Arqiva Broadcast Parent Limited

Registered number 08085823

Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2023

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Interim financial report

The Directors of Arqiva Broadcast Parent Limited ('ABPL'), registered company number 08085823, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2023.

Cautionary statement
This interim financial report ('IFR') contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this IFR, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The risks and uncertainties referred to above include:

- actions or decisions by governmental and regulatory bodies, or changes in the regulatory framework in which the Group operates, which may impact the ability of the Group to carry on its businesses;
- changes or advances in technology, and availability of resources such as spectrum, necessary to use new or existing technology, or customer and consumer preferences regarding technology;
- the performance of the markets in the UK, the EU and the wider region in which the Group operates;
- the ability of the Group to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the ability of the Group to develop, expand and maintain its broadcast and utilities infrastructure;
- the ability of the Group to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- the Group's dependency on only a limited number of key customers for a large percentage of its revenue; and
- expectations as to revenues not under contract.

Business overview

Arqiva is the UK's leading enabler of digital connected solutions across the Media Distribution and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £3.1bn as at 30 June 2023.

Recent developments since 30 June 2023

Media Distribution

DTT Multiplexes
Despite challenging trading conditions for customers that saw insolvencies of 2 customers on the DTT platform during the six months to 31 December 2023, the platform was fully utilised at the reporting date as replacement customers were launched.

Radio
Contracts with our larger customers relating to 80% of capacity on the national multiplex D1 have been extended out to 2035 which further provides certainty in revenues for the longer term, whilst the remainder of the mux remains fully occupied. SDL, the 2nd national multiplex, is also fully occupied and a large number of contracts are secured until the current license end date in 2028.

Our local DAB multiplexes remain 83% occupied despite exposures in the market due to softer advertising. Negotiations for customer launches are ongoing and are agreed in principle securing capacity across all the muxes out to 2035.

Direct to Home (DTH)
Earlier in 2023, Arqiva signed a multi-year deal with a UK Public Service Broadcaster ('PSB'), representing the first DTH deal (including satellite capacity) that has been signed with a PSB, demonstrating Arqiva's strategy of increasing its market share in the UK TV broadcast market. The services are scheduled to launch later in FY24.

At the end of the quarter the DTH platforms remain almost full with renewals completed for SBN, Talking Pictures, Virgin radio and Talk Sport. Negotiations are progressing for some of the multi-channel broadcasters and are looking positive for renewals early in the new year.

Media Management Products
Arqplex, the Group's cloud multiplexing deployment, is in service, supporting 5 disaster recovery systems for ITV. A second customer deployment, Paramount, has been agreed and will be live in the next 6 months.

Arqade, Arqiva's cloud-based video content exchange product launched in 2022, enables media companies to interchange their content with multiple platforms efficiently across the world.

Arqads, our addressable advertising solution, is powering new customer services for Sky AdSmart and development of features to support targeted advertising on Freeview is underway.

There is an exciting pipeline of potential customers across all of these products we are in the process of a number of active bids to expand this business.

Government (DCMS) updates
The Government published a draft Media Bill in March 2023 with a second reading in Parliament completed in November 2023. The Bill includes a range of provisions to modernise broadcasting regulation and support public service broadcasters, including measures to provide public service broadcasters with the flexibility to fulfil their remit across a range of services, provide prominence for public service broadcasters on connected devices, reduce regulatory burdens for commercial radio stations, and protect radio's position on voice-activated smart speakers. During parliamentary, reading MPs spoke about the importance of protecting delivery of Broadcast TV into the long-term, to ensure broadcast services remain available to everyone in the UK and additional measures to be addressed through amendments.

In October 2023, Ofcom launched its call for evidence on the future of TV distribution over the next 10-15 years with a closing date for submissions in December 2023. Both Arqiva and the Broadcast 2040+ coalition submitted evidence. The Ofcom review follows the DCMS asking Ofcom to review market changes that may affect TV distribution in its 2022 Broadcasting white paper. The Culture Secretary has also announced that DCMS will undertake research on the future of TV to inform long-term policy decisions. Arqiva is proactively engaging in these processes and providing information on the important role of DTT in serving UK audiences in the future.

The World Radio Conference (WRC) 23 (which determines the allocation of radio spectrum between countries), took place in Dubai concluding in December 2023. The conference saw no changes for the use of spectrum in the UK and that this would next be reviewed at WRC 31 and that any review would be in relation to the upper part of the spectrum used by DTT rather than the whole band.

Smart Utilities Networks

Regulatory Environment
The water sector regulator Ofwat has drafted its price review 2024 methodology, setting out its expectations for water companies 2025-2030 business plans. Ofwat outlined its support for investment in smart metering and the importance of reducing leakages. Ofwat further outlined that companies should consider smart meters that provide near real time data as the standard meter installation type.

Water companies have submitted their business plans, and Ofwat is due to release its draft determinations by June 2024, before its final determinations in December 2024. Company business plans indicate the sector could aim to rollout over 15 million advanced metering infrastructure smart meters by 2030; subject to Ofwat's final determinations.

In October 2023, the National Infrastructure Commission (NIC) released its Second National Infrastructure Assessment, which takes a 30-year view of the UK's infrastructure needs and provides recommendations to Government on how to meet these needs. The NIC recommended the Government enable water companies to implement compulsory metering and require companies to systematically roll out smart meters.

Anglian Water
Since the award of the Anglian Water contract in June 2020, the Group has deployed 700,000 meters. The pace of network rollout continues to accelerate with a joint plan to complete all sites before the end of the 2020-2025 period. Device deliveries continue at a rate of 40,000 per month. Anglian have launched their 2025-2030 procurement process with the process conclusion expected in July 2024.

Thames Water
Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2024 achieved delivery of 1m meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. Arqiva continues to expand its network for Thames outside the London area, with additional sites on track for delivery this financial year.

SGN Hybrid Connectivity
Following a successful bid for the Strategic Connectivity competitive procurement exercise, Arqiva has been awarded the preferred supplier status for all three lots and will be working with SGN to conclude the contract in the next few months.

Other Smart Water Metering Procurements
Utilities metering continue to be a focus for Arqiva and in line with existing and future business plans of water companies and we expect an increased number of procurement opportunities in this market over the coming year.

Smart Water Metering Solution
The smart water metering solution portfolio has been expanded to include incremental network technologies and meter manufactures to offer choice for customers with different preferences driven by their geography, budget and use cases.

Beyond the Meter
Our Sewer Level Monitoring trial has continued with Anglian Water with 9 sites deployed and with positive feedback. The requirements are now expanded to include a wide range of sensors such as water quality, pressure and temperature.

Customer Application and Data Analytics
We have further shared with existing and potential customers a new protype version of our performance reporting tool, very positive feedback has been received and the development is continuing, we hope to deliver this to interested customers ready for the procurement cycle for the next regulatory period. This has been successfully deployed for SES Water.

Smart energy metering rollout
The Group's smart metering communication network in the North of England and Scotland continues to cover 99.5% of premises. There are currently over 2.9 million communications hubs operating on the network representing circa 25% of the total UK communication hub installations. Our communications hub supply chain remains stable with historic backlogs in communications hubs deliveries now cleared in support of the programme rollout. Continued volatility in global energy markets combined with domestic initiatives to address the increasing need for a more flexible and data driven energy system, creates the need for considerable change and places new additional demand on our solution. We have built a strong pipeline of change requests submitted by the Data Communications Company (DCC) to meet these needs, including an expansion in capacity to support the additional traffic and network demands now forecasted to occur.

Corporate Update

Bilsdale Mast Fire
Following the build of the new permanent 300m mast at Bilsdale, radio services were made live in January 2024. This followed television restoration in May 2023 and now means all broadcast services have been restored to the main Bilsdale mast.

Britain's Healthiest Workplace
In January 2024 Arqiva was named Britain's Heathiest Workplace, in the 'large organisations' category (1000+ employees). This further demonstrates our commitment to ensuring the overall welfare of our employees.

Financial results

The following table summarises the headline financials for the period:

	Six Months Ended 31 December		
	2023	2022	% Change
	(Unaudited) £ millions		
Revenue			
Commercial			
- Media Distribution	244.9	234.2	4.6%
- Smart Utilities Networks[1]	79.2	68.0	16.5%
Total Group revenue	**324.1**	**302.2**	**7.2%**
EBITDA[2]			
Commercial			
- Media Distribution	163.5	176.9	(7.6)%
- Smart Utilities Networks	32.1	32.3	(0.6)%
Other			
- Corporate	(16.9)	(14.2)	(19.1)%
- Operations	(12.6)	(11.4)	(10.5)%
- Technology and Transformation	(19.5)	(17.8)	(9.6)%
Total EBITDA (excluding exceptionals)	**146.6**	**166.0**	**(11.6)%**
Net cash inflow from operating activities	125.4	125.7	(0.2)%
Net capital expenditure	(34.3)	(36.2)	5.2%
Receipt of insurance stage payment	16.0	10.0	60.0%
Operating cash flow after capital and financial investment activities	**107.1**	**99.5**	**7.6%**

Income Statement

Revenue

For the six month period ended 31 December 2023, revenue for the Group was £324.1m, an increase of 7.2% from the prior year period. All revenue is associated with the commercial function of the business.

Media Distribution

Revenue for the Group's media distribution business during the six-month period ended 31 December 2023 was £244.9m, representing a 4.6% increase from £234.2m in the prior year period. This increase has been driven by core TV and radio distribution products which have remained strong with inflationary increases linked to RPI indexation on these long-term contracts as well as the passthrough of power costs to customers following power price increases. This is partially offset by the impact of pricing pressures on renewals across the Group's DTT as well as channel vacancies following customer administration however these have returned to full utilisation by the end of the period following the launch of replacement customers. Managed media services have also decreased year on year due to customer terminations.

Smart Utilities Networks

Revenues from utilities have increased 16.5% period on period from £68.0m to 79.2m. The increase is due to the continued strong communication device sales on water metering contracts. There have also been further increases in incremental revenues and network availability across smart energy metering change requests.

[1] For the avoidance of doubt, Smart Metering machine-to-machine financials included in this report refer solely to the ABPL financials.
[2] EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that are not considered to reflect the underlying performance of the business.

Smart Utilities revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex.

EBITDA

For the six months ended 31 December 2023, EBITDA (as defined in Note 7) for the total reported Group was £146.6m, an 11.6 % decrease from £166.0m in the prior year period.

Media Distribution

EBITDA for the Group's Media Distribution business during the six-month period ended 31 December 2023 was £163.5m, representing a 7.6% decrease from £176.9m in the prior year period. Despite the increase in revenue explained above, margins have been significantly impacted by increased energy costs incurred due to new power contracts at higher cost entered into in April 2023.

Smart Utilities Networks

EBITDA for the utilities business has remained broadly consistent year on year at £32.1m. Despite the increase in revenues mainly driven by the increase in communications device sales, these are a relatively low margin product therefore EBITDA has remained flat.

Corporate

Corporate EBITDA represents costs for the support functions such as finance, legal and HR services. EBITDA for this function has increased in cost 19.1% to a loss of £16.9m for the six-month period to 31 December 2023 from a loss of £14.2m in the prior year period. This increase is predominantly driven by the benefit of surplus bonus and incentive programmes accrual released in the prior year not repeated.

This is partially offset by a decrease in permanent and agency staff costs due to costs associated with the Simplification function included in the prior year. During the current year, the teams within this function have been reallocated to other areas of the business.

Operations

The Operations functional segment is responsible for the efficient operation and maintenance of all Arqiva services including field engineers, disaster recovery and network operations. EBITDA for the operations segment has increased in cost 10.5% from a loss of £11.4m in the prior year period to a loss of £12.6m in the six months to 31 December 2023. The increase is predominantly due to staff costs and recoveries due to the nature of projects being worked on by the team.

Technology

EBITDA for the Technology function for the six-month period ended 31 December 2023 was a loss of £19.5m, a 9.6% increase in cost from a loss of £17.8m in the prior year period. The increase in cost is mainly due to consultancy fees and licence costs due to transformation of IT systems.

Depreciation

Depreciation for the Group during the six-month period ended 31 December 2023 was £46.9m, an increase of 19.9% from the prior year period figure of £39.1m. The increase is driven by a one-off reduction in the prior year period following reassessment of the calculation of depreciation in relation to certain capital programmes not repeated. This is partially offset by a reduction in accelerated depreciation from the prior year period not repeated particularly in connection with assets replaced under the 700MHz Clearance Programme as the programme reached completion.

Amortisation

Amortisation for the Group during the six-month period ended 31 December 2023 was £7.6m, an increase of £1.0m from £6.6m in the prior year period.

Exceptional operating expenses

Exceptional operating expenses for the Group during the six-month period ended 31 December 2023 were £1.8m, decreasing from £3.9m incurred in the prior year period. Exceptional items charged to operating profit in the current year predominantly related to restoration costs arising from the Bilsdale fire and restructuring.

The restoration costs of £1.8m incurred within exceptional operating expenses (31 December 2022: £2.4m) were associated with the Bilsdale transmitter following a fire which broke out on 10 August 2021 including support costs following the completion of the new permanent mast and ongoing works. Costs recognised are those which have been incurred to date and can be reliably measured.

The Group engaged with insurers regarding the fire and a final stage payment of £16.0m was received in August 2023 which has been recognised as exceptional other income in the income statement. This brings the total insurance proceeds received to date to £41.0m.

Net bank and other loan interest

Net bank and other loan interest for the Group for the six-month period was £55.1m compared to £49.4m in the prior year period. This increase was as a result of higher interest charges on interest rate swap instruments held as well as higher interest rates on incremental debt following refinancing completed in July 2023.

Other interest

Other interest for the Group for the six-month period was £17.8m, compared to £16.7m in the prior year period. Other interest is primarily non-cash and principally includes the amortisation of debt issue costs, interest on lease obligations and imputed interest.

Interest payable to group undertakings

Interest payable to group undertakings for the six-month period was £89.3m, compared to £81.2m in the prior year period. The increase is due to the compounding of outstanding interest balances.

Other gains and losses

Other gains and losses include net losses of £8.1m (31 December 2022: £26.5m loss) recognised as a result of fair value movements of swaps, principally attributable to changes in forward market rates and credit spreads.

Financial position

As at 31 December 2023 net liabilities for the Group were £884.7m, an increase of 5.4% from £839.0m in the prior year period. The net liability position is primarily driven by the borrowings and derivative financial instruments held by the Group.

Cash Flow

A reconciliation of the reported EBITDA to net cash inflow from operating activities is provided below:

	Six months ended 31 December 2023 (Unaudited) £m	Six months ended 31 December 2022 (Unaudited) £m
EBITDA	146.6	166.0
Exceptional items	(1.8)	(4.2)
Working capital	(18.3)	(32.2)
Other	(0.9)	(3.9)
Net cash inflow from operating activities	**125.4**	**125.7**

Net cash inflow from operating activities for the six-month period ended 31 December 2023 was £125.4m compared to £125.7 for the prior year period, representing an 0.2% decrease. Whilst EBITDA has decreased year on year, this is offset by movements in working capital.

The Group's business is not seasonal in nature. Annual staff bonus payments are made in the first half of the year. The working capital outflow for the six months to 31 December 2023 was driven by the utilisation and unwind of deferred income and timing of payments, typical with historic trends of the business. The decrease in working capital outflows from the prior year period is due to an increase in receivables due to timing of receipts around period end.

Net capital expenditure in the six-month period ended 31 December 2023 was £34.3m compared with £35.2m in the prior year period. Capital expenditure has decreased due to reductions on major capital programmes contracts including the Group's IT transformation programme that completed in the prior year as well as capital works on the Bilsdale transmitter site following the rebuild of the permanent mast. These decreases have been partially offset by an increase in Broadcast due to new products and one-off including a programme to improve the efficiency of sites management with Cellnex. Expenditure is also impacted by the timing of cash payments made on the settlement of capital expenditure accruals balances.

Operating cash flow after all capital and investment activities was £107.1m compared to £99.5m in the prior year period, representing an increase of 7.6%. This is principally driven by the receipt of the final insurance stage payment in relation to the Bilsdale transmitter fire. There is no material movement in net operating activities and capital expenditure cash flows.

Total cash for the Group has decreased by £15.2m in the six-month period ended 31 December 2023 (31 December 2022: £211.2m outflow). The reduction is principally due to the refinancing of Junior debt and prepayments in accretion in relation to index linked swaps both in the prior period not repeated. Current year cash outflows include the completion of senior debt refinancing in July 2023 with proceeds of a £250m public bond issue utilised to prepay the Group's previous £90m ITL and £172m EIB term debt.

Operational delivery
The Group continues to deliver projects and engage with all contract stakeholders to meet future milestones. This includes:

- The Smart metering M2M contract has continued to achieve 99.5% network coverage in the North of England and Scotland.
- Rollout of water metering on contracts won with Anglian Water, Thames Water and Northumbrian Water. Other smart water metering trials are in progress.

Other Key Performance Indicators (KPIs) for the Group are the level of network availability across both TV and radio infrastructure. The Group's total level of network availability across both TV and radio infrastructure was 99.95% during the six months ended 31 December 2023 (six months ended 31 December 2022: 99.96%).

Risks and uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 30 June 2023, which is available from the Group's website at www.arqiva.com.

ISO certification and Cyber security
Arqiva holds certification to ISO/IEC 27001:2013. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This allows Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification last given in May 2022.

Arqiva also holds Cyber Essentials certification. Cyber Essentials is a government-backed, industry-supported scheme to help organisations guard against the most common cyber threats and demonstrate their commitment to cyber security. Arqiva has held this certification since 2016 and recertifies annually.

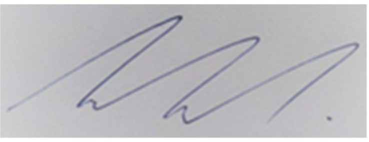
Going concern
The Group meets our day-to-day working capital and financing requirements through the net cash generated from our operations.

The Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including any severe but plausible scenarios. The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund our current operations, including our contractual and commercial commitments both in terms of capital programmes and financing as they fall due.

For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Future outlook
The Group will continue to invest in its core infrastructure markets with a continued focus on operating these businesses more efficiently in order to deliver sustained growth in earnings. Net capital investment is anticipated to reduce in line with the phasing of expenditure on the Group's major capital programmes.

On behalf of the Board



Scott Longhurst
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

23 February 2024

Consolidated interim income statement

	Note	Six months ended 31 December 2023 Unaudited £m	Six months ended 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Revenue[1]	7	324.1	302.2	613.3
Cost of sales		(123.8)	(89.2)	(195.4)
Gross profit		**200.3**	**213.0**	**417.9**
Depreciation	15	(46.7)	(39.1)	(91.7)
Amortisation	14	(7.8)	(6.6)	(12.9)
Other operating expenses		(53.7)	(48.3)	(96.7)
Exceptional operating expenses	8	(1.8)	(3.9)	(6.7)
Total operating expenses		(110.0)	(97.9)	(208.0)
Other income		3.9	3.9	7.8
Exceptional other income	8	16.0	10.0	20.0
Operating profit		**110.2**	**129.0**	**237.7**
Finance income	9	2.5	2.7	4.1
Finance costs	10	(162.2)	(147.3)	(299.9)
Other gains and losses	11	(8.1)	(26.5)	(28.2)
Loss before tax		**(57.6)**	**(42.1)**	**(86.3)**
Tax	12	5.0	7.8	15.1
Loss for the period		**(52.6)**	**(34.3)**	**(71.2)**
Attributable to:				
Owners of the company		(52.7)	(34.4)	(71.5)
Non-controlling interest		0.1	0.1	0.3
		(52.6)	**(34.3)**	**(71.2)**

Further comments on consolidated income statement line items are presented in the notes to the financial statements on pages 15 to 35.

[1] Prior period revenues are stated net of exceptional service credits recognised in the year. See note 8 for detail.

Consolidated interim statement of comprehensive income

	Note	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Loss for the period		**(52.6)**	**(34.3)**	**(71.2)**
Items that will not be reclassified subsequently to profit or loss				
Actuarial loss on defined benefit pension schemes	27	(1.7)	(10.1)	(12.2)
Movement on deferred tax relating to pension schemes		0.4	2.5	3.0
		(1.3)	**(7.6)**	**(9.2)**
Exchange differences on translation of foreign operations		-	-	0.1
		(1.3)	**(7.6)**	**(9.1)**
Total comprehensive loss		**(53.9)**	**(41.9)**	**(80.3)**
Attributable to:				
Owners of the Company		(54.0)	(42.0)	(80.6)
Non-controlling interest		0.1	0.1	0.3
Total comprehensive loss		**(53.9)**	**(41.9)**	**(80.3)**

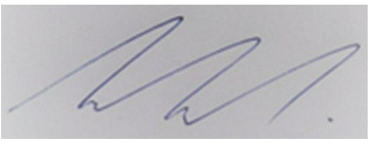
All items of other comprehensive income relate to continuing operations.

Consolidated interim statement of financial position

	Note	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Non-current assets				
Goodwill	13	1,458.0	1,458.0	1,458.0
Other intangible assets	14	68.1	46.0	57.0
Property, plant and equipment	15	1,212.8	1,287.8	1,238.8
Deferred tax	17	188.4	194.6	199.8
Retirement benefits	27	50.8	52.1	51.2
Interest in associates and joint ventures		0.1	0.1	0.1
Derivative financial instruments	21	21.7	43.2	31.5
		2,999.9	**3,081.8**	**3,036.4**
Current assets				
Trade and other receivables	16	108.2	115.5	118.5
Contract assets	16	15.4	15.7	9.3
Cash and cash equivalents	18	21.1	32.6	36.3
		144.7	**163.8**	**164.1**
Total assets		**3,144.6**	**3,245.6**	**3,200.5**
Current liabilities				
Borrowings	20	(67.3)	(217.9)	(354.4)
Trade and other payables	19	(1,776.7)	(1,673.3)	(1,719.3)
Corporation tax	19	-	(2.4)	-
Contract liabilities	19	(122.0)	(102.3)	(116.0)
Provisions	22	(3.2)	(3.2)	(3.3)
		(1,969.2)	**(1,999.1)**	**(2,193.0)**
Net current liabilities		**(1,824.5)**	**(1,835.3)**	**(2,028.9)**
Non-current liabilities				
Borrowings	20	(1,455.3)	(1,328.2)	(1,227.9)
Derivative financial instruments	21	(236.9)	(349.4)	(237.7)
Contract liabilities	19	(286.8)	(322.6)	(304.0)
Provisions	22	(81.1)	(85.3)	(77.7)
		(2,060.1)	**(2,085.5)**	**(1,847.3)**
Total liabilities		**(4,029.3)**	**(4,084.6)**	**(4,040.3)**
Net liabilities		**(884.7)**	**(839.0)**	**(839.8)**

	Note	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Equity				
Share capital		0.1	0.1	0.1
Accumulated losses		(979.0)	(856.7)	(925.0)
Capital contribution reserve		281.4	205.1	272.4
Merger reserve		(188.5)	(188.5)	(188.5)
Translation reserve		(0.6)	(0.7)	(0.6)
Equity attributable to owners of the Company		**(886.6)**	**(840.7)**	**(841.6)**
Non-controlling interest		1.9	1.7	1.8
Total equity		**(884.7)**	**(839.0)**	**(839.8)**

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 February 2024 and were signed on its behalf by:



Scott Longhurst - Director

Consolidated statement of changes in equity

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2023	**0.1**	**272.4**	**(188.5)**	**(925.0)**	**(0.6)**	**(841.6)**	**1.8**	**(839.8)**
Loss for the period	-	-	-	(52.7)	-	(52.7)	0.1	(52.6)
Other comprehensive expense	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Total comprehensive (loss) / income	-	-	-	(54.0)	-	(54.0)	0.1	(53.9)
Capital contribution	-	9.0	-	-	-	9.0	-	9.0
Balance at 31 December 2023	**0.1**	**281.4**	**(188.5)**	**(979.0)**	**(0.6)**	**(886.6)**	**1.9**	**(884.7)**

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2022	**0.1**	**203.5**	**(188.5)**	**(814.7)**	**(0.7)**	**(800.3)**	**1.6**	**(798.7)**
Loss for the period	-	-	-	(34.4)	-	(34.4)	0.1	(34.3)
Other comprehensive expense	-	-	-	(7.6)	-	(7.6)	-	(7.6)
Total comprehensive (loss) / income	-	-	-	(42.0)	-	(42.0)	0.1	(41.9)
Capital contribution	-	1.6	-	-	-	1.6	-	1.6
Balance at 31 December 2022	**0.1**	**205.1**	**(188.5)**	**(856.7)**	**(0.7)**	**(840.7)**	**1.7**	**(839.0)**

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2022 (Restated)	**0.1**	233.1	(188.5)	(844.3)	(0.7)	(800.3)	1.6	(798.7)
Loss for the year	-	-	-	(71.5)	-	(71.5)	0.3	(156.6)
Other comprehensive income/ (loss)	-	-	-	(9.2)	0.1	(9.1)	-	(9.1)
Total comprehensive income	-	-	-	(80.7)	(0.1)	(80.6)	0.3	(80.3)
Capital contribution	-	39.3	-	-	-	39.3	-	39.3
Dividends paid	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 June 2023	**0.1**	**272.4**	**(188.5)**	**(925.0)**	**(0.6)**	**(841.6)**	**1.8**	**(839.8)**

Consolidated interim cash flow statement

	Note	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Net cash inflow from operating activities	23	**126.4**	**125.7**	**277.3**
Investing activities				
Interest received		1.2	1.3	2.0
Purchase of tangible assets		(26.2)	(30.0)	(58.4)
Purchase of intangible assets		(6.7)	(6.2)	(6.3)
Proceeds on disposal of fixed assets		-	1.0	0.8
Receipt of insurance stage payments		16.0	10.0	20.0
		(15.7)	**(23.9)**	**(41.9)**
Financing activities				
Raising of external borrowings		250.0	469.0	545.3
Repayment of external borrowings		(308.9)	(662.0)	(694.4)
Movement in borrowings		**(58.9)**	**(193.0)**	**(149.1)**
Repayment of capital element of lease rentals		(11.8)	(11.4)	(21.2)
Interest element of lease rentals		(2.4)	(2.6)	(5.4)
Interest paid		(50.1)	(52.4)	(100.5)
Cash settlement of principal accretion on inflation-linked swaps		-	(33.9)	(146.9)
Debt issue costs and facility arrangement fees		(2.9)	(19.7)	(19.8)
		(126.1)	**(313.0)**	**(442.9)**
Decrease in cash and cash equivalents	18	**(15.4)**	**(211.2)**	**(207.5)**

Notes to the financial statements

1 General information

This condensed consolidated interim financial information does not comprise statutory accounts as defined by section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2023 were approved by the Board of Directors on 21 September 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. A copy of the audited financial statements for the year ended 30 June 2023 can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

2 Directors' responsibilities

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

The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

3 Basis of preparation

These financial statements for the six months ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), as adopted by the United Kingdom. The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom.

The accounting policies adopted are consistent with the statutory accounts for the year ended 30 June 2023.

4 Significant judgements and key estimations

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and costs. Actual results may differ from these estimates.

In preparing these financial statements, the Group's accounting policies and the significant judgements made by management in applying key estimations were the same as those that applied to the statutory accounts for the year ended 30 June 2023.

5 Financial risk management

The Group's operations expose it and the Company to a variety of financial risks that include purchase price risk, credit risk, liquidity risk, financing risk, interest rate risk and foreign exchange risk. The Group's risk management programme seeks to minimise potential adverse effects. A selection of the key business risks affecting the Group are set out below together with a summary of the Group's mitigating actions.

Purchase price risk

Energy is a major component of the Group's cost base. A large proportion of this is managed via pass-through arrangements to customers. The Group's residual exposure to fluctuations in the electricity price is typically managed by forward purchasing the majority of power requirements in excess of 12 months in advance. Key revenue and cost milestones are set on larger projects to ensure the financial risks of volatile market pricing are mitigated.

Credit risk

The Group is exposed to credit risk on customer receivables which is managed through appropriate credit checking procedures prior to taking on new customers; and higher risk customers paying in advance of services being provided. Performance is closely monitored to ensure agreed service levels are maintained reducing the level of queried payments and mitigating the risk of uncollectable debts. The Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions which have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the Group's on-going risk management processes, which include a regular review of the credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

Liquidity risk

To ensure it has sufficient available funds for working capital requirements and planned growth, the Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 31 December 2023 the Group had £21.1m cash and short term deposits available to cover short term cash flow timing differences if required. In addition, the Group has a £135.0m senior working capital facility, a £70.0m junior working capital facility available for general business purposes as well as an additional £150.0m liquidity facility to cover senior interest and accretion payments if required. As at 31 December 2023 the Group had no drawings on the senior working capital facility, all other facilities were undrawn. Details of the debt maturity profile are provided in note 20.

Financing risk

The Group will need to refinance at least part of its debt as it matures and may need additional financing to cover capital expenditure and certain other expenses to support its growth plans. The Group cannot be certain that such financing will be readily available on attractive or historically comparable terms. The Group mitigates this risk by the strength of the stable long term investment grade capital structure in place. Standard and Poor's and Fitch reconfirmed their rating of Arqiva senior debt at BBB+ and BBB respectively.

The ratings reflect our strong ability to raise cash and repay debt from our cash flows over a reasonable period of time; maintaining an active dialogue with lenders and investors; maintaining debt with a variety of medium and long term maturities to ensure no material concentration of refinancing risk; and aiming to complete any refinancing well in advance of the required maturity date with no bullet instruments maturing until 2028.

Breach of debt covenants and/or a downgrade in our rating could impact the availability of finance or the competitiveness of terms. In order to mitigate this, the Group maintains financial covenant monitoring and modelling, both retrospectively and prospectively and maintains regular dialogue with its lenders and credit ratings agencies.

Interest rate risk

The Group maintains a hedging policy to manage interest rate risk, ensuring the certainty of future interest cash flows and compliance with its debt covenants. It currently has hedging in place, split between interest rate swaps and inflation swaps. Interest rate swaps convert interest costs from floating to fixed rate whilst inflation swaps convert fixed or floating rate interest costs to RPI-linked costs, which fluctuate in line with the RPI index as do a proportion of the Group's revenue contracts. Details of the interest rate profile of the Group's borrowings are provided in note 20.

Foreign exchange risk

The Group operates predominantly from UK sites and in the UK market, but has some transactions denominated in foreign currency. While some customer and supplier contracts are denominated in other currencies (mainly US Dollars and Euros), the overwhelming majority of the Group's revenues and costs are sterling based, and accordingly exposure to foreign exchange risk is limited. Management regularly monitor the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place. From time to time, forward foreign exchange contracts are used to fix the exchange rate for anticipated net exposures. In June 2023 the Group issued 118m US dollar denominated private placement notes. At the same time, the Group entered cross-currency swaps to fix the exchange exposure on this debt. Details of the cross-currency swaps are provided in note 21.

6 Going concern

The Group meets its day-to-day working capital and financing requirements through the net cash generated from its operations. The Group has access to sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments as set out in note 24.

In addition, forecast covenant compliance remains strong. For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

7 Revenue and segmental information

The Group derives its revenue from the rendering of services, engineering projects and the sale of communications equipment.

The following tables disaggregate revenue from contracts with customers by our major service lines and by reportable function:

Six months to 31 December 2023 - Unaudited	Media Distribution	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	245.0	50.9	295.9
Sale of goods	-	28.2	28.2
Total revenue	**245.0**	**79.1**	**324.1**

Six months to 31 December 2022 - Unaudited	Media Distribution	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	238.7	47.9	286.6
Engineering projects	0.2	-	0.2
Sale of goods	-	15.4	15.4
Total revenue	**238.9**	**63.3**	**302.2**

Year ended 30 June 2023	Media Distribution	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	462.4	122.1	584.5
Sale of goods	-	28.8	28.8
Total revenue	**462.4**	**150.9**	**613.3**

Reporting by markets
The Group's reporting structure considers the customer facing functions of Media Distribution and Smart Utilities Networks, supported by Operations, Technology and Corporate functions. Revenue and EBITDA are presented across these functions.

	Commercial		Other			
Six months to 31 December 2023 (Unaudited)	**Media Distribution**	**Smart Utilities Networks**	**Operations**	**Technology**	**Corporate**	**Consolidated**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue	**245.0**	**79.1**	**-**	**-**	**-**	**324.1**
Functional result* (EBITDA)	**163.5**	**32.1**	**(12.6)**	**(19.5)**	**(16.9)**	**146.6**
Depreciation and amortisation						(54.5)
Exceptional operating expenses						(1.8)
Other income						3.9
Exceptional other income						16.0
Operating profit						**110.2**
Finance income						2.5
Finance costs						(162.2)
Other gains and losses						(8.1)
Loss before tax						**(57.6)**

	Commercial		Other			
Six months to 31 December 2022 (Unaudited)	**Media Distribution**	**Smart Utilities Networks**	**Operations**	**Technology and Transformation**	**Corporate**	**Consolidated**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue	**238.9**	**63.3**	**-**	**-**	**-**	**302.2**
Functional result* (EBITDA)	**176.9**	**32.3**	**(11.4)**	**(17.8)**	**(14.2)**	**166.0**
Depreciation and amortisation						(45.7)
Loss on disposal of fixed assets						(1.0)
Exceptional operating expenses						(3.9)
Other income						3.9
Exceptional other income						10.0
Exceptional revenue						(0.3)
Operating profit						**129.0**
Finance income						2.7
Finance costs						(147.3)
Other gains and losses						(26.5)
Loss before tax						**(42.1)**

Year ended 30 June 2023	Commercial		Other			Consolidated
	Media Distribution	Smart Utilities Networks	Operations	Technology	Corporate	
	£m	£m	£m	£m	£m	£m
Revenue	**462.4**	**150.9**	**-**	**-**	**-**	**613.3**
Functional result* (EBITDA)	**352.3**	**70.9**	**(23.3)**	**(32.4)**	**(30.3)**	**337.2**
Depreciation and amortisation						(104.6)
Loss on disposal of fixed assets						(0.7)
Exceptional operating expenses						(6.7)
Other income						7.8
Exceptional other income						20.0
Exceptional service credits						(15.3)
Operating profit						**237.7**
Finance income						4.1
Finance costs						(299.9)
Other gains and losses						(28.2)
Loss before tax						**(86.3)**

*Functional result is defined as total operating profit before exceptional operating expenses and excluding depreciation, amortisation, profit or loss on disposal of non-current assets, impairment and share of result from joint venture and associates (i.e. EBITDA).

EBITDA is a key measure of the Group's financial performance. A reconciliation of the reported EBITDA to the financial statements is provided below:

	Six months to 31 December 2023 Unaudited	Six months to 31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
Operating profit	**110.2**	**129.0**	**237.7**
Depreciation	*46.7*	*39.1*	91.7
Amortisation	*7.8*	*6.6*	12.9
Loss on disposal of fixed assets	--	*1.0*	0.7
Exceptional operating expenses	*1.8*	*3.9*	6.7
Other income	*(3.9)*	*(3.9)*	(7.8)
Exceptional other income	*(16.0)*	*(10.0)*	(20.0)
Exceptional service credits	-	*0.3*	15.3
EBITDA	**146.6**	**166.0**	**337.2**

For the purpose of monitoring segment performance and allocating resources between segments, the Chief Operating Decision Maker (CODM) monitors the capital expenditure on property, plant and equipment and intangible assets (presented on a cash basis) planned and utilised by each segment, an analysis of which is shown below.

	Media Distribution £m	Smart Utilities Networks £m	Other £m	Consolidated £m
Capital expenditure:				
For the six months ended 31 December 2023 (Unaudited)	10.6	8.3	13.9	**32.8**
For the six months ended 31 December 2022 (Unaudited)	16.1	5.0	15.1	**36.2**
For the year ended 30 June 2023	33.5	11.4	19.8	**64.7**

Geographical information

The geographic analysis of revenue is on the basis of the country of origin in which the customer is invoiced. The following revenue was generated from external customers.

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
UK	321.4	298.9	607.0
Rest of European Economic Area (EEA)	2.4	2.9	5.5
Rest of World	0.3	0.4	0.8
Total revenue	**324.1**	**302.2**	**613.3**

The Group holds non-current assets (excluding deferred tax assets, pension surplus and derivative financial instruments) in the following geographical locations:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
UK	2,736.8	2,790.0	2,752.4
Rest of European Economic Area (EEA)	2.2	1.8	1.5
Rest of World	-	-	-
Total non-current assets	**2,739.0**	**2,791.8**	**2,753.9**

8 Exceptional items

Profit/(loss) on ordinary activities before taxation is stated after (charging) / crediting:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Revenue:			
Revenue service credits	-	(0.3)	(15.3)
		(0.3)	(15.3)
Operating expenses			
Reorganisation and severance	-	(1.5)	(2.1)
Corporate finance activities	(0.4)	-	(0.3)
Restoration costs	(1.4)	(2.4)	(4.3)
	(1.8)	(3.9)	(6.7)
Other exceptional items			
Other income	16.0	10.0	20.0
	14.2	**4.8**	**(2.0)**

Corporate finance activities figures relate to costs and accruals associated with one off projects, and corporate transactions including refinancing activities.

The amounts included within exceptional operating expenses above are deductible for the purpose of taxation.

Bilsdale – Project Restore

The restoration costs relate to costs incurred to reinstate services present at the Bilsdale transmitter site following a fire which broke out on 10 August 2021 and include £4.3m of predominantly community support activities. During FY23 the rebuild of a 300 metre permanent mast was completed and went live with transmission starting in May 2023.

Costs recognised are those which have been incurred in the period and can be reliably measured.

Management has engaged with the Group's insurers. Exceptional other income relates to stage payments received from insurance claims related to the Bilsdale transmitter site fire. In August 2023 the final stage payment of £16.0m was received from the insurers bringing the total insurance receipts to date of £41.0m. To date the Group has incurred total rectification costs of £47.1m including £31.4m in capital expenditure for the rebuild of the mast and a further £15.7m of exceptional operating expenses in respect of community support activities and restoration costs.

9 Finance income

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Bank deposit interest	1.2	1.3	2.0
Other loans and interest receivable	1.3	1.4	2.1
Total finance income	**2.5**	**2.7**	**4.1**

10 Finance costs

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Interest on bank overdrafts and loans	3.3	11.4	24.2
Other loan interest	51.8	38.0	77.0
Bank and other loan interest	**55.1**	**49.4**	**101.2**
Amortisation of debt issue costs	2.5	1.2	3.2
Interest on lease obligations	2.3	2.9	5.4
Interest payable to other group entities	89.3	81.2	165.0
Other interest	10.1	10.6	19.7
Total interest payable	**159.3**	**145.3**	**294.5**
Unwinding of discount on provisions	2.9	2.0	5.4
Total finance costs	**162.2**	**147.3**	**299.9**

11 Other gains and losses

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Foreign exchange on financing (a)	-	-	-
Fair value loss on derivative financial instruments (see note 21)	(8.1)	(26.5)	(28.2)
Total other gains and losses	**(8.1)**	**(26.5)**	**(28.2)**

a) This is the net position of foreign exchange gains and losses in the year. This is made up of a £0.9m (31 December 2022: £nil; 30 June 2023: £1.8m) gain on loans denominated in foreign currency (US Dollar). Offset by a £0.9m (31 December 2022: £nil; 30 June 2023: £1.8m) loss on the cross-currency swap instrument. (See note 21).

12 Tax

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
UK Corporation tax:			
- Current year	(16.8)	(3.9)	(4.1)
- Adjustment in respect of prior years	-	-	(2.4)
Total current tax credit	(16.8)	(3.9)	(6.5)
Deferred tax (see note 17):			
- Origination and reversal of temporary differences	11.8	(3.9)	16.6
- Adjustment in respect of prior years	-	-	(23.0)
- Impact of rate change	-	-	(2.2)
Total deferred tax	11.8	(3.9)	(8.6)
Total tax credit for the period	**(5.0)**	**(7.8)**	**(15.1)**

The tax charge on ordinary activities is recognised based on management's estimate of the weighted average annual total corporate income tax rate expected for the full financial year. The estimated average annual tax rate for the year to 30 June 2024 on continuing operations is 8.7% (the estimated tax rate used at 31 December 2022 was 17.6%).

The effective tax rate is below the statutory tax rate of 25% as a result of disallowed interest expense, for the full year ended 30 June 2024, (December 2022: 20.5%, June 2023: 20.5%) on the loss generated in the period.

The main rate of UK corporation tax was 25.0% during the period to 31 December 2023. Finance Act 2021 which is substantively enacted, increased the main rate of UK corporation tax to 25% from 1 April 2023. UK deferred tax has been valued at 25% in the period ended 31 December 2023 and at either 19.0% or 25.0% in the periods ended 31 December 2022 and 30 June 2023 depending on the period in which it is forecast to unwind.

The current tax credit in each period represents payments due for group relief from other Companies in the Group.

Tax in Consolidated Statement of Comprehensive Income

There is a tax credit of £0.4m (June 2023: charge of £3.0m; December 2022: charge of £2.5m) in respect of the actuarial loss of £1.7m (June 2023: loss of 12.2m; December 2022: loss of £10.1m) in the Consolidated Statement of Comprehensive Income.

13 Goodwill

	£m
Cost:	
At 1 July 2023	1,458.4
At 31 December 2023	**1,458.4**
Accumulated impairment losses:	
At 1 July 2023	0.4
At 31 December 2023	**0.4**
Carrying amount:	
At 31 December 2023 (Unaudited)	**1,458.0**
At 31 December 2022 (Unaudited)	1,458.0
At 30 June 2023	1,458.0

14 Other intangible assets

	Licences	Development costs	Access rights	Software	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2023	6.8	22.7	4.3	74.5	7.5	115.8
Additions	-	1.1	-	-	5.7	6.7
Transfers from AUC (note 15)	-	0.2	-	12.0	(0.1)	12.1
Disposals	-	-	-	-	-	-
At 31 December 2023	**6.8**	**24.0**	**4.3**	**86.5**	**13.2**	**134.7**
Accumulated amortisation						
At 1 July 2023	5.5	12.7	4.3	36.3	-	58.8
Charge for the period	0.1	(0.8)	-	8.5	-	7.8
Disposals	-	-	-	-	-	-
At 31 December 2023	**5.6**	**11.9**	**4.3**	**44.8**	**-**	**66.6**
Carrying amount						
At 31 December 2023 (Unaudited)	**1.2**	**12.1**	**0**	**41.7**	**13.2**	**68.1**
At 31 December 2022 (Unaudited)	2.9	11.6	-	26.4	5.2	46.0
At 30 June 2023	1.3	10.0	-	38.2	7.5	57.0

15 Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2023	270.9	167.9	1,919.3	99.7	2,457.8
Additions	-	5.5	14.0	14.0	33.5
Completion of AUC	0.7	(0.7)	36.1	(36.1)	-
Transfers to intangibles (Note 14)	-	-	-	(12.1)	(12.1)
Disposals	-	(1.6)	(0.7)	-	(2.3)
At 31 December 2023	**271.6**	**171.1**	**1,968.7**	**65.5**	**2,476.9**
Accumulated depreciation					
At 1 July 2023	14.4	97.4	1,107.2	-	1,219.0
Charge for the period	2.7	5.5	38.5	-	46.7
Disposals	-	(0.9)	(0.7)	-	(1.6)
At 31 December 2023	**17.1**	**102.0**	**1,145.0**	**-**	**1,264.1**
Carrying amount					
At 31 December 2023 (Unaudited)	**254.5**	**69.1**	**823.7**	**65.5**	**1,212.8**
At 31 December 2022 (Unaudited)	258.0	75.7	833.5	124.0	1,287.8
At 30 June 2023	256.5	70.5	812.1	99.7	1,238.8

16 Trade and other receivables

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023
	£m	£m	£m
Trade receivables	65.5	59.4	65.2
Amounts receivable from other Group entities	5.8	6.7	5.2
Other receivables	4.7	4.5	14.7
Prepayments	21.1	30.9	31.5
Taxation and social security	11.1	14.0	1.9
	108.2	**115.5**	**118.5**
Contract assets	**15.4**	**15.7**	**9.3**

Amounts receivable from other Group entities are unsecured and repayable on demand.

17 Deferred tax

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Deferred tax asset	**201.1**	**207.6**	**212.6**
Deferred tax liability	**12.7**	**13.0**	**12.8**

The deferred tax asset relates predominately to fixed asset temporary differences, derivative financial instruments and tax losses. The deferred tax liability relates to retirement benefits. The Group continues to recognise the net deferred tax asset based on long-term forecast taxable profits that will arise. Forecasts used are consistent with those used for goodwill impairment testing. No tax attributes have a time expiry. The recognised deferred tax asset is not considered to be materially exposed to the performance of the Group based on reasonably possible trading forecasts.

18 Cash and cash equivalents

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Cash at bank	3.5	6.1	16.3
Short term deposits	17.6	26.5	20.0
Total cash and cash equivalents	**21.1**	**32.6**	**36.3**

19 Trade and other payables

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Current			
Trade payables	37.9	34.5	30.5
Amounts payable to other Group entities	1,685.8	1,581.3	1,622.7
Other payables	2.8	3.6	2.9
Accruals	50.2	53.9	63.2
Total current trade and other payables	**1,776.7**	**1,673.3**	**1,719.3**
Corporation tax	**-**	**2.4**	**-**
Contract liabilities	**122.0**	**102.3**	**116.0**
Non-Current			
Contract liabilities	**286.8**	**322.6**	**304.0**

Amounts payable to other Group entities are unsecured, interest free, and are repayable on demand.

20 Borrowings

	Denominated currency	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Within current liabilities:				
Lease liabilities	Sterling	17.3	19.0	18.3
Bank facilities[3]	Sterling	-	53.0	15.0
Senior debt	Sterling	-	90.0	262.0
Issue costs	Sterling	-	-	(0.4)
Senior bonds and notes (amortising)	Sterling	29.9	45.2	45.3
Accrued interest on junior and senior financing	Sterling	20.1	10.7	14.2
Borrowings due within one year		**67.3**	**217.9**	**354.4**
Within non-current liabilities:				
Bank loans		**450.0**	**622.0**	**450.0**
- *Senior debt*	Sterling	-	*172.0*	-
- *Junior loan*	Sterling	*450.0*	*450.0*	*450.0*
Other loans		**913.6**	**602.5**	**682.0**
- *Senior bonds, notes and private placements*	Sterling	*845.1*	*625.1*	*611.7*
- *Senior bonds, notes and private placements*	US Dollar	*92.6*	-	*93.5*
- *Issue costs*	Sterling	*(24.1)*	*(22.6)*	*(23.2)*
Amounts payable to other group entities		**45.2**	**45.2**	**45.2**
Lease liabilities		**46.5**	**58.5**	**50.7**
Borrowings due after more than one year		**1,455.3**	**1,328.2**	**1,227.9**

The majority of the balances within amounts payable to other Group entities were formalised under a single subordinated loan agreement with the direct parent company which has a long-term maturity date of 2033. These loans cannot be recalled earlier than the final maturity date other than with the agreement of the borrower.

The fair value of the senior quoted bonds based upon observable market prices (fair value hierarchy level 1) was £668.9m (31 December 2022: £409.2m; 30 June 2023: £379.2m) whilst their carrying amount was £654.0m (31 December 2022: £430.7m; 30 June 2023: £417.3m).

The Directors consider the fair value of all other borrowings to be a close approximate to their carrying value.

The weighted average interest rate of borrowings is 8.0% (31 December 2022: 7.2%; 30 June 2023: 7.0%).

An analysis of total borrowings (excluding issue costs) by maturity is as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Borrowings fall due within:			
One year	67.3	217.9	354.8
One to five years	1,075.4	450.9	764.4
More than five years	404.0	900.0	486.7
Total	**1,546.7**	**1,568.8**	**1,605.9**

Bank loans comprise **senior debt a**nd the **Junior loan**. **Other loans** are comprised from the Group's **senior bonds & notes**.

[3] Bank facilities include drawings on Senior working capital facility. This facility has a final maturity date of 2026.

Bank facilities are comprised of various facilities which the Group has access to. The Group has access to a £135.0m Senior Working Capital Facility maturing in 2024 and a £150.0m Liquidity Fund. These facilities are floating rate in nature with a margin over SONIA of between 120 and 130bps. The facilities had no drawings as at 31 December 2023 (31 December 2022: £53.0m; 30 June 2023: £15.0m).

The Group also has access to a Junior working capital facility of £70.0m. The Junior working capital facility is at a margin of 500bps over SONIA and matures in 2028. The Junior working capital facility was undrawn as of 31 December 2023.

For further information on the Group's liquidity risk management, see note 5.

Senior bonds and notes include a combination of publicly listed bonds and US private placement notes.

As at 31 December 2023, the Group has £654.0m (31 December 2022: £430.7m, 30 June 2023: £417.3m) sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21% (31 December 2022: 4.88% and 5.34%, 30 June 2023: 4.88% and 5.34%). These bonds are repayable between June 2028 and December 2032 and are listed on the London Stock Exchange. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds. This includes a £250m sterling denominated bond issued in July 2023 with a fixed interest rate of 7.21% and repayable in June 2028. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds.

The remaining senior notes relate to a number of US private placement issues in sterling and US dollars with either fixed or floating interest rates.

The Group has £221.1m (31 December 2022: £239.7m; 30 June 2023: £239.7m) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between December 2024 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

In addition, in June 2023 the Group completed the issue of $118.0m (31 December 2022: $nil; 30 June 2023: $118.0m) of US dollar denominated floating rate US private placements with a carrying value of £92.6m as at 31 December 2023 (31 December 2022: £nil, 30 June 2023: £93.5m). At the hedged rate these are valued at £95.1m (31 December 2022: £nil; 30 June 2023: £95.1m). These notes have fixed interest rates of 6.24% and have an amortising repayment profile commencing in December 2027 with a final maturity date of June 2031. Arqiva PP Financing Plc ('APPF') is the issuer of all the Group's private placement notes.

The proceeds of these refinancings were utilised to prepay the Group's £90m ITL and £172m EIB term debt.

All of the above financing instruments have covenants attached, principally an interest cover ratio and a debt leverage ratio, and benefit from security over substantially all of the Group's assets under a Whole Business Securitisation structure. The Group continues to comply with all covenant requirements.

Junior loan of £450.0m represent amounts raised by Arqiva Financing No 2 Ltd which £311.1m are at a floating rate and £138.9m at a fixed rate as of 31 December 2023. The floating rate loan is at a margin of 500bps over SONIA whilst fixed rate loan is at an average rate of 9.1%. The junior loan matures in 2028.

21 Financial instruments

With the exception of derivative financial instruments (which are recognised and measured at fair value through profit and loss) the Group's financial assets and financial liabilities are recognised and measured following the loans and receivables recognition category.

The weighted average interest rate of fixed rate financial liabilities at 31 December 2023 was 6.2% (31 December 2022: 6.1%; 30 June 2023: 5.6%). The weighted average period of funding was 5.2 years (31 December 2022: 4.5 years; 30 June 2023: 5.9 years).

Within the Group's financial liabilities were borrowings of £1,546.7m excluding issue costs (31 December 2022: £1,568.8m; 30 June 2023: £1,605.9m) (see note 21), which includes £671.1m (31 December 2022: £951.7m; 30 June 2023: £966.7m) with floating interest and the remainder with fixed interest (prior to hedging arrangements).

Derivative financial instruments
The Group seeks to manage the exposures of its debt payment obligations through a combination of index linked, interest rate and cross currency swaps.

At the period end, the Group held interest rate swaps with notional amounts of £183.9m (31 December 2022: £400.5; 30 June 2023: £179.5) which hedge the interest obligations of the Group's floating rate debt. The average fixed rate on these instruments is 0.3% (31 December 2022: 0.2%; 30 June 2023: 0.3%). The swap contracts have termination dates that match the maturities of the underlying floating rate debt instruments (see note 20).

The Group has also entered into index linked swaps (notional amounts of £681.8m in December 2023; December 2022: £681.8m) where the Group receives floating and pays fixed linked to inflation interest obligations to an average rate of 2.9% indexed with RPI. The notional amounts of these swaps increase with RPI and these accretion amounts are cash settled annually, most recently in June 2023 (£146.9m; 2022: £89.6m) based on the March index.

All of these instruments have a maturity date of April 2027. These instruments were established to hedge the Group's fixed rate debt (namely fixed rate sterling bonds and the fixed rate US Private Placement issues) and in order to ensure that the cash flow characteristics align with these instruments, the Group has entered into £670.4m (31 December 2022: £600.5m, 30 June 2023: £470.4m) of fixed to floating rate interest rate swaps to match the cash flows on both the fixed rate debt instruments and the index linked swaps set out above.

The Group also holds USD 118.0m (31 December 2022: nil, 30 June 2023: USD 118.0m) of cross-currency swaps to fix the Sterling costs of future interest and capital repayment obligations relating to the US dollar denominated private placement issue at and exchange rate of 1.241.

In June 2023 Arqiva agreed to close out a set of interest rate swaps of £9.7m, effective 4th July 2023. These were terminated as the underlying floating rate debt was refinanced prior to its maturity in FY24 with the fixed rate debt and these derivative instruments become surplus to Group's hedging requirements.

Junior financial instruments

The Group also holds junior interest rate swaps with a notional of £450m (31 December 2022: £450m, 30 June 2023: £450m) which hedges interest obligations of the Group's junior loan that was originally drawn at floating rate. The average fixed rate of this instrument is at 5.3%. The Group has £138.9m of corresponding fixed to floating overlay interest rate swaps to align the cash flow characteristics of the underlying fixed rate debt and original floating to fixed interest rate swaps. This instrument has an average fixed receivable rate of 4.3%.

The fair value of the junior interest rate swaps portfolio at 31 December 2023 is a liability of £12.0m (31 December 2022: £17.1m, 30 June 2023: £3.1m). This fair value is calculated using a risk-adjusted discount rate.

The fair value of the interest rate, inflation linked swaps and cross-currency swaps at 31 December 2023 is a liability of £215.2m (31 December 2022: £306.2m, 30 June 2023: £206.2m). This fair value is calculated using a risk-adjusted discount rate.

The following table details the fair value of financial instruments recognised on the statement of financial position:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Within non-current assets			
Interest rate swaps	21.7	43.2	31.5
	21.7	43.2	31.5
Within non-current liabilities			
Interest rate swaps	(12.0)	(17.1)	-
Inflation-linked interest rate swaps	(216.5)	(332.3)	(235.6)
Cross-currency swaps	(8.4)	-	(2.1)
	(236.9)	(349.4)	(237.7)
Total	**(215.2)**	**(306.2)**	**(206.2)**
Change in fair value recognised in the income statement:			
- Attributable to changes in market conditions	(1.8)	(31.6)	(31.6)
- Attributable to changes in perceived credit risk	(0.8)	5.1	3.6
Change in fair value of the cross currency swap (a)	(6.4)	-	(1.8)
Total loss recognised in the income statement	**(9.0)**	**(26.5)**	**(29.8)**
Cash settlement of principal accretion on inflation-linked swaps	-	33.8	146.9
Accrued settlement on close out of inflation linked swaps	-	-	(9.7)
Total change in fair value	**(9.0)**	**7.3**	**107.4**

a) £0.9m of the change in fair value is attributable to foreign exchange movements on the USD denominated swap

Where possible, the Group seeks to match the maturity of any derivative contracts with that of debt instruments that it has issued.

The fair value of all other financial assets and liabilities is considered to be a close approximation to their carrying amount.

Fair value hierarchy
Financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest rate swaps, inflation linked swaps and cross currency swaps are all classed as level 2 on the fair value hierarchy. In each case the items are valued based upon discounted cash flow. Future cash flows are estimated based on forward (interest/ inflation/ exchange) rates observable from rates and yield curves at the end of the reporting period, and contract rates, discounted at a risk-adjusted rate

22 Provisions

	Decommissioning	Restructuring	Remediation	Other	Total
	£m	£m	£m	£m	£m
At 1 July 2023	71.6	0.4	3.8	5.2	81.0
Unwind of discount (note 10)	2.7	-	0.2	-	2.9
Utilised in the year	-	-	-	-	-
Charged to income statement	-	-	-	0.4	0.4
At 31 December 2023 (Unaudited)	**74.3**	**0.4**	**4.0**	**5.6**	**84.3**
At 31 December 2022 (Unaudited)	80.3	0.2	3.8	4.2	88.5

	31 December 2023 Unaudited	31 December 2022 Unaudited	30 June 2023
	£m	£m	£m
Analysed as:			
Current	3.2	3.2	3.3
Non-current	81.1	85.3	77.7
	84.3	**88.5**	**81.0**

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties. The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040. A discount rate of 7.2% has been applied in calculating the decommissioning provision (31 December 2022: 5.6%, 30 June 2023: 7.2%) based on the Group's weighted average cost of capital.

The restructuring provision relates to the costs of exceptional activities to reorganise the Group.

The remediation provision represents the cost of works identified as being required across a number of the Group's sites and is expected to be utilised over the next one to ten years.

Other provisions represent a variety of smaller items which are expected to be utilised over the next one to ten years.

23 Notes to the cash flow statement

Reconciliation from operating profit to net cash from operating activities:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Operating profit	110.2	129.0	237.7
Adjustments:			
Depreciation of property, plant and equipment	46.7	39.1	91.7
Amortisation of intangible assets	7.8	6.6	12.9
Loss on disposal of property, plant and equipment	-	0.4	0.7
Gain on lease modification	(0.1)	-	(1.6)
Other income	(3.9)	(3.9)	(7.8)
Revenue service credits	-	0.3	15.3
Receipt of insurance stage payments	(16.0)	(10.0)	(20.0)
Operating cash flows before movements in working capital	**144.7**	**161.5**	**328.9**
Increase / (decrease) in receivables	8.3	(0.4)	9.4
Decrease in payables	(26.9)	(31.4)	(61.7)
Increase / (decrease) in provisions	0.3	(0.4)	0.7
Cash generated from operating activities	**126.4**	**125.7**	**277.3**

Analysis of changes in financial liabilities:

	At 1 July 2023 £m	Changes in financing cash flows (Cash) £m	Changes in foreign exchange (Non-cash) £m	Changes in fair value (Non-cash) £m	Other changes including accrued interest (Non-cash) £m	At 31 December 2023 £m
Current borrowings (Note 20)	340.6	(323.1)	-	-	29.7	47.2
Non-current borrowings (Note 20)	1,251.1	250.0	(0.9)	-	(20.8)	1,479.4
Accrued interest on borrowings (Note 20)	14.2	(50.1)	-	-	56.0	20.1
Derivative financial instrument Liabilities (Note 21)	206.2	-	0.9	8.1	-	215.2
Total	**1,812.1**	**(123.2)**	**-**	**8.1**	**(64.9)**	**1,761.8**

24 Financial commitments and contingent liabilities

Financing commitments
Under the terms of the Groups external debt facilities, the Group has provided security over substantially all of its assets by way of a Whole Business Securitisation structure.

Capital commitments
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as a liability are payable as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Within one year	6.5	10.7	7.3
Within two to five years	10.5	5.3	10.3
Total capital commitments	**17.0**	**16.1**	**17.6**

There are no capital commitments payable in more than five years.

Contingent assets and liabilities

Bilsdale Tower Fire

Management continues to work with specialist advisors to assess any further potential financial penalties and service credits that may be due to third parties. At the current time it is not possible to determine the expected outcome or quantification of such amounts over and above the amounts already provided.

25 Leases

Leases as lessee (IFRS 16)

The group holds lease arrangements primarily relating to land and buildings, circuit contracts and vehicles.

Right of use assets
Right-of-use assets related to leased properties and land (other than investment property) are presented as property, plant and equipment. Plant and equipment leases relate to the use of fibre, other fixed telecommunications lines, and IT equipment.

	Leasehold buildings £m	Plant and equipment £m	Total £m
Balance at 1 July 2023	46.3	14.8	61.1
Depreciation charge for the year	(4.4)	(4.6)	(9.0)
Additions to right of use assets	0.5	1.5	2.0
Effect of modifications to lease terms	3.3	1.6	4.9
Derecognition of right of use assets	(0.2)	-	(0.2)
Balance at 31 December 2023	**45.5**	**13.3**	**58.8**

Amounts recognised in the Income Statement

Leases under IFRS 16	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Interest on lease liabilities	2.3	2.9	5.4
Expenses relating to variable lease payments not included in the measurement of lease liabilities	1.8	1.4	2.7

Amounts recognised in the cashflow statement

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Total cash outflow for leases	14.2	14.8	26.6

26 Related party transactions

Balances and transactions between Group entities, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with the Group's pension scheme are disclosed in note 27.

The disclosure of transactions with related parties reflects the periods in which the related party relationships exist. The disclosure of amounts outstanding to/from related parties at the reporting date reflects related party relationships at that date.

The Group entered into the following transactions with related parties who are not members of the Group:

	Sale of goods and services			Purchase of goods and services		
	Six months to 31 December 2023 £m	Six months to 31 December 2022 £m	Year ended 30 June 2023 £m	Six months to 31 December 2023 £m	Six months to 31 December 2022 £m	Year ended 30 June 2023 £m
Associates	-	-	-	-	-	-
Joint ventures	2.6	2.7	4.8	2.4	2.8	2.8
Entities under common influence	-	8.4	20.1	-	-	-
Other group entities	30.5	35.0	75.4	-	-	-
	33.1	**46.1**	**100.3**	**2.4**	**2.8**	**2.8**

All transactions are on third-party terms and all outstanding balances, with the exception of the amount outstanding referenced below, are interest free, un-secured and are not subject to any financial guarantee by either party.

As at 31 December 2023, the amount payable to joint ventures was £0.2m (31 December 2022: £0.2m; 30 June 2023: £0.3m). There were no amounts receivable from joint ventures as at 31 December 2023 (31 December 2022: £nil; 30 June 2023: £nil).

As at 31 December 2023, the amount receivable from associates was £nil (31 December 2022: £nil; 30 June 2023: £nil). There were no amounts payable to associates as at 31 December 2023 (31 December 2022: £nil; 30 June 2023: £nil).

As at 31 December 2023, the amount receivable from entities under common influence was £nil (31 December 2022: £2.7m; 30 June 2023: £5.3m). There were no amounts payable to entities under common influence as at 31 December 2023 (31 December 2022: £nil; 30 June 2022: £nil).

Details of the balances the Group held with its immediate parent and other subsidiaries within the largest Group in which the Company and its subsidiaries consolidate (see note 26) are set out in notes 16, 19 and 20.

27 Retirement benefits

Defined benefit scheme
In the period to 31 December 2023, the Group operated one defined benefit plan ('the Plan'), sponsored by Arqiva Limited. The defined benefit plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The trustees are responsible for the investment policy with regard to the Plan assets.

The Plan closed to the future accrual of benefits on 31 January 2016. The weighted average duration of the expected benefit payments from the Plan is around 16 years.

The triennial valuation carried out as at 30 June 2020 has been used for the purposes of measuring the plan assets and the present value of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures.

Amounts recognised in the income statement in respect of the defined benefit plan were as follows:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Components of defined benefit finance income recognised in profit or loss	1.3	1.2	2.4
	1.3	**1.2**	**2.4**

The net interest item has been included within finance income (see note 9). The re-measurement of the net defined benefit liability is included in the statement of comprehensive income.

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plan were as follows:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Gain/ (losses) on Plan assets excluding Interest Income	7.5	(34.1)	(38.6)
Experience gains arising on the Plan's liabilities	(0.6)	(1.7)	(9.5)
Actuarial gains / (losses) arising from changes in financial assumptions	(8.6)	25.7	34.9
Actuarial gains arising from changes in demographic assumptions	-	-	1.0
	(1.7)	**(10.1)**	**(12.2)**

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit plan were as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Fair value of Plan assets	219.2	213.3	210.1
Present value of Plan liabilities	(168.4)	(161.2)	(158.9)
Surplus	**50.8**	**52.1**	**51.2**

28 Controlling parties

The Company's immediate parent is Arqiva Intermediate Limited ('AIL). Copies of the AIL financial statements can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

The ultimate UK parent undertaking is Arqiva Group Limited ('AGL') which is the parent undertaking of the largest group to consolidate these financial statements.

Copies of the AGL consolidated financial statements can be obtained from the Arqiva website www.arqiva.com or from Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

AGL is owned by a consortium of shareholders including Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company.

Arqiva Group Parent Limited

Registered number 08085794

Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2023

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Interim financial report

The Directors of Arqiva Group Parent Limited ('AGPL'), registered company number 08085794, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2023.

Cautionary statement
This interim financial report ('IFR') contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Group to differ materially from the information presented herein. When used in this IFR, the words "estimate", "project", "intend", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, the Group does not undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The risks and uncertainties referred to above include:

- actions or decisions by governmental and regulatory bodies, or changes in the regulatory framework in which the Group operates, which may impact the ability of the Group to carry on its businesses;
- changes or advances in technology, and availability of resources such as spectrum, necessary to use new or existing technology, or customer and consumer preferences regarding technology;
- the performance of the markets in the UK, the EU and the wider region in which the Group operates;
- the ability of the Group to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the ability of the Group to develop, expand and maintain its broadcast and utilities infrastructure;
- the ability of the Group to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;
- the Group's dependency on only a limited number of key customers for a large percentage of its revenue; and
- expectations as to revenues not under contract.

Business overview

Arqiva is the UK's leading enabler of digital connected solutions across the Media Distribution and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £3.1bn as at 30 June 2023.

Recent developments since 30 June 2023

DTT Multiplexes
Despite challenging trading conditions for customers that saw insolvencies of 2 customers on the DTT platform during the six months to 31 December 2023, the platform was fully utilised at the reporting date as replacement customers were launched.

Radio
Contracts with our larger customers relating to 80% of capacity on the national multiplex D1 have been extended out to 2035 which further provides certainty in revenues for the longer term, whilst the remainder of the mux remains fully occupied. SDL, the 2nd national multiplex, is also fully occupied and a large number of contracts are secured until the current license end date in 2028.

Our local DAB multiplexes remain 83% occupied despite exposures in the market due to softer advertising. Negotiations for customer launches are ongoing and are agreed in principle securing capacity across all the muxes out to 2035.

Direct to Home (DTH)
Earlier in 2023, Arqiva signed a multi-year deal with a UK Public Service Broadcaster ('PSB'), representing the first DTH deal (including satellite capacity) that has been signed with a PSB, demonstrating Arqiva's strategy of increasing its market share in the UK TV broadcast market. The services are scheduled to launch later in FY24.

At the end of the quarter the DTH platforms remain almost full with renewals completed for SBN, Talking Pictures, Virgin radio and Talk Sport. Negotiations are progressing for some of the multi-channel broadcasters and are looking positive for renewals early in the new year.

Media Management Products
Arqplex, the Group's cloud multiplexing deployment, is in service, supporting 5 disaster recovery systems for ITV. A second customer deployment, Paramount, has been agreed and will be live in the next 6 months.

Arqade, Arqiva's cloud-based video content exchange product launched in 2022, enables media companies to interchange their content with multiple platforms efficiently across the world.

Arqads, our addressable advertising solution, is powering new customer services for Sky AdSmart and development of features to support targeted advertising on Freeview is underway.

There is an exciting pipeline of potential customers across all of these products we are in the process of a number of active bids to expand this business.

Government (DCMS) updates
The Government published a draft Media Bill in March 2023 with a second reading in Parliament completed in November 2023. The Bill includes a range of provisions to modernise broadcasting regulation and support public service broadcasters, including measures to provide public service broadcasters with the flexibility to fulfil their remit across a range of services, provide prominence for public service broadcasters on connected devices, reduce regulatory burdens for commercial radio stations, and protect radio's position on voice-activated smart speakers. During parliamentary, reading MPs spoke about the importance of protecting delivery of Broadcast TV into the long-term, to ensure broadcast services remain available to everyone in the UK and additional measures to be addressed through amendments.

In October 2023, Ofcom launched its call for evidence on the future of TV distribution over the next 10-15 years with a closing date for submissions in December 2023. Both Arqiva and the Broadcast 2040+ coalition submitted evidence. The Ofcom review follows the DCMS asking Ofcom to review market changes that may affect TV distribution in its 2022 Broadcasting white paper. The Culture Secretary has also announced that DCMS will undertake research on the future of TV to inform long-term policy decisions. Arqiva is proactively engaging in these processes and providing information on the important role of DTT in serving UK audiences in the future.

The World Radio Conference (WRC) 23 (which determines the allocation of radio spectrum between countries), took place in Dubai concluding in December 2023. The conference saw no changes for the use of spectrum in the UK and that this would next be reviewed at WRC 31 and that any review would be in relation to the upper part of the spectrum used by DTT rather than the whole band.

Smart Utilities Networks

Regulatory Environment
The water sector regulator Ofwat has drafted its price review 2024 methodology, setting out its expectations for water companies 2025-2030 business plans. Ofwat outlined its support for investment in smart metering and the importance of reducing leakages. Ofwat further outlined that companies should consider smart meters that provide near real time data as the standard meter installation type.

Water companies have submitted their business plans, and Ofwat is due to release its draft determinations by June 2024, before its final determinations in December 2024. Company business plans indicate the sector could aim to rollout over 15 million advanced metering infrastructure smart meters by 2030; subject to Ofwat's final determinations.

In October 2023, the National Infrastructure Commission (NIC) released its Second National Infrastructure Assessment, which takes a 30-year view of the UK's infrastructure needs and provides recommendations to Government on how to meet these needs. The NIC recommended the Government enable water companies to implement compulsory metering and require companies to systematically roll out smart meters.

Anglian Water
Since the award of the Anglian Water contract in June 2020, the Group has deployed 700,000 meters. The pace of network rollout continues to accelerate with a joint plan to complete all sites before the end of the 2020-2025 period. Device deliveries continue at a rate of 40,000 per month. Anglian have launched their 2025-2030 procurement process with the process conclusion expected in July 2024.

Thames Water
Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2024 achieved delivery of 1m meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. Arqiva continues to expand its network for Thames outside the London area, with additional sites on track for delivery this financial year.

SGN Hybrid Connectivity
Following a successful bid for the Strategic Connectivity competitive procurement exercise, Arqiva has been awarded the preferred supplier status for all three lots and will be working with SGN to conclude the contract in the next few months.

Other Smart Water Metering Procurements

Utilities metering continue to be a focus for Arqiva and in line with existing and future business plans of water companies and we expect an increased number of procurement opportunities in this market over the coming year.

Smart Water Metering Solution

The smart water metering solution portfolio has been expanded to include incremental network technologies and meter manufactures to offer choice for customers with different preferences driven by their geography, budget and use cases.

Beyond the Meter

Our Sewer Level Monitoring trial has continued with Anglian Water with 9 sites deployed and with positive feedback. The requirements are now expanded to include a wide range of sensors such as water quality, pressure and temperature.

Customer Application and Data Analytics

We have further shared with existing and potential customers a new protype version of our performance reporting tool, very positive feedback has been received and the development is continuing, we hope to deliver this to interested customers ready for the procurement cycle for the next regulatory period. This has been successfully deployed for SES Water.

Smart energy metering rollout

The Group's smart metering communication network in the North of England and Scotland continues to cover 99.5% of premises. There are currently over 2.9 million communications hubs operating on the network representing circa 25% of the total UK communication hub installations. Our communications hub supply chain remains stable with historic backlogs in communications hubs deliveries now cleared in support of the programme rollout. Continued volatility in global energy markets combined with domestic initiatives to address the increasing need for a more flexible and data driven energy system, creates the need for considerable change and places new additional demand on our solution. We have built a strong pipeline of change requests submitted by the Data Communications Company (DCC) to meet these needs, including an expansion in capacity to support the additional traffic and network demands now forecasted to occur.

Corporate Update

Bilsdale Mast Fire

Following the build of the new permanent 300m mast at Bilsdale, radio services were made live in January 2024. This followed television restoration in May 2023 and now means all broadcast services have been restored to the main Bilsdale mast.

Britain's Healthiest Workplace

In January 2024 Arqiva was named Britain's Heathiest Workplace, in the 'large organisations' category (1000+ employees). This further demonstrates our commitment to ensuring the overall welfare of our employees.

Financial results

The following table summarises the headline financials for the period:

	Six Months Ended 31 December 2023 (Unaudited) £ millions	2022	% Change
Revenue			
Commercial			
- Media Distribution	244.9	234.2	4.6%
- Smart Utilities Networks[1]	79.2	68.0	16.5%
Total Group revenue	**324.1**	**302.2**	**7.2%**
EBITDA[2]			
Commercial			
- Media Distribution	163.5	176.9	(7.6)%
- Smart Utilities Networks	32.1	32.3	(0.6)%
Other			
- Corporate	(16.9)	(14.2)	(19.1)%
- Operations	(12.6)	(11.4)	(10.5)%
- Technology	(19.5)	(17.8)	(9.6)%
Total EBITDA (excluding exceptionals)	**146.6**	**166.0**	**(11.6)%**
Net cash inflow from operating activities	125.4	125.7	(0.2)%
Net capital expenditure	(34.3)	(36.2)	5.2%
Receipt of insurance stage payment	16.0	10.0	60.0%
Operating cash flow after capital and financial investment activities	**107.1**	**99.5**	**7.6%**

Income Statement

Revenue

For the six month period ended 31 December 2023, revenue for the Group was £324.1m, an increase of 7.2% from the prior year period. All revenue is associated with the commercial function of the business.

Media Distribution

Revenue for the Group's media distribution business during the six-month period ended 31 December 2023 was £244.9m, representing a 4.6% increase from £234.2m in the prior year period. This increase has been driven by core TV and radio distribution products which have remained strong with inflationary increases linked to RPI indexation on these long-term contracts as well as the passthrough of power costs to customers following power price increases. This is partially offset by the impact of pricing pressures on renewals across the Group's DTT as well as channel vacancies following customer administration however these have returned to full utilisation by the end of the period following the launch of replacement customers. Managed media services have also decreased year on year due to customer terminations.

Smart Utilities Networks

Revenues from utilities have increased 16.5% period on period from £68.0m to 79.2m. The increase is due to the continued strong communication device sales on water metering contracts. There have also been further increases in incremental revenues and network availability across smart energy metering change requests.

[1] For the avoidance of doubt, Smart Metering machine-to-machine financials included in this report refer solely to the ABPL financials.
[2] EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that are not considered to reflect the underlying performance of the business.

Smart Utilities revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex.

EBITDA

For the six months ended 31 December 2023, EBITDA (as defined in Note 7) for the total reported Group was £146.6m, an 11.6 % decrease from £166.0m in the prior year period.

Media Distribution

EBITDA for the Group's Media Distribution business during the six-month period ended 31 December 2023 was £163.5m, representing a 7.6% decrease from £176.9m in the prior year period. Despite the increase in revenue explained above, margins have been significantly impacted by increased energy costs incurred due to new power contracts at higher cost entered into in April 2023.

Smart Utilities Networks

EBITDA for the utilities business has remained broadly consistent year on year at £32.1m. Despite the increase in revenues mainly driven by the increase in communications device sales, these are a relatively low margin product therefore EBITDA has remained flat.

Corporate

Corporate EBITDA represents costs for the support functions such as finance, legal and HR services. EBITDA for this function has increased in cost 19.1% to a loss of £16.9m for the six-month period to 31 December 2023 from a loss of £14.2m in the prior year period. This increase is predominantly driven by the benefit of surplus bonus and incentive programmes accrual released in the prior year not repeated.

This is partially offset by a decrease in permanent and agency staff costs due to costs associated with the Simplification function included in the prior year. During the current year, the teams within this function have been reallocated to other areas of the business.

Operations

The Operations functional segment is responsible for the efficient operation and maintenance of all Arqiva services including field engineers, disaster recovery and network operations. EBITDA for the operations segment has increased in cost 10.5% from a loss of £11.4m in the prior year period to a loss of £12.6m in the six months to 31 December 2023. The increase is predominantly due to staff costs and recoveries due to the nature of projects being worked on by the team.

Technology

EBITDA for the Technology function for the six-month period ended 31 December 2023 was a loss of £19.5m, a 9.6% increase in cost from a loss of £17.8m in the prior year period. The increase in cost is mainly due to consultancy fees and licence costs due to transformation of IT systems.

Depreciation

Depreciation for the Group during the six-month period ended 31 December 2023 was £46.9m, an increase of 19.9% from the prior year period figure of £39.1m. The increase is driven by a one-off reduction in the prior year period following reassessment of the calculation of depreciation in relation to certain capital programmes not repeated. This is partially offset by a reduction in accelerated depreciation from the prior year period not repeated particularly in connection with assets replaced under the 700MHz Clearance Programme as the programme reached completion.

Amortisation

Amortisation for the Group during the six-month period ended 31 December 2023 was £7.6m, an increase of £1.0m from £6.6m in the prior year period.

Exceptional operating expenses

Exceptional operating expenses for the Group during the six-month period ended 31 December 2023 were £1.8m, decreasing from £3.9m incurred in the prior year period. Exceptional items charged to operating profit in the current year predominantly related to restoration costs arising from the Bilsdale fire and restructuring.

The restoration costs of £1.8m incurred within exceptional operating expenses (31 December 2022: £2.4m) were associated with the Bilsdale transmitter following a fire which broke out on 10 August 2021 including support costs following the completion of the new permanent mast and ongoing works. Costs recognised are those which have been incurred to date and can be reliably measured.

The Group engaged with insurers regarding the fire and a final stage payment of £16.0m was received in August 2023 which has been recognised as exceptional other income in the income statement. This brings the total insurance proceeds received to date to £41.0m.

Net bank and other loan interest

Net bank and other loan interest for the Group for the six-month period was £34.1m compared to £27.2m in the prior year period. This increase was as a result of higher interest charges on interest rate swap instruments held as well as higher interest rates on incremental debt following refinancing completed in July 2023.

Other interest

Other interest for the continuing operations of the Group for the six-month period was £15.4m, compared to £14.3m in the prior year period. Other interest is primarily non-cash and principally includes the amortisation of debt issue costs, interest on lease obligations and imputed interest.

Interest payable to group undertakings

Interest payable to group undertakings for the six-month period was £100.1m, compared to £92.2m in the prior year period. The increase is due to the compounding of outstanding interest balances.

Other gains and losses

Other gains and losses include net losses of £0.8m (31 December 2022: £8.9m loss) recognised as a result of fair value movements of swaps, principally attributable to changes in forward market rates and credit spreads.

Financial position

As at 31 December 2023 net liabilities for the Group were £674.0m, an increase of 4.2% from £646.9m in the prior year period. The net liability position is primarily driven by the borrowings and derivative financial instruments held by the Group.

Cash Flow

A reconciliation of the reported EBITDA to net cash inflow from operating activities is provided below:

	Six months ended 31 December 2023 (Unaudited) £m	**Six months ended 31 December 2022 (Unaudited) £m**
EBITDA	146.6	166.0
Exceptional items	(1.8)	(4.2)
Working capital	(18.3)	(32.2)
Other	(0.9)	(3.9)
Net cash inflow from operating activities	**125.5**	**125.7**

Net cash inflow from operating activities for the six-month period ended 31 December 2023 was £125.4m compared to £125.7 for the prior year period, representing an 0.2% decrease. Whilst EBITDA has decreased year on year, this is offset by movements in working capital.

The Group's business is not seasonal in nature. Annual staff bonus payments are made in the first half of the year. The working capital outflow for the six months to 31 December 2023 was driven by the utilisation and unwind of deferred income and timing of payments, typical with historic trends of the business. The decrease in working capital outflows from the prior year period is due to an increase in receivables due to timing of receipts around period end.

Net capital expenditure in the six-month period ended 31 December 2023 was £34.3m compared with £35.2m in the prior year period. Capital expenditure has decreased due to reductions on major capital programmes contracts including the Group's IT transformation programme that completed in the prior year as well as capital works on the Bilsdale transmitter site following the rebuild of the permanent mast. These decreases have been partially offset by an increase in Broadcast due to new products and one-off including a programme to improve the efficiency of sites management with Cellnex. Expenditure is also impacted by the timing of cash payments made on the settlement of capital expenditure accruals balances.

Operating cash flow after all capital and investment activities was £107.1m compared to £99.5m in the prior year period, representing an increase of 7.6%. This is principally driven by the receipt of the final insurance stage payment in relation to the Bilsdale transmitter fire. There is no material movement in net operating activities and capital expenditure cash flows.

Total cash for the Group has increased by £14.9m in the six-month period ended 31 December 2023 (31 December 2022: £17.8m outflow). Current year cash flows include outflows following the completion of senior debt refinancing in July 2023 with proceeds of a £250m public bond issue utilised to prepay the Group's previous £90m ITL and £172m EIB term debt.

Operational delivery
The Group continues to deliver projects and engage with all contract stakeholders to meet future milestones. This includes:

- The Smart metering M2M contract has continued to achieve 99.5% network coverage in the North of England and Scotland.
- Rollout of water metering on contracts won with Anglian Water, Thames Water and Northumbrian Water. Other smart water metering trials are in progress

Other Key Performance Indicators (KPIs) for the Group are the level of network availability across both TV and radio infrastructure. The Group's total level of network availability across both TV and radio infrastructure was 99.95% during the six months ended 31 December 2023 (six months ended 31 December 2022: 99.96%).

Risks and uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 30 June 2023, which is available from the Group's website at www.arqiva.com.

ISO certification and Cyber security
Arqiva holds certification to ISO/IEC 27001:2013. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This allows Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification last given in May 2022.

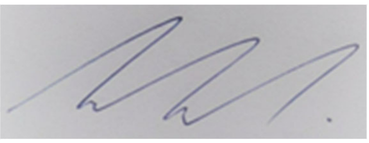
Arqiva also holds Cyber Essentials certification. Cyber Essentials is a government-backed, industry-supported scheme to help organisations guard against the most common cyber threats and demonstrate their commitment to cyber security. Arqiva has held this certification since 2016 and recertifies annually.

Going concern
The Group meets our day-to-day working capital and financing requirements through the net cash generated from our operations.

The Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including any severe but plausible scenarios. The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund our current operations, including our contractual and commercial commitments both in terms of capital programmes and financing as they fall due.

For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Future outlook
The Group will continue to invest in its core infrastructure markets with a continued focus on operating these businesses more efficiently in order to deliver sustained growth in earnings. Net capital investment is anticipated to reduce in line with the phasing of expenditure on the Group's major capital programmes.



Scott Longhurst
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

23 February 2024

Consolidated interim income statement

	Note	Six months ended 31 December 2023 Unaudited £m	Six months ended 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Revenue[1]	7	324.1	302.2	613.3
Cost of sales		(123.8)	(89.2)	(195.4)
Gross profit		**200.3**	**213.0**	**417.9**
Depreciation	15	(46.7)	(39.1)	(91.7)
Amortisation	14	(7.8)	(6.6)	(12.9)
Other operating expenses		(53.7)	(48.3)	(96.7)
Exceptional operating expenses	8	(1.8)	(3.9)	(6.7)
Total operating expenses		(110.0)	(97.9)	(208.0)
Other income		3.9	3.9	7.8
Exceptional other income		16.0	10.0	20.0
Operating profit		**110.2**	**129.0**	**237.7**
Finance income	9	2.5	1.8	3.2
Finance costs	10	(149.6)	(133.7)	(271.2)
Other gains and losses	11	0.8	(8.9)	(25.1)
Loss before tax		**(36.1)**	**(11.8)**	**(55.4)**
Tax	12	1.3	2.9	5.1
Loss for the period		**(34.8)**	**(8.9)**	**(50.3)**
Attributable to:				
Owners of the company		(34.9)	(9.0)	(50.6)
Non-controlling interest		0.1	0.1	0.3
		(34.8)	**(8.9)**	**(50.3)**

Further comments on consolidated income statement line items are presented in the notes to the financial statements on pages 15 to 35.

[1] Prior period revenues are stated net of exceptional service credits recognised in the year. See note 8 for detail.

Consolidated interim statement of comprehensive income

	Note	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Loss for the period		**(34.8)**	**(8.9)**	**(50.3)**
Items that will not be reclassified subsequently to profit or loss				
Actuarial loss on defined benefit pension schemes	27	(1.7)	(10.1)	(12.2)
Movement on deferred tax relating to pension schemes		0.4	2.5	3.0
		(1.3)	**(7.6)**	**(9.2)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		-	-	0.1
		(1.3)	**(7.6)**	**(9.1)**
Total comprehensive loss		**(36.1)**	**(16.5)**	**(59.4)**
Attributable to:				
Owners of the Company		(36.2)	(16.6)	(59.7)
Non-controlling interest		0.1	0.1	0.3
Total comprehensive loss		**(36.1)**	**(16.5)**	**(59.4)**

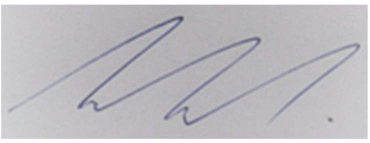
All items of other comprehensive income relate to continuing operations.

Consolidated interim statement of financial position

	Note	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Non-current assets				
Goodwill	13	1,458.0	1,458.0	1,458.0
Other intangible assets	14	68.1	46.0	57.0
Property, plant and equipment	15	1,212.8	1,287.8	1,238.8
Deferred tax	17	191.1	192.9	199.1
Retirement benefits	27	50.8	52.1	51.2
Interest in associates and joint ventures		0.1	0.1	0.1
Derivative financial instruments	21	21.7	43.2	34.8
		3,002.6	**3,080.1**	**3,039.0**
Current assets				
Trade and other receivables	16	310.0	245.2	253.9
Contract assets	16	15.4	15.7	9.3
Cash and cash equivalents	18	20.4	31.1	35.3
		345.8	**292.0**	**298.5**
Total assets		**3,348.4**	**3,372.1**	**3,337.5**
Current liabilities				
Borrowings	20	(55.9)	(205.9)	(340.7)
Trade and other payables	19	(1,776.5)	(1,613.2)	(1,658.5)
Corporation tax	19	-	(2.4)	-
Contract liabilities	19	(122.0)	(102.3)	(116.0)
Provisions	22	(3.2)	(3.2)	(3.3)
		(1,957.6)	**(1,927.0)**	**(2,118.5)**
Net current liabilities		**(1,611.8)**	**(1,635.0)**	**(1,820.0)**
Non-current liabilities				
Borrowings	20	(1,472.2)	(1,348.3)	(1,246.2)
Derivative financial instruments	21	(224.9)	(331.8)	(237.9)
Contract liabilities	19	(286.6)	(322.6)	(303.9)
Provisions	22	(81.1)	(85.3)	(77.9)
		(2,064.8)	**(2,088.0)**	**(1,865.9)**
Total liabilities		**(4,022.4)**	**(4,015.0)**	**(3,984.4)**
Net liabilities		**(674.0)**	**(642.9)**	**(646.9)**

	Note	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Equity				
Share capital		0.1	0.1	0.1
Accumulated losses		(959.9)	(850.9)	(923.7)
Capital contribution reserve		473.0	395.4	464.0
Merger reserve		(188.5)	(188.5)	(188.5)
Translation reserve		(0.6)	(0.7)	(0.6)
Equity attributable to owners of the Company		**(675.9)**	**(644.6)**	**(648.7)**
Non-controlling interest		1.9	1.7	1.8
Total equity		**(674.0)**	**(642.9)**	**(646.9)**

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 February 204 and were signed on its behalf by:



Scott Longhurst - Director

Consolidated statement of changes in equity

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2023	**0.1**	**464.0**	**(188.5)**	**(923.7)**	**(0.6)**	**(648.7)**	**1.8**	**(646.9)**
(Loss) / profit for the period	-	-	-	(34.9)	-	(34.9)	0.1	(34.8)
Other comprehensive expense	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Total comprehensive income	-	-	-	(36.2)	-	(36.2)	0.1	(36.1)
Capital contribution	-	9.0	-	-	-	9.0	-	9.0
Balance at 31 December 2023	**0.1**	**473.0**	**(188.5)**	**(959.9)**	**(0.6)**	**(675.9)**	**1.9**	**(674.0)**

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2022	**0.1**	**395.1**	**(188.5)**	**(834.3)**	**(0.7)**	**(628.3)**	**1.6**	**(626.7)**
(Loss) / profit for the period	-	-	-	(9.0)	-	(9.0)	0.1	(8.9)
Other comprehensive expense	-	-	-	(7.6)	-	(7.6)	-	(7.6)
Total comprehensive income	-	-	-	(16.6)	-	(16.6)	0.1	(16.6)
Capital contribution	-	0.3	-	-	-	0.3	-	0.3
Balance at 31 December 2022	**0.1**	**395.4**	**(188.5)**	**(850.9)**	**(0.7)**	**(644.6)**	**1.7**	**(642.9)**

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2022	**0.1**	**424.7**	**(188.5)**	**(863.9)**	**(0.7)**	**(628.3)**	**1.6**	**(626.7)**
(Loss) / profit for the period	-	-	-	(50.6)	-	(50.6)	0.3	(50.3)
Other comprehensive expense	-	-	-	(9.2)	0.1	(9.1)	-	(9.1)
Total comprehensive income	-	-	-	(59.8)	**0.1**	**(59.7)**	**0.3**	**(59.4)**
Dividends paid	-	-	-	-	-	-	(0.1)	(0.1)
Capital contribution	-	39.3	-	-	-	39.3	-	39.3
Balance at 30 June 2023	**0.1**	**464.0**	**(188.5)**	**(923.7)**	**(0.6)**	**(648.7)**	**1.8**	**(646.9)**

Consolidated interim cash flow statement

	Note	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Net cash inflow from operating activities	23	**126.5**	**125.7**	**277.9**
Investing activities				
Interest received		1.2	0.4	1.1
Purchase of tangible assets		(26.2)	(30.0)	(58.4)
Purchase of intangible assets		(6.7)	(6.2)	(6.3)
Proceeds on disposal of tangible fixed assets		-	1.0	0.8
Receipt of insurance stage payments		16.0	10.0	20.0
		(15.7)	**(24.8)**	**(42.8)**
Financing activities				
Raising of external borrowings		250.0	19.0	95.3
Repayment of external borrowings		(308.9)	(37.0)	(69.3)
Repayment to parent undertakings		(23.5)	13.0	(9.9)
Movement in borrowings		**(82.4)**	**(5.0)**	**(16.1)**
Repayment of capital element of lease rentals		(11.8)	(11.4)	(21.2)
Interest element of lease rentals		(2.4)	(2.6)	(5.4)
Interest paid		(26.7)	(29.9)	(55.3)
Debt issue costs and facility arrangement fees		(2.6)	(0.3)	(0.4)
Cash settlement of principal accretion on inflation-linked swaps		-	(33.9)	(146.9)
		(125.9)	**(83.1)**	**(213.1)**
Increase / (decrease) in cash and cash equivalents	18	**(15.1)**	**17.8**	**22.0**

Notes to the financial statements

1 General information

This condensed consolidated interim financial information does not comprise statutory accounts as defined by section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2023 were approved by the Board of Directors on 21 September 2023 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. A copy of the audited financial statements for the year ended 30 June 2023 can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

2 Directors' responsibilities

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

The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

3 Basis of preparation

These financial statements for the six months ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), as adopted by the United Kingdom. The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom.

The accounting policies adopted are consistent with the statutory accounts for the year ended 30 June 2023.

4 Significant judgements and key estimations

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and costs. Actual results may differ from these estimates.

In preparing these financial statements, the Group's accounting policies and the significant judgements made by management in applying key estimations were the same as those that applied to the statutory accounts for the year ended 30 June 2023.

5 Financial risk management

The Group's operations expose it and the Company to a variety of financial risks that include purchase price risk, credit risk, liquidity risk, financing risk, interest rate risk and foreign exchange risk. The Group's risk management programme seeks to minimise potential adverse effects. A selection of the key business risks affecting the Group are set out below together with a summary of the Group's mitigating actions.

Purchase price risk

Energy is a major component of the Group's cost base. A large proportion of this is managed via pass-through arrangements to customers. The Group's residual exposure to fluctuations in the electricity price is typically managed by forward purchasing the majority of power requirements in excess of 12 months in advance. Key revenue and cost milestones are set on larger projects to ensure the financial risks of volatile market pricing are mitigated.

Credit risk

The Group is exposed to credit risk on customer receivables which is managed through appropriate credit checking procedures prior to taking on new customers; and higher risk customers paying in advance of services being provided. Performance is closely monitored to ensure agreed service levels are maintained reducing the level of queried payments and mitigating the risk of uncollectable debts. The Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions which have satisfactory credit ratings assigned by international credit rating agencies.

The levels of credit risk are monitored through the Group's on-going risk management processes, which include a regular review of the credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

Liquidity risk

To ensure it has sufficient available funds for working capital requirements and planned growth, the Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 31 December 2023 the Group had £20.4m cash and short-term deposits available to cover short term cash flow timing differences if required. In addition, the Group has a £135.0m senior working capital facility available for general business purposes as well as an additional £150.0m liquidity facility to cover senior interest and accretion payments if required. As at 31 December 2023 the Group had no drawings on the senior working capital facility, all other facilities were undrawn. Details of the debt maturity profile are provided in note 20.

Financing risk

The Group will need to refinance at least part of its debt as it matures and may need additional financing to cover capital expenditure and certain other expenses to support its growth plans. The Group cannot be certain that such financing will be readily available on attractive or historically comparable terms. The Group mitigates this risk by the strength of the stable long term investment grade capital structure in place. Standard and Poor's and Fitch reconfirmed their rating of Arqiva senior debt at BBB+ and BBB respectively.

The ratings reflect our strong ability to raise cash and repay debt from our cash flows over a reasonable period of time; maintaining an active dialogue with lenders and investors; maintaining debt with a variety of medium and long term maturities to ensure no material concentration of refinancing risk; and aiming to complete any refinancing well in advance of the required maturity date with no bullet instruments maturing until 2028.

Breach of debt covenants and/or a downgrade in our rating could impact the availability of finance or the competitiveness of terms. In order to mitigate this, the Group maintains financial covenant monitoring and modelling, both retrospectively and prospectively and maintains regular dialogue with its lenders and credit ratings agencies.

Interest rate risk

The Group maintains a hedging policy to manage interest rate risk, ensuring the certainty of future interest cash flows and compliance with its debt covenants. It currently has hedging in place, split between interest rate swaps and inflation swaps. Interest rate swaps convert interest costs from floating to fixed rate whilst inflation swaps convert fixed or floating rate interest costs to RPI-linked costs, which fluctuate in line with the RPI index as do a proportion of the Group's revenue contracts. Details of the interest rate profile of the Group's borrowings are provided in note 20.

Foreign exchange risk

The Group operates predominantly from UK sites and in the UK market, but has some transactions denominated in foreign currency. While some customer and supplier contracts are denominated in other currencies (mainly US Dollars and Euros), the overwhelming majority of the Group's revenues and costs are sterling based, and accordingly exposure to foreign exchange risk is limited. Management regularly monitor the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place. From time to time, forward foreign exchange contracts are used to fix the exchange rate for anticipated net exposures.

6 Going concern

The Group meets its day-to-day working capital and financing requirements through the net cash generated from its operations. The Group has access to sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments as set out in note 24.

In addition, forecast covenant compliance remains strong. For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these financial statements.

7 Revenue and segmental information

The Group derives its revenue from the rendering of services, engineering projects and the sale of communications equipment.

The following tables disaggregate revenue from contracts with customers by our major service lines and by reportable function:

Six months to 31 December 2023 - Unaudited	Media Distribution £m	Smart Utilities Networks £m	Total £m
Rendering of services	245.0	50.9	295.9
Sale of goods	-	28.2	28.3
Total revenue	**245.0**	**79.1**	**324.1**

Six months to 31 December 2022 - Unaudited	Media Distribution £m	Smart Utilities Networks £m	Total £m
Rendering of services	238.7	47.9	286.6
Engineering projects	0.2	-	0.2
Sale of goods	-	15.4	15.4
Total revenue	**238.9**	**63.3**	**302.2**

Year ended 30 June 2023	Media Distribution £m	Smart Utilities Networks £m	Total £m
Rendering of services	462.4	122.1	584.5
Sale of goods	-	28.8	28.8
Total revenue	**462.4**	**150.9**	**613.3**

Reporting by markets
The Group's reporting structure considers the customer facing functions of Media Distribution and Smart Utilities Networks, supported by Operations, Technology and Corporate functions. Revenue and EBITDA are presented across these functions.

Six months to 31 December 2023 (Unaudited)	Commercial		Other			Consolidated
	Media Distribution	Smart Utilities Networks	Operations	Technology	Corporate	
	£m	£m	£m	£m	£m	£m
Revenue	**245.0**	**79.1**				**324.1**
Functional result* (EBITDA)	**163.5**	**32.1**	**(12.6)**	**(19.5)**	**(16.9)**	**146.6**
Depreciation and amortisation						(54.5)
Exceptional operating expenses						(1.8)
Other income						3.9
Exceptional other income						16.0
Operating profit						**110.2**
Finance income						2.5
Finance costs						(149.6)
Other gains and losses						0.8
Loss before tax						**36.1**

Six months to 31 December 2022 (Unaudited)	Commercial		Other			Consolidated
	Media Distribution	Smart Utilities Networks	Operations	Technology and Transformation	Corporate	
	£m	£m	£m	£m	£m	£m
Revenue	**238.9**	**63.3**	**-**	**-**	**-**	**302.2**
Functional result* (EBITDA)	**176.9**	**32.3**	**(11.4)**	**(17.8)**	**(14.2)**	**166.0**
Depreciation and amortisation						(45.7)
Loss on disposal of fixed assets						(1.0)
Exceptional operating expenses						(3.9)
Other income						3.9
Exceptional other income						10.0
Exceptional revenue						(0.3)
Operating profit						**129.0**
Finance income						1.8
Finance costs						(133.7)
Other gains and losses						(8.9)
Loss before tax						**(11.8)**

Year ended 30 June 2023	Commercial		Other			
	Media Distribution	Smart Utilities Networks	Operations	Technology	Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**462.4**	**150.9**	**-**	**-**	**-**	**613.3**
Functional result* (EBITDA)	**352.3**	**70.9**	**(23.3)**	**(32.4)**	**(30.3)**	**337.2**
Depreciation and amortisation						(104.6)
Loss on disposal of fixed assets						(0.7)
Exceptional operating expenses						(6.7)
Other income						7.8
Exceptional other income						20.0
Exceptional service credits						(15.3)
Operating profit						**237.7**
Finance income						3.2
Finance costs						(271.2)
Other gains and losses						(25.1)
Loss before tax						**(55.4)**

*Functional result is defined as total operating profit before exceptional operating expenses and excluding depreciation, amortisation, profit or loss on disposal of non-current assets, impairment and share of result from joint venture and associates (i.e. EBITDA).

EBITDA is a key measure of the Group's financial performance. A reconciliation of the reported EBITDA to the financial statements is provided below:

	Six months to 31 December 2023 Unaudited	Six months to 31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
Operating profit	**110.2**	**129.0**	**237.7**
Depreciation	*46.7*	*39.1*	91.7
Amortisation	*7.8*	*6.6*	12.9
Loss on disposal of fixed assets	-	*1.0*	0.7
Exceptional operating expenses	*1.8*	*3.9*	6.7
Other income	*(3.9)*	*(3.9)*	(7.8)
Exceptional other income	*(16.0)*	*(10.0)*	(20.0)
Exceptional service credits	-	*0.3*	15.3
EBITDA	**146.6**	**166.0**	**337.2**

For the purpose of monitoring segment performance and allocating resources between segments, the Chief Operating Decision Maker (CODM) monitors the capital expenditure on property, plant and equipment and intangible assets (presented on a cash basis) planned and utilised by each segment, an analysis of which is shown below.

	Media Distribution	Smart Utilities Networks	Other	Consolidated
	£m	£m	£m	£m
Capital expenditure:				
For the six months ended 31 December 2023 (Unaudited)	10.6	8.3	13.9	**32.8**
For the six months ended 31 December 2022 (Unaudited)	16.1	5.0	15.1	**36.2**
For the year ended 30 June 2023	33.5	11.4	19.8	**64.7**

Geographical information

The geographic analysis of revenue is on the basis of the country of origin in which the customer is invoiced.
The following revenue was generated from external customers.

	Six months to 31 December 2023 Unaudited	Six months to 31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
UK	321.4	298.9	607.0
Rest of European Economic Area (EEA)	2.4	2.9	5.5
Rest of World	0.3	0.4	0.8
Total revenue	**324.1**	**302.2**	613.3

The Group holds non-current assets (excluding deferred tax assets, pension surplus and derivative financial instruments) in the following geographical locations:

	31 December 2023 Unaudited	31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
UK	2,736.8	2,790.0	2,752.4
Rest of European Economic Area (EEA)	2.2	1.8	1.5
Rest of World	-	-	-
Total non-current assets	**2,739.0**	**2,791.8**	**2,753.9**

8 Exceptional items

Profit/(loss) on ordinary activities before taxation is stated after (charging) / crediting:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Revenue:			
Revenue service credits	-	(0.3)	(15.3)
	-	(0.3)	(15.3)
Operating expenses			
Reorganisation and severance	-	(1.5)	(2.1)
Corporate finance activities	(0.4)	-	(0.3)
Restoration costs	(1.4)	(2.4)	(4.3)
	(1.8)	(3.9)	(6.7)
Other exceptional items			
Other income	16.0	10.0	20.0
	14.2	**4.8**	**(2.0)**

Corporate finance activities figures relate to costs and accruals associated with one off projects, and corporate transactions including refinancing activities.

The amounts included within exceptional operating expenses above are deductible for the purpose of taxation.

Bilsdale – Project Restore

The restoration costs relate to costs incurred to reinstate services present at the Bilsdale transmitter site following a fire which broke out on 10 August 2021 and include £4.3m of predominantly community support activities. During FY23 the rebuild of a 300 metre permanent mast was completed and went live with transmission starting in May 2023.

Costs recognised are those which have been incurred to the year end and can be reliably measured.

Management has engaged with the Group's insurers. Exceptional other income relates to stage payments received from insurance claims related to the Bilsdale transmitter site fire. In August 2023 the final stage payment of £16.0m was received from the insurers bringing the total insurance receipts to date of £41.0m. To date the Group has incurred total rectification costs of £47.1m including £31.4m in capital expenditure for the rebuild of the mast and a further £15.7m of exceptional operating expenses in respect of community support activities and restoration costs.

9 Finance income

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Bank deposits	1.2	0.4	1.0
Other loans and interest receivable	1.3	1.4	2.2
Total finance income	**2.5**	**1.8**	**3.2**

10 Finance costs

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Interest on bank overdrafts and loans	2.7	10.0	18.6
Other loan interest	31.4	17.2	36.0
Bank and other loan interest	**34.1**	**27.2**	**54.6**
Amortisation of debt issue costs	0.6	0.3	0.6
Interest on lease obligations	2.3	2.9	5.4
Interest payable to other group entities	100.2	92.2	187.4
Other interest	9.6	9.1	17.8
Total interest payable	**146.8**	**131.7**	**265.8**
Unwinding of discount on provisions (see note 22)	2.8	2.0	5.4
Total finance costs	**149.6**	**133.7**	**271.2**

11 Other gains and losses

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Foreign exchange loss on financing (a)	-	-	-
Fair value gain / (loss) on derivative financial instruments (see note 21)	0.8	(8.9)	(25.1)
Total other gains and losses	**0.8**	**(8.9)**	**(25.1)**

a) This is the net position of foreign exchange gains and losses in the year. This is made up of a £0.9m (31 December 2022: £nil; 30 June 2023: £1.8m) gain on loans denominated in foreign currency (US Dollar). Offset by a £0.9m (31 December 2022: £nil; 30 June 2023: £1.8m) loss on the cross-currency swap instrument. (See note 21).

12 Tax

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
UK Corporation tax:			
- Current year	(9.7)	(0.7)	(5.2)
- Adjustment in respect of prior years	-	-	(2.4)
Total current tax (credit) / charge	(9.7)	(0.7)	2.8
Deferred tax (see note 17):			
- Origination and reversal of temporary differences	8.4	(2.2)	17.2
- Adjustment in respect of prior years	-	-	(23.0)
- Impact of rate change	-	-	(2.1)
Total deferred tax	8.4	(2.2)	(7.9)
Total tax credit for the period	**(1.3)**	**(2.9)**	**(5.1)**

The tax charge on ordinary activities is recognised based on management's estimate of the weighted average annual total corporate income tax rate expected for the full financial year. The estimated average annual tax rate for the year to 30 June 2024 on continuing operations is 3.5% (the estimated tax rate used at 31 December 2022 was 21.3%).

The effective tax rate is below the statutory tax rate of 25% as a result of disallowed interest expense (for the full year ended 30 June 2024) (December 2022: 20.5%, June 2023: 20.5%) on the loss generated in the period.

The main rate of UK corporation tax was 25.0% during the period to 31 December 2023. Finance Act 2021 which is substantively enacted, increased the main rate of UK corporation tax to 25% from 1 April 2023. UK deferred tax has been valued at 25% in the period ended 31 December 2023 and at either 19.0% or 25.0% in the periods ended 31 December 2022 and 30 June 2023 depending on the period in which it is forecast to unwind.

The current tax credit in each period represents payments due for group relief from other Companies in the Group.

Tax in Consolidated Statement of Comprehensive Income

There is a tax credit of £0.4m (June 2023: charge of £1.7m; December 2022: credit of £2.5m) in respect of the actuarial loss of £1.7m (June 2023: loss of 12.2m; December 2022: loss of £10.1m) in the Consolidated Statement of Comprehensive Income.

13 Goodwill

	£m
Cost:	
At 1 July 2023	1,458.4
At 31 December 2023	**1,458.4**
Accumulated impairment losses:	
At 1 July 2023	0.4
At 31 December 2023	**0.4**
Carrying amount:	
At 31 December 2023 (Unaudited)	**1,458.0**
At 31 December 2022 (Unaudited)	1,458.0
At 30 June 2023	1,458.0

14 Other intangible assets

	Licences	Development costs	Access rights	Software	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2023	6.8	22.7	4.3	74.5	7.5	115.8
Additions	-	1	-		5.7	6.7
Transfers from AUC (note 15)	-	0.2	-	12.0	(0.1)	12.1
Disposals	-	-	-	-	-	-
At 31 December 2023	**6.8**	**24.0**	**4.3**	**86.5**	**13.2**	**134.7**
Accumulated amortisation						
At 1 July2023	5.5	12.7	4.3	36.3	-	58.8
Charge for the period	0.1	(0.8)	-	8.5	-	7.8
Disposals	-	-	-	-	-	-
At 31 December 2023	**5.6**	**11.9**	**4.3**	**44.8**	**-**	**66.6**
Carrying amount						
At 31 December 2023 (Unaudited)	**1.2**	**12.1**	**-**	**41.7**	**13.2**	**68.1**
At 31 December 2022 (Unaudited)	2.9	11.6	-	26.4	5.2	46.0
At 30 June 2023	1.3	10.0	-	38.2	7.5	57.0

15 Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2023	270.9	167.9	1,919.3	99.7	2,457.8
Additions	-	5.5	14.0	14.0	33.5
Completion of AUC	0.7	(0.7)	36.1	(36.1)	-
Transfers to intangibles (Note 14)	-	-	-	(12.1)	(12.1)
Disposals	-	(1.6)	(0.7)	-	(2.3)
At 31 December 2023	**271.6**	**171.1**	**1,968.7**	**65.5**	**2,476.9**
Accumulated depreciation					
At 1 July 2023	14.4	97.4	1,107.2	-	1,219.0
Charge for the period	2.7	5.5	38.5	-	46.7
Disposals	-	(0.9)	(0.7)	-	(1.7)
At 31 December 2023	**17.1**	**102.0**	**1,145.0**	**-**	**1,264.0**
Carrying amount					
At 31 December 2023 (Unaudited)	**254.5**	**69.1**	**823.7**	**65.5**	**1,212.8**
At 31 December 2022 (Unaudited)	258.0	75.7	833.5	124.0	1,287.8
At 30 June 2023	256.5	70.5	812.1	99.7	1,238.8

16 Trade and other receivables

	31 December 2023 Unaudited	31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
Trade receivables	65.5	59.4	65.2
Amounts receivable from other Group entities	210.5	142.4	143.0
Other receivables	4.5	4.5	14.3
Prepayments	21.0	30.9	31.4
Taxation and social security	8.5	8.0	-
	310.0	**245.2**	**253.9**
Contract assets	**15.4**	**15.7**	**9.3**

Amounts receivable from other Group entities are unsecured and repayable on demand.

17 Deferred tax

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Deferred tax asset	**203.8**	**205.9**	**211.9**
Deferred tax liability	**12.7**	**13.0**	**12.8**

The deferred tax asset relates predominately to fixed asset temporary differences, derivative financial instruments and tax losses. The deferred tax liability relates to retirement benefits. The Group continues to recognise the net deferred tax asset based on long-term forecast taxable profits that will arise. Forecasts used are consistent with those used for goodwill impairment testing. No tax attributes have a time expiry. The recognised deferred tax asset is not considered to be materially exposed to the performance of the Group based on reasonably possible trading forecasts.

18 Cash and cash equivalents

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Cash at bank	3.4	6.0	20.0
Short term deposits	17.0	25.1	15.3
Total cash and cash equivalents	**20.4**	**31.1**	**35.3**

19 Trade and other payables

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Current			
Trade payables	37.9	34.5	30.6
Amounts payable to other Group entities	1,685.7	1,521.2	1,561.1
Taxation and social security	-	-	0.8
Other payables	2.8	3.6	2.9
Accruals	50.1	53.9	63.1
Total current trade and other payables	**1,776.5**	**1,613.2**	**1,658.5**
Corporation tax	**-**	**2.4**	**-**
Contract liabilities	**122.0**	**102.3**	**116.0**
Non-Current			
Contract liabilities	**286.6**	**322.6**	**303.9**

Amounts payable to other Group entities are unsecured, interest free, and are repayable on demand.

20 Borrowings

	Denominated currency	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	30 June 2023 £m
Within current liabilities:				
Lease liabilities	Sterling	17.3	19.0	18.3
Bank facilities[2]	Sterling	-	53.0	15.0
Bank loans	Sterling			
• Senior debt	Sterling	-	90.0	262.0
Senior bonds, notes and private placements (amortising)	Sterling	29.9	45.2	45.3
Issue costs	Sterling	-	-	(0.4)
Accrued interest on junior and senior financing	Sterling	8.7	(1.3)	0.5
Borrowings due within one year		**55.9**	**205.9**	**340.7**
Within non-current liabilities:				
Bank loans		**-**	**171.9**	**-**
- Senior debt	Sterling	-	172.0	-
- Issue costs	Sterling	-	(0.1)	-
Other loans		**930.3**	**621.1**	**698.7**
- Senior bonds, notes and private placements	Sterling	845.1	625.1	611.7
- Senior bonds, notes and private placements	US Dollar	92.6	-	93.5
- Issue costs	Sterling	(8.7)	(4.0)	(6.5)
Amounts payable to other group entities	Sterling	**496.7**	**496.8**	**496.8**
Lease liabilities	Sterling	**46.5**	**58.5**	**50.7**
Borrowings due after more than one year		**1,472.2**	**1,348.3**	**1,246.2**

The majority of the balances within amounts payable to other Group entities were formalised under a single subordinated loan agreement with the direct parent company which has a long-term maturity date of 2033. These loans cannot be recalled earlier than the final maturity date other than with the agreement of the borrower.

The fair value of the senior quoted bonds based upon observable market prices (fair value hierarchy level 1) was £668.9m (31 December 2022: £409.2m; 30 June 2023: £379.2m) whilst their carrying amount was £654.0m (31 December 2022: £430.7m; 30 June 2023: £417.3m).

The Directors consider the fair value of all other borrowings to be a close approximate to their carrying value.

The weighted average interest rate of borrowings is 7.1% (31 December 2022: 5.78%; 30 June 2023: 5.41%).

An analysis of total borrowings (excluding issue costs) by maturity is as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Borrowings fall due within:			
One year	55.9	205.9	340.7
One to five years	625.4	450.9	314.7
More than five years	855.5	901.6	938.4
Total	**1,536.8**	**1,558.5**	**1,593.8**

[2] Bank facilities include drawings on Senior working capital facility. This facility has a final maturity date of 2026.

Bank loans comprise of **senior debt**. **Other loans** are comprised from the Group's **senior bonds & notes**.

Bank facilities are comprised of various facilities which the Group has access to. The Group has access to a £135.0m Senior Working Capital Facility maturing in 2024 and a £150.0m Liquidity Fund. These facilities are floating rate in nature with a margin over SONIA of between 120 and 130bps. The facilities had no drawings as at 31 December 2023 (31 December 2022: £53.0m; 30 June 2023: £15.0m).

For further information on the Group's liquidity risk management, see note 5.

Senior bonds and notes include a combination of publicly listed bonds and US private placement notes.

As at 31 December 2023, the Group has £654.0m (31 December 2022: £430.7m, 30 June 2023: £417.3m) sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21% (31 December 2022: 4.88% and 5.34%, 30 June 2023: 4.88% and 5.34%). These bonds are repayable between June 2028 and December 2032 and are listed on the London Stock Exchange. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds. This includes a £250m sterling denominated bond issued in July 2023 with a fixed interest rate of 7.21% and repayable in June 2028. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds.

The remaining senior notes relate to a number of US private placement issues in sterling and US dollars with floating or floating interest rates.

The Group has £221.1m (31 December 2022: £239.7m; 30 June 2023: £239.7m) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between December 2024 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

In addition, in June 2023 the Group completed the issue of $118.0m (31 December 2022: $nil; 30 June 2023: $118.0m) of US dollar denominated floating rate US private placements with a carrying value of £92.6m as at 31 December 2023 (31 December 2022: £nil, 30 June 2023: £93.5m). At the hedged rate these are valued at £95.1m (31 December 2022: £nil; 30 June 2023: £95.1m). These notes have fixed interest rates of 6.24% and have an amortising repayment profile commencing in December 2027 with a final maturity date of June 2031. Arqiva PP Financing Plc ('APPF') is the issuer of all the Group's private placement notes.

The proceeds of these refinancings were utilised to prepay the Group's £90m ITL and £172m EIB term debt.

All of the above financing instruments have covenants attached, principally an interest cover ratio and a debt leverage ratio, and benefit from security over substantially all of the Group's assets under a Whole Business Securitisation structure. The Group continues to comply with all covenant requirements.

21 Financial instruments

With the exception of derivative financial instruments (which are recognised and measured at fair value through profit and loss) the Group's financial assets and financial liabilities are recognised and measured following the loans and receivables recognition category.

The weighted average interest rate of fixed rate financial liabilities at 31 December 2023 was 6.3% (31 December 2022: 5.1%; 30 June 2023: 5.6%). The weighted average period of funding was 5.2 years (31 December 2022: 4.2 years; 30 June 2023: 5.9 years).

Within the Group's financial liabilities were borrowings of £1,536.8 excluding issue costs (31 December 2022: £1,558.5m; 30 June 2023: £1,586.9m) (see note 20), which includes £221.1m (31 December 2022: £501.7m; 30 June 2023: £516.7m) with floating interest and the remainder with fixed interest (prior to hedging arrangements).

Derivative financial instruments
The Group seeks to manage the exposures of its debt payment obligations through a combination of index linked, interest rate and cross currency swaps.

At the period end, the Group held interest rate swaps with notional amounts of £183.9m (31 December 2022: £400.5; 30 June 2023: £179.5) which hedge the interest obligations of the Group's floating rate debt. The average fixed rate on these instruments is 0.3% (31 December 2022: 0.2%; 30 June 2023: 0.3%). The swap contracts have termination dates that match the maturities of the underlying floating rate debt instruments (see note 20).

The Group has also entered into index linked swaps (notional amounts of £681.8m in December 2023; December 2022: £681.8m) where the Group receives floating and pays fixed linked to inflation interest obligations to an average rate of 2.9% indexed with RPI. The notional amounts of these swaps increase with RPI and these accretion amounts are cash settled annually, most recently in June 2023 (£146.9m) based on the March index.

All of these instruments have a maturity date of April 2027. These instruments were established to hedge the Group's fixed rate debt (namely fixed rate sterling bonds and the fixed rate US Private Placement issues) and in order to ensure that the cash flow characteristics align with these instruments, the Group has entered into £670.4m (31 December 2022: £600.5m, 30 June 2023: £470.4m) of fixed to floating rate interest rate swaps to match the cash flows on both the fixed rate debt instruments and the index linked swaps set out above.

The Group also holds USD 118.0m (31 December 2022: nil, 30 June 2023: USD 118.0m) of cross-currency swaps to fix the Sterling costs of future interest and capital repayment obligations relating to the US dollar denominated private placement issue at and exchange rate of 1.241.

In June 2023 Arqiva agreed to close out a set of interest rate swaps of £9.7m, effective 4 July. These were terminated as the underlying floating rate debt was refinanced prior to its maturity in FY24 with the fixed rate debt and these derivative instruments become surplus to Group's hedging requirements.

The fair value of the interest rate, inflation linked swaps and cross currency swaps at 31 December 2023 is a liability of £203.2m (31 December 2022: £290.4m, 30 June 2023: £203.1m). This fair value is calculated using a risk-adjusted discount rate.

The following table details the fair value of financial instruments recognised on the statement of financial position:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Within non-current assets			
Interest rate swaps	21.7	43.2	34.8
	21.7	43.2	34.8
Within non-current liabilities			
Inflation-linked interest rate swaps	(216.5)	(333.7)	(235.8)
Cross-currency swaps	(8.4)	-	(2.1)
	(224.9)	(333.7)	(237.9)
Total	**(203.2)**	**(290.4)**	**(203.1)**
Change in fair value recognised in the income statement:			
- Attributable to changes in market conditions	7.5	(14.0)	(28.3)
- Attributable to changes in perceived credit risk	(1.2)	3.3	3.4
Change in fair value on cross currency swaps (a)	(6.4)	-	(1.8)
Total loss recognised in the income statement	**(0.1)**	**(10.7)**	**(26.7)**
Cash settlement of principal accretion on inflation-linked swaps	-	33.8	146.9
Accrued settlement on close out of interest rate linked swaps	-	-	(9.7)
Total change in fair value	**(0.1)**	**23.1**	**110.5**

a) £0.9m of the change in fair value is attributable to foreign exchange movements on the USD denominated swap

Where possible, the Group seeks to match the maturity of any derivative contracts with that of debt instruments that it has issued.

Fair value hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest rate swaps, inflation rate swaps and cross currency swaps are all classed as level 2 on the fair value hierarchy. In each case the items are valued based upon discounted cash flow. Future cash flows are estimated based on forward (interest/inflation/exchange) rates observable from rates and yield curves at the end of the reporting period, and contract rates, discounted at a risk-adjusted rate.

22 Provisions

	Decommissioning	Restructuring	Remediation and maintenance	Other	Total
	£m	£m	£m	£m	£m
At 1 July 2023	71.6	0.4	4.0	5.2	81.2
Unwind of discount (note 10)	2.7	-	0.1	-	2.8
Utilised in the year	-	-	-	-	-
Charged to income statement	-	-	-	0.3	0.3
At 31 December 2023 (Unaudited)	**74.3**	**0.4**	**4.2**	**5.5**	**84.3**
At 31 December 2022 (Unaudited)	80.3	0.2	3.8	4.2	88.5
At 30 June 2023	71.6	0.4	4.0	5.2	81.2

	31 December 2023 Unaudited	31 December 2022 Unaudited	Year ended 30 June 2023
	£m	£m	£m
Analysed as:			
Current	3.2	3.2	3.3
Non-current	81.1	85.3	77.9
	84.3	**88.5**	**81.2**

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties. The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040. A discount rate of 7.2% has been applied in calculating the decommissioning provision (31 December 2022: 5.6%, 30 June 2023: 7.2%) based on the Group's weighted average cost of capital.

The restructuring provision relates to the costs of exceptional activities to reorganise the Group.

The remediation provision represents the cost of works identified as being required across a number of the Group's sites and is expected to be utilised over the next one to ten years.

Other provisions represent a variety of smaller items which are expected to be utilised over the next one to ten years.

23 Notes to the cash flow statement

Reconciliation from operating profit to net cash from operating activities:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Operating profit	110.2	129.0	237.7
Adjustments:			
Depreciation of property, plant and equipment	46.7	39.1	91.7
Amortisation of intangible assets	7.8	6.6	12.9
Loss on disposal of property, plant and equipment	-	0.4	0.7
Gain on lease modification	(0.1)	-	(1.6)
Other income	(3.9)	(3.9)	(7.8)
Revenue service credits	-	0.3	15.3
Receipt of insurance stage payments	(16.0)	(10.0)	(20.0)
Operating cash flows before movements in working capital	**144.7**	**161.5**	**328.9**
Increase / (decrease) in receivables	10.9	(4.0)	2.8
Decrease in payables	(29.3)	(31.4)	(54.5)
Increase / (decrease) in provisions	0.2	(0.4)	0.7
Net cash inflow from operating activities	**126.5**	**125.7**	**277.9**

Analysis of changes in financial liabilities:

	At 1 July 2023 £m	Changes in financing cash flows (Cash) £m	Changes in foreign exchange £m	Changes in fair value (Non-cash) £m	Other changes including accrued interest (Non-cash) £m	At 31 December 2023 £m
Current borrowings (Note 20)	340.6	(323.1)	-	-	29.7	47.2
Non-current borrowings (Note 20)	1,252.7	250.0	(0.9)	-	(20.8)	1,481.0
Accrued interest on borrowings (Note 20)	0.5	(26.7)	-	-	34.9	8.7
Derivative financial instrument Liabilities (Note 21)	203.1	-	0.9	(0.8)	-	203.2
Total	**1,796.9**	**(123.3)**	**-**	**(0.8)**	**67.3**	**1,740.1**

24 Financial commitments and contingent liabilities

Financing commitments
Under the terms of the Groups external debt facilities, the Group has provided security over substantially all of its assets by way of a Whole Business Securitisation structure.

Capital commitments
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as a liability are payable as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Within one year	6.5	10.7	7.3
Within two to five years	10.5	5.3	10.3
Total capital commitments	**17.0**	**16.1**	**17.6**

There are no capital commitments payable in more than five years.

Contingent assets and liabilities

Bilsdale Tower Fire

Management continues to work with specialist advisors to assess any further potential financial penalties and service credits that may be due to third parties. At the current time it is not possible to determine the expected outcome or quantification of such amounts over and above the amounts already provided.

25 Leases

Leases as lessee (IFRS 16)

The group holds lease arrangements primarily relating to land and buildings, circuit contracts and vehicles.

Right of use assets
Right-of-use assets related to leased properties and land (other than investment property) are presented as property, plant and equipment. Plant and equipment leases relate to the use of fibre, other fixed telecommunications lines, and IT equipment.

	Leasehold buildings £m	Plant and equipment £m	Total £m
Balance at 1 July 2023	46.3	14.8	61.1
Depreciation charge for the year	(4.4)	(4.6)	(9.0)
Additions to right of use assets	0.5	1.5	2.0
Effect of modifications to lease terms	3.3	1.6	4.9
Derecognition of right of use assets	(0.2)	-	(0.2)
Balance at 31 December 2023	**45.5**	**13.3**	**58.8**

Amounts recognised in the Income Statement

Leases under IFRS 16	**Six months to 31 December 2023 Unaudited £m**	**Six months to 31 December 2022 Unaudited £m**	**Year ended 30 June 2023 £m**
Expenses relating to variable lease payments not included in the measurement of lease liabilities	2.3	1.4	2.7
Interest on lease liabilities	1.8	2.9	5.4

Amounts recognised in the cashflow statement

	Six months to 31 December 2023 Unaudited £m	**Six months to 31 December 2022 Unaudited £m**	**Year ended 30 June 2023 £m**
Total cash outflow for leases	14.2	14.8	26.5

26 Related party transactions

Balances and transactions between Group entities, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions with the Group's pension scheme are disclosed in note 27.

The disclosure of transactions with related parties reflects the periods in which the related party relationships exist. The disclosure of amounts outstanding to/from related parties at the reporting date reflects related party relationships at that date. The Group entered into the following transactions with related parties who are not members of the Group:

	Sale of goods and services			**Purchase of goods and services**		
	Six months to 31 December 2023 £m	**Six months to 31 December 2022 £m**	**Year ended 30 June 2023 £m**	**Six months to 31 December 2023 £m**	**Six months to 31 December 2022 £m**	**Year ended 30 June 2023 £m**
Associates	-	-	-	-	-	-
Joint ventures	2.6	2.7	4.8	2.4	2.8	2.8
Entities under common influence	-	8.4	20.1	-	-	-
Other group entities	30.5	35.0	75.4	-	-	-
	33.1	**46.1**	**100.3**	**2.4**	**2.8**	**2.8**

All transactions are on third-party terms and all outstanding balances, with the exception of the amount outstanding referenced below, are interest free, un-secured and are not subject to any financial guarantee by either party.

As at 31 December 2023, the amount payable to joint ventures was £0.2m (31 December 2022: £0.2m; 30 June 2023: £0.3m). There were no amounts receivable from joint ventures as at 31 December 2023 (31 December 2022: £nil; 30 June 2023: £nil).

As at 31 December 2023, the amount receivable from associates was £nil (31 December 2022: £nil; 30 June 2023: £nil). There were no amounts payable to associates as at 31 December 2023 (31 December 2022: £nil; 30 June 2023: £nil).

As at 31 December 2023, the amount receivable from entities under common influence was £nil (31 December 2022: £2.7m; 30 June 2023: £5.3m). There were no amounts payable to entities under common influence as at 31 December 2023 (31 December 2022: £nil; 30 June 2022: £nil).

Details of the balances the Group held with its immediate parent and other subsidiaries within the largest Group in which the Company and its subsidiaries consolidate (see note 28) are set out in notes 16, 19 and 20.

27 Retirement benefits

Defined benefit scheme
In the period to 31 December 2023, the Group operated one Defined Benefit Plan, sponsored by Arqiva Limited. The Defined Benefit Plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The Trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The Trustees are responsible for the investment policy with regards the assets of the Plan.

The Plan closed to the future accrual of benefits on 31 January 2016. The weighted average duration of the expected benefit payments from the Plan is around 16 years.

The triennial valuation carried out as at 30 June 2020 has been used for the present value measurement of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures.

Amounts recognised in the income statement in respect of the defined benefit plan were as follows:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Components of defined benefit finance income recognised in profit or loss	1.3	1.2	2.4
	1.3	**1.2**	**2.4**

The net interest item has been included within finance income (see note 9). The re-measurement of the net defined benefit liability is included in the statement of comprehensive income.

Amounts recognised in the statement of comprehensive income in respect of the defined benefit plan were as follows:

	Six months to 31 December 2023 Unaudited £m	Six months to 31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Gain/ (losses) on Plan assets excluding Interest Income	7.5	(34.1)	(38.6)
Experience gains arising on the Plan's liabilities	(0.6)	(1.7)	(9.5)
Actuarial gains / losses arising from changes in financial assumptions	(8.6)	25.7	34.9
Actuarial gains arising from changes in demographic assumptions	-	-	1.0
	(1.7)	**(10.1)**	**(12.2)**

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit plan were as follows:

	31 December 2023 Unaudited £m	31 December 2022 Unaudited £m	Year ended 30 June 2023 £m
Fair value of Plan assets	219.2	213.3	210.1
Present value of Plan liabilities	(168.4)	(161.2)	(158.9)
Surplus	**50.8**	**52.1**	**51.2**

28 Controlling parties

The Company's immediate parent is Arqiva Broadcast Intermediate Limited ('ABIL'). Copies of the ABIL financial statements can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

The ultimate UK parent undertaking is Arqiva Group Limited ('AGL') which is the parent undertaking of the largest group to consolidate these financial statements.

Copies of the AGL consolidated financial statements can be obtained from the Arqiva website www.arqiva.com or from Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

AGL is owned by a consortium of shareholders including Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company.