Arqiva Broadcast Finance Plc

Registered number 08336342

Annual Report and Financial Statements

For the year ended 30 June 2022

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Strategic report

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

Business model, environment and strategy

The principal activities of Arqiva Broadcast Finance Plc (the 'Company') throughout the year have been that of a financing vehicle, as issuer of the Junior bonds within the Arqiva Group Limited ('AGL') group (the 'Group') of companies. The Junior bonds are listed on the Luxembourg Stock Exchange.

This entity is a wholly owned subsidiary of Arqiva Broadcast Parent Limited ('ABPL'), see note 18 to the financial statements.

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

Given the straightforward nature of the Company's activities as a financing vehicle, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

The KPIs of the Group are managed as a whole and are discussed within the Annual Report and Consolidated Financial Statements of AGL on page 33, a copy of which is available from the address in note 18 of these financial statements or the Group's website at www.arqiva.com.

The Company made a profit for the financial year of £19,000 (2021: £17,000). The Company has net assets of £296,000 (2021: £277,000).

The issued share capital of the Company is £50,000 (2021: £50,000) comprising 50,000 (2021: 50,000) fully paid ordinary shares of £1 each.

Risk management

Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties arising from its activities as a financing vehicle are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the Annual Report and Consolidated Financial Statements of AGL on page 50, a copy of which can be obtained from the address in note 18 of these financial statements, or the Group's website at www.arqiva.com.

Future developments and outlook

It is the intention of management that the Company will repay its external debt in the next year. This will be financed by new facilities entered into by fellow Group subsidiaries. For further detail see note 17.

Section 172 Statement

The Companies Act 2006 sets out a set of general duties owed by Directors to a company, including a list of matters to which the Directors must have regard, which are set out in s.172(1)(a) to (f). During the year, in continuing to exercise their duties, the Directors have had regard to these matters, as well as other factors, in considering proposals from the Executive Committee and continuing to govern the Company on behalf of its shareholders.

From the perspective of the Company the s.172 factors are considered as a whole by the Directors across the Group. How these factors have been addressed, are discussed within the Annual Report and Consolidated Financial Statements of AGL on page 40, a copy of which can be obtained from the address in note 18 of these financial statements or the Group's website at www.arqiva.com.

Stakeholder engagement

Throughout the year, the Board has continued to ensure engagement with relevant stakeholders both in day to day business, and as part of key developments.

Details of the Group's approach to stakeholder engagement as a whole are discussed within the Annual Report and Consolidated Financial Statements of AGL on page 40 and 41, a copy of which is available from the address in note 18 of these financial statements or the Group's website at www.arqiva.com.

This report was approved by the Board of Directors on 17 October 2022 and signed on its behalf by:

Mike Parton
Director
17 October 2022

Directors' report

The Directors of Arqiva Broadcast Finance Plc, registered company number 08336342, ('the Company') submit the following annual report and audited financial statements ('the financial statements') in respect of the year ended 30 June 2022.

Business review and principal activities

Financing overview
In February 2013, the Group refinanced, raising funds from both bank facilities and bond markets. These funds together with further funds advanced by the AGL shareholders facilitated the repayment of previous bank facilities. Since 2013, the Group has continued to issue debt in order to replace maturing debt as necessary. The Company is the issuer of the Group's Junior bonds.

Future developments and outlook

Details of the future developments and outlook are included in the strategic report on page 2.

Principle risks and uncertainties

Details of the principal risks and uncertainties are included in the Strategic report on page 2.

Financial risk management

Due to the nature of the Company's operations, it is exposed to limited financial risks including credit, liquidity, and interest rate risk. The Company's overall risk management programme seeks to minimise potential adverse effects as noted below.

Credit risk
The Company is not exposed to any credit risk other than in respect of intercompany balances within the Group. It does not have an external customer base. The intercompany debt is covered by an intercompany loan agreement. The intercompany receivables balance is with a fellow wholly owned subsidiary of the Group. The Directors have assessed that the credit risk is low.

Liquidity risk
The Company actively maintains a mixture of long-term external debt finance and intercompany loans. For short-term resources the Company utilises intercompany loans. The maturity of the Company's borrowings is shown in note 13. The Company's capital requirements are managed by the Group treasury team.

Interest rate risk
The Company has a policy of maintaining debt at fixed rates to ensure certainty of future interest cash flows.

Dividends, results, and transfers to reserves

The Directors do not propose to pay a dividend for the year (2021: £nil). The profit for the financial year of £19,000 (2021: £17,000) was transferred to reserves.

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. As the principal activity of the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group.

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 and continue to meet debt and interest payments as they fall due. This is further supported by the new debt facilities established by the Group post year end, see note 17 for further information. For this reason, the Directors are confident that the Company has adequate resources to continue in operational existence for the foreseeable future.

Events after the end of the reporting period

On 19 August 2022, the Arqiva Financing No 2 Limited signed a commitment for a £450m term facility and a £50m Working Capital Facility both with an expected maturity date of 2028. These facilities are floating rate in nature with a margin over SONIA. The proceeds of the term facility together with available cash reserves were used to redeem the Company's outstanding £625m Junior bonds on 30th September 2022.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

- Sally Davis	
- Christian Seymour	
- Mark Braithwaite	(Resigned 13 May 2022)
- Mike Parton	
- Nathan Luckey	(Appointed 1 July 2021, resigned 30 June 2022)
- Peter Adams (alternate)	(Resigned 9 December 2021)
- Neil King	
- Frank Dangeard	(Resigned 1 July 2021)
- Mike Darcey	
- Max Fieguth (alternate)	(Resigned 9 December 2021)
- Batiste Ogier	
- Susana Leith-Smith	(Appointed 13 May 2022)
- Paul Donovan	(Appointed 1 July 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.

Disclosure of information to the Independent Auditors

The Directors of the Company in office at the date of approval of this report confirm that:

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- the Strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Group Annual General Meeting.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and 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, 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 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 also 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

M Parton

Mike Parton
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

17 October 2022

Independent auditors' report to the members of Arqiva Broadcast Finance Plc

Report on the audit of the financial statements

Opinion

In our opinion, Arqiva Broadcast Finance Plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2022; the Income statement and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Our audit approach

Overview

Audit scope

- As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key audit matter

- Borrowing in the form of Junior Bonds

Materiality

- Overall materiality: £6.4 million (2021: £6.3 million) based on approximately 1% of total assets.
- Performance materiality: £4.8 million (2021: £4.8 million).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Recoverability of intercompany receivable balances and Covid-19 impact, which were key audit matters last year, are no longer included because of the limited judgement involved in assessing the recoverability of the intercompany receivable balances and the limited ongoing impact of Covid-19 on the Company. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Borrowing in the form of Junior Bonds The Company has borrowings in the form of Junior Bonds, which at 30 June 2022 comprised £625,000k sterling denominated bonds with fixed interest rates of 6.75%. These bonds were listed on the Luxembourg Stock Exchange and were repayable in September 2023 however have been repaid on 30 September 2022. This is a key audit matter due to the quantum of the balance as any misstatements in this balance would likely be material. Refer to page 20 (note 13 - Borrowings and note 17 - Events after the reporting date)	We agreed the year end balances, interest rates and profiles of the bonds to the Luxembourg Stock Exchange website and did not identify any material differences. We recalculated the interest expense on the bonds using the outstanding balances throughout the year and the prevailing interest rates per the agreed terms, with no material differences noted. We also obtained supporting evidence for the repayment of the bond on 30 September 2022 with no issues.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

Arqiva Broadcast Finance Plc is a financing vehicle, an issuer of the listed junior bonds on the Luxembourg Stock Exchange (Euro MTF) within the Arqiva Group Limited group of companies. It had no other trading activities during the year. The Company has advanced the funds it raised from the issuance of bonds through an intercompany loan agreement to another Company within the Group.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	£6.4 million (2021: £6.3 million).
How we determined it	Based on approximately 1% of total assets
Rationale for benchmark applied	Based on our professional judgement, total assets is considered to be an appropriate measure to assess the performance of the Company given that the purpose of the Company is to hold debt and the measure is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £4.8 million (2021: £4.8 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £0.3 million (2021: £0.3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of the use of going concern basis of preparation of the financial statements;
- Obtaining the signed letter of support from Arqiva Group Limited;
- Assessing the reliability of the letter of support by leveraging the Group going concern assessment and the audit procedures performed over the Group going concern assessment including the refinancing of the loan for early redemption of the junior bonds; and
- Considering management's disclosures of their assessment of going concern.

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.
With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with UK Tax law and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's manipulation through the posting of manual journals. Audit procedures performed by the engagement team included:

- Discussions with management and Directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or journals posted by unexpected users;
- Reviewing minutes of meetings of those charged with governance; and
- As required by ISA (UK) 240, incorporating an element of unpredictability into our audit testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

N. Comello

Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 October 2022

Income statement

	Note	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Operating expenses		(5)	(5)
Operating loss	5	**(5)**	**(5)**
Finance income	7	42,216	42,213
Finance costs	8	(42,188)	(42,187)
Profit before taxation		**23**	**21**
Tax	9	(4)	(4)
Profit for the financial year		**19**	**17**

All results presented relate to continuing operations.

The Company has no other comprehensive income other than the profit stated above and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 15 to 21 form part of these financial statements.

Statement of financial position

	Note	30 June 2022 £'000	30 June 2021 £'000
Non-current assets			
Receivables	10	625,000	625,000
		625,000	**625,000**
Current assets			
Receivables	10	11,006	10,978
Cash and cash equivalents	11	7	7
		11,013	**10,985**
Total assets		**636,013**	**635,985**
Current liabilities			
Payables	12	(10,717)	(10,708)
		(10,717)	**(10,708)**
Net current assets		**296**	**277**
Non-current liabilities			
Borrowings	13	(625,000)	(625,000)
		(625,000)	**(625,000)**
Total liabilities		**(635,717)**	**(635,708)**
Net assets		**296**	**277**
Equity			
Share capital	14	50	50
Retained earnings		246	227
Total equity		**296**	**277**

The notes on pages 15 to 21 form part of these financial statements.

These financial statements on pages 12 to 21 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 £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2020	**50**	**210**	**260**
Profit and total comprehensive income for the financial year	-	17	17
Balance at 30 June 2021	**50**	**227**	**277**
Profit and total comprehensive income for the financial year	-	19	19
Balance at 30 June 2022	**50**	**246**	**296**

Notes to the financial statements

1 General information

Arqiva Broadcast Finance Plc (the 'Company') is a private company limited by shares, incorporated and domiciled in England, United Kingdom ('UK') under the Companies Act under registration number 08336342. 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 Strategic report on page 2 and the Directors' report and statement of Directors' responsibilities in respect of the financial statements on page 6.

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 on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 as applicable to FRS 101. The Group's consolidated financial statements are available online at www.arqiva.com.

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

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

IFRS 7 *Financial Instruments: Disclosures*	All disclosure requirements.
IFRS 13 *Fair Value Measurement*	The requirements of paragraphs 91 to 99.
IAS 1 *Presentation of financial statements*	The requirements of paragraph 38; comparative information in respect of paragraph 79(a)(iv) of IAS 1. 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, and the requirement to disclose remuneration of key management personnel, provided that any subsidiary party to the transaction is wholly owned by such a member and key management personnel.

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:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
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

None of the above are expected to have a material impact on the Company.

3 Principal accounting policies

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

(a) 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. As the principal activity of the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group.

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 and continue to meet debt and interest payments as they fall due. This is further supported by the new debt facilities established by the Group post year end, see note 17 for further information. For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future.

(b) 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. The charge is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. 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 year end 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.

(c) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value and subsequently carried at amortised cost using the effective interest method. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss, presented as an 'other gain or loss'. Impairment of irrecoverable amounts is based on an expected credit loss model.

Receivables
Receivables are amounts due from other Group entities. These balances are a combination of interest bearing at 6.5% and interest free. Impairment of irrecoverable amounts is based on an expected credit loss model.

Borrowings
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the Income Statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(d) Interest

Interest income and expense are accounted for on an accruals basis and comprise amounts receivable and payable on deposits, intercompany balances and loans.

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 associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 Audit fees

The Company's audit fee for the year was £27,000 (2021: £27,000) and this was borne by Arqiva Limited, a fellow Group company and has not been recharged. There were no non-audit fees in the year.

6 Employees and Directors

Employees
The Company had 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.

7 Finance income

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Interest receivable from other Group entities	42,216	42,213
Total finance income	**42,216**	**42,213**

8 Finance costs

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
Junior bond interest (see note 13)	42,188	42,187
Total finance costs	**42,188**	**42,187**

9 Tax

	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
UK corporation tax		
- Current year	4	4
Tax charge for the year	**4**	**4**

UK Corporation tax is calculated at the rate of 19.00% (2021: 19.00%) of the 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	23	21
Tax at the UK Corporation tax rate of 19.00% (2021: 19.00%)	4	4
Total tax charge for the year	**4**	**4**

Due to the impact to the group from changing tax legislation, the decision was made with effect from 1 July 2017 to pay for Group relief. The tax charge represents a payment for group relief from other Companies within the group.

The main rate of UK corporation tax was 19.0% during the year (2021: 19%). 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).

10 Receivables

	30 June 2022 £'000	30 June 2021 £'000
Current		
Amounts receivable from other Group entities	11,006	10,978
Total current receivables	**11,006**	**10,978**
Non-current		
Amounts receivable from other Group entities	625,000	625,000
Total non-current receivables	**625,000**	**625,000**

Interest has been charged on the non-current receivable balance of £625,000,000 (2021: £625,000,000) at 6.75% (2021: 6.75%). The intercompany receivable balance of £625,000,000 (2021: £625,000,000) arises due to the on-lending of the funds raised through the issue of the junior bonds to Arqiva Financing No 2 Limited, another Group company. The interest rates and maturities of these amounts are aligned to the external debt instrument held (see note 13). The current receivable balance of £11,006,000 (2021: £10,978,000) is interest free. Amounts which are interest free are repayable on demand.

11 Cash and cash equivalents

	30 June 2022 £'000	30 June 2021 £'000
Cash at bank	7	7
Total cash and cash equivalents	**7**	**7**

12 Payables

	30 June 2022 £'000	30 June 2021 £'000
Accrued interest	10,664	10,664
Amounts payable to other Group entities	53	44
Total payables	**10,717**	**10,708**

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

Accrued interest relates to amounts payable in relation to external borrowings (see note 13).

13 Borrowings

	30 June 2022 £'000	30 June 2021 £'000
Junior bonds	625,000	625,000
Total borrowings	**625,000**	**625,000**

The junior bonds represent amounts raised from the issuance of notes by the Company. These sterling denominated bonds have a fixed interest rate of 6.75% (2021: 6.75%), are repayable in September 2023 and are listed on the Luxembourg Stock Exchange.

The Company has advanced the funds it raised externally to another company within the Group via an intercompany loan agreement (see note 10).

Following the year end the Company has repaid its external junior debt, with new funds being raised by fellow subsidiary entities. See note 17 for detail.

14 Share capital

	30 June 2022 £'000	30 June 2021 £'000
Allotted and fully paid:		
50,000 (2021: 50,000) ordinary shares of £1 each	50	50

15 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. The Directors consider the likelihood of this security being called upon to be remote and therefore has no impact on the liabilities recognised for the current year.

16 Related party transactions

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 with key management personnel.

17 Events after the reporting date

On 19 August 2022, the Arqiva Financing No 2 Limited signed a commitment for a £450m term facility and a £50m Working Capital Facility both with an expected maturity date of 2028. These facilities are floating rate in nature with a margin over SONIA. The proceeds of the term facility together with available cash reserves were used to redeem the Company's outstanding £625m Junior bonds on 30th September 2022.

18 Controlling parties

The Company's immediate parent undertaking is Arqiva Broadcast Parent Limited (‘ABPL’). The ultimate UK parent undertaking is AGL, which is the parent undertaking of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is ABPL. Copies of the AGL and ABPL 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 above AGL, 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.