each reporting period, financial assets are assessed for impairment. Impairments and reversals of impairments are recognised in profit and loss.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.14 Going concern**

Based on the information available, including the approved three year Business Plan 2024/25 to 2026/27 the Directors see no issues relating to the going concern status of the company.

### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

There are no key accounting judgements (excluding estimates). The key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****3 Critical accounting judgements and key sources of estimation uncertainty (continued)**

within the next financial year are in connection with the valuation of investment property and the valuation of pension liabilities.

Valuation of property – The fair value of investment property is determined by real estate valuation experts using recognised valuation techniques and the principles of IFRS13.

Defined pension liabilities – Note 16 contains the principal assumptions underlying the valuation of defined benefit pension liabilities. These assumptions were set out on the advice of the scheme's actuaries having regard to current market conditions, past history and factors specific to the scheme.

**4 Revenue from contracts with customers**

An analysis of the company's revenue for the year, all of which was generated in the United Kingdom, is as follows:

|                                              | <b>2025</b><br>£ | 2024<br>£ |
|----------------------------------------------|------------------|-----------|
| <b>Revenue from contracts with customers</b> |                  |           |
| Rental income                                | <b>662,417</b>   | 558,588   |
| Service and management                       | <b>986,853</b>   | 1,005,206 |
|                                              | <b>1,649,270</b> | 1,563,794 |

**Assets and liabilities related to contracts with customers**

The company has recognised the following liabilities related to contracts with customers:

|                                    | <b>2025</b><br>£ | 2024<br>£ |
|------------------------------------|------------------|-----------|
| Deferred revenue – rental income   | <b>19,281</b>    | 21,503    |
| Total current contract liabilities | <b>19,281</b>    | 21,503    |

**5 Auditor's remuneration**

|                                                                                      | <b>2025</b><br>£ | 2024<br>£ |
|--------------------------------------------------------------------------------------|------------------|-----------|
| Fees payable to the company's auditor for the audit of the company's annual accounts | <b>16,250</b>    | 16,250    |
| Fees payable to the company's auditor for other services:                            |                  |           |
| Other services                                                                       | <b>2,250</b>     | 2,250     |
|                                                                                      | <b>18,500</b>    | 18,500    |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****6 Directors' remuneration**

|              | <b>2025</b><br><b>£</b> | <b>2024</b><br><b>£</b> |
|--------------|-------------------------|-------------------------|
| Remuneration | <b>324,400</b>          | 308,513                 |
|              | <b>324,400</b>          | 308,513                 |

The remuneration of the highest paid director included above was:

|            | <b>2025</b><br><b>£</b> | <b>2024</b><br><b>£</b> |
|------------|-------------------------|-------------------------|
| Emoluments | <b>160,951</b>          | 158,873                 |
|            | <b>160,951</b>          | 158,873                 |

During the year two directors (2024: two) were accruing benefits under defined benefit pension schemes.

**7 Staff costs**

The average monthly number of employees, including directors, during the year was as follows:

|                | <b>2025</b><br><b>Number</b> | <b>2024</b><br><b>Number</b> |
|----------------|------------------------------|------------------------------|
| Directors      | <b>8</b>                     | 9                            |
| Administration | <b>10</b>                    | 10                           |
|                | <b>18</b>                    | 19                           |

The aggregate payroll costs of these persons were as follows:

|                     | <b>2025</b><br><b>£</b> | <b>2024</b><br><b>£</b> |
|---------------------|-------------------------|-------------------------|
| Wages and salaries  | <b>860,825</b>          | 822,213                 |
| Social security     | <b>100,465</b>          | 96,136                  |
| Other pension costs | <b>71,164</b>           | 74,536                  |
|                     | <b>1,032,455</b>        | 992,885                 |

**8 Finance expense**

|                             | <b>2025</b><br><b>£</b> | <b>2024</b><br><b>£</b> |
|-----------------------------|-------------------------|-------------------------|
| Interest on loans           | <b>319,451</b>          | 229,004                 |
| Interest on pension schemes | <b>(3,000)</b>          | 2,000                   |
| Total interest expense      | <b>316,451</b>          | 231,004                 |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****9 Income taxes****9.1 Income tax recognised in profit or loss**

|                                                                         | 2025<br>£            | 2024<br>£              |
|-------------------------------------------------------------------------|----------------------|------------------------|
| Tax expense comprises:                                                  |                      |                        |
| Current tax expense in respect of the current year                      | 73,226               | 27,726                 |
| Adjustment in respect of prior periods                                  | (3,815)              |                        |
|                                                                         | <u>69,411</u>        | <u>27,726</u>          |
| <i>Deferred tax</i>                                                     |                      |                        |
| Origination and reversal of timing differences                          | (3,777)              | (81,871)               |
| Adjustment in respect of prior periods                                  | (9,216)              | -                      |
| Total deferred tax                                                      | <u>(12,993)</u>      | <u>(81,871)</u>        |
| <br>Total tax expense in statement of profit or loss                    | <br><u>(56,418)</u>  | <br><u>(54,145)</u>    |
|                                                                         | <br>2025<br>£        | <br>2024<br>£          |
| Profit before tax                                                       | 153,721              | (218,011)              |
| Tax on profit at 25% (2024: 25%)                                        | (38,430)             | (54,503)               |
| Effects of:                                                             |                      |                        |
| Fixed asset differences                                                 | 15,219               | 347                    |
| Expenses not deductible for tax purposes                                | 5,517                | 72,299                 |
| Income not taxable for tax purposes                                     | (46,930)             | (1,189)                |
| Adjustments to brought forward values                                   | (250)                | 18,000                 |
| Chargeable gains/(losses)                                               | 57,213               | (71,099)               |
| Deferred tax (charged)/credited directly to OCI                         | 250                  | (18,000)               |
| Adjustments to tax charge in respect of previous periods                | (3,815)              | -                      |
| Adjustments to tax charge in respect of previous periods – deferred tax | (9,216)              | -                      |
| <b>Income tax expense recognised in profit or loss</b>                  | <b><u>56,418</u></b> | <b><u>(54,145)</u></b> |

The tax rate used for the 2025 and 2024 reconciliations above is the corporate tax rate of 2025: 25% and 2024: 25% payable by corporate entities on taxable profits under tax law in that jurisdiction.

**9.2 Deferred tax balances**

|                                                                 | 2025<br>£             | 2024<br>£             |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| Balance at 1 April                                              | 317,299               | 381,170               |
| Deferred tax credited to profit and loss account for the period | (12,993)              | (81,871)              |
| Charged / (credited) to other comprehensive income              | (1,000)               | 18,000                |
| <b>Balance at 31 March</b>                                      | <b><u>303,306</u></b> | <b><u>317,299</u></b> |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****10 Long term leasehold property**

|                                               | 2025<br>£        | 2024<br>£        |
|-----------------------------------------------|------------------|------------------|
| <b>At fair value</b>                          |                  |                  |
| Balance at 1 April 2024                       | 7,500,521        | 8,046,017        |
| Additions through subsequent expenditure      | -                | -                |
| Disposals                                     | (1,513,000)      | (260,201)        |
| Net gain / (loss) from fair value adjustments | 162,046          | (285,295)        |
| <b>Balance at 31 March 2025</b>               | <b>6,149,567</b> | <b>7,500,521</b> |

The fair value of properties is reviewed annually by an independent qualified valuer, with the last being in 2025.

**11 Property, plant and equipment**

|                       | Freehold Property<br>£ | Total<br>£       |
|-----------------------|------------------------|------------------|
| <b>Cost</b>           |                        |                  |
| At 1 April 2024       | 2,770,008              | 2,770,008        |
| Additions             | 3,420,744              | 3,420,744        |
| Impairments           | -                      | -                |
| At 31 March 2025      | <b>6,190,752</b>       | <b>6,190,752</b> |
| <b>Depreciation</b>   |                        |                  |
| At 1 April 2024       | (8,687)                | (8,687)          |
| Charge for the year   | (61,908)               | (61,908)         |
| At 31 March 2025      | <b>(70,595)</b>        | <b>(70,595)</b>  |
| <b>Net Book Value</b> |                        |                  |
| At 31 March 2025      | <b>6,120,157</b>       | <b>6,120,157</b> |
| At 31 March 2024      | 2,761,321              | 2,761,321        |

**12 Trade and other receivables**

|                                             | 2025<br>£     | 2024<br>£      |
|---------------------------------------------|---------------|----------------|
| Amounts due from related party transactions | 85,167        | 129,288        |
| Prepayments                                 | 5,122         | -              |
| Other debtors                               | 395           | 21,503         |
|                                             | <b>90,684</b> | <b>150,791</b> |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****13 Trade and other payables: Under one year**

|                                    | <b>2025</b>    | <b>2024</b> |
|------------------------------------|----------------|-------------|
|                                    | <b>£</b>       | <b>£</b>    |
| Trade payables                     | <b>6,421</b>   | 17,065      |
| Amounts owed to group undertakings | <b>202,648</b> | 36,515      |
| Social security and other taxes    | <b>36,572</b>  | 35,627      |
| Accruals and deferred income       | <b>272,179</b> | 256,016     |
| VAT                                | <b>37,993</b>  | 35,412      |
|                                    | <b>555,813</b> | 380,635     |

**14 Trade and other payables: Over one year**

|                              | <b>2025</b>      | <b>2024</b> |
|------------------------------|------------------|-------------|
|                              | <b>£</b>         | <b>£</b>    |
| Accruals and deferred income | <b>3,359,414</b> | 1,542,578   |
|                              | <b>3,359,414</b> | 1,542,578   |

**15 Borrowings**

|                    | <b>Current</b> |             | <b>Non-current</b> |             |
|--------------------|----------------|-------------|--------------------|-------------|
|                    | <b>2025</b>    | <b>2024</b> | <b>2025</b>        | <b>2024</b> |
|                    | <b>£</b>       | <b>£</b>    | <b>£</b>           | <b>£</b>    |
| Bank loans         | -              | -           | -                  | -           |
| Intercompany loans | <b>31,935</b>  | 33,510      | <b>6,900,905</b>   | 6,965,134   |
|                    | <b>31,935</b>  | 33,510      | <b>6,900,905</b>   | 6,965,134   |

**Terms and debt repayments schedule**

|                    | <b>1 year<br/>or less</b> | <b>1-2<br/>years</b> | <b>2-5 year</b> | <b>More than<br/>5 years</b> | <b>Total</b>     |
|--------------------|---------------------------|----------------------|-----------------|------------------------------|------------------|
|                    | <b>£</b>                  | <b>£</b>             | <b>£</b>        | <b>£</b>                     | <b>£</b>         |
| Intercompany loans | 31,935                    | 34,496               | 116,180         | 6,750,230                    | 6,932,840        |
|                    | <b>31,935</b>             | <b>34,496</b>        | <b>116,180</b>  | <b>6,750,230</b>             | <b>6,932,840</b> |

## Aequus Developments Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2025

#### 16 Retirement benefit plans

To assess the value of the Employer's liabilities as at 31 March 2025, the actuaries have rolled forward the value of the Employer's liabilities calculated for the latest Triennial valuation allowing for the different financial assumptions required under IAS19.

The full actuarial valuation involved projecting future cash flows to be paid from the Fund and placing a value on them. These cash flows include pensions currently being paid to members of the Scheme as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated liability as at 31 March 2025 without completing a full valuation. However, the actuaries are satisfied that the approach of rolling forward the previous valuation data to 31 March 2025 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as the latest formal valuation. The contributions expected to be paid in the year to 31 March 2025 are £51,000.

As required under IAS19, pension fund liabilities and service costs have been calculated using the Project Unit method of valuation.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

|                          | 2025<br>% | 2024<br>% |
|--------------------------|-----------|-----------|
| Discount rate            | 5.9       | 4.9       |
| Future salary increases  | 4.1       | 4.1       |
| Future pension increases | 2.7       | 2.7       |
| CPI inflation            | 2.6       | 2.6       |

Average longevity at retirement age for current pensioners and employees is:

|                                                     | 2025 | 2024 |
|-----------------------------------------------------|------|------|
| Future pensioners age 65 in 20 years' time (male)   | 23.2 | 23.3 |
| Future pensioners age 65 in 20 years' time (female) | 26.1 | 25.8 |
| Current pensioner aged 65 (male)                    | 22.0 | 22.0 |
| Current pensioner aged 65 (female)                  | 24.1 | 24.1 |

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

|                                              | Approximate monetary<br>amount (£) |
|----------------------------------------------|------------------------------------|
| <b>Change in assumption at 31 March 2025</b> |                                    |
| 0.5% increase in discount rate               | 168,000                            |
| 0.25% increase in inflation                  | (89,000)                           |
| 0.25% increase in salary growth              | (31,000)                           |
| 1 year increase in life expectancy           | (39,000)                           |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****16 Retirement benefit plans (continued)**

Amounts recognised through profit and loss in respect of these defined benefit plans are as follows:

|                                                                  | <b>2025</b>    | <b>2024</b> |
|------------------------------------------------------------------|----------------|-------------|
|                                                                  | <b>£</b>       | <b>£</b>    |
| Current service cost                                             | <b>51,000</b>  | 62,000      |
| Administration expenses                                          | <b>2,000</b>   | 2,000       |
| Interest on obligation                                           | <b>(8,000)</b> | 2,000       |
| Interest on asset ceiling                                        | <b>5,000</b>   | -           |
| Components of defined benefit costs recognised in profit or loss | <b>50,000</b>  | 66,000      |

Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

|                               | <b>2025</b>      | <b>2024</b> |
|-------------------------------|------------------|-------------|
|                               | <b>£</b>         | <b>£</b>    |
| Actuarial (gains)/losses      | <b>(263,000)</b> | (181,000)   |
| Actuarial gain not recognised | <b>267,000</b>   | 109,000     |
| Income tax                    | <b>(1,000)</b>   | 18,000      |
| Total                         | <b>3,000</b>     | (54,000)    |

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plan is as follows:

|                                                                             | <b>2025</b>        | <b>2024</b> |
|-----------------------------------------------------------------------------|--------------------|-------------|
|                                                                             | <b>£</b>           | <b>£</b>    |
| Present value of funded defined benefit obligation                          | <b>2,246,000</b>   | 2,492,000   |
| Fair value of plan assets                                                   | <b>(2,627,000)</b> | (2,601,000) |
| Net pensions (asset) / liability                                            | <b>(381,000)</b>   | (109,000)   |
| Less notional surplus not recognised                                        | <b>381,000</b>     | 109,000     |
| Net pension (asset) / liability as recognised in these financial statements | -                  | -           |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2024****16 Retirement benefit plans (continued)**

Movements in the present value of the defined benefit obligation in the current period were as follows:

|                                         | 2025<br>£        | 2024<br>£ |
|-----------------------------------------|------------------|-----------|
| Opening defined benefit obligation      | <b>2,492,000</b> | 2,399,000 |
| Current service cost                    | <b>51,000</b>    | 62,000    |
| Interest cost                           | <b>121,000</b>   | 116,000   |
| Contributions from plan participants    | <b>31,000</b>    | 36,000    |
| Actuarial losses/ (gains) arising from: |                  |           |
| - Changes in demographic assumptions    | <b>(2,000)</b>   | (32,000)  |
| - Changes in financial assumptions      | <b>(406,000)</b> | (85,000)  |
| - Experience adjustments                | <b>0</b>         | 9,000     |
| Benefits/transfers paid                 | <b>(41,000)</b>  | (13,000)  |
|                                         | <b>2,246,000</b> | 2,492,000 |

Movements in the present value of the plan assets in the current period were as follows:

|                                      | 2025<br>£        | 2024<br>£ |
|--------------------------------------|------------------|-----------|
| Opening fair value of plan assets    | <b>2,601,000</b> | 2,331,000 |
| Interest on plan assets              | <b>129,000</b>   | 114,000   |
| Remeasurements (assets)              | <b>(145,000)</b> | 73,000    |
| Administration expenses              | <b>(2,000)</b>   | (2,000)   |
| Contributions from the employer      | <b>54,000</b>    | 62,000    |
| Contributions from plan participants | <b>31,000</b>    | 36,000    |
| Benefits/transfers paid              | <b>(41,000)</b>  | (13,000)  |
| Closing fair value of plan assets    | <b>2,627,000</b> | 2,601,000 |

The major categories of plan assets as amounts of total scheme assets are as follows:

|                                   | 2025<br>£        | 2024<br>£ |
|-----------------------------------|------------------|-----------|
| Equities                          | <b>1,072,000</b> | 1,301,000 |
| Bonds                             | <b>759,000</b>   | 832,000   |
| Property                          | <b>134,000</b>   | 135,000   |
| Alternatives                      | <b>729,000</b>   | 730,000   |
| Cash Accounts                     | <b>(166,000)</b> | (397,000) |
| Closing fair value of plan assets | <b>2,627,000</b> | 2,601,000 |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2024****17 Issued capital**

|                                      | 2025<br>£  | 2024<br>£  |
|--------------------------------------|------------|------------|
| 100 fully paid up ordinary £1 shares | <u>100</u> | <u>100</u> |

All shares rank equally in regards to voting rights. The shares have a nominal value of £1 and were issued at par. All shares rank equally in regards to dividends. All shares rank in proportion to the nominal amount paid up with regards to distributions on winding up or other repayment of capital.

**18 Financial instruments**

The section gives a comprehensive overview of the significance of financial instruments for the company and provides additional information on Statement of Financial Position items that contain financial instruments.

The following table presents the carrying amount of each category of financial assets and liabilities:

|                                             | 2025<br>£      | 2024<br>£      |
|---------------------------------------------|----------------|----------------|
| <b>Financial assets</b>                     |                |                |
| Financial assets measured at amortised cost | 90,684         | 150,791        |
| Cash and cash equivalents                   | <u>465,809</u> | <u>361,998</u> |
|                                             | <u>556,493</u> | <u>512,789</u> |

The following table presents the fair values and carrying amounts of financial assets and liabilities measured at cost or amortised cost:

|                                                  | 2025<br>£          | 2024<br>£          |
|--------------------------------------------------|--------------------|--------------------|
| <b>Financial liabilities</b>                     |                    |                    |
| Financial liabilities measured at amortised cost | (245,641)          | (89,207)           |
| Loans                                            | <u>(6,932,840)</u> | <u>(6,998,644)</u> |
|                                                  | <u>(7,178,481)</u> | <u>(6,909,437)</u> |

There are no financial assets and liabilities measured at fair value. All financial assets and liabilities are measured at amortised cost.

The fair values of cash and cash equivalents, current receivables, other current financial assets, other assets, trade payables and other current financial liabilities and other liabilities approximate their carrying amount largely due to the short-term maturities of these instruments.

Interest is charged on the amounts borrowed from the company's parent at a rate of 1% above the base rate (the EC reference rate) and is payable at 6 monthly intervals. The amounts borrowed from the parent are secured by fixed and floating charges over the investment property held by the company.

## Aequus Developments Limited

### Notes to the Financial Statements

#### Year Ended 31 March 2025

#### 18 Financial instruments (continued)

##### Financial risk management

Exposure to foreign currency, credit, liquidity and cash flow interest rate risks arises in the normal course of the company's business. These risks are limited by the company's financial management policies and practices described below.

##### Foreign currency risk

The company has limited exposure to foreign currency risk. Substantially all of the company's sales and purchases are denominated in sterling.

##### Credit risk and market risk

The company is at risk from its customers defaulting in making payments for services that have been supplied to them or from properties let out to them on long term leases. The majority of the company's customers are based within the real estate market and therefore industry related changes or economic changes in the housing market present a risk to the company as opposed to credit risks

##### Liquidity risk

Liquidity risk results from the company's potential inability to meet its financial liabilities, e.g. settlement of its financial debt, paying its suppliers and settling finance lease obligations. Beyond effective net working capital and cash management, the company mitigates liquidity risk by arranging borrowing facilities with its sole shareholder BANES.

##### Cash flow interest rate risk

The company is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The company's policy is to obtain the most favourable interest rates available for its borrowings. At 31 March 2025 the company's borrowings were in the region of £6.9m (2024: £6.9m) and it is therefore estimated that a general change of one percentage point in the interest rate would affect profit before tax by approximately £69,000 (2024: £69,000).

The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates

##### Equity price risk

The company does not hold investments in publicly traded companies. No equity price risk is therefore foreseen for the company.

The following table reflects all contractually fixed undiscounted pay-offs for settlement, repayments and interest resulting from recognised financial liabilities.

|                             | 2025   | 2026   | 2027 to 2029 | 2030 and thereafter |
|-----------------------------|--------|--------|--------------|---------------------|
|                             | £      | £      | £            | £                   |
| Trade payables              | 7,108  |        |              |                     |
| Other financial liabilities | 31,935 | 34,496 | 116,180      | 6,750,230           |

The company does not have any derivative financial liabilities.

Cash outflows for financial liabilities without fixed amount or timing, including interest, are based on the conditions existing at 31 March 2025.

Trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital – e.g. trade receivables. These assets are considered in the company's overall liquidity risk.

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****19 Related party transactions**

Transactions and balances between the company and its parent company BANES are disclosed below:

|                                   | <b>2025</b>      | <b>2024</b>      |
|-----------------------------------|------------------|------------------|
|                                   | <b>£</b>         | <b>£</b>         |
| Purchase of investment property   | -                | -                |
| Other goods and services          | <b>(246,876)</b> | <b>(86,150)</b>  |
| Interest expense                  | <b>(350,801)</b> | <b>(229,004)</b> |
| Rental income for LAHF properties | <b>52,346</b>    | <b>22,907</b>    |
| Sales – Recharges                 | <b>11,964</b>    | <b>78,705</b>    |
| Property Disposal                 | -                | -                |
| Insurance claim                   | <b>3,583</b>     | <b>932</b>       |

Year end balances arising from loans received and other amounts from BANES amount to:

|                                             | <b>2025</b>        | <b>2024</b> |
|---------------------------------------------|--------------------|-------------|
|                                             | <b>£</b>           | <b>£</b>    |
| <b>Loans payables to parent undertaking</b> |                    |             |
| Due in less than one year                   | <b>(58,296)</b>    | (33,510)    |
| Due in more than one year                   | <b>(6,874,544)</b> | (6,965,134) |
|                                             | <b>(6,932,840)</b> | (6,998,644) |
| Trade receivables                           | <b>6,558</b>       | 12,812      |
| Trade payables                              | <b>184,975</b>     | 19,340      |

The loan payable to BANES is secured by a fixed and floating charge over the assets over the company. Interest is charged on the loans amounting to EU Base plus 1%.

Transactions with Aequus Construction Limited (fellow subsidiary undertaking) amount to:

|                       | <b>2025</b>     | <b>2024</b> |
|-----------------------|-----------------|-------------|
|                       | <b>£</b>        | <b>£</b>    |
| Sales – Recharges     | <b>972,235</b>  | 931,536     |
| Purchases – Recharged | <b>(16,584)</b> | (14,579)    |

Year end balances arising from Aequus Construction Limited amount to:

|                   | <b>2025</b>     | <b>2024</b>     |
|-------------------|-----------------|-----------------|
|                   | <b>£</b>        | <b>£</b>        |
| Trade receivables | <b>78,609</b>   | <b>116,476</b>  |
| Trade payables    | <b>(17,431)</b> | <b>(17,175)</b> |

**Aequus Developments Limited****Notes to the Financial Statements****Year Ended 31 March 2025****19 Related party transactions (continued)****Remuneration of key management personnel**

The remuneration of key management personnel is provided in note 6 as the directors represent key management personnel.

**20 Cash and Cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

|                        | <b>2025</b><br>£ | 2024<br>£      |
|------------------------|------------------|----------------|
| Cash and bank balances | <b>465,809</b>   | <b>361,998</b> |
|                        | <b>465,809</b>   | <b>361,998</b> |

**21 Reconciliation of profit to cash flow from operating activities**

|                                                      | <b>2025</b><br>£ | 2024<br>£ |
|------------------------------------------------------|------------------|-----------|
| Profit / (loss) before taxation                      | <b>153,721</b>   | (218,011) |
| Gain / (loss) on revaluation of fixed assets         | <b>(162,046)</b> | 285,295   |
| Loss on disposal                                     | <b>(431)</b>     | -         |
| Re-measurement gain on pension liability             | <b>(3,000)</b>   | -         |
| Finance expense                                      | <b>316,451</b>   | 231,004   |
| Finance income                                       | <b>(103)</b>     | (3,032)   |
| Depreciation                                         | <b>61,908</b>    | 8,687     |
| Operating profit / (loss)                            | <b>366,500</b>   | 303,943   |
| Decrease / (Increase) in trade and other receivables | <b>60,107</b>    | (22,860)  |
| (Decrease) / Increase in trade and other payables    | <b>159,013</b>   | 130,023   |
| Cash flow from operating activities                  | <b>585,620</b>   | 411,106   |

**22 Ultimate parent**

The ultimate parent undertaking is Bath and North East Somerset Council (BANES). BANES is the only group entity of which the company is a member for which group accounts are prepared. Copies of Group accounts are available at:

[www.bathnes.gov.uk/services/your-council-and-democracy/budgets-and-spending/annual-accounts](http://www.bathnes.gov.uk/services/your-council-and-democracy/budgets-and-spending/annual-accounts)