



Arqiva Muxco Limited
(formerly Aerial UK Limited)

Registered number 02333949

**Annual Report and
Financial Statements**
For the year ended 30 June 2020

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Strategic report

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

Our Business Model

Until April 2020 the principle business activity of Arqiva Muxco Limited ('the Company') was to act as an intermediary holding company within the Arqiva Group Limited ('AGL') group of companies ('the Group').

In April 2020 the Company acquired the Digital Platform's contracts and associated trade from Arqiva Services Limited ('ASL'). 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 two DVB-T2 multiplexes (capable of providing additional services including HD content).

Arqiva's main (DVB-T) multiplexes remain highly utilised with 90% of capacity sold as at 30 June 2020. With a strengthening in utilisation in the final quarter of the year due to the addition of a 24hr slot due to launch in September 2020 and extensions of other customer commitments on the DTT platform to 2026.

The uptake of TV viewing on the DTT / Freeview platform has been strong during the period of lockdown as more people stay at home. TV has provided a vital way of keeping people informed, helping with social isolation and entertainment. The wide reach of the DTT platform has been of vital national importance for delivering news and other information to the whole nation and for supporting society during the current pandemic.

The current interim DVB-T2 multiplex licence ended in June 2020 and was replaced by Ofcom with a new licence with a 3 month rolling notice period. As a result of the change Arqiva moved from two to one multiplex in the spectrum – it closed Com8 multiplex with the remaining services moving to the Com7 multiplex. The terms of the licence mean that Arqiva will be required to vacate the spectrum if it is needed by the holder of the spectrum following Ofcom's auction of the 700 MHz spectrum. Ofcom recently announced that it plans to auction the spectrum in early 2021. Subject to the notice period being triggered and avoiding interference, Arqiva will have the right to remain in the spectrum until June 2022.

All shares in the Company were transferred from Arqiva Public Safety Limited to Arqiva Holdings Limited on 26 May 2020 as part of a restructuring of the Group.

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 2020 is £10,797,000 (2019: £5,000). 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 £8,205,000 (2019: £4,000). The Company has net current assets of £8,323,000 (2019: £2,644,000) and net assets of £12,661,000 (2019: £2,644,000).

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 19 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 22 February 2021 and signed on its behalf by:



Frank Dangeard
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 2020. The Company's registered office is Crawley Court, Winchester, Hampshire SO21 2QA.

On 22 October 2019 the Company changed its name to Arqiva Muxco Limited, formerly being Aerial UK Limited.

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 (2019: £nil). The profit for the year of £8,205,000 (2019: £4,000) was transferred to reserves.

Events after the reporting period

On 8 July 2020, the Arqiva Group successfully completed the sale of its Telecoms business to Cellnex in a circa £2.0bn deal. The transaction comprises the divestment of c. 7,400 of Arqiva's cellular sites, including masts and towers as well as urban rooftop sites, and the right to market a further c.900 sites across the UK. In the execution of the agreement, the Group has sold six subsidiary entities, including Arqiva Aerial Sites Limited, a former subsidiary of the Company.

Arqiva Aerial Sites Limited was transferred from the Company at book value to Arqiva Services Limited on 26 May 2020, before the subsequent sale of Arqiva Services Limited (and subsidiaries) to Cellnex on 8 July 2020.

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

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.

The Directors have also taken into account the potential implications of the current Covid-19 situation and have determined that given there will continue to be demand for services provided by the Group and the Group has a mixed customer base, the going concern basis remains appropriate.

Directors

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

- Simon Beresford-Wylie (Resigned 20 April 2020)
- Tim Jones (Resigned 14 October 2019)
- Peter Charles (Appointed 14 October 2019)
- Mark Braithwaite (Appointed 14 October 2019)
- Frank Dangeard (Appointed 14 October 2019)
- Michael Darcey (Appointed 14 October 2019)
- Sally Davis (Appointed 14 October 2019)
- Paul Donovan (Appointed 14 October 2019)
- Max Fieguth (Appointed 14 October 2019)
- Martin Healey (Appointed 14 October 2019, resigned 12 January 2021)
- Neil King (Appointed 14 October 2019)
- Michael Parton (Appointed 14 October 2019)
- Christian Seymour (Appointed 14 October 2019)
- Nathan Luckey (Appointed 14 October 2019, resigned 4 August 2020)
- Sean West (Appointed 7 October 2019)
- Batiste Ogier (Appointed 12 January 2021)

Company Secretary

Jeremy Mavor is the Company Secretary.

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

A handwritten signature in black ink, appearing to read 'Frank Dangeard', written over a light grey rectangular background.

Frank Dangeard
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

Income statement

	Note	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Revenue	5	24,724	-
Cost of sales		(10,322)	-
Gross profit		14,402	-
<i>Depreciation</i>		(354)	-
<i>Impairment</i>		(1,866)	-
<i>Other administrative expenses</i>		(1,739)	-
Total operating expenses		(3,959)	-
Other income		-	5
Operating profit	6	10,443	5
Finance income		124	-
Finance costs		-	-
Profit before tax		10,567	5
Tax	8	(2,362)	(1)
Profit for the year		8,205	4

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 9 to 18 form part of these financial statements.

Statement of financial position

	Note	30 June 2020 £'000	30 June 2019 £'000
Non-current assets			
Property, plant and equipment	10	19,135	-
		19,135	-
Current assets			
Receivables	12	26,920	4,730
Contract assets	12	1,207	-
		28,127	4,730
Total assets		47,262	4,730
Current liabilities			
Borrowings	14	(4,331)	-
Payables	13	(2,599)	(2,086)
Contract liabilities	13	(12,874)	-
		(19,804)	(2,086)
Net current assets		8,323	2,644
Non-current liabilities			
Borrowings	14	(14,797)	-
		(14,797)	-
Total liabilities		(34,601)	(2,086)
Net assets		12,661	2,644
Equity			
Called up share capital	16	100	100
Retained earnings		10,749	2,544
Capital reserve		1,812	-
Total equity		12,661	2,644

The notes on pages 9 to 18 form part of these financial statements.

For the year ending 30 June 2020 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 6 to 18 were approved by the Board of Directors on 22 February 2021 and were signed on its behalf by:



Frank Dangeard - Director

Statement of changes in equity

	Share capital	Retained earnings	Capital reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2018	100	2,540	-	2,640
Profit for the year	-	4	-	4
Balance at 30 June 2019	100	2,544	-	2,644
Profit for the year	-	8,205	-	8,205
Capital contribution	-	-	1,812	1,812
Balance at 30 June 2020	100	10,749	1,812	12,661

The Company was released, by way of Deed Poll release, from £1,812,000 of intercompany loans from other subsidiaries in the Arqiva Group. This was accounted for as a capital contribution (see note 13). The Company received capital contributions in the year of £23,000 from Arqiva Telecoms Investment Ltd, £1,735,000 from Arqiva Public Safety Ltd, and £54,000 from Arqiva No 3 Ltd.

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 1.

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:

<u>EU-adopted IFRS</u>	<u>Relevant disclosure exemptions</u>
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.

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

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.

The Directors have also taken into account the potential implications of the current Covid-19 situation and have determined that given there will continue to be demand for services provided by the Group and the Group has a mixed customer base, the going concern basis remains appropriate.

(c) Changes in accounting policy and disclosures

The Group adopted IFRS 16 'Leases' for the first time in the current year. There was no impact on the Company accounts on initial adoption at 1 July 2019. The Company acquired leases associated with the Digital Platform broadcast contracts from ASL during the year. In accordance with IFRS 16 the Company has recognised right-of-use assets and lease liabilities in relation to these leases. Detail of amounts recognised are presented in notes 10 and 14.

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

IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	Various standards
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not applicable for these financial statements:

		Effective for annual periods beginning on or after:	Effective for Arqiva year ending:
Amendments to References to the Conceptual Framework in IFRS Standards	Various standards	1 January 2020	30 June 2021
Amendments to IFRS 3	Definition of a Business	1 January 2020	30 June 2021
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020	30 June 2021
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1 January 2020	30 June 2021
Amendments to IFRS 16	Covid-19 Related Rent Concessions	1 June 2020	30 June 2021

(d) 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.

(e) 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.

(f) 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.

(g) 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.

Revenue recognition

Critical accounting judgements:

In applying the Company's revenue recognition policy, as set out in note 3, judgements are made in respect of certain areas including:

- determination of distinct contract components and performance obligations.

The above judgements are consistently applied across similar contracts.

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 2020	30 June 2019
	£'000	£'000
Contract assets		
Current	1,207	-
	1,207	-
Contract liabilities		
Current	12,874	-
	12,874	-

Contract assets are stated after provisions for impairment of £50,000 (2019: £nil).

6 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Depreciation of property, plant and equipment	354	-
Impairment of amounts receivable from other Group entities	1,866	-
Management recharge from fellow Group entities	1,739	271
Management charges to subsidiary	-	(276)

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 (2019: £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 2020 £'000	Year ended 30 June 2019 £'000
Operating profit	10,443	5
Depreciation	354	-
EBITDA	10,797	5

7 Employees and directors

Employees

The Company has no employees during the year (2019: none).

Directors

There are no recharges (2019: £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 Tax

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Current tax:		
UK Corporation tax		
- Current year	2,362	1
	2,362	1
Total tax charge for the year	2,362	1

UK Corporation tax is calculated at the weighted average rate of 19.0% (2019: 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 2020 £'000	Year ended 30 June 2019 £'000
Profit before tax	10,567	5
Tax at the UK Corporation tax rate of 19.0% (2019: 19.0%)	2,008	1
Tax effect of expenses not deductible for tax purposes	354	-
Total tax charge for the year	2,362	1

The main rate of UK corporation tax remained at 19.0% during the period and a 19.0% tax rate (2019: 19.0%) has therefore been used for the reconciliation of total tax.

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

There are no recognised or unrecognised deferred tax balances (2019: none).

9 Finance income

	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Interest receivable from other Group entities	124	-
Total finance income	124	-

10 Property, plant and equipment

	Plant and equipment £'000
Cost	
At 1 July 2019	-
Transfers from Group companies	19,489
At 30 June 2020	19,489
Accumulated depreciation and impairment	
At 1 July 2019	-
Depreciation	354
At 30 June 2020	354
Carrying amount	
At 30 June 2020	19,135
At 30 June 2019	-

Included within plant and equipment are right of use assets with a carrying value of £19,135,000 which were transferred from Arqiva Services Limited in the year.

11 Investments

As at 30 June 2020 the carrying value of investments was £nil (2019: £nil).

Arqiva Aerial Sites Limited was transferred from the Company at book value to Arqiva Services Limited on 26 May 2020, before the subsequent sale of Arqiva Services Limited (and subsidiaries) to Cellnex on 8 July 2020.

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 each of the subsidiary company was Crawley Court, Winchester, Hampshire, SO21 2QA.

All shares in Arqiva Pension Trust Limited were transferred to the Company from Arqiva Services Limited on 26 May 2020 as part of a restructuring of the Group. The shares were transferred at nil consideration.

12 Receivables

	30 June 2020 £'000	30 June 2019 £'000
Current		
Amounts receivable from other group entities	26,069	4,730
Prepayments	851	-
Total current receivables	26,920	4,730
Contract assets	1,207	-

Amounts receivable from other group entities are unsecured, interest free, and repayable on demand.

Amounts receivable from other group companies are stated after impairments recognised of £1,866,000 (2019: £nil).

Contract assets are stated after provisions for impairment of £50,000 (2019: £nil).

13 Payables

	30 June 2020 £'000	30 June 2019 £'000
Amounts payable to other group entities	2,388	2,083
Other payables	183	3
Accruals	28	-
Total payables	2,599	2,086
Contract liabilities	12,874	-

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

In May 2020, the Company was released from £1,735,000, £54,000, and £23,000 of intercompany loans due from Arqiva Public Safety Limited, Arqiva No 3 Limited, and Arqiva Telecoms Investment Limited respectively. This was achieved by way of Deep Poll release by the lenders, irrevocably waiving the right to the released amount. This was accounted for as a receipt of capital contribution creating distributable reserves.

14 Borrowings

	30 June 2020 £'000	30 June 2019 £'000
Within current liabilities:		
Lease liabilities	4,331	-
Borrowings due within one year	4,331	-
Within non-current liabilities:		
Lease liabilities	14,797	-
Borrowings due after more than one year	14,797	-

15 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 2019	-
Additions to right-of-use assets	19,489
Depreciation charge for the year	(354)
Balance at 30 June 2020	19,135

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 14 Borrowings. The total cash outflow for leases in the year ended 30 June 2020 was £361,000.

16 Share capital

	30 June 2020 £'000	30 June 2019 £'000
Allotted, called up and fully paid:		
100,000 (2019: 100,000) ordinary shares of £1 each	100	100

17 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.

18 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.

19 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.