Arqiva Muxco Limited

Registered number 02333949

Annual Report and Financial Statements

For the year ended 30 June 2022

Table of Contents

Strategic report

The Directors, in preparing this Strategic report, have complied with section 414C of the Companies Act 2006.

Our Business Model

In April 2020 the Company acquired the Digital Platform's contracts and associated trade from another Group company. Subsequently the Company has operated as a trading business to provide services associated with the Digital Platform's product, utilising the multiplex licences it holds. The Company owns and operates two of the three main national commercial digital terrestrial TV multiplexes, plus until 30 June 2022 a DVB-T2 multiplex (capable of providing additional services including HD content).

During the year Arqiva's DTT mux licences were extended to 2034, securing a stable future for the platform, and the interim COM7 DVB-T2 multiplex closed at the end of the trading year as planned. The closure of COM7 has created opportunity as channels move to the national COM5 and 6 multiplexes included in the sales pipeline for FY23 as we target full platform capacity utilisation.

The year saw some challenges for Digital Platforms, with sanctions leading to the early cessation and non-renewal of the RT channel and Ideal Shopping (IS) being liquidated by its private equity owners. However, platform utilisation has reached full capacity at 100%, with a new agreement negotiated with Ideal World, new contracts signed with UKTV for Drama +1, That's TV and launch of a new channel EarthX. Renewals were also agreed with Narrative, PBS and Gems.

Financial position, performance, and key performance indicators ('KPIs')

Our key performance indicators ('KPIs') reflect both a measure of the financial performance and long-term growth of the business, and the level of service provided to our customers.

The key measure of the Company's performance is EBITDA. EBITDA is a non-GAAP measure and refers to earnings before interest, tax, depreciation and amortisation. EBITDA for the year ended 30 June 2022 is £50,408,000 (2021: £55,878,000). A reconciliation of EBITDA to operating profit is presented in note 6 to the financial statements.

The Company made a profit for the financial year of £39,490,000 (2021: £43,631,000). The Company has net current assets of £73,254,000 (2021: £34,318,000) and net assets of £95,782,000 (2021: £56,292,000).

Risk management

Principal risks and uncertainties facing the business

The principal risks and uncertainties of the Company are consistent with those of the Group and are set out in full in AGL's annual report, a copy of which is available from the address given in note 20 to these financial statements or the Group's website at www.arqiva.com.

Future developments and market outlook

It is the intention of the Company to continue to invest in its business in accordance with the Group's strategy as set out in the AGL annual report.

This report was approved by the Board of Directors on 17 October and signed on its behalf by:

Mike Parton
Director

Directors’ report and statement of Directors’ responsibilities

The Directors of Arqiva Muxco Limited, registered company number 02333949, (‘the Company’) submit the following annual report and financial statements (‘the financial statements’) in respect of the year ended 30 June 2022. The Company’s registered office is Crawley Court, Winchester, Hampshire SO21 2QA.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Financial risk management

The Company’s operations expose it to a variety of financial risks that include the effects of purchase price risk, liquidity risk, and interest rate risk. The Group’s overall risk management programme seeks to minimise potential adverse effects as noted below.

Purchase price risk
The Company benefits from largely fixed operating costs, with the bulk of transmission fees payable to another Group company.

Liquidity risk
The Company is funded through reserves and intercompany debt; there is no external financing within this Company. The Group carefully manages the credit risk on liquid funds 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.

Interest rate risk
Intercompany loan balances are maintained at fixed interest rates.

Dividends and transfers to reserves

The Directors do not propose to pay a dividend for the year (2021: £nil). The profit for the year of £39,490,000 (2021: £43,631,000) was transferred to reserves.

Events after the reporting period

There have been no other events since the balance sheet date that would have a material impact on the Company and require disclosure within the financial statements.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company adopts the going concern basis in preparing its financial statements based on the support from its ultimate parent undertaking, the future cash flow forecasts of the Group and Company and available facilities which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

Directors

The following persons held office as Directors of the Company during the year and up to the date of signing the financial statements:

- Mark Braithwaite (Resigned 13 May 2022)
- Frank Dangeard (Resigned 1 July 2021)
- Mike Darcey
- Sally Davis
- Paul Donovan (Resigned 31 May 2022)
- Neil King
- Mike Parton
- Christian Seymour
- Nathan Luckey (Appointed 1 July 2021)
- Sean West
- Batiste Ogier
- Susana Leith-Smith (Appointed 13 May 2022)
- Shuja Khan (Appointed 1 Jun 2022)

Company Secretary

Katrina Dick was appointed as the Company Secretary on 6 April 2022 (previously Jeremy Mavor from 1 July 2021 to 6 April 2022).

Directors' indemnities

The Company has provided an indemnity for its Directors and the Company Secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force during the full financial year and up to the date of approval of the financial statements.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

On behalf of the Board

Mike Parton
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

17 October 2022

Income statement

	Note	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Revenue	5	122,443	130,006
Cost of sales		(56,499)	(59,557)
Gross profit		**65,944**	**70,449**
Depreciation		*(2,689)*	*(3,107)*
Other administrative expenses		*(15,536)*	*(14,571)*
Total operating expenses		(18,225)	(17,678)
Operating profit	6	**47,719**	**52,771**
Finance income	8	1,910	1,772
Finance costs	9	(876)	(678)
Profit before tax		**48,753**	**53,865**
Tax	10	(9,263)	(10,234)
Profit for the year		**39,490**	**43,631**

All results are from continuing operations.

The Company has no other comprehensive income other than the profit for the year stated above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 8 to 17 form part of these financial statements.

Statement of financial position

	Note	30 June 2022 £'000	30 June 2021 £'000
Non-current assets			
Property, plant and equipment	11	10,103	12,792
Receivables	12	20,900	19,304
		31,003	**32,096**
Current assets			
Receivables	13	105,281	59,658
Contract assets	13	1,978	1,656
		107,259	**61,314**
Total assets		**138,262**	**93,410**
Current liabilities			
Borrowings	15	(2,688)	(2,670)
Payables	14	(22,094)	(13,113)
Contract liabilities	14	(9,223)	(11,213)
		(34,005)	**(26,996)**
Net current assets		**73,254**	**34,318**
Non-current liabilities			
Borrowings	15	(8,475)	(10,122)
		(8,475)	**(10,122)**
Total liabilities		**(42,480)**	**(37,118)**
Net assets		**95,782**	**56,292**
Equity			
Called up share capital	17	100	100
Retained earnings		93,870	54,380
Capital reserve		1,812	1,812
Total equity		**95,782**	**56,292**

The notes on pages 8 to 17 form part of these financial statements.

For the year ending 30 June 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements and related notes on page 5 to 17 were approved by the Board of Directors on 17 October 2022 and were signed on its behalf by:

Mike Parton - Director

Statement of changes in equity

	Share capital	Retained earnings	Capital reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 30 June 2020	**100**	**10,749**	**1,812**	**12,661**
Profit for the year	-	43,631	-	43,631
Balance at 30 June 2021	**100**	**54,380**	**1,812**	**56,292**
Profit for the year	-	39,490	-	39,490
Balance at 30 June 2022	**100**	**93,870**	**1,812**	**95,782**

Notes to the financial statements

1 General Information

Arqiva Muxco Limited ('the Company') is a private company incorporated in England, United Kingdom ('UK') under the Companies Act under registration number 02333949. The address of the registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The nature of the Company's operations and its principal activities are set out in the Directors report on page 3.

2 Basis of preparation and statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The Group's consolidated financial statements (Arqiva Group Limited and its subsidiaries) are available online at www.arqiva.com.

The requirements have been applied in accordance with the requirements of the Companies Act 2006.

The financial statements are prepared on a going concern basis and under the historical cost convention.

The following disclosure exemptions, as permitted by paragraph 8 of FRS 101, have been taken in these Company financial statements and notes:

IAS 1 Presentation of financial statements	The requirements of paragraph 38; comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment
IAS 1 Presentation of financial statements	The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136.
IAS 7 Statement of Cash Flows	All disclosure requirements.
IAS 8 Accounting policies, changes in accounting estimates and errors	The requirements of paragraphs 30 and 31.
IAS 24 Related Party Disclosures	The requirements of paragraph 17; the requirement to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary party to the transaction is wholly owned by such member and key management personnel.
IAS 36 Impairment of Assets	The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e).
IFRS 15 Revenue from Contracts with Customers	The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129.
IFRS 7 Financial Instruments: Disclosures	All disclosure requirements.

Adoption of new Standards

New and revised Standards
The following new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17 (Including the June 2020 amendments to IFRS 17)	Insurance Contracts
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 16	Property, Plant and Equipment—Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

3 Principal accounting policies

The following accounting policies have been applied consistently in relation to the Company's financial statements:

(a) Exemption from consolidation

The Company is a wholly owned subsidiary of Arqiva Holdings Limited and of its ultimate parent, AGL. It is included in the consolidated financial statements of AGL which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

(b) Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company adopts the going concern basis in preparing its financial statements based on the support from its ultimate parent undertaking, the future cash flow forecasts of the Group and Company and available facilities which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

(c) Revenue

Revenue represents the gross inflow of economic benefit in respect of communication network infrastructure services and includes the value of charges made for site rental. Revenue is stated net of value added tax. Revenue is measured at fair value of the consideration received or receivable.

On inception of a contract, performance obligations are identified for each of the distinct services that have promised to be provided to the customer. The consideration specified in the contract is allocated to each performance obligation identified based on their relative standalone selling prices and is recognised as revenue as they are satisfied. Determining the standalone selling price often requires judgement and may be derived from regulated prices, list prices, a cost-plus derived price, or the price of similar services when sold on a standalone basis by Arqiva or a competitor. In some cases, it may be appropriate to use the contract price when this represents a bespoke price that would be the same for a similar customer in a similar circumstance.

Cash received or invoices raised in advance are taken to deferred income and recognised as contract liabilities, and subsequently recognised as revenue when the services are provided. Where consideration received in advance is discounted, reflecting a significant financing component, it is reflected within revenue and interest payable and similar charges on a gross basis. Revenue recognised in advance of cash being received or an invoice being raised is recognised as accrued income within contract assets and subsequently reclassified to receivables once an invoice is raised. Invoices are issued in line with contract terms.

The Company does not have any material obligations in respect of returns, refunds or warranties.

Rendering of services
Performance obligations under contracts for the rendering of services are identified for each distinct service or deliverable for which the customer has contracted and are considered to be satisfied over the time period that the services or deliverables are delivered. Revenue is recognised over time in line with the service provision over the contractual period and appropriately reflects the pattern by which the performance obligation is satisfied. Such revenues include television, data, and radio transmission services.

(d) Leases

The Company as lessee
When the Company enters into a lease a 'right-of-use asset' is recognised for the leased item and a lease liability is recognised for any future lease payments due at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease. Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is 'reasonably certain' to exercise any extension options.

The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the applicable Company entity. Lease payments included in the lease liability include both fixed payments and in-substance fixed payments during the term of the lease.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase), a renegotiation of the lease terms or if the Company's assessment of the lease term changes; any change in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

(e) Taxation and deferred taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences using the liability method for timing differences where there is an obligation to pay more tax, or a right to pay less tax, in the future. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises, based on current tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when it is more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of timing differences can be deducted. Deferred tax is measured on an undiscounted basis.

(f) Trade and other receivables

Trade and other receivables are amounts due from customers for services performed or equipment sold in the ordinary course of business. These balances do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Impairment of irrecoverable amounts is based on an expected credit loss model.

(g) Trade and other payables

Trade and other payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. They are not interest bearing and are stated at their nominal value.

(h) Interest

Interest income is accounted for on an accruals basis and comprise amounts receivable on intercompany balances.

4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant judgments or critical accounting estimates impacting these financial statements.

5 Revenue

All of the Company's revenue is generated from the rendering of services, see note 3(c) for further information regarding the Company's accounting policy.

All revenue relates to sales originating in the UK.

Contract assets and liabilities

The Company has recognised the following assets and liabilities in relation to contracts with customers:

	30 June 2022 £'000	30 June 2021 £'000
Contract assets		
Current	1,978	1,656
	1,978	**1,656**
Contract liabilities		
Current	9,223	11,213
	9,223	**11,213**

Contract assets are stated after provisions for impairment of £82,000 (2021: £69,000).

6 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Depreciation of property, plant and equipment	2,689	3,107
Management recharge from fellow Group entities	15,667	15,151

The Company has received a management recharge in respect of various staff costs and central facilities and support costs, from Arqiva Limited, a fellow Group Company. The management recharge is included within operating expenses within the income statement.

The Company's audit fee for the year was £nil (2021: £nil) due to the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

A reconciliation between operating profit and EBITDA is presented below:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Operating profit	47,719	52,771
Depreciation	2,689	3,107
EBITDA	**50,408**	**55,878**

7 Employees and directors

Employees
The Company has no employees during the year (2021: none).

Directors
There are no recharges (2021: £nil) made to the Company in respect of any remuneration for any Directors, as their duties in respect of the Company are incidental to their normal duties on behalf of their employer companies.

The Directors are either representatives of the ultimate UK parent undertaking's shareholders or other Group companies and their individual remuneration reflects the services they provide to the Company and other Group companies. It is not possible to make an accurate apportionment of each Director's emoluments in respect of their services to the Company. Accordingly, no emoluments in respect of these Directors services have been disclosed.

8 Finance income

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Interest receivable from other Group entities	1,910	1,772
Total finance income	**1,910**	**1,772**

9 Finance costs

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Interest payable to other Group entities	876	678
Total finance costs	**876**	**678**

10 Tax

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Current tax:		
UK Corporation tax		
- Current year	9,263	10,234
	9,263	**10,234**
Total tax charge for the year	9,263	10,234

UK Corporation tax is calculated at the weighted average rate of 19.0% (2021: 19.0%) of the estimated taxable profit for the year. The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Profit before tax	**48,753**	**53,865**
Tax at the UK Corporation tax rate of 19.0% (2021: 19.0%)	9,263	10,234
Total tax charge for the year	9,263	2,362

The current year UK corporation tax charge (2021: charge) represents the payment made to other Group companies for the provision of tax losses by way of group relief.

The main rate of UK corporation tax was 19.0% during the year. In the Finance Act 2021 it was enacted that the main rate of UK corporation tax would be increased to 25.0% from 1 April 2023; however, on 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled...

There are no recognised or unrecognised deferred tax balances (2021: none).

11 Property, plant and equipment

	Plant and equipment £'000
Cost	
At 30 June 2020	**19,489**
Disposals	(4,050)
Adjustments	814
At 30 June 2021	**16,253**
At 30 June 2022	**16,253**
Accumulated depreciation and impairment	
At 30 June 2020	**354**
Depreciation	3,107
At 30 June 2021	**3,461**
Depreciation	2,689
At 30 June 2022	**6,150**
Carrying amount	
At 30 June 2022	**10,103**
At 30 June 2021	12,792

All property and equipment relates to right of use assets.

12 Investments

As at 30 June 2022 the carrying value of investments was £nil (2021: £nil).

The Company's investments (held directly) are shown below:

Company	Country of Incorporation	Principal activities	Year end	Percentage of ordinary shares held
Arqiva Pension Trust Ltd	United Kingdom	Dormant company	31-Mar	100%

The registered office of the subsidiary company is Crawley Court, Winchester, Hampshire, SO21 2QA.

13 Receivables

	30 June 2022 £'000	30 June 2021 £'000
Within non-current receivables		
Amounts receivable from other group entities	20,900	19,304
Total non-current receivables	**20,900**	**19,304**
Within current receivables		
Amounts receivable from other group entities	103,930	59,595
Prepayments	1,351	63
Total current receivables	**105,281**	**59,658**
Contract assets	**1,978**	**1,656**

Amounts receivable from other group entities are unsecured, interest free, and repayable on demand.
Contract assets are stated after provisions for impairment of £82,000 (2021: £69,000).

14 Payables

	30 June 2022 £'000	30 June 2021 £'000
Amounts payable to other group entities	21,896	12,623
Other payables	198	198
Accruals	-	292
Total payables	**22,094**	**13,113**
Contract liabilities	**9,223**	**11,213**

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

15 Borrowings

	30 June 2022 £'000	30 June 2021 £'000
Within current liabilities:		
Lease liabilities	2,688	2,670
Borrowings due within one year	**2,688**	**2,670**
Within non-current liabilities:		
Lease liabilities	8,475	10,122
Borrowings due after more than one year	**8,475**	**10,122**

16 Leases

Leases as lessee (IFRS 16)
The Company holds lease arrangements relating to circuit contracts.

Right-of-use assets
Plant and equipment leases relate to the use of circuit equipment.

	Plant and equipment £'000
Balance at 1 July 2020	19,135
Disposals from right-of-use assets	(4,050)
Adjustments	814
Depreciation charge for the year	(3,107)
Balance at 1 July 2021	**12,792**
Depreciation charge for the year	(2,689)
Balance at 30 June 2022	**10,103**

There were no amounts charged to the income statement in the year as a result of variable lease payments not included in the measurement of lease liabilities, or interest on lease liabilities.

The Company's lease liabilities are disclosed in note 15 Borrowings. The total cash outflow for leases in the year ended 30 June 2022 was £3,379,000 (2021: £2,635,000).

17 Share capital

	30 June 2022 £'000	30 June 2021 £'000
Allotted, called up and fully paid:		
100,000 (2021: 100,000) ordinary shares of £1 each	**100**	**100**

18 Contingent liabilities

Financing commitments
Under the terms of the Group's external debt facilities, the Company has provided security over substantially all of its tangible, intangible and other assets by way of a Whole Business Securitisation ('WBS') structure.

19 Related party disclosures

The Company has applied the provisions within FRS 101 to be exempt from the disclosure of transactions entered into, and balances outstanding, with a Group entity which is wholly owned by another Group entity and key management personnel.

20 Controlling parties

The Company's immediate parent undertaking is Arqiva Holdings Limited ('AHL'). Copies of the Arqiva Holdings Limited 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. The parent of the smallest group to consolidate these financial statements is Arqiva Holdings Limited ('AHL').

Copies of the AGL and the AHL consolidated financial statements can be obtained from the Company Secretary of each Company at Crawley Court, Winchester, Hampshire, SO21 2QA.

AGL is owned by a consortium of shareholders including Canada Pension Plan Investment Board, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company, as defined by FRS 101.

In June 2022 it was announced that Digital 9 Infrastructure has agreed to purchase Canada Pension Plan Investment Board's (CPPIB) entire 48% stake in AGL. Digital 9 Infrastructure is a dedicated infrastructure investor, headquartered in the UK and with significant experience in the infrastructure industry. It is anticipated that this deal will be completed later in this calendar year. At that point the representatives from CPPIB appointed to the Board of Directors will be replaced by representatives from Digital 9 Infrastructure. This will not change the day-to-day operations of the Group's business.