Arqiva Broadcast Parent Limited

Registered number 08085823

Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

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Interim financial report

The Directors of Arqiva Broadcast Parent Limited ('ABPL'), registered company number 08085823, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2024.

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

The risks and uncertainties referred to above include:

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

Business overview

Arqiva is the UK's leading enabler of digital connected solutions across the Media and Broadcast and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £3.1bn as at 31 December 2024.

Recent developments since 30 June 2024

Media and Broadcast

DTT Multiplexes
New channels added in the first trading quarter saw DTT platform capacity utilisation reach 97%. We are in discussions with a number of large customers to extend contracts to the early 2030s and we expect to conclude those during the second half of the year.

Radio
Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex also has a significant number of contracts secured until its current licence end date of 2028. Demand for national and local DAB multiplexes remains strong, and we continue to secure contract renewals with large customers.

Direct to Home (DTH)
The DTH platform remains close to full capacity, supported by renewals secured to 2029. We continue to win a high proportion of channels new to market, including broadcast customers from the Indian sub-continent. We also delivered as a "Pop Up" for the 6th consecutive season the Amazon Prime Football Association Premier League channels for the Christmas period.

Media Management Products
Arqplex, the Group's on-premise and cloud multiplexing deployment, is now in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade, Arqiva's cloud-based video content exchange product launched in 2022, enabling media companies to interchange their content with multiple platforms efficiently across the world. We currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. We now have over 700 channels accessible within the Arqade platform.

Arqads, Arqiva's addressable advertising solution, facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The product enables new customer services for Sky AdSmart with the Arqads platform hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, targeted to launch mid-2025.

We have recently launched our Streaming Optimisation product which allows the customer to optimise their use of Content Delivery Networks (CDN), delivering deeper insight via analytics with improved audience experience and cost savings through CDN switching and peer-to-peer networking. Response from the market has been very positive with several proof of concepts (PoCs) due to launch imminently and multiple live opportunities being pursued.

There remains an exciting and growing pipeline of potential customers across this comprehensive portfolio of new products, with bids active on several opportunities with UK and international customers.

Position, Navigation and Timing (PNT) services (eLoran)
In November Hellen Systems and Arqiva announced a partnership to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services. This announcement is a step forward in Arqiva's strategy to address vulnerabilities arising from the UK's dependency on satellite based PNT, particularly the Global Navigation Satellite Systems (GNSS). GNSS supports around £320 billion of UK GDP; improving the UK's PNT robustness, security and resilience will be key to mitigating vulnerabilities to the loss of satellite based PNT. The eLoran framework has the potential to enable significant growth opportunities through the provision of alternative PNT services to critical national infrastructure industries such as utilities and energy, government, military as well as commercial users across the UK.

Government / Regulatory updates
A forum to advise on the future of TV distribution has been launched by the DCMS Minister, Stephanie Peacock MP. The review will run for at least the next 12 months with the objective of providing clarity on the long-term future of the DTT platform. Arqiva is actively involved in the forum along with other stakeholders including broadcasters, infrastructure players and audience groups. This review builds on work completed by Ofcom published in May 2024 which set out options for the long-term future and highlighted the importance of a decision and providing certainty for industry stakeholders.

The government has also announced plans to review the BBC Royal Charter, with the current Charter set to expire on December 31, 2027. The government has committed to maintaining the current licence fee structure, adjusted annually for inflation, until the Charter's end in 2027. In parallel, Ofcom has outlined the terms for its 2025 review of public service media. The review will be conducted in two phases: the first will evaluate the performance of PSBs from 2019 to 2023, while the second will explore strategies to ensure the sustainability and relevance of public service media in the face of changing audience behaviours and technological advancements.

Smart Utilities Networks

Regulatory Environment - Water
Ofwat have released its final determinations on water company business plans for Price Review 2024 (PR24) - the regulated price period between 2025-2030. PR24 will see investments quadruple, with 90% of this going towards meeting new environmental requirements.

Almost £12billion of investment will be allocated to 'protecting our water and wastewater system', which includes £1.7bn on the further smart meter rollout with an additional ten million meters being delivered. Ofwat has set a 17% reduction target on leakage over 2025-30 and the overall investment will help companies to achieve this, using smart technologies and better data, including from expanding metering.

Anglian Water
Since the award of the Anglian Water contract in June 2020, the Group has deployed over 1m meters. The pace of network rollout continues to accelerate and we are on track to complete all 1.1m meters before the end of the 2020-2025 regulatory period. Our performance to date has resulted in Anglian awarding Arqiva a 20-year contract for the next regulatory period to rollout an additional 1.1m meters with associated network. They have also increased their focus on adding sensors to the network with both sewer level and chlorine sensors being developed for trial this year.

United Utilities
United Utilities has awarded Arqiva a contract of at least 15 years to provide 1.1m meters in support of their AMP8 smart meter rollout programme. Arqiva will be the prime contractor in a new to market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2m meters during AMP9 and AMP10.

Affinity Water
Arqiva has signed a 15 year contract with Affinity Water, to provide 0.4m meters in support of their AMP8 smart meter rollout programme. Arqiva will provide the communications network, managed service and meters. Affinity Water's overall programme for smart meters is 1.2m which will offer the potential for new growth opportunities during AMP9 and AMP10.

Thames Water
Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2m meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. We continue to develop joint plans for additional meters in areas we already serve as well as ways to support delivery of their full commitments in AMP8.

SGN Hybrid Connectivity
Since the original 5-year contract was awarded by SGN earlier this year to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites over the 5 year period.

Smart energy metering rollout
The Group's smart metering communication network in the North of England and Scotland continues to deliver in line with contractual SLAs and in doing so support the critical role of smart metering in enabling the UK energy transition. Currently there are 3.6m communications hubs operating on the network and we continue to see demand for smart meters, with strong continued drive from stakeholders and as consumers continue to seek to access the benefits of smart meters.

Arqiva is in the middle of technology development which will deliver enhancements to the platform to support the growth forecast in the next couple of years, with key deliverables already achieved and the next major milestone on track for Q3.

We continue to partner with the DCC to plan for further developments to our service, in support of DCC's move towards an ex-ante regime, and to create certainty over the longer-term partnership.

Corporate Update

CFO change
Arqiva's Chief Financial Officer, Sean West, announced his resignation from the Group and will remain in post until the end of March 2025. Nathan Hodge, Arqiva's existing Group Finance Director, will act as interim CFO while a recruitment process for the permanent position is completed.

Sustainability
Arqiva continues to progress with its target to achieve net zero carbon emissions for scope 1 & 2 emissions by 2031, by reducing energy consumption across its broadcasting infrastructure. This year's scope 1 & 2 greenhouse gas emissions report underwent Limited Assurance to ISO 14064, and we saw a reduction of 1962 tCO_2e representing a 4% reduction from prior year. Since April 2024, the Group satisfies its remaining electricity needs with renewable energy guarantee of origin certification. Arqiva has also published a standalone Sustainability Report which is available on Arqiva's website, under the Corporate Responsibility page.

Investment Manager of Digital 9
In December, the Group's 49% shareholder Digital 9 appointed InfraRed Capital Partners as its new investment manager, replacing Triple Point. As a result of this change, the Board saw the resignation of Diego Massidda and Andy MacLeod being replaced by Mike Osborne and James O'Halloran.

Financial results

The following table summarises the headline financials for the period:

	Six Months Ended 31 December		
	2024	**2023**	**% Change**
	(Unaudited) £ millions		
Revenue			
Commercial			
- Media and Broadcast	237.9	241.4	(1.4)%
- Smart Utilities Networks[1]	67.5	82.7	(18.4)%
Total Group revenue	**305.4**	**324.1**	**(5.8)%**
EBITDA[2]			
Commercial			
- Media and Broadcast	166.2	163.4	1.7%
- Smart Utilities Networks	29.7	31.4	(5.4)%
Other			
- Corporate	(9.3)	(16.3)	42.9%
- Operations	(11.9)	(12.8)	7.0%
- Technology	(20.2)	(19.1)	(5.8)%
Total EBITDA (excluding exceptionals)	**154.5**	**146.6**	**5.4%**
Net cash inflow from operating activities	94.0	123.7	(24.0)%
Net capital expenditure	(32.9)	(34.3)	4.1%
Receipt of insurance stage payment	-	16.0	(100.0)%
Purchase of investments	(0.2)	-	-
Operating cash flow after capital and financial investment activities	**60.9**	**105.4**	**(42.2)%**

Income Statement

Revenue

For the six month period ended 31 December 2024, revenue for the Group was £305.4m, a decrease of 5.8% from the prior year period. All revenue is associated with the commercial function of the business.

Media and Broadcast

Revenue for the Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £237.9m, representing a 1.4% decrease from £241.4m in the prior year period. Our TV and radio distribution products have remained strong and stable with inflationary increases linked to RPI indexation on these long-term contracts. Customer passthrough of power costs have reduced versus prior period, through a successful power cost hedging strategy and lower usage driven by re-engineering efficiencies. Market pressures within the DTT and DTH capacity have impacted on renewal pricing with some customers terminating, negating the core RPI increases. However, new channel launches in the period saw both DTT and DTH platforms remaining close to fully utilised and we remain optimistic about this market segment.

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

Smart Utilities Networks

Recurring services revenues are broadly consistent (up 0.2%) period on period from £54.5 to £54.6m, devices (sale of goods) down 54.3% from £28.2m to £12.9m. Network service revenue continues to be stable, driven by indexation linked increases plus additional water site operation revenues, through incremental site delivery. Recurring revenues have remained strong and stable in the period and negate the prior period significant one-off network change request that has not been repeated. Device volumes were down for our water customers, following post-pandemic silicon shortage catch up deliveries last year and as we reach end of AMP7 deliveries, with AMP8 volumes to start in H2 FY25.

Smart Utilities revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex which have remained in line with prior period expectations.

EBITDA

For the six months ended 31 December 2024, EBITDA (as defined in Note 7) for the total reported Group was £154.5m, a 5.4% increase from £146.6m in the prior year period.

Media and Broadcast

EBITDA for the Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £166.2m, representing a 1.7% increase from £163.4m in the prior year period The Group's effective power hedging strategy, securing lower prices plus the benefit of power consumption efficiency gains from re-engineering projects has resulted in lower power usage and therefore strengthened gross margin underpinning the core Media and Broadcast products.

Smart Utilities Networks

EBITDA for the utilities business has decreased year on year by 5.4% from £31.4m in the prior year period, down to £29.7m. As with revenue, the expected lower device volumes across our water contracts resulted in reduced absolute device gross profit. Underlying core service margin remains stable, negating the impact of prior period one off change recognitions.

Corporate

Corporate EBITDA represents costs for the support functions such as finance, legal and HR services. EBITDA for this function improved by 42.9% to a loss of £9.3m for the six-month period to 31 December 2024 from a loss of £16.3m in the prior year period. This improvement in EBITDA benefits from of the one-off release of prior period circuit cost accruals and bonus and incentive programme accrual releases in the period, which were not seen in the prior year period.

Operations

The Operations functional segment is responsible for the efficient operation and maintenance of all Arqiva services including field engineers, disaster recovery and network operations. EBITDA for the Operations segment has benefited from cost reductions, 7.0% from a loss of £12.8m in the prior year period to a loss of £11.9m in the six months to 31 December 2024. The cost reduction is due to an increase in utilisation of the team on projects, plus one-off benefit relating to review of lease renewal programmes.

Technology

EBITDA for the Technology function for the six-month period ended 31 December 2024 was a loss of £20.2m, a 5.8% increase in cost from a loss of £19.1m in the prior year period. The increase in cost is mainly due to consultancy and agency fees, combined with software licence and support costs arising from the transformation of IT systems.

Depreciation

Depreciation for the Group during the six-month period ended 31 December 2024 was £54.2m, a decrease of 6.6% from the prior year period figure of £58.0m. The decrease is primarily due driven by a reduction in accelerated depreciation, compared to the prior period, particularly in connection with assets replaced under the 700MHz clearance programme. Further decreases are due to the reassessment of the calculation of depreciation in relation to the 700MHz clearance programme.

Amortisation

Amortisation for the Group during the six-month period ended 31 December 2024 was £6.2m, a decrease of £1.6m from £7.8m in the prior year period. The decrease is driven by a one-off amortization catch-up in the prior period, which has not been repeated.

Exceptional operating expenses

Exceptional operating expenses for the Group during the six-month period ended 31 December 2024 totalled £1.9m, derived from reorganisation and restoration costs (£1.8m incurred in the prior year period).

Net bank and other loan interest

Net bank and other loan interest for the Group for the six-month period was £56.8m compared to £55.1m in the prior year period. This increase was as a result of higher interest charges on inflation linked swap instruments held as well as increased use of the working capital facility in the period.

Other interest

Other interest for the Group for the six-month period was £16.1m, compared to £17.8m in the prior year period. Other interest is primarily non-cash and principally includes the amortisation of debt issue costs, interest on lease obligations and imputed interest.

Interest payable to group undertakings

Interest payable to group undertakings for the six-month period was £98.1m, compared to £89.3m in the prior year period. The increase is due to the compounding of outstanding interest balances.

Other gains and losses

Other gains include net gains of £5.8m (31 December 2023: £8.1m loss) recognised as a result of fair value movements of swaps, principally attributable to changes in forward market rates and credit spreads.

Financial position

As at 31 December 2024 net liabilities for the Group were £1,147.3m, an increase of 12.1% from £1,023.4m in the prior year period. The net liability position is primarily driven by the borrowings and derivative financial instruments held by the Group.

Cash Flow

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

	Six months ended 31 December 2024 (Unaudited) £m	Six months ended 31 December 2023 (Unaudited) £m
EBITDA	154.5	146.6
Exceptional items	(1.9)	(1.8)
Working capital	(58.0)	(21.0)
Other	(0.6)	(0.1)
Net cash inflow from operating activities	**94.0**	**123.7**

Net cash inflow from operating activities for the six-month period ended 31 December 2024 was £94.0m compared to £123.7m for the prior year period, representing a 24.0% decrease, driven by movements in working capital, offsetting EBITDA increases.

The working capital outflow for the six months to 31 December 2024 has been largely driven by the timing of Trade Payables. One-off Bilsdale mast fire service credit settlements were paid in July 2024 (£20.4m) in addition to a number of one-off accrual releases (total £8.5m), relating to surplus circuits, VAT and bonus provisions. Further working capital outflow for the six months to 31 December 2024 was driven by the utilisation and unwind of deferred income and timing of payments, typical with historic trends of the business.

Net capital expenditure in the six-month period ended 31 December 2024 was £32.9m compared with £34.3m in the prior year period. The Capital expenditure is driven by investment in Arqiva's new products and continued water contracts delivery. Expenditure is also impacted by the timing of cash payments made on the settlement of capital expenditure accruals balances.

Operating cash flow after all capital and investment activities was £60.9m compared to £105.4m in the prior year period, representing a decrease of 42.2%. This is principally driven by the reduction of working capital in the period as outlined above.

Total cash for the Group has decreased by £4.0m in the six-month period ended 31 December 2024 (31 December 2023: £15.4m outflow). The reduction in outflow is principally due to the refinancing of senior debt in the prior period not being repeated, partially offset by the corresponding increased interest payments due to timing of settlements, £65.5m (31 December 2023: £50.1m).

Operational delivery

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

- The Smart metering M2M contract has continued to achieve 99.5% network coverage in the North of England and Scotland.
- Rollout of water metering on contracts won with Anglian Water and Thames Water. Mobilisation is underway for new contracts covering delivery in the AMP8 period include United Utilities, Affinity Water and further Anglian Water roll out. Other smart water metering trials are in progress.

Other Key Performance Indicators (KPIs) for the Group are the level of network availability across both TV and radio infrastructure. The Group's total level of network availability across both TV and radio infrastructure was 99.95% during the six months ended 31 December 2024 (six months ended 31 December 2023: 99.95%).

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 30 June 2024, which is available from the Group's website at www.arqiva.com.

ISO certification and Cyber security

Arqiva holds certification to ISO/IEC 27001:2022. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This allows Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification planned in May 2025.

Going concern

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

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

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

Future outlook

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

On behalf of the Board

Scott Longhurst
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

19 June 2025

Consolidated interim income statement

	Note	Six months ended 31 December 2024 Unaudited (Restated*) £m	Six months ended 31 December 2023 Unaudited (Restated*) £m	Year ended 30 June 2024 £m
Revenue[1]	7	305.4	324.1	645.2
Cost of sales		(102.7)	(123.8)	(230.5)
Gross profit		**202.7**	**200.3**	**414.7**
Depreciation	15	(54.2)	(58.0)	(88.3)
Amortisation	14	(6.2)	(7.8)	(19.7)
Other operating expenses		(48.2)	(53.7)	(108.1)
Exceptional operating expenses and impairment	8	(1.9)	(1.8)	(7.9)
Total operating expenses		(110.5)	(121.3)	(224.0)
Other income		3.9	3.9	9.9
Exceptional other income	8	-	16.0	16.0
Operating profit		**96.1**	**98.9**	**216.6**
Finance income	9	0.9	2.5	4.8
Finance costs	10	(171.0)	(158.0)	(324.9)
Other gains / (losses)	11	5.8	(8.1)	(10.6)
Loss before tax		**(68.2)**	**(64.7)**	**(114.1)**
Tax	12	(9.0)	(11.6)	10.6
Loss for the period		**(77.2)**	**(76.3)**	**(103.5)**
Attributable to:				
Owners of the company		(77.4)	(76.4)	(103.7)
Non-controlling interest		0.2	0.1	0.2
		(77.2)	**(76.3)**	**(103.5)**

Further comments on consolidated income statement line items are presented in the notes to the financial statements on pages 14 to 39.

* See note 29 for details regarding the restatement as a result of an error.
[1] Prior period revenues are stated net of exceptional service credits recognised in the year. See note 8 for detail.

Consolidated interim statement of comprehensive income

	Note	Six months to 31 December 2024 Unaudited (Restated*) £m	Six months to 31 December 2023 Unaudited (Restated*) £m	Year ended 30 June 2024 £m
Loss for the period		**(77.2)**	**(76.3)**	**(103.5)**
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain / (loss) on defined benefit pension schemes	27	0.6	(1.7)	(44.3)
Movement on deferred tax relating to pension schemes		(0.2)	0.4	11.1
		0.4	**(1.3)**	**(33.2)**
Exchange differences on translation of foreign operations		-	-	-
		0.4	**(1.3)**	**(33.2)**
Total comprehensive loss		**(76.8)**	**(77.6)**	**(136.7)**
Attributable to:				
Owners of the Company		(77.0)	(77.7)	(136.9)
Non-controlling interest		0.2	0.1	0.2
Total comprehensive loss		**(76.8)**	**(77.6)**	**(136.7)**

All items of other comprehensive income relate to continuing operations.

* See note 29 for details regarding the restatement as a result of an error.

Consolidated interim statement of financial position

	Note	31 December 2024 Unaudited (Restated*) £m	31 December 2023 Unaudited (Restated*) £m	30 June 2024 (Restated*) £m
Non-current assets				
Goodwill	13	1,340.2	1,340.2	1,340.2
Other intangible assets	14	73.0	66.8	74.8
Property, plant and equipment	15	1,170.2	1,196.7	1,182.4
Deferred tax	17	213.3	188.4	222.8
Retirement benefits	27	10.2	50.8	9.3
Interest in associates and joint ventures		0.3	0.1	0.1
Derivative financial instruments	21	12.1	21.7	14.7
		2,819.3	**2,864.7**	**2,844.3**
Current assets				
Trade and other receivables	16	132.1	112.7	111.8
Contract assets	16	6.1	11.8	6.9
Cash and cash equivalents – unrestricted	18	9.4	21.1	13.8
Cash and cash equivalents – restricted	18	7.4	-	7.0
		155.0	**145.6**	**139.5**
Total assets		**2,974.3**	**3,010.3**	**2,983.8**
Current liabilities				
Borrowings	20	(133.8)	(67.3)	(88.1)
Trade and other payables	19	(1,973.7)	(1,789.7)	(1,912.4)
Contract liabilities	19	(102.0)	(118.4)	(90.0)
Provisions	22	(3.6)	(3.2)	(3.7)
		(2,213.1)	**(1,978.6)**	**(2,094.2)**
Net current liabilities		**(2,058.0)**	**(1,833.0)**	**(1,954.7)**
Non-current liabilities				
Borrowings	20	(1,381.4)	(1,455.3)	(1,426.6)
Derivative financial instruments	21	(169.1)	(236.9)	(178.2)
Contract liabilities	19	(271.6)	(286.8)	(291.5)
Provisions	22	(86.4)	(76.1)	(77.6)
		(1,908.5)	**(2,055.1)**	**(1,973.9)**
Total liabilities		**(4,121.6)**	**(4,033.7)**	**(4,068.1)**
Net liabilities		**(1,147.3)**	**(1,023.4)**	**(1,084.3)**

*See note 29 for details regarding the restatement as a result of an error.

	Note	31 December 2024 Unaudited (Restated*) £m	31 December 2023 Unaudited (Restated*) £m	30 June 2024 (Restated*) £m
Equity				
Share capital		0.1	0.1	0.1
Accumulated losses		(1,265.7)	(1,125.6)	(1,188.7)
Capital contribution reserve		305.3	289.3	291.5
Merger reserve		(188.5)	(188.5)	(188.5)
Translation reserve		(0.6)	(0.6)	(0.6)
Equity attributable to owners of the Company		**(1,149.4)**	**(1,025.3)**	**(1,086.2)**
Non-controlling interest		2.1	1.9	1.9
Total equity		**(1,147.3)**	**(1,023.4)**	**(1,084.3)**

*See note 29 for details regarding the restatement as a result of an error.

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 June 2025 and were signed on its behalf by:

Scott Longhurst – Director

Consolidated statement of changes in equity

	Share capital	Capital contribution reserve	Merger reserve	Accumulated losses	Translation reserve	Total	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 July 2024	**0.1**	**291.5**	**(188.5)**	**(1,061.9)**	**(0.6)**	**(959.4)**	**1.9**	**(957.5)**
Correction of error (Impairment)	-	-	-	(126.8)	-	(126.8)	-	(126.8)
Balance at 1 July 2024 (restated*)	**0.1**	**291.5**	**(188.5)**	**(1,188.7)**	**(0.6)**	**(1,086.2)**	**1.9**	**(1,084.3)**
Loss for the period (restated*)	-	-	-	(77.4)	-	(77.4)	0.2	(77.2)
Other comprehensive (loss)/ income	-	-	-	0.4	-	0.4	-	0.4
Total comprehensive (loss)/income	-	-	-	(77.0)	-	(77.0)	0.2	(76.8)
Capital contribution	-	13.8	-	-	-	13.8	-	13.8
Balance at 31 December 2024 (restated*)	**0.1**	**305.3**	**(188.5)**	**(1,265.7)**	**(0.6)**	**(1,149.4)**	**2.1**	**(1,147.3)**

	Share capital	Capital contribution reserve	Merger reserve	Accumulated losses	Translation reserve	Total	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 July 2023 (restated*)	**0.1**	**272.4**	**(188.5)**	**(925.0)**	**(0.6)**	**(841.6)**	**1.8**	**(839.8)**
Correction of error (Impairment)	-	-	-	(126.8)	-	(126.8)	-	(126.8)
Balance at 1 July 2023 (restated*)	**0.1**	**272.4**	**(188.5)**	**(1,051.8)**	**(0.6)**	**(968.4)**	**1.8**	**(966.6)**
Loss for the year	-	-	-	(76.4)	-	(76.4)	0.1	(76.3)
Correction of error (depreciation)				3.9		3.9		3.9
Other comprehensive (loss)/income	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Total comprehensive (loss)/income	-	-	-	(73.8)	-	(73.8)	0.1	(73.7)
Capital contribution (restated*)	-	16.9	-	-	-	16.9	-	16.9
Balance at 30 December 2023 (restated*)	**0.1**	**289.3**	**(188.5)**	**(1,125.6)**	**(0.6)**	**(1,025.3)**	**1.9**	**(1,023.4)**

	Share capital	Capital contribution reserve	Merger reserve	Accumulated losses	Translation reserve	Total	Non-controlling interest	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 July 2023 (restated*)	**0.1**	**272.4**	**(188.5)**	**(925.0)**	**(0.6)**	**(841.6)**	**1.8**	**(839.8)**
Correction of error (Impairment)	-	-	-	(126.8)	-	(126.8)	-	(126.8)
Balance at 1 July 2023 (restated*)	**0.1**	**272.4**	**(188.5)**	**(1,051.8)**	**(0.6)**	**(968.4)**	**1.8**	**(966.6)**
Loss for the year	-	-	-	(103.7)	-	(103.7)	0.2	(103.5)
Other comprehensive (loss)/income	-	-	-	(33.2)	-	(33.2)	-	(33.2)
Total comprehensive (loss)/income	-	-	-	(136.9)	-	(136.9)	0.2	(136.7)
Capital contribution	-	19.1	-	-	-	19.1	-	19.1
Dividends paid	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 June 2024 (restated*)	**0.1**	**291.5**	**(188.5)**	**(1,188.7)**	**(0.6)**	**(1,086.2)**	**1.9**	**(1,084.3)**

*See note 29 for details regarding the restatement as a result of an error.

Consolidated interim cash flow statement

	Note	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 (Restated*) Unaudited £m	Year ended 30 June 2024 £m
Net cash inflow from operating activities	23	**94.0**	**123.7**	**283.0**
Investing activities				
Interest received		0.7	1.2	2.4
Purchase of tangible and intangible assets		(32.9)	(34.3)	(71.3)
Proceeds on disposal of fixed assets		-	-	5.2
Receipt of insurance stage payments		-	16.0	16.0
Non-refundable deposit on conditional sale		-	-	0.2
Purchase of Investments		(0.2)	-	-
		(32.4)	**(17.1)**	**(47.5)**
Financing activities				
Raising of external borrowings		26.0	250.0	250.0
Repayment of external borrowings		(16.5)	(308.9)	(322.3)
Movement in borrowings		**9.5**	**(58.9)**	**(72.3)**
Repayment of capital element of lease rentals		(7.5)	(11.7)	(20.6)
Interest element of lease rentals		(2.1)	(2.4)	(4.4)
Interest paid		(65.5)	(46.0)	(107.3)
Cash settlement of principal accretion on inflation-linked swaps		-	-	(53.4)
Debt issue costs and facility arrangement fees		-	(2.8)	(2.6)
Settlement on close out of inflation linked swaps		-	-	9.7
Dividends paid to non-controlling interests		-	-	(0.1)
		(65.6)	**(121.8)**	**(251.0)**
Decrease in cash and cash equivalents	18	**(4.0)**	**(15.2)**	**(15.5)**
Cash and cash equivalents at the beginning of the financial		**20.8**	**36.3**	**36.3**
Cash and cash equivalents at end of the financial year		**16.8**	**21.1**	**20.8**

*See note 29 for details regarding the restatement as a result of an error.

Notes to the financial statements

1 General information

This condensed consolidated interim financial information does not comprise statutory accounts as defined by section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2024 were approved by the Board of Directors on 21 September 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. A copy of the audited financial statements for the year ended 30 June 2024 can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

2 Directors' responsibilities

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

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

3 Basis of preparation

These financial statements for the six months ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), as adopted by the United Kingdom. The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom.

Some of the amounts reported for the previous period have been restated to correct an error. Detailed information about these adjustments can be found in note 29. Apart from these details, the accounting policies adopted are consistent with the statutory accounts for the year ended 30 June 2024.

4 Significant judgements and key estimations

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

In preparing these financial statements, the Group's accounting policies and the significant judgements made by management in applying key estimations were the same as those that applied to the statutory accounts for the year ended 30 June 2024.

5 Financial risk management

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

Purchase price risk

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

Credit risk

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

Liquidity risk

To ensure it has sufficient available funds for working capital requirements and planned growth, the Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 31 December 2024 the Group had £16.8m cash and short-term deposits available to cover short term cash flow timing differences if required. In addition, the Group has a £135.0m senior working capital facility, a £70.0m junior working capital facility available for general business purposes as well as an additional £150.0m liquidity facility to cover senior interest and accretion payments if required. As at 31 December 2024 the Group had £26.0m of drawings on the senior working capital facility, all other facilities were undrawn. Details of the debt maturity profile are provided in note 20.

Financing risk

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

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

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

Interest rate risk

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

Foreign exchange risk

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

6 Going concern

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

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

7 Revenue and segmental information

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

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

Six months to 31 December 2024 - Unaudited	Media and Broadcast	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	237.9	54.6	292.5
Sale of goods	-	12.9	12.9
Total revenue	**237.9**	**67.5**	**305.4**

Six months to 31 December 2023 - Unaudited	Media and Broadcast	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	241.4	54.5	295.9
Sale of goods	-	28.2	28.2
Total revenue	**241.4**	**82.7**	**324.1**

Year ended 30 June 2024	Media and Broadcast	Smart Utilities Networks	Total
	£m	£m	£m
Rendering of services	481.3	113.1	594.4
Sale of goods	-	50.8	50.8
Total revenue	**481.3**	**163.9**	**645.2**

Reporting by markets

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

Six months to 31 December 2024 (Unaudited)	Commercial		Other			
	Media and Broadcast	Smart Utilities Networks	Operations	Technology	Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**237.9**	**67.5**	**-**	**-**	**-**	**305.4**
Functional result* (EBITDA)	**166.2**	**29.7**	**(11.9)**	**(20.2)**	**(9.3)**	**154.5**
Depreciation and amortisation						(60.4)
Exceptional operating expenses and impairment (restated*)						(1.9)
Other income						3.9
Exceptional other income						-
Operating profit						**96.1**
Finance income						0.9
Finance costs						(171.0)
Other gains						5.8
Loss before tax						**(68.2)**

Six months to 31 December 2023 (Unaudited)	Commercial		Other			
	Media and Broadcast	Smart Utilities Networks	Operations	Technology and Transformation	Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**241.4**	**82.7**	**-**	**-**	**-**	**324.1**
Functional result* (EBITDA)	**163.4**	**31.4**	**(12.8)**	**(19.1)**	**(16.3)**	**146.6**
Depreciation and amortisation						(65.8)
Exceptional operating expenses						(1.8)
Other income						3.9
Exceptional other income						16.0
Operating profit						**98.9**
Finance income						2.5
Finance costs						(158.0)
Other gains and losses						(8.1)
Loss before tax						**(64.7)**

*See note 29 for details regarding the restatement as a result of an error.

Year ended 30 June 2024	Commercial		Other			
	Media and Broadcast	Smart Utilities Networks	Operations	Technology	Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**481.2**	**164.0**	**-**	**-**	**-**	**645.2**
Functional result* (EBITDA)	**341.3**	**65.5**	**(25.0)**	**(37.2)**	**(35.2)**	**309.4**
Depreciation and amortisation						(108.0)
Loss on disposal of fixed assets						-
Exceptional operating expenses						(7.9)
Other income						9.9
Exceptional other income						16.0
Exceptional service credits						(2.8)
Operating profit						**216.6**
Finance income						4.8
Finance costs						(324.9)
Other gains and losses						(10.6)
Loss before tax						**(114.1)**

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

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

	Six months to 31 December 2024 Unaudited	Six months to 31 December 2023 Unaudited	Year ended 30 June 2024
	£m	£m	£m
Operating profit	**96.1**	**98.9**	**216.6**
Depreciation	*54.2*	*58.0*	*88.3*
Amortisation	*6.2*	*7.8*	*19.7*
Loss on disposal of fixed assets	-	-	-
Exceptional operating expenses	*1.9*	*1.8*	*7.9*
Exceptional goodwill impairment (restated)*	-	-	-
Other income	*(3.9)*	*(3.9)*	*(9.9)*
Exceptional other income	-	*(16.0)*	*(16.0)*
Exceptional service credits	-	-	*2.8*
EBITDA	**154.5**	**146.6**	**309.4**

*See note 29 for details regarding the restatement as a result of an error.

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

	Media and Broadcast	Smart Utilities Networks	Other	Consolidated
	£m	£m	£m	£m
Capital expenditure:				
For the six months ended 31 December 2024 (Unaudited)	7.5	15.1	10.3	**32.9**
For the six months ended 31 December 2023 (Unaudited)	10.6	8.3	13.9	**32.8**
For the year ended 30 June 2024	19.6	22.9	28.9	**71.4**

Geographical information

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

	Six months to 31 December 2024 Unaudited	Six months to 31 December 2023 Unaudited	Year ended 30 June 2024
	£m	£m	£m
UK	302.7	321.4	639.7
Rest of European Economic Area (EEA)	2.4	2.4	4.8
Rest of World	0.3	0.3	0.7
Total revenue	**305.4**	**324.1**	**645.2**

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

	31 December 2024 Unaudited	31 December 2023 Unaudited	Year ended 30 June 2024
	£m	£m	£m
UK	2,702.9	2,736.8	2,720.4
Rest of European Economic Area (EEA)	2.1	2.2	1.4
Rest of World	-	-	-
Total non-current assets	**2,705.0**	**2,739.0**	**2,721.8**

8 Exceptional items

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

	Six months to 31 December 2024 Unaudited (Restated*) £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Revenue:			
Revenue service credits	-	-	(2.8)
	-	**-**	**(2.8)**
Operating expenses			
Reorganisation and severance	(1.3)	-	(2.7)
Corporate finance activities	-	(0.4)	-
Restoration costs	(0.6)	(1.4)	(3.5)
Pension buy-in	-	-	(1.7)
Goodwill impairment	-	-	-
	(1.9)	**(1.8)**	**(7.9)**
Other exceptional items			
Other income	-	16.0	16.0
	(1.9)	**14.2**	**8.1**

Reorganisation and severance expenses include costs relating to a program to streamline operational processes, reorganise the Technology function to adopt a more product-focused delivery, and adopt agile working methodologies. This was a follow on project after the Group's transformation programme.

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

Bilsdale – Project Restore

The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021. Following the construction of a permanent 300 metre mast at Bilsdale, television and radio services went live in May 2023 and January 2024 respectively. As a result, all broadcast services are now restored to the main Bilsdale mast. Costs recognised are those which have been incurred to the period end relating to final restoration and community support activities.

Exceptional other income relates to stage payments received from insurance claims related to the Bilsdale transmitter site fire. In August 2023 the final stage payment of £16.0m was received from the insurers, such that the settlement totalling £41.0m was received in full by 30 June 2024. No further insurance proceeds are expected and all service credits have now been settled. Some residual costs continue to be incurred as final site restoration activities are completed.

Pension buy-in

In April 2024, an insurer backed pension buy-in was completed whereby the plan assets were exchanged for a bulk annuity agreement, enabling cover of the Plan's liabilities by a third party insurer. Management retain responsibility for the administration of scheme. The Pension buy-in transaction is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience for future pension payments.

* See note 29 for details regarding the restatement as a result of an error.

9 Finance income

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Bank deposit interest	0.7	1.2	2.4
Other loans and interest receivable	0.2	1.3	2.4
Total finance income	**0.9**	**2.5**	**4.8**

10 Finance costs

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Interest on bank overdrafts and loans	4.5	3.3	6.6
Other loan interest	52.3	51.8	107.1
Bank and other loan interest	**56.8**	**55.1**	**113.7**
Amortisation of debt issue costs	2.2	2.5	4.4
Interest on lease obligations	2.1	2.3	4.4
Interest payable to other group entities	98.1	89.3	182.0
Other interest	8.9	10.1	19.2
Total interest payable	**168.1**	**159.3**	**323.7**
Unwinding of discount on provisions (see note 22)	2.9	2.9	5.7
Revaluation of decommissioning provision	-	(4.2)	(4.5)
Total finance costs	**171.0**	**158.0**	**324.9**

11 Other gains and losses

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Foreign exchange on financing (a)	-	-	-
Fair value gain /(loss) on derivative financial instruments (see note 21)	5.8	(8.1)	(10.6)
Total other gains and (losses)	**5.8**	**(8.1)**	**(10.6)**

a) This is the net position of foreign exchange gains and losses in the year. This is made up of a £0.7m (31 December 2023: £0.9m; 30 June 2024: £0.1m) gain on loans denominated in foreign currency (US Dollar), offset by a £0.7m (31 December 2023: £0.9m; 30 June 2024: £0.1m) loss on the cross-currency swap instrument. (See note 21).

12 Tax

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m (Restated*)	Year ended 30 June 2024 £m
UK Corporation tax:			
- Current year	(0.5)	(0.2)	0.3
- Adjustment in respect of prior years	-	-	1.0
Total current tax credit	(0.5)	(0.2)	1.3
Deferred tax (see note 17):			
- Origination and reversal of temporary differences	9.5	11.8	17.4
- Adjustment in respect of prior years	-	-	(29.3)
Total deferred tax	9.5	11.8	(11.9)
Total tax charge / (credit) for the period	**9.0**	**11.6**	**(10.6)**

The tax charge on ordinary activities (30 June 2024: credit; 31 December 2023:charge) is recognised based on management's estimate of the weighted average annual total corporate income tax rate expected for the full financial year. The estimated average annual tax rate for the year to 31 December 2024 on continuing operations is (5.4)% (the estimated tax rate used at 31 December 2023 was 20.1%).

The effective tax rate is below the UK statutory tax rate of 25% (30 June 2024: 25%; 31 December 2023: 25%) as a result of disallowed interest expense and the disallowed impairment on the loss generated in the period.

UK deferred tax has been valued at 25% in the period ended 31 December 2024 (30 June 2024: 25%; 31 December 2023: 25%).

The current tax credit (30 June 2024: charge; 31 December 2023: credit) in each period represents payments due for group relief from (30 June 2024: to; 31 December 2023: from) other Companies in the Group.

Tax in Consolidated Statement of Comprehensive Income

There is a tax charge of £0.2m (June 2024: credit of £11.1m; December 2023: credit of £0.4m) in respect of the actuarial gain of £0.6m (June 2024: loss of £44.3m; December 2023: loss of £1.7m) in the Consolidated Statement of Comprehensive Income

* See note 29 for details regarding the restatement as a result of an error.

13 Goodwill

	£m
Cost:	
At 1 July 2024	1,458.4
At 31 December 2024	**1,458.4**
Accumulated impairment losses:	
At 1 July 2024 (restated*)	118.2
Impairment (restated*)	0.0
At 31 December 2024 (restated*)	**118.2**
Carrying amount:	
At 31 December 2024 (Unaudited) (restated*)	**1,340.2**
At 31 December 2023 (Unaudited) (restated*)	1,340.2
At 30 June 2024 (restated*)	1,340.2

***See note 29 for details regarding the restatement as a result of an error.**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks (SUN). These are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets, and to which goodwill is allocated.

The carrying value of goodwill as at the balance sheet date by the principal CGUs is shown as follows:

	31 December 2024 £m (restated*)	31 December 2023 £m (restated*)
Media & Broadcast	1,340.2	1,340.2
Smart Utilities Networks	0.0	0.0
Total	**1,340.2**	**1,340.2**

The Group's Smart Utility Networks CGU has been fully impaired since 30 June 2023. This has been disclosed as a prior period restatement in these financial statements, see note 29 for details regarding the restatement as a result of an error. The assets of the SUN CGU continue to be tested for impairment on an ongoing basis.

The Group has undertaken a detailed impairment review in preparation for half-year reporting. The last impairment review was completed as at 31 December 2024.The recoverable amounts of the CGUs are determined from value-in-use calculations ('VIU'). The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Growth rates are based on internal and external growth forecasts. Changes to cash flows are based on past practices and expectations of future changes in the market.

Projected cash flows and the 'recoverable amount'

The value in use for each CGU is determined using risk-adjusted cash flow projections derived from financial plans approved by the Board covering a ten-year period. They reflect management's risk-adjusted expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows, based on past experience and future expectations of contracted business performance. Managements risk-adjusted expectations do not include the benefits associated with projected growth that is currently non-contracted. Cash flows beyond the fifth year have been extrapolated from year five cash flows, using in perpetuity growth rates.

Discount rate

The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the Capital Asset Pricing Model for comparable businesses. The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the Media & Broadcast CGU is 9.2% (30 June 2024: 8.8%). For Smart Utilities networks CGU, the discount rate is 8.8% (30 June 2024: 8.7%).

This discount rate does not represent the weighted average cost of capital (WACC) for Arqiva, but instead is an industry and comparative company based Capital Asset Pricing Model (CAPM) derived discount rate, utilising current spot rates at the time of calculation.

Terminal growth rates

The terminal growth rate has historically been determined based on the long-term growth rates of the markets in which the CGU operates. This continues to be the most appropriate measure for the M&B CGU. The growth rate has been benchmarked against externally available data (31 December 2024: 1.6%; 30 June 2024: 1.9%). This rate does not exceed the average long-term growth rate for the relevant markets.

For the SUN CGU, new and existing contracts include index linkage protection of at least CPI. To reflect this, SUN CGU growth rate has been assessed at 2.0% (30 June 2024: 2.0%) for the December 2024 impairment review.

Sensitivities

For Smart Utilities Networks, the goodwill asset is fully impaired, so there are no changes in assumptions that would cause impairment to the goodwill asset.

For Media & Broadcast, the value in use exceeds the carrying value of the CGU by approximately £235.0m. The following changes to key assumptions (in isolation) would result in the value in use being equal to the carrying value:

- An increase in the discount rate to 11.2% (30 June 2024: No reasonable change in assumption would have led to an impairment)
- A reduction of 1.5% in the terminal growth assumption (30 June 2024: No reasonable change in assumption would have led to an impairment)

14 Other intangible assets

	Licences	Development costs	Access rights	Software	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m	£m
Cost (Restated*)						
At 1 July 2024 (Restated*)	6.6	24.4	4.3	118.0	-	153.3
Additions	-	-	-	-	-	-
Transfers from AUC (note 15)	0.1	(1.9)	-	6.3	-	4.5
Disposals	-	-	-	(0.2)	-	(0.2)
At 31 December 2024	**6.7**	**22.5**	**4.3**	**124.1**	**-**	**157.6**
Accumulated amortisation and impairment						
At 1 July 2024	5.9	13.6	4.3	54.7	-	78.5
Amortisation charge for the period	0.3	-	-	5.9	-	6.2
Disposals	-	-	-	(0.1)	-	(0.1)
At 31 December 2024	**6.2**	**13.6**	**4.3**	**60.5**	**-**	**84.6**
Carrying amount (Restated*)						
At 31 December 2024 (Unaudited)	**0.5**	**8.9**	**-**	**63.6**	**-**	**73.0**
At 31 December 2023 (Unaudited)	1.0	12.0	-	40.6	13.2	66.8
At 30 June 2024	0.7	10.8	-	63.3	-	74.8

* See note 29 for details regarding the restatement as a result of an error.

15 Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m
Cost (Restated*)					
At 1 July 2024 (Restated*)	271.9	173.0	1,936.9	90.5	2,472.3
Additions	-	2.9	4.4	34.9	42.2
Adjustment through PPE for provisions	-	-	5.6	-	5.6
Completion of AUC	0.4	0.3	21.9	(22.6)	-
Transfers to intangibles (Note 14)	-	-	-	(4.5)	(4.5)
Disposals	-	(4.1)	(1.2)	-	(5.3)
At 31 December 2024	**272.3**	**172.1**	**1,967.6**	**98.3**	**2,510.3**
Accumulated depreciation					
At 1 July 2024	20.1	108.1	1,161.7	-	1,289.9
Charge for the period	2.7	6.0	45.5	-	54.2
Disposals	-	(2.3)	(1.7)	-	(4.0)
At 31 December 2024	**22.8**	**111.8**	**1,205.5**	**-**	**1,340.1**
Carrying amount (Restated*)					
At 31 December 2024 (Unaudited)	**249.5**	**60.3**	**762.1**	**98.3**	**1,170.2**
At 31 December 2023 (Unaudited)	254.4	69.1	807.7	65.5	1,196.7
At 30 June 2024	251.7	64.9	775.3	90.5	1,182.4

* See note 29 for details regarding the restatement as a result of an error.

16 Trade and other receivables

	31 December 2024 Unaudited	31 December 2023 Unaudited	30 June 2024
	£m	£m	£m
Trade receivables	57.6	65.5	59.3
Amounts receivable from other Group entities	39.4	16.9	25.2
Other receivables	5.1	4.7	5.3
Prepayments	30.0	25.6	22.0
	132.1	**112.7**	**111.8**
Contract assets	**6.1**	**11.8**	**6.9**

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

17 Deferred tax

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Deferred tax asset	**215.7**	**201.1**	**225.1**
Deferred tax liability	**2.4**	**12.7**	**2.3**

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

18 Cash and cash equivalents

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Cash at bank	1.9	3.5	3.9
Short term deposits	7.5	17.6	9.8
Total unrestricted	**9.4**	**21.1**	**13.8**
Cash in escrow account – restricted	7.4	-	7.0
Total cash and cash equivalents	**16.8**	**21.1**	**20.8**

19 Trade and other payables

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Current			
Trade payables	30.4	37.9	48.9
Amounts payable to other Group entities	1,899.1	1694.5	1,803.5
Other payables	2.7	2.8	3.5
Accruals	41.5	54.5	56.5
Total current trade and other payables	**1,973.7**	**1,789.7**	**1,912.4**
Corporation tax	**-**	**-**	**-**
Contract liabilities	**102.0**	**118.4**	**90.0**
Non-Current			
Contract liabilities	**271.6**	**286.8**	**291.5**

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

20 Borrowings

	Denominated currency	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within current liabilities:				
Lease liabilities	Sterling	18.0	17.3	16.9
Bank facilities[3]	Sterling	26.0	-	-
Senior bonds, notes and private placements (amortising)	Sterling	75.0	29.9	48.1
Accrued interest on junior and senior financing	Sterling	14.8	20.1	23.1
Borrowings due within one year		**133.8**	**67.3**	**88.1**
Within non-current liabilities:				
Other loans		**1,297.2**	**1,363.6**	**1,337.6**
- *Senior bonds, notes and private placements*	Sterling	*770.2*	*845.1*	*813.5*
- *Senior bonds, notes and private placements*	US Dollar	*94.0*	*92.6*	*93.3*
- *Junior loan*	Sterling	*450.0*	*450.0*	*450.0*
- *Issue costs*	Sterling	*(17.0)*	*(24.1)*	*(19.2)*
Amounts payable to other group entities		**45.2**	**45.2**	**45.2**
Lease liabilities		**39.0**	**46.5**	**43.8**
Borrowings due after more than one year		**1,381.4**	**1,455.3**	**1,426.6**

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

The fair value of the senior quoted bonds based upon observable market prices (fair value hierarchy level 1) was £634.3m (31 December 2023: £668.9m; 30 June 2024: £646.3m) whilst their carrying amount was £627.3m (31 December 2023: £654.0m; 30 June 2024: £640.6m).

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

The weighted average interest rate of borrowings is 8.1% (31 December 2023: 8.0%; 30 June 2024: 8.0%).

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Borrowings fall due within:			
One year	136.7	67.3	88.1
One to five years	1095.0	1,075.4	1,067.3
More than five years	303.3	404.0	378.6
Total	**1,535.0**	**1,546.7**	**1,534.0**

Other loans are comprised from the Group's **senior bonds & notes** and the **Junior Loan**.

Bank facilities are comprised of various facilities which the Group has access to. The Group has access to a £135.0m Senior Working Capital Facility maturing between 2026 and 2028 and a £150.0m Liquidity Fund. These facilities are floating rate in nature with a margin over SONIA of between 120 and 130bps. The facilities had £26.0m drawings as at 31 December 2024 (31 December 2023: nil ; 30 June 2024: £nil).

The Group also has access to a Junior working capital facility of £70.0m. The Junior working capital facility is at a margin of 500bps over SONIA and matures in 2028. The Junior working capital facility was undrawn as of 31 December 2024.

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

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

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

As at 31 December 2024, the Group has £627.2m (31 December 2023: £654.0m, 30 June 2024: £640.6m) sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21% (31 December 2023: 4.88% and 7.21%, 30 June 2024: 4.88% and 7.21%). These bonds are repayable between June 2028 and December 2032 and are listed on the London Stock Exchange. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds.

The remaining senior notes relate to a number of US private placement issues in sterling and US dollars with either fixed or floating interest rates. The Group has £217.9m (31 December 2023: £221.1m; 30 June 2024: £221.1m) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between June 2025 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

The Group has $118.0m (31 December 2023: $118.0m; 30 June 2024: $118.0m) of US dollar denominated fixed rate US private placements with a carrying value of £94.0m as at 31 December 2024 (31 December 2023: £92.6m, 30 June 2024: £93.3m). At the hedged rate these are valued at £95.1m (31 December 2023: £95.1; 30 June 2024: £95.1m). These notes have fixed interest rates of 6.24% and have an amortising repayment profile commencing in December 2027 with a final maturity date of June 2031. Arqiva PP Financing Plc ('APPF') is the issuer of all the Group's private placement notes.

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

Junior loan of £450.0m represent amounts raised by Arqiva Financing No 2 Ltd which £311.1m are at a floating rate and £138.9m at a fixed rate as of 31 December 2024. The floating rate loan is at a margin of 500bps over SONIA whilst fixed rate loan is at an average rate of 9.1%. The junior loan matures in 2028.

21 Financial instruments

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

The weighted average interest rate of fixed rate financial liabilities at 31 December 2024 was 6.7% (31 December 2023: 6.2%; 30 June 2024: 6.7%). The weighted average period of funding was 3.7 years (31 December 2023: 5.2 years; 30 June 2024: 4.6 years).

Within the Group's financial liabilities were borrowings of £1,538.9m excluding issue costs (31 December 2023: £1,546.7m; 30 June 2024: £1,534.0m) (see note 21), which includes £693.9m (31 December 2023: £671.1m; 30 June 2024: £532.2m) with floating interest and the remainder with fixed interest (prior to hedging arrangements).

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

At the period end, the Group held interest rate swaps with notional amounts of £181.8m (31 December 2023: £183.9m; 30 June 2024: £183.9) which hedge the interest obligations of the Group's floating rate debt. The average fixed rate on these instruments is 0.3% (31 December 2023: 0.3%; 30 June 2024: 0.3%). The swap contracts have termination dates that match the maturities of the underlying floating rate debt instruments (see note 20).

The Group has also entered into index linked swaps (notional amounts of £681.8m in 31 December 2024; 31 December 2023: £681.8m, £681.8m in 30 June 2024) where the Group receives floating and pays fixed linked to inflation interest obligations to an average rate of 2.9% indexed with RPI. The notional amounts of these swaps increase with RPI, and these accretion amounts are cash settled annually, most recently in June 2024 (£53.4m; 2023: £146.9m) based on the March index.

All of these instruments have a maturity date of April 2027. These instruments were established to hedge the Group's fixed rate debt (namely fixed rate sterling bonds and the fixed rate US Private Placement issues) and in order to ensure that the cash flow characteristics align with these instruments, the Group has entered into £628.0m (31 December 2023: £670.4m, 30 June 2024: £624.1m) of fixed to floating rate interest rate swaps to match the cash flows on both the fixed rate debt instruments and the index linked swaps set out above.

The Group also holds USD 118.0m (31 December 2023: USD 118.0m, 30 June 2024: USD 118.0m) of cross-currency swaps to fix the Sterling costs of future interest and capital repayment obligations relating to the US dollar denominated private placement issue at and exchange rate of 1.241.

Junior financial instruments

The Group also holds junior interest rate swaps with a notional of £450m (31 December 2023: £450m, 30 June 2024: £450m) which hedges interest obligations of the Group's junior loan that was originally drawn at floating rate. The average fixed rate of this instrument is at 5.3%. The Group has £138.9m of corresponding fixed to floating overlay interest rate swaps to align the cash flow characteristics of the underlying fixed rate debt and original floating to fixed interest rate swaps. This instrument has an average fixed receivable rate of 4.3%.

The fair value of the junior interest rate swaps portfolio at 31 December 2024 is a liability of £6.2m (31 December 2023: £12.0m, 30 June 2024: £7.1m). This fair value is calculated using a risk-adjusted discount rate.

The fair value of the interest rate, inflation linked swaps and cross-currency swaps at 31 December 2024 is a liability of £157.6m (31 December 2023: £215.2m, 30 June 2024: £163.5m). This fair value is calculated using a risk-adjusted discount rate.

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within non-current assets			
Interest rate swaps (a)	12.1	21.7	14.7
	12.1	21.7	14.7
Within non-current liabilities			
Interest rate swaps (a)	-	(12.0)	-
Inflation-linked interest rate swaps	(166.1)	(216.5)	(172.0)
Cross-currency swaps	(3.0)	(8.4)	(6.2)
	(169.1)	(236.9)	(178.2)
Total	**(157.0)**	**(215.2)**	**(163.5)**
Change in fair value recognised in the income statement:			
- Attributable to changes in market conditions	3.4	(1.8)	1.9
- Attributable to changes in perceived credit risk	(0.1)	(0.8)	(8.6)
Change in fair value of the cross currency swap (b)	3.2	(6.4)	(4.1)
Total gain / (loss) recognised in the income statement	**6.5**	**(9.0)**	**(10.8)**
Cash settlement of principal accretion on inflation-linked swaps	-	-	53.4
Total change in fair value	**6.5**	**(9.0)**	**42.6**

a) In the December 2023 financial statements, Interest rate swaps were presented gross, therefore presented within non-current assets and non-current liabilities. In line with the reporting standards, we have reported this net, within non-current assets in June and December 2024. We will continue with the net presentation in future periods. Had this been presented net in December 2023, this would have been a net non-current asset of £9.7m.

b) £0.7m of the change in fair value is attributable to foreign exchange movements on the USD denominated swap

Where possible, the Group seeks to match the maturity of any derivative contracts with that of debt instruments that it has issued.
The fair value of all other financial assets and liabilities is considered to be a close approximation to their carrying amount.

Fair value hierarchy

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

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

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

22 Provisions

	Decommissioning	Restructuring	Remediation	Other	Total
	£m	£m	£m	£m	£m
At 1 July 2024	70.5	0.4	4.5	5.9	81.3
Unwind of discount (note 10)	2.7	-	0.2	-	2.9
Revaluation of decommission provision though property, plant and equipment	5.6	-	-	-	5.6
Utilised in the year	-	-	-	-	-
Charged to income statement	-	-	-	0.2	0.2
At 31 December 2024 (Unaudited)	**78.8**	**0.4**	**4.7**	**6.1**	**90.0**
At 31 December 2023 (Unaudited)	69.3	0.4	4.0	5.6	79.3
At 30 June 2024	70.5	0.4	4.5	5.9	81.3

	31 December 2024 Unaudited	31 December 2023 Unaudited	30 June 2024
	£m	£m	£m
Analysed as:			
Current	3.6	3.2	3.7
Non-current	86.4	76.1	77.6
	90.0	**79.3**	**81.3**

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties. The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040. A discount rate of 8.02% has been applied in calculating the decommissioning provision (31 December 2023: 7.96%, 30 June 2024: 7.99%) based on the Group's weighted average cost of capital.

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

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

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

23 Notes to the cash flow statement

Reconciliation from operating profit to net cash from operating activities:

	Six months to 31 December 2024 Unaudited (Restated*) £m	Six months to 31 December 2023 Unaudited (Restated*) £m	Year ended 30 June 2024 £m
Operating profit (restated*)	96.1	98.9	216.6
Adjustments:			
Depreciation of property, plant and equipment	54.2	58.0	88.3
Amortisation of intangible assets	6.2	7.8	19.7
Non-refundable deposit on conditional sale	-	-	(0.2)
Gain on leaseback of sold asset	-	-	(1.9)
Loss / (profit) on disposal of property, plant and equipment	(0.5)	-	(0.5)
Gain on lease modification	-	(0.1)	(1.0)
Other income	(3.9)	(3.9)	(8.0)
Revenue service credits	-	-	2.8
Receipt of insurance stage payments	-	(16.0)	(16.0)
Contribution into the DB Pension scheme	(0.1)	-	-
Operating cash flows before movements in working capital	**152.0**	**144.7**	**299.8**
Decrease / (Increase) in receivables	(3.8)	7.4	26.0
Decrease in payables	(54.4)	(23.6)	(44.0)
Increase in provisions	0.2	(4.8)	1.2
Cash generated from operating activities	**94.0**	**123.7**	**283.0**

Analysis of changes in financial liabilities:

	At 1 July 2024 £m	Changes in financing cash flows (Cash) £m	Changes in foreign exchange (Non-cash) £m	Changes in fair value (Non-cash) £m	Other changes including accrued interest (Non-cash) £m	At 31 December 2024 £m
Current borrowings (Note 20)	65.0	(26.2)	-	-	83.1	121.9
Non-current borrowings (Note 20)	1,445.8	26.0	0.7	-	(74.1)	1,398.4
Accrued interest on borrowings (Note 20)	23.1	(65.0)	-	-	56.7	14.8
Derivative financial instrument Liabilities (Note 21)	163.5	-	(0.7)	(5.7)	(0.1)	157.0
Total	**1,697.4**	**(65.2)**	**-**	**(5.7)**	**65.6**	**1,692.1**

*See note 29 for details regarding the restatement as a result of an error.

24 Financial commitments and contingent liabilities

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

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within one year	5.5	6.5	4.6
Within two to five years	4.6	10.5	6.0
Over five years	0.3	-	-
Total capital commitments	**10.4**	**17.0**	**10.6**

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

Contingent assets and liabilities

Defined Benefit Pension Scheme
In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

The Arqiva Defined Benefit Pension Plan was contracted out until 31 January 2016 and it has been identified that two minor corrective amendments were made during the relevant period that could be impacted by this.
The Court of Appeal upheld the 2023 High Court ruling in July 2024 and there are plans to progress investigations into any potential impact for the Plan.

As detailed investigations are yet to be progressed, the Company considers that the amount of any potential impact on the Defined Benefit Obligation cannot be confirmed and/or measured with sufficient reliability at the 31 December 2024 year end. We are therefore disclosing this issue as a potential contingent liability at the 31 December 2024 year end and will review again at the 30 June 2025 year end when we expect further clarity to be available.

25 Leases

Leases as lessee (IFRS 16)

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

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

	Leasehold buildings £m	Plant and equipment £m	Total £m
Balance at 1 July 2024	42.3	10.3	52.6
Depreciation charge for the year	(4.6)	(4.4)	(9.0)
Additions to right of use assets	1.3	1.5	2.8
Effect of modifications to lease terms	0.2	4.3	4.5
Derecognition of right of use assets	(0.5)	(0.2)	(0.7)
Balance at 31 December 2024	**38.7**	**11.5**	**50.2**

Amounts recognised in the Income Statement

Leases under IFRS 16	**Six months to 31 December 2024 Unaudited £m**	**Six months to 31 December 2023 Unaudited £m**	**Year ended 30 June 2024 £m**
Interest on lease liabilities	2.1	2.3	4.4
Expenses relating to variable lease payments not included in the measurement of lease liabilities	1.3	1.8	2.9

Amounts recognised in the cashflow statement

	Six months to 31 December 2024 Unaudited £m	**Six months to 31 December 2023 Unaudited £m**	**Year ended 30 June 2024 £m**
Total cash outflow for leases	9.6	14.2	25.0

26 Related party transactions

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

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

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

	Sale of goods and services			**Purchase of goods and services**		
	Six months to 31 December 2024 £m	**Six months to 31 December 2023 £m**	**Year ended 30 June 2024 £m**	**Six months to 31 December 2024 £m**	**Six months to 31 December 2023 £m**	**Year ended 30 June 2024 £m**
Associates	-	-	0.2	-	-	-
Joint ventures	2.7	2.6	5.3	2.6	2.4	2.8
Entities under common influence	7.1	20.7	37.3	-	-	-
Other group entities	32.3	30.5	65.3	-	-	-
	42.1	**53.8**	**108.1**	**2.6**	**2.4**	**2.8**

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

As at 31 December 2024, the amount payable to joint ventures was £0.2m (31 December 2023: £0.2m; 30 June 2024: £0.2m). There were no amounts receivable from joint ventures as at 31 December 2024 (31 December 2023: £nil; 30 June 2024: £nil).

As at 31 December 2024, the amount receivable from associates was £nil (31 December 2023: £nil; 30 June 2024: £nil). There were no amounts payable to associates as at 31 December 2024 (31 December 2023: £nil; 30 June 2024: £nil).

As at 31 December 2024, the amount receivable from entities under common influence was £3.1m (31 December 2023: £8.3m; 30 June 2024: £4.6m). There were no amounts payable to entities under common influence as at 31 December 2024 (31 December 2023: £nil; 30 June 2024: £nil).

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

27 Retirement benefits

Defined benefit scheme

In the period to 31 December 2024, the Group operated one defined benefit plan ('the Plan'), sponsored by Arqiva Limited. The defined benefit plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The trustees are responsible for the investment policy with regard to the Plan assets.

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

The triennial valuation carried out 30 June 2023 has been used for the purposes of measuring the plan assets and the present value of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures.

In April 2024, an insurer backed Pension buy-in was completed whereby the Plan assets were exchanged for a bulk annuity agreement, allowing cover to the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments.

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

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Components of defined benefit finance income recognised in profit or loss	0.2	1.3	2.4
	0.2	**1.3**	**2.4**

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

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

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Gain/ (losses) on Plan assets excluding Interest Income	(7.7)	7.5	(38.6)
Experience gains arising on the Plan's liabilities	0.2	(0.6)	(8.7)
Actuarial gains / (losses) arising from changes in financial assumptions	7.8	(8.6)	1.3
Actuarial gains arising from changes in demographic assumptions	0.3	-	1.7
	0.6	**(1.7)**	**(44.3)**

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Fair value of Plan assets	168.2	219.2	174.9
Present value of Plan liabilities	(158.0)	(168.4)	(165.6)
Surplus	**10.2**	**50.8**	**9.3**

28 Controlling parties

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

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

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

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

29 Correction of Prior Period Error

In support of the junior/high yield bond refinancing internal diligence process in the current year the Group identified a number of restatements to previously issued financial statements and previously published interim financial statements. Information on these misstatements are detailed below along with the effect on the restated financial statements above.

(a) <u>Impairment of assets</u>

A previously omitted impairment trigger arising for the Smart Utilities Networks (SUN) Cash Generating Unit ("CGU") assets was identified. The relevant impairment trigger was an agreement in 2023 between the Group and the Data Communications Company (DCC) to end the Enduring Support change model. The Enduring Support service delivery model aligned with a projected constant revenue change pipeline for the Group, however it was agreed with the DCC to revise the model to an as-needed change request process going forwards. This led to management revising the Group's forecast cashflows in the new Long-Term Plan (LTP) from a consistent reliable stream to ad-hoc receipts with a reduced scope of work. The result of this was a projected fall in cashflows from financial year 2029.

The error resulted in the absence of recognised impairment expense in June 2023 and a corresponding overstatement of goodwill, other tangible assets, and property, plant and equipment (PPE) carrying value on the statement of financial position which had a continuing misstated effect on goodwill, other tangible assets and property, plant and equipment (PPE) carrying values and accumulated losses in subsequent periods of account.

Management has considered the effect the adjustment to other intangible assets has to the amortisation charge for the periods adjusted and note it to be immaterial. Management has considered the effect the adjustment to property, plant and equipment has to the depreciation charge for the periods adjusted and note it to be immaterial. Therefore, no restatement has been made to adjust reported depreciation charges and this will be subsequently corrected in year end June 2025 financial statements.

(b) <u>Corporation tax and capital contributions</u>

An error arising in the six months as at 31 December 2023 as a result of the incorrect transfer pricing treatment in the forecast figures in the accounts. The revised methodology for intra-group transfer pricing applied to periods after December 2023, as such subsequent periods are not affected by the error.

The error resulted in a material overstatement of corporation tax expense credit balance recognised in the unaudited consolidated Statement of Financial Position as at 31 December 2023 and a corresponding overstatement of trade and other payables on the unaudited consolidated statement of financial position.

Arqiva Broadcast Parent Limited forms part of a tax group with its ultimate parent company and benefits from group relief within the wider tax group. As such, Arqiva Broadcast Parent Limited Junior Group does not pay tax but recognises inter-company balances in trade and other payables in respect of group relief provided. Where Arqiva Broadcast Parent Limited allocates a tax expense within this junior group a capital contribution is provided by Companies outside this group to compensate.

The error therefore also resulted in a material understatement in the capital contribution in December 2023 and a corresponding understatement of trade and other payables on the statement of financial position.

The restatements relating to taxation and capital contribution do not affect subsequent periods as these calculations are reperformed each reporting period and the errors noted in period end December 2023 are not present in the methodology used subsequent to December 2023.

(c) Reversal of impairment of assets

Subsequent to the 31 December 2024 unaudited interim financial statements of Arqiva Broadcast Parent Limited being authorised for issue and published on www.arqiva.com, the Group has republished the 31 December 2024 unaudited interim financial statements to reflect the above prior period restatements.

In the six-month period ended 31 December 2024 referenced in the 31 December 2024 unaudited interim financial statements, an impairment of £68.9 million was previously recognised against Goodwill for the SUN assets. This has been adjusted by restatement and recognised in the financial year ended 30 June 2023 as detailed above.

The prior period restatements above had no effect on the year end June 2024 income statement.

(d) Grossing up and decommissioning provision

The Group had not completed its year end grossing up of prepayments, accruals, accrued and deferred income at the period end 31 December 2024 and 31 December 2023 due to the process not being applied at the interim period. These omissions resulted in misstatements of trade and other receivables, contract assets, trade and other payables, contract liabilities, and borrowings.

The Group also identified that the reporting adjustment for the decommissioning provision as at the 31 December 2023 had not been completed. This omission resulted in misstatements of provisions, property, plant and equipment, and finance expenses.

The adjustments effect only the periods stated as the adjustments were performed in other reported periods.

(e) Depreciation of assets

The Group identified 2 separate errors with historic depreciation that were corrected in the June 2024 year end financial statements. However, it was noted that these errors would lead to a restatement in the December 2023 interim financial statements due to them not being posted at the same time during the year with the adjustments falling either side of December 2023.

The adjustment recognised in the first half of the year ended June 2024 before December 2023 was for over depreciation of assets relating to the 700mhz Clearance programme. The second adjustment, recognised in the second half of the year ended June 2024 after December 2023 related to an update of recognised CSPN asset useful economic lives, resulting in an under recognition of depreciation catch up.

There is an under and over recognition of depreciation in each error and the net impact has been assessed further for adjustment. The net impact is not material to periods after the original postings (being year ended June 2024 and period ended December 2024). For December 2023 only 1 error was corrected, and it was corrected in total to the income statement rather than recognising a brought forward error. For previous periods the net effect would also be immaterial. Hence only the period ended December 2023 has been restated as it does not have the netting off of both adjustments.

The net impact of correcting the 2 errors, results in an increase in the Dec-23 depreciation charge. This has reduced the net book value of the impacted tangible assets. Reserves are also impacted, reflecting the corrected accumulated depreciation to date.

The restated balances in tables below include updated rounding.

Effect of restatements on period end 31 December 2024:

Income Statement (extract)	Six months ended 31 December 2024 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	Six months ended 31 December 2024 (restated)
	£m	£m	£m	£m	£m	£m	£m
Depreciation	(54.2)	-	-	-	-	-	(54.2)
Amortisation	(6.2)	-	-	-	-	-	(6.2)
Other operating expenses	(48.2)	-	-	-	-	-	(48.2)
Exceptional operating expenses and impairment	(70.8)	-	-	68.9	-	-	(1.9)
Total operating expenses	**(179.4)**	**-**	**-**	**68.9**	**-**	**-**	**(110.5)**
Other income	3.9	-	-	-	-	-	3.9
Exceptional other income	-	-	-	-	-	-	-
Operating profit	**27.2**	**-**	**-**	**68.9**	**-**	**-**	**96.1**
Finance income	0.9	-	-	-	-	-	0.9
Finance costs	(171.0)	-	-	-	-	-	(171.0)
Other gains / (losses)	5.8	-	-	-	-	-	5.8
Loss before tax	**(137.1)**	**-**	**-**	**68.9**	**-**	**-**	**(68.2)**
Tax	(9.0)	-	-	-	-	-	-
Loss for the period	**(146.1)**	**-**	**-**	**68.9**	**-**	**-**	**(77.2)**
Attributable to:							
Owners of the company	(146.3)	-	-	68.9	-	-	(77.4)
Non-controlling interests	0.2	-	-	-	-	-	0.2

Statement of financial position (extract)	31 December 2024 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	31 December 2024 (restated)
	£m	£m	£m	£m	£m	£m	£m
Goodwill	1,389.1	(117.8)	-	68.9	-	-	1,340.2
Other intangible assets	74.3	(1.3)	-	-	-	-	73.0
Property, plant and equipment	1,177.9	(7.7)	-	-	-	-	1,170.2
Trade and other receivables	130.6	-	-	-	1.4	-	132.1
Contract assets	10.0	-	-	-	(3.9)	-	6.1
Borrowings	(136.7)	-	-	-	2.8	-	(133.8)
Trade and other payables	(1,969.4)	-	-	-	(4.2)	-	(1,973.7)
Contract liabilities	(105.9)	-	-	-	3.9	-	(102.0)
Provisions	(86.4)	-	-	-	-	-	(86.4)
Capital contribution reserve	305.3	-	-	-	-	-	305.3
Accumulated losses	(1,207.8)	(126.8)	-	68.9	-	-	(1,265.7)

Effect of restatements on period end 31 December 2023:

Income Statement (extract)	Six months ended 31 December 2023 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	Six months ended 31 December 2023 (restated)
	£m	£m	£m	£m	£m	£m	£m
Depreciation	(46.7)	-	-	-		(11.3)	(58.0)
Amortisation	(7.8)	-	-	-	-	-	(7.8)
Other operating expenses	(53.7)	-	-	-	-	-	(53.7)
Exceptional operating expenses and impairment	(1.8)	-	-	-	-	-	(1.8)
Total operating expenses	**(110.0)**	**-**	**-**	**-**	**-**	**(11.3)**	**(121.3)**
Other income	3.9	-	-	-	-	-	3.9
Exceptional other income	16.0	-	-	-	-	-	16.0
Operating profit	**110.2**	**-**	**-**	**-**	**-**	**(11.3)**	**98.9**
Finance income	2.5	-	-	-	-	-	2.5
Finance costs	(162.2)	-	-	-	4.1	-	(158.0)
Other gains / (losses)	(8.1)	-	-	-	-	-	(8.1)
Loss before tax	**(57.6)**	**-**	**-**	**-**	**4.1**	**(11.3)**	**(64.7)**
Tax	5.0	(16.6)	-	-	-	-	(11.6)
Loss for the period	**(52.6)**	**(16.6)**	**-**	**-**	**4.1**	**(11.3)**	**(76.3)**
Attributable to:							

Owners of the company	(52.7)	(16.6)	-	-	4.1	(11.3)	(76.4)
Non-controlling interests	0.1	-	-	-	-	-	0.1

Statement of financial position (extract)	31 December 2023 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	31 December 2023 (restated)
	£m	£m	£m	£m	£m	£m	£m
Goodwill	1,458.0	(117.8)	-	-	-	-	1,340.2
Other intangible assets	68.1	(1.3)	-	-	-	-	66.8
Property, plant and equipment	1,212.8	(7.7)	-	-	(1.0)	(7.4)	1,196.7
Trade and other receivables	108.2	-	-	-	4.5	-	112.7
Contract assets	15.4	-	-	-	(3.6)	-	11.8
Borrowings	(67.3)	-	-	-	-	-	(67.3)
Trade and other payables	(1,776.7)	-	(8.7)	-	(4.5)	-	(1,789.7)
Contract liabilities	(122.0)	-	-	-	3.6	-	(118.4)
Provisions	(81.1)	-	-	-	5.1	-	(76.1)
Capital contribution reserve	281.4	-	7.9	-	-	-	289.3
Accumulated losses	(979.0)	(126.8)	(16.6)	-	4.1	(7.4)	(1,125.6)

Effect of restatements on year end 30 June 2024:

Statement of financial position (extract)	30 June 2024 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	30 June 2024 (restated)
	£m	£m	£m	£m	£m	£m	£m
Goodwill	1,458.0	(117.8)	-	-	-	-	1,340.2
Other intangible assets	76.1	(1.3)	-	-	-	-	74.8
Property, plant and equipment	1,190.1	(7.7)	-	-	-	-	1,182.4
Trade and other receivables	111.8	-	-	-	-	-	111.8
Contract assets	6.9	-	-	-	-	-	6.9
Borrowings	(88.1)	-	-	-	-	-	(88.1)
Trade and other payables	(1,912.4)	-	-	-	-	-	(1,912.4)
Contract liabilities	(90.0)	-	-	-	-	-	(90.0)
Provisions	(77.6)	-	-	-	-	-	(77.6)
Capital contribution reserve	291.5	-	-	-	-	-	291.5
Accumulated losses	(1,061.9)	(126.8)	-	-	-	-	(1,188.7)

Comparator, effect of restatements on year beginning 1 July 2023:

Statement of financial position (extract)	30 June 2023 (reported)	a) Impairment of assets	b) Corporation tax and capital contributions	c) Reversal of impairment of assets	d) Period end gross up and decommissioning provision	e) Depreciation of assets	1 July 2023 (restated)
	£m	£m	£m	£m	£m	£m	£m
Goodwill	1,458.0	(117.8)	-	-	-	-	1,340.2
Other intangible assets	57.0	(1.3)	-	-	-	-	55.7
Property, plant and equipment	1,238.8	(7.7)	-	-	-	-	1,231.1
Accumulated losses	(925.0)	(126.8)	-	-	-	-	(1,051.8)

In addition to the restatements noted above effecting the published 31 December 2024 interim financial statements and the published 31 December 2023 interim financial statements, the Group has identified that the disclosure notes with respect to revenue and segmental information is also incorrectly stated. This misstatement is arising from the split between the Media and Broadcast (M&B) and Smart Utilities Networks (SUN) revenue streams due to incorrect mapping being used in the creation of the December period end disclosures. This error also has an effect on the EBITDA disclosures at December period end but does not effect the audited June year end figures which uses a separate mapping file which is correct.

The effect of the restatement on the revenue and segmental information is as follows:

	Six months to 31 December 2024	Effect of Restatement	Six months to 31 December 2024 (restated)	Six months to 31 December 2023	Effect of Restatement	Six months to 31 December 2023 (restated)
	£m	£m	£m	£m	£m	£m
Revenue - Rendering of services						
Media and Broadcast	240.3	(2.4)	237.9	245.0	(3.6)	241.4
Smart Utilities Network	65.1	2.4	67.5	79.1	3.6	82.7
Consolidated	305.4		305.4	324.1		324.1
EBITDA						
Media and Broadcast	167.5	(1.3)	166.2	163.5	(0.1)	163.4
Smart Utilities Network	29.3	0.4	29.7	32.1	(0.7)	31.4
Operations	(11.9)		(11.9)	(12.6)	(0.2)	(12.8)
Technology	(20.2)		(20.2)	(19.5)	0.4	(19.1)
Corporate	(10.2)	0.9	(9.3)	(16.9)	0.6	(16.3)
Consolidated	154.5		154.5	146.6		146.6

Arqiva Group Parent Limited

Registered number 08085794

Condensed Consolidated Interim Financial Statements

For the six months ended 31 December 2024

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Interim financial report

The Directors of Arqiva Group Parent Limited ('AGPL'), registered company number 08085794, ('the Company') and its subsidiaries ('the Group') provide the following interim financial report and condensed consolidated interim financial statements ('financial statements'), in respect of the six months ended 31 December 2024.

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

The risks and uncertainties referred to above include:

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

Business overview

Arqiva is the UK's leading enabler of digital connected solutions across the Media and Broadcast and Utilities markets. It generates predictable earnings, supported by strong market positions, diverse revenue streams, long-life assets and long-term inflation linked contracts. The Group had a contracted orderbook of £3.1bn as at 31 December 2024.

Recent developments since 30 June 2024

Media and Broadcast

DTT Multiplexes
New channels added in the first trading quarter saw DTT platform capacity utilisation reach 97%. We are in discussions with a number of large customers to extend contracts to the early 2030s and we expect to conclude those during the second half of the year.

Radio
Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex also has a significant number of contracts secured until its current licence end date of 2028. Demand for national and local DAB multiplexes remains strong, and we continue to secure contract renewals with large customers.

Direct to Home (DTH)
The DTH platform remains close to full capacity, supported by renewals secured to 2029. We continue to win a high proportion of channels new to market, including broadcast customers from the Indian sub-continent. We also delivered as a "Pop Up" for the 6th consecutive season the Amazon Prime Football Association Premier League channels for the Christmas period.

Media Management Products
Arqplex, the Group's on-premise and cloud multiplexing deployment, is now in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade, Arqiva's cloud-based video content exchange product launched in 2022, enabling media companies to interchange their content with multiple platforms efficiently across the world. We currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. We now have over 700 channels accessible within the Arqade platform.

Arqads, Arqiva's addressable advertising solution, facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The product enables new customer services for Sky AdSmart with the Arqads platform hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, targeted to launch mid-2025.

We have recently launched our Streaming Optimisation product which allows the customer to optimise their use of Content Delivery Networks (CDN), delivering deeper insight via analytics with improved audience experience and cost savings through CDN switching and peer-to-peer networking. Response from the market has been very positive with several proof of concepts (PoCs) due to launch imminently and multiple live opportunities being pursued.

There remains an exciting and growing pipeline of potential customers across this comprehensive portfolio of new products, with bids active on several opportunities with UK and international customers.

Position, Navigation and Timing (PNT) services (eLoran)
In November Hellen Systems and Arqiva announced a partnership to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services. This announcement is a step forward in Arqiva's strategy to address vulnerabilities arising from the UK's dependency on satellite based PNT, particularly the Global Navigation Satellite Systems (GNSS). GNSS supports around £320 billion of UK GDP; improving the UK's PNT robustness, security and resilience will be key to mitigating vulnerabilities to the loss of satellite based PNT. The eLoran framework has the potential to enable significant growth opportunities through the provision of alternative PNT services to critical national infrastructure industries such as utilities and energy, government, military as well as commercial users across the UK.

Government / Regulatory updates
A forum to advise on the future of TV distribution has been launched by the DCMS Minister, Stephanie Peacock MP. The review will run for at least the next 12 months with the objective of providing clarity on the long-term future of the DTT platform. Arqiva is actively involved in the forum along with other stakeholders including broadcasters, infrastructure players and audience groups. This review builds on work completed by Ofcom published in May 2024 which set out options for the long-term future and highlighted the importance of a decision and providing certainty for industry stakeholders.

The government has also announced plans to review the BBC Royal Charter, with the current Charter set to expire on December 31, 2027. The government has committed to maintaining the current licence fee structure, adjusted annually for inflation, until the Charter's end in 2027. In parallel, Ofcom has outlined the terms for its 2025 review of public service media. The review will be conducted in two phases: the first will evaluate the performance of PSBs from 2019 to 2023, while the second will explore strategies to ensure the sustainability and relevance of public service media in the face of changing audience behaviours and technological advancements.

Smart Utilities Networks

Regulatory Environment - Water
Ofwat have released its final determinations on water company business plans for Price Review 2024 (PR24) - the regulated price period between 2025-2030. PR24 will see investments quadruple, with 90% of this going towards meeting new environmental requirements.

Almost £12billion of investment will be allocated to 'protecting our water and wastewater system', which includes £1.7bn on the further smart meter rollout with an additional ten million meters being delivered. Ofwat has set a 17% reduction target on leakage over 2025-30 and the overall investment will help companies to achieve this, using smart technologies and better data, including from expanding metering.

Anglian Water
Since the award of the Anglian Water contract in June 2020, the Group has deployed over 1m meters. The pace of network rollout continues to accelerate and we are on track to complete all 1.1m meters before the end of the 2020-2025 regulatory period. Our performance to date has resulted in Anglian awarding Arqiva a 20-year contract for the next regulatory period to rollout an additional 1.1m meters with associated network. They have also increased their focus on adding sensors to the network with both sewer level and chlorine sensors being developed for trial this year.

United Utilities
United Utilities has awarded Arqiva a contract of at least 15 years to provide 1.1m meters in support of their AMP8 smart meter rollout programme. Arqiva will be the prime contractor in a new to market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2m meters during AMP9 and AMP10.

Affinity Water
Arqiva has signed a 15 year contract with Affinity Water, to provide 0.4m meters in support of their AMP8 smart meter rollout programme. Arqiva will provide the communications network, managed service and meters. Affinity Water's overall programme for smart meters is 1.2m which will offer the potential for new growth opportunities during AMP9 and AMP10.

Thames Water
Since April 2015, Arqiva has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2m meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region. We continue to develop joint plans for additional meters in areas we already serve as well as ways to support delivery of their full commitments in AMP8.

SGN Hybrid Connectivity
Since the original 5-year contract was awarded by SGN earlier this year to provide connectivity solutions for 230 of their sites, Arqiva has expanded this contract to serve an additional 174 sites over the 5 year period.

Smart energy metering rollout
The Group's smart metering communication network in the North of England and Scotland continues to deliver in line with contractual SLAs and in doing so support the critical role of smart metering in enabling the UK energy transition. Currently there are 3.6m communications hubs operating on the network and we continue to see demand for smart meters, with strong continued drive from stakeholders and as consumers continue to seek to access the benefits of smart meters.

Arqiva is in the middle of technology development which will deliver enhancements to the platform to support the growth forecast in the next couple of years, with key deliverables already achieved and the next major milestone on track for Q3.

We continue to partner with the DCC to plan for further developments to our service, in support of DCC's move towards an ex-ante regime, and to create certainty over the longer-term partnership.

Corporate Update

CFO change
Arqiva's Chief Financial Officer, Sean West, announced his resignation from the Group and will remain in post until the end of March 2025. Nathan Hodge, Arqiva's existing Group Finance Director, will act as interim CFO while a recruitment process for the permanent position is completed.

Sustainability
Arqiva continues to progress with its target to achieve net zero carbon emissions for scope 1 & 2 emissions by 2031, by reducing energy consumption across its broadcasting infrastructure. This year's scope 1 & 2 greenhouse gas emissions report underwent Limited Assurance to ISO 14064, and we saw a reduction of 1962 tCO_2e representing a 4% reduction from prior year. Since April 2024, the Group satisfies its remaining electricity needs with renewable energy guarantee of origin certification. Arqiva has also published a standalone Sustainability Report which is available on Arqiva's website, under the Corporate Responsibility page.

Investment Manager of Digital 9
In December, the Group's 49% shareholder Digital 9 appointed InfraRed Capital Partners as its new investment manager, replacing Triple Point. As a result of this change, the Board saw the resignation of Diego Massidda and Andy MacLeod being replaced by Mike Osborne and James O'Halloran.

Financial results

The following table summarises the headline financials for the period:

	Six Months Ended 31 December 2024	Six Months Ended 31 December 2023	% Change
	(Unaudited) £ millions		
Revenue			
Commercial			
- Media and Broadcast	240.3	245.0	(1.9)%
- Smart Utilities Networks[1]	65.1	79.1	(17.7)%
Total Group revenue	**305.4**	**324.1**	**(5.8)%**
EBITDA[2]			
Commercial			
- Media and Broadcast	167.5	163.5	2.4%
- Smart Utilities Networks	29.3	32.1	(8.7)%
Other			
- Corporate	(10.2)	(16.9)	39.6%
- Operations	(11.9)	(12.6)	5.6%
- Technology	(20.2)	(19.5)	(3.6)%
Total EBITDA (excluding exceptionals)	**154.5**	**146.6**	**5.4%**
Net cash inflow from operating activities	94.0	126.4	(25.6)%
Net capital expenditure	(36.8)	(35.3)	4.2%
Receipt of insurance stage payment	-	16.0	(100)%
Operating cash flow after capital and financial investment activities	**57.2**	**107.1**	**(46.6)%**

Income Statement

Revenue

For the six month period ended 31 December 2024, revenue for the Group was £305.4m, a decrease of 5.8% from the prior year period. All revenue is associated with the commercial function of the business.

Media and Broadcast

Revenue for the Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £240.3m, representing a 1.9% decrease from £245.0m in the prior year period. Our TV and radio distribution products have remained strong and stable with inflationary increases linked to RPI indexation on these long-term contracts. Customer passthrough of power costs have reduced versus prior period, through a successful power cost hedging strategy and lower usage driven by re-engineering efficiencies. Market pressures within the DTT and DTH capacity have impacted on renewal pricing with some customers terminating, negating the core RPI increases. However, new channel launches in the period saw both DTT and DTH platforms remaining close to fully utilised and we remain optimistic about this market segment.

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

Smart Utilities Networks

Recurring services revenues are up 2.6% period on period from £50.9 to £52.2m, devices (sale of goods) down 54.3% from £28.2m to £12.9m. Network service revenue continues to be stable, driven by indexation linked increases plus additional water site operation revenues, through incremental site delivery. Recurring revenues have remained strong and stable in the period and negate the prior period significant one-off network change request that has not been repeated. Device volumes were down for our water customers, following post-pandemic silicon shortage catch up deliveries last year and as we reach end of AMP7 deliveries, with AMP8 volumes to start in H2 FY25.

Smart Utilities revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex which have remained in line with prior period expectations.

EBITDA

For the six months ended 31 December 2024, EBITDA (as defined in Note 7) for the total reported Group was £154.5m, a 5.4% increase from £146.6m in the prior year period.

Media and Broadcast

EBITDA for the Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £167.5m, representing a 2.4% increase from £163.5m in the prior year period The Group's effective power hedging strategy, securing lower prices plus the benefit of power consumption efficiency gains from re-engineering projects has resulted in lower power usage and therefore strengthened gross margin underpinning the core Media and Broadcast products.

Smart Utilities Networks

EBITDA for the utilities business has decreased year on year by 8.7% from £32.1m in the prior year period, down to £29.3m. As with revenue, the expected lower device volumes across our water contracts resulted in reduced absolute device gross profit. Underlying core service margin remains stable, negating the impact of prior period one off change recognitions.

Corporate

Corporate EBITDA represents costs for the support functions such as finance, legal and HR services. EBITDA for this function improved by 39.6% to a loss of £10.2m for the six-month period to 31 December 2024 from a loss of £16.9m in the prior year period. This improvement in EBITDA benefits from of the one-off release of prior period circuit cost accruals and bonus and incentive programme accrual releases in the period, which were not seen in the prior year period.

Operations

The Operations functional segment is responsible for the efficient operation and maintenance of all Arqiva services including field engineers, disaster recovery and network operations. EBITDA for the Operations segment has benefited from cost reductions, 5.6% from a loss of £12.6m in the prior year period to a loss of £11.9m in the six months to 31 December 2024. The cost reduction is due to an increase in utilisation of the team on projects, plus one-off benefit relating to review of lease renewal programmes.

Technology

EBITDA for the Technology function for the six-month period ended 31 December 2024 was a loss of £20.2m, a 3.6% increase in cost from a loss of £19.5m in the prior year period. The increase in cost is mainly due to consultancy and agency fees, combined with software licence and support costs arising from the transformation of IT systems.

Depreciation

Depreciation for the Group during the six-month period ended 31 December 2024 was £54.2m, an increase of 16.1% from the prior year period figure of £46.7m. The increase is partially driven by a larger asset base due to increased additions in recent periods, as the Group delivers on its growth objectives in Utilities.

Amortisation

Amortisation for the Group during the six-month period ended 31 December 2024 was £6.2m, a decrease of £1.6m from £7.8m in the prior year period. The decrease is driven by a one-off amortization catch-up in the prior period, which has not been repeated.

Exceptional operating expenses and impairment

Exceptional operating expenses for the Group during the six-month period ended 31 December 2024 totalled £70.8m, with £68.9m derived from an impairment to goodwill, plus £1.9m from reorganisation and restoration costs (£1.8m incurred in the prior year period).

The Group undertook a detailed impairment review in preparation of the half-year reporting. The carrying value of the Smart Utilities Network CGU exceeded its value in use by £68.9m (31 December 2023: £nil, 30 June 2024: £nil). An impairment charge equivalent to this amount has been recorded. This is primarily driven by the timing of risk adjusted cash flows used to determine the value in use, particularly the calculation of the terminal value. The risk adjusted cash flow projections used for the value in use calculation, include AMP 8 contracted water business, which requires earlier capital expenditure with slightly deferred cash inflows compared to previous forecasts. The risk adjusted cash flow projections include contracted cash flows and do not include anticipated future growth from these network roll outs (e.g. additional sensors).

The value in use assessment utilises a 5 year discounted cash flow model, with the terminal value derived from year 5 cash flows. Adopting a 15 year discounted cash flow, with a year 15 terminal value, for the AMP 8 contracted water business demonstrates a higher value in use from the contracts, reflecting the deferred cash flows. The 5 year discounted cash flow approach has been adopted for goodwill impairment testing, to maintain consistency with that used for the Media & Broadcast CGU and prior year assessments.

The charge has been recognised as an exceptional operating expense as it is a material one-off, non-recurring item.

Net bank and other loan interest

Net bank and other loan interest for the Group for the six-month period was £33.7m compared to £34.1m in the prior year period. This increase was because of higher interest charges on inflation linked swap instruments held as well as increased use of the working capital facility in the period.

Other interest

Other interest for the Group for the six-month period was £13.8m, compared to £15.3m in the prior year period. Other interest is primarily non-cash and principally includes the amortisation of debt issue costs, interest on lease obligations and imputed interest.

Interest payable to group undertakings

Interest payable to group undertakings for the six-month period was £107.8m, compared to £100.2m in the prior year period. The increase is due to the compounding of outstanding interest balances.

Other gains and losses

Other gains and losses include net gain of £5.0m (31 December 2023: £0.8m gain) recognised as a result of fair value movements of swaps, principally attributable to changes in forward market rates and credit spreads.

Financial position

As at 31 December 2024 net liabilities for the Group were £840.8m, an increase of 24.7% from £674.0m in the prior year period. The net liability position is primarily driven by the borrowings and derivative financial instruments held by the Group. £85.2m of the movement relates to the goodwill impairment charge, which is a one-off, non-recurring item.

Cash Flow

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

	Six months ended 31 December 2024 (Unaudited) £m	Six months ended 31 December 2023 (Unaudited) £m
EBITDA	154.5	146.6
Exceptional items (excluding impairment)	(1.9)	(1.8)
Working capital	(58.0)	(18.3)
Other	(0.6)	-
Net cash inflow from operating activities	**94.0**	**126.5**

Net cash inflow from operating activities for the six-month period ended 31 December 2024 was £94.0m compared to £126.5m for the prior year period, representing a 25.7% decrease, driven by movements in working capital, offsetting EBITDA increases.

The working capital outflow for the six months to 31 December 2024 has been largely driven by the timing of Trade Payables. One-off Bilsdale mast fire service credit settlements were paid in July 2024 (£20.4m) in addition to a number of one-off accrual releases (total £8.5m), relating to surplus circuits, VAT and bonus provisions.
Further working capital outflow for the six months to 31 December 2024 was driven by the utilisation and unwind of deferred income and timing of payments, typical with historic trends of the business.

Net capital expenditure in the six-month period ended 31 December 2024 was £36.8m compared with £35.3m in the prior year period. The Capital expenditure increase is driven by increased investment in Arqiva's new products and continued water contracts delivery. Expenditure is also impacted by the timing of cash payments made on the settlement of capital expenditure accruals balances.

Operating cash flow after all capital and investment activities was £57.2m compared to £107.1m in the prior year period, representing a decrease of 46.6%. This is principally driven by the reduction of working capital in the period as outlined above.

Total cash for the Group has decreased by £3.4m in the six-month period ended 31 December 2024 (31 December 2023: £14.9m outflow). The reduction in outflow is principally due to the refinancing of senior debt in the prior period not being repeated, partially offset by the corresponding increased interest payments due to timing of settlements, £41.4m (31 December 2023: £26.7m).

Operational delivery

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

- The Smart metering M2M contract has continued to achieve 99.5% network coverage in the North of England and Scotland.
- Rollout of water metering on contracts won with Anglian Water and Thames Water. Mobilisation is underway for new contracts covering delivery in the AMP8 period include United Utilities, Affinity Water and further Anglian Water roll out. Other smart water metering trials are in progress.

Other Key Performance Indicators (KPIs) for the Group are the level of network availability across both TV and radio infrastructure. The Group's total level of network availability across both TV and radio infrastructure was 99.95% during the six months ended 31 December 2024 (six months ended 31 December 2023: 99.95%).

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since the publication of the annual report for the year ended 30 June 2024, which is available from the Group's website at www.arqiva.com.

ISO certification and Cyber security

Arqiva holds certification to ISO/IEC 27001:2022. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This allows Arqiva to compete for new business which requires it to demonstrate the robustness of its security controls. Through independent review and accreditation, supported by internal audits, Arqiva can confidently demonstrate its commitment to security and its adoption of secure working practices. Arqiva has held this certification since 2013 and re-certifies every three years with re-certification planned in May 2025.

Going concern

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

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

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

Future outlook

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

On behalf of the Board

Scott Longhurst
Director
Crawley Court
Winchester
Hampshire
SO21 2QA

25 February 2025

Consolidated interim income statement

	Note	Six months ended 31 December 2024 Unaudited £m	Six months ended 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Revenue[1]	7	305.4	324.1	645.2
Cost of sales		(102.7)	(123.8)	(230.5)
Gross profit		**202.7**	**200.3**	**414.7**
Depreciation	15	(54.2)	(46.7)	(88.3)
Amortisation	14	(6.2)	(7.8)	(19.7)
Other operating expenses		(48.2)	(53.7)	(108.1)
Exceptional operating expenses and impairment	8	(70.8)	(1.8)	(7.9)
Total operating expenses		(179.4)	(110.0)	(224.0)
Other income		3.9	3.9	9.9
Exceptional other income		-	16.0	16.0
Operating profit		**27.2**	**110.2**	**216.6**
Finance income	9	0.9	2.5	4.8
Finance costs	10	(155.3)	(149.6)	(295.0)
Other gains / (losses)	11	5.0	0.8	(6.6)
Loss before tax		**(122.2)**	**(36.1)**	**(80.2)**
Tax	12	(3.6)	1.3	12.1
Loss for the period		**(125.8)**	**(34.8)**	**(68.1)**
Attributable to:				
Owners of the company		(126.0)	(34.9)	(68.3)
Non-controlling interest		0.2	0.1	0.2
		(125.8)	**(34.8)**	**(68.1)**

Further comments on consolidated income statement line items are presented in the notes to the financial statements on pages 15 to 36.

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

Consolidated interim statement of comprehensive income

	Note	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Loss for the period		**(125.8)**	**(34.8)**	**(68.1)**
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain / (loss) on defined benefit pension schemes	27	0.6	(1.7)	(44.3)
Movement on deferred tax relating to pension schemes		(0.2)	0.4	11.1
		0.4	**(1.3)**	**(33.2)**
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations		-	-	-
		0.4	**(1.3)**	**(33.2)**
Total comprehensive loss		**(125.4)**	**(36.1)**	**(101.3)**
Attributable to:				
Owners of the Company		(126.0)	(36.2)	(101.5)
Non-controlling interest		0.2	0.1	0.2
Total comprehensive loss		**(125.4)**	**(36.1)**	**(101.3)**

All items of other comprehensive income relate to continuing operations.

Consolidated interim statement of financial position

	Note	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Non-current assets				
Goodwill	13	1,389.1	1,458.0	1,458.0
Other intangible assets	14	74.3	68.1	76.1
Property, plant and equipment	15	1,177.9	1,212.8	1,190.1
Deferred tax	17	217.5	191.1	221.0
Retirement benefits	27	10.2	50.8	9.3
Interest in associates and joint ventures		0.3	0.1	0.1
Derivative financial instruments	21	18.5	21.7	22.0
		2,887.8	**3,002.6**	**2,976.6**
Current assets				
Trade and other receivables	16	320.0	310.0	316.8
Contract assets	16	10.0	15.4	6.9
Cash and cash equivalents - unrestricted	18	9.2	20.4	13.0
Cash and cash equivalents - restricted		7.4	-	7.0
		346.6	**345.8**	**343.7**
Total assets		**3,234.4**	**3,348.4**	**3,320.3**
Current liabilities				
Trade and other payables	19	(1,920.6)	(1,776.5)	(1,892.1)
Corporation tax	19	-	-	-
Contract liabilities	19	(105.9)	(122.0)	(90.0)
Borrowings	20	(123.3)	(55.9)	(74.5)
Provisions	22	(3.6)	(3.2)	(3.7)
		(2,153.4)	**(1,957.6)**	**(2,060.3)**
Net current liabilities		**(1,806.8)**	**(1,611.8)**	**(1,716.6)**
Non-current liabilities				
Contract liabilities	19	(271.6)	(286.6)	(291.5)
Borrowings	20	(1,394.6)	(1,472.2)	(1,441.8)
Derivative financial instruments	21	(169.1)	(224.9)	(178.2)
Provisions	22	(86.5)	(81.1)	(77.7)
		(1,921.8)	**(2,064.8)**	**(1,989.2)**
Total liabilities		**(4,075.2)**	**(4,022.4)**	**(4,049.5)**
Net liabilities		**(840.8)**	**(674.0)**	**(729.2)**

	Note	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Equity				
Share capital		0.1	0.1	0.1
Accumulated losses		(1,150.8)	(959.9)	(1,025.2)
Capital contribution reserve		496.9	473.0	483.1
Merger reserve		(188.5)	(188.5)	(188.5)
Translation reserve		(0.6)	(0.6)	(0.6)
Equity attributable to owners of the Company		**(842.9)**	**(675.9)**	**(731.1)**
Non-controlling interest		2.1	1.9	1.9
Total equity		**(840.8)**	**(674.0)**	**(729.2)**

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2025 and were signed on its behalf by:

Scott Longhurst - Director

Consolidated statement of changes in equity

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2024	**0.1**	**483.1**	**(188.5)**	**(1,025.2)**	**(0.6)**	**(731.1)**	**1.9**	**(729.2)**
Loss for the period	-	-	-	(126.0)	-	(126.0)	0.2	(125.8)
Other comprehensive (loss)/ income	-	-	-	0.4	-	0.4	-	0.4
Total comprehensive (loss)/income	-	-	-	(125.6)	-	(125.6)	0.2	(125.4)
Capital contribution	-	13.8	-	-	-	13.8	-	13.8
Balance at 31 December 2024	**0.1**	**496.9**	**(188.5)**	**(1,150.8)**	**(0.6)**	**(842.9)**	**2.1**	**(840.8)**

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

	Share capital £m	Capital contribution reserve £m	Merger reserve £m	Accumulated losses £m	Translation reserve £m	Total £m	Non-controlling interest £m	Total equity £m
Balance at 1 July 2023	**0.1**	**464.0**	**(188.5)**	**(923.7)**	**(0.6)**	**(648.7)**	**1.8**	**(646.9)**
Loss for the period	-	-	-	(68.3)	-	(68.3)	0.2	(68.1)
Other comprehensive (loss)/income	-	-	-	(33.2)	-	(33.2)	-	(33.2)
Total comprehensive (loss)/income	-	-	-	(101.5)	-	**(101.5)**	0.2	**(101.3)**
Dividends paid	-	-	-	-	-	-	(0.1)	(0.1)
Capital contribution	-	19.1	-	-	-	19.1	-	19.1
Balance at 30 June 2024	**0.1**	**483.1**	**(188.5)**	**(1,025.2)**	**(0.6)**	**(731.1)**	**1.9**	**(729.2)**

Consolidated interim cash flow statement

	Note	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Net cash inflow from operating activities	23	**94.0**	**126.5**	**283.0**
Investing activities				
Interest received		0.7	1.2	2.4
Purchase of tangible and intangible assets		(32.9)	(32.9)	(71.3)
Proceeds on disposal of fixed assets		-	-	5.2
Receipt of insurance stage payments		-	16.0	16.0
Purchase of Investments		(0.2)	-	-
Non-refundable deposit on conditional sale		-	-	0.2
		(32.4)	**(15.7)**	**(47.5)**
Financing activities				
Raising of external borrowings		26.0	250.0	250.0
Repayment of external borrowings		(16.5)	(308.9)	(322.3)
Repayment to parent undertakings		(23.5)	(23.5)	(47.0)
Movement in borrowings		**(14.0)**	**(82.4)**	**(119.3)**
Repayment of capital element of lease rentals		(7.5)	(11.8)	(20.6)
Interest element of lease rentals		(2.1)	(2.3)	(4.4)
Interest paid		(41.4)	(26.7)	(60.1)
Debt issue costs and facility arrangement fees		-	(2.5)	(2.6)
Cash settlement of principal accretion on inflation-linked swaps		-	-	(53.4)
Settlement on close out of inflation linked swaps		-	-	9.7
Dividends paid to non-controlling interests		-	-	(0.1)
		(65.0)	**(125.7)**	**(250.8)**
Increase / (decrease) in cash and cash equivalents	18	**(3.4)**	**(14.9)**	**(15.3)**
Cash and cash equivalents at the beginning of the financial		**20.0**	**35.3**	**35.3**
Cash and cash equivalents at end of the financial year		**16.6**	**20.4**	**20.0**

Notes to the financial statements

1 General information

This condensed consolidated interim financial information does not comprise statutory accounts as defined by section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2024 were approved by the Board of Directors on 21 September 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. A copy of the audited financial statements for the year ended 30 June 2024 can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

2 Directors' responsibilities

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

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

3 Basis of preparation

These financial statements for the six months ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), as adopted by the United Kingdom. The condensed set of financial statements included in this interim financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom.

The accounting policies adopted are consistent with the statutory accounts for the year ended 30 June 2024.

4 Significant judgements and key estimations

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

In preparing these financial statements, the Group's accounting policies and the significant judgements made by management in applying key estimations were the same as those that applied to the statutory accounts for the year ended 30 June 2024.

5 Financial risk management

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

Purchase price risk

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

Credit risk

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

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

Liquidity risk

To ensure it has sufficient available funds for working capital requirements and planned growth, the Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 31 December 2024 the Group had £16.6m cash and short-term deposits available to cover short term cash flow timing differences if required. In addition, the Group has a £135.0m senior working capital facility available for general business purposes of which £26m were drawn as at 31 December 2024 as well as an additional £150.0m liquidity facility to cover senior interest and accretion payments if required. Details of the debt maturity profile are provided in note 20.

Financing risk

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

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

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

Interest rate risk

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

Foreign exchange risk

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

6 Going concern

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

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

7 Revenue and segmental information

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

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

Six months to 31 December 2024 - Unaudited	**Media and Broadcast £m**	**Smart Utilities Networks £m**	**Total £m**
Rendering of services	240.3	52.2	292.5
Sale of goods	-	12.9	12.9
Total revenue	**240.3**	**65.1**	**305.4**

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

Year ended 30 June 2024	**Media and Broadcast £m**	**Smart Utilities Networks £m**	**Total £m**
Rendering of services	481.3	113.1	594.4
Sale of goods	-	50.8	50.8
Total revenue	**481.3**	**163.9**	**645.2**

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

Six months to 31 December 2024 (Unaudited)	Commercial: Media and Broadcast	Commercial: Smart Utilities Networks	Other: Operations	Other: Technology	Other: Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**240.3**	**65.1**	**-**	**-**	**-**	**305.4**
Functional result* (EBITDA)	**167.5**	**29.3**	**(11.9)**	**(20.2)**	**(10.2)**	**154.5**
Depreciation and amortisation						(60.4)
Exceptional operating expenses and impairment						(70.8)
Other income						3.9
Exceptional other income						-
Operating profit						**27.2**
Finance income						0.9
Finance costs						(155.3)
Other gains						5.0
Loss before tax						**(122.2)**

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

Year ended 30 June 2024	Commercial: Media and Broadcast	Commercial: Smart Utilities Networks	Other: Operations	Other: Technology	Other: Corporate	Consolidated
	£m	£m	£m	£m	£m	£m
Revenue	**481.2**	**164**	**-**	**-**	**-**	**645.2**
Functional result* (EBITDA)	**341.3**	**65.5**	**(25.0)**	**(37.2)**	**(35.2)**	**309.4**
Depreciation and amortisation						(108.0)
Exceptional operating expenses						(7.9)
Other income						9.9
Exceptional other income						16.0
Exceptional service credits						(2.8)
Operating profit						**216.6**
Finance income						4.8
Finance costs						(295.0)
Other gains and losses						(6.6)
Loss before tax						**(80.2)**

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

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

	Six months to 31 December 2024 Unaudited	Six months to 31 December 2023 Unaudited	Year ended 30 June 2024
	£m	£m	£m
Operating profit	**27.2**	**110.2**	**216.6**
Depreciation	*54.2*	*46.7*	88.3
Amortisation	*6.2*	*7.8*	19.7
Loss on disposal of fixed assets	-	-	-
Exceptional operating expenses	*1.9*	*1.8*	7.9
Exceptional goodwill impairment	*68.9*	-	-
Other income	*(3.9)*	*(3.9)*	(9.9)
Exceptional other income	-	*(16.0)*	(16.0)
Exceptional service credits	-	-	2.8
EBITDA	**154.5**	**146.6**	**309.4**

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

	Media and Broadcast £m	Smart Utilities Networks £m	Other £m	Consolidated £m
Capital expenditure:				
For the six months ended 31 December 2024 (Unaudited)	7.5	15.1	10.3	**32.9**
For the six months ended 31 December 2023 (Unaudited)	10.6	8.3	13.9	**32.8**
For the year ended 30 June 2024	19.6	22.9	28.9	**71.4**

Geographical information

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

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
UK	302.7	321.4	639.7
Rest of European Economic Area (EEA)	2.4	2.4	4.8
Rest of World	0.3	0.3	0.7
Total revenue	**305.4**	**324.1**	**645.2**

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
UK	2,702.9	2,736.8	2,720.4
Rest of European Economic Area (EEA)	2.1	2.2	1.4
Rest of World	-	-	-
Total non-current assets	**2,705.0**	**2,739.0**	**2,721.8**

8 Exceptional items

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

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Revenue:			
Revenue service credits	-	-	(2.8)
	-	**-**	**(2.8)**
Operating expenses			
Reorganisation and severance	(1.3)	-	(2.7)
Corporate finance activities	-	(0.4)	-
Pension buy-in	-	-	(1.7)
Restoration costs	(0.6)	(1.4)	(3.5)
Goodwill impairment	(68.9)	-	-
	(70.8)	**(1.8)**	**(7.9)**
Other exceptional items			
Other income	-	16.0	16.0
	(70.8)	**14.2**	**5.3**

Reorganisation and severance expenses include costs relating to a program to streamline operational processes, reorganise the Technology function to adopt a more product-focused delivery, and adopt agile working methodologies. This was a follow on project after the Group's transformation programme.

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

Bilsdale – Project Restore

The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021. Following the construction of a permanent 300 metre mast at Bilsdale, television and radio services went live in May 2023 and January 2024 respectively. As a result, all broadcast services are now restored to the main Bilsdale mast. Costs recognised are those which have been incurred to the period end relating to final restoration and community support activities.

Exceptional other income relates to stage payments received from insurance claims related to the Bilsdale transmitter site fire. In August 2023 the final stage payment of £16.0m was received from the insurers, such that the settlement totalling £41.0m was received in full by 30 June 2024. No further insurance proceeds are expected and all service credits have now been settled. Some residual costs continue to be incurred as final site restoration activities are completed.

Pension buy-in

In April 2024, an insurer backed pension buy-in was completed whereby the plan assets were exchanged for a bulk annuity agreement, enabling cover of the Plan's liabilities by a third party insurer. Management retain responsibility for the administration of scheme. The Pension buy-in transaction is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience for future pension payments.

Goodwill Impairment

Impairment during the year relates to the write down of the carrying value of the Smart Utilities Networks cash-generating unit. (See note 13).

9 Finance income

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Bank deposits interest	0.7	1.2	2.4
Other loans and interest receivable	0.2	1.3	2.4
Total finance income	**0.9**	**2.5**	**4.8**

10 Finance costs

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Interest on bank overdrafts and loans	3.2	2.7	5.0
Other loan interest	30.5	31.4	62.5
Bank and other loan interest	**33.7**	**34.1**	**67.5**
Amortisation of debt issue costs	0.4	0.6	0.7
Interest on lease obligations	2.1	2.3	4.4
Interest payable to other group entities	107.8	100.2	203.1
Other interest	8.4	9.6	18.1
Total interest payable	**152.4**	**146.8**	**293.8**
Unwinding of discount on provisions (see note 22)	2.9	2.8	5.8
Revaluation of decommissioning provision	-	-	(4.6)
Total finance costs	**155.3**	**149.6**	**295.0**

11 Other gains and losses

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Foreign exchange on financing (a)	-	-	-
Fair value gain / (loss) on derivative financial instruments (see note 21)	5.0	0.8	(6.6)
Total other gains and losses	**5.0**	**0.8**	**(6.6)**

a) This is the net position of foreign exchange gains and losses in the year. This is made up of a £0.7m (31 December 2023: £0.9m; 30 June 2024: £0.1m) gain on loans denominated in foreign currency (US Dollar). Offset by a £0.7m (31 December 2023:0.9m; 30 June 2024: £0.1m) loss on the cross-currency swap instrument. (See note 21).

12 Tax

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
UK Corporation tax:			
- Current year	0.3	(9.7)	4.1
- Adjustment in respect of prior years	-	-	(5.4)
Total current tax charge / (credit)	0.3	(9.7)	(1.3)
Deferred tax (see note 17):			
- Origination and reversal of temporary differences	3.3	8.4	18.5
- Adjustment in respect of prior years	-	-	(29.3)
Total deferred tax	3.3	8.4	(10.8)
Total tax charge / (credit) for the period	**3.6**	**(1.3)**	**(12.1)**

The tax charge (30 June 2024: credit; 31 December 2023: credit) on ordinary activities is recognised based on management's estimate of the weighted average annual total corporate income tax rate expected for the full financial year. The estimated average annual tax rate for the year to 31 December 2024 on continuing operations is (2.9)% (the estimated tax rate used at 31 December 2023 was 3.5%).

The effective tax rate is below the UK statutory tax rate of 25% (30 June 2024: 25%; 31 December 2023: 25%) as a result of disallowed interest expense and the disallowed impairment on the loss generated in the period.

UK deferred tax has been valued at 25% in the period ended 31 December 2024 (30 June 2024: 25%; 31 December 2023: 25%).

The current tax charge (30 June 2024: credit; 31 December 2023: credit) represents payments due for group relief to (30 June 2024: from; 31 December 2023: from) other Companies in the Group.

Tax in Consolidated Statement of Comprehensive Income

There is a tax charge of £0.2m (June 2024: credit of £11.1m; December 2023: credit of £0.4m) in respect of the actuarial gain of £0.6m (June 2024: loss of £44.3m; December 2023: loss of £1.7m) in the Consolidated Statement of Comprehensive Income.

13 Goodwill

	£m
Cost:	
At 1 July 2024	1,458.4
At 31 December 2024	**1,458.4**
Accumulated impairment losses:	
At 1 July 2024	0.4
Impairment	68.9
At 31 December 2024	**69.3**
Carrying amount:	
At 31 December 2024 (Unaudited)	**1,389.1**
At 31 December 2023 (Unaudited)	1,458.0
At 30 June 2024	1,458.0

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ('CGUs') that are expected to benefit from that business combination. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks.

These are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other groups of assets, and to which goodwill is allocated.

The carrying value of goodwill as at the balance sheet date by the principal CGUs is shown as follows:

	31 December 2024 £m	31 December 2023 £m
Media & Broadcast	1,340.2	1,340.2
Smart Utilities Networks	48.9	117.8
Total	**1,389.1**	**1,458.0**

The Group has undertaken a detailed impairment review in preparation for half-year reporting. The last impairment review was completed as at 30 June 2024.

The recoverable amounts of the CGUs are determined from value-in-use calculations ('VIU'). The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. Growth rates are based on internal and external growth forecasts. Changes to cash flows are based on past practices and expectations of future changes in the market.

Projected cash flows and the 'recoverable amount'

The value in use for each CGU is determined using risk-adjusted cash flow projections derived from financial plans approved by the Board covering a five-year period. They reflect management's risk-adjusted expectations of revenue, EBITDA growth, capital expenditure, working capital and operating cash flows, based on past experience and future expectations of contracted business performance. Managements risk-adjusted expectations do not include the benefits associated with projected growth that is currently non-contracted. Cash flows beyond the fifth year have been extrapolated from year five cash flows, using in perpetuity growth rates.

Discount rate

The pre-tax discount rate applied to the Group's cash flow forecasts are derived using the Capital Asset Pricing Model for comparable businesses.

The assumptions used are benchmarked to externally available data. The pre-tax discount rate used for the Media & Broadcast CGU is 9.1% (30 June 2024: 8.8%). For Smart Utilities networks CGU, the discount rate is 8.8% (2023: 8.7%).

This discount rate does not represent the weighted average cost of capital (WACC) for Arqiva, but instead is an industry and comparative company based Capital Asset Pricing Model (CAPM) derived discount rate, utilising current spot rates at the time of calculation.

Terminal growth rates

The terminal growth rate is determined based on the long-term growth rates of the markets in which the CGU operates (31 December 2024: 1.6%; 30 June 2024: 1.9%). The growth rate has been benchmarked against externally available data. This rate does not exceed the average long-term growth rate for the relevant markets.

Sensitivities

For Media & Broadcast no reasonably possible changes in the key assumptions would cause the carrying amount of the CGUs to exceed the recoverable amount.

For Smart Utilities Networks, the remaining goodwill asset value is £48.9m, after incurring the £68.9m impairment charge in the period. The following changes to key assumptions (in isolation) would result in the remaining goodwill asset being impaired to £nil value:

- An increase in the discount rate to 10.3%; or
- A reduction in the terminal growth rate by 1.6%.

14 Other intangible assets

	Licences	Development costs	Access rights	Software	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2024	6.8	24.5	4.3	119.0	-	154.6
Additions	-	-	-		-	-
Transfers from AUC (note 15)	0.1	(1.9)	-	6.3	-	4.5
Disposals	-	-	-	(0.2)	-	(0.2)
At 31 December 2024	**6.9**	**22.6**	**4.3**	**125.1**	**-**	**158.9**
Accumulated amortisation						
At 1 July 2024	5.9	13.6	4.3	54.7	-	78.5
Charge for the period	0.3	-	-	5.9	-	6.2
Disposals	-	-	-	(0.1)	-	(0.1)
At 31 December 2024	**6.2**	**13.6**	**4.3**	**60.5**	-	**84.6**
Carrying amount						
At 31 December 2024 (Unaudited)	**0.7**	**9.0**	**-**	**64.6**	**-**	**74.3**
At 31 December 2023 (Unaudited)	1.2	12.1	-	41.7	13.2	68.1
At 30 June 2024	0.9	10.9	-	64.3	-	76.1

15 Property, plant and equipment

	Freehold land and buildings	Leasehold buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2024	271.9	173.0	1,944.6	90.5	2,480.0
Additions	-	2.9	4.4	34.9	42.2
Adjustment through PPE for provisions	-	-	5.6	-	5.6
Completion of AUC	0.4	0.3	21.9	(22.6)	-
Transfers to intangibles (Note 14)	-	-	-	(4.5)	(4.5)
Disposals	-	(4.1)	(1.2)	-	(5.3)
At 31 December 2024	**272.3**	**172.1**	**1,975.3**	**98.3**	**2,518.0**
Accumulated depreciation					
At 1 July 2024	20.1	108.1	1,161.7	-	1,289.9
Charge for the period	2.7	6.0	45.5	-	54.2
Disposals	-	(2.3)	(1.7)	-	(4.0)
At 31 December 2024	**22.8**	**111.8**	**1,205.5**	**-**	**1,340.1**
Carrying amount					
At 31 December 2024 (Unaudited)	**249.5**	**60.3**	**769.8**	**98.3**	**1,177.9**
At 31 December 2023 (Unaudited)	254.5	69.1	823.7	65.5	1,212.8
At 30 June 2024	251.8	64.9	782.9	90.5	1,190.1

16 Trade and other receivables

	31 December 2024 Unaudited	31 December 2023 Unaudited	30 June 2024
	£m	£m	£m
Trade receivables	57.6	65.5	59.3
Amounts receivable from other Group entities	228.8	210.5	228.9
Other receivables	5.1	4.5	5.3
Prepayments	28.5	21.0	22.1
Taxation and social security	-	8.5	1.2
	320.0	**310.0**	**316.8**
Contract assets	**10.0**	**15.4**	**6.9**

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

17 Deferred tax

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Deferred tax asset	**220.0**	**203.8**	**223.3**
Deferred tax liability	**2.5**	**12.7**	**2.3**

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

18 Cash and cash equivalents

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Cash at bank	1.9	3.4	3.9
Short term deposits	7.3	17.0	9.1
Total unrestricted	**9.2**	**20.4**	**13.0**
Cash in escrow account – restricted	7.4	-	7.0
Total cash and cash equivalents	**16.6**	**20.4**	**20.0**

19 Trade and other payables

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Current			
Trade payables	30.4	37.9	48.9
Amounts payable to other Group entities	1,850.2	1,685.7	1,783.3
Other payables	2.7	2.8	3.5
Accruals	37.3	50.1	56.4
Total current trade and other payables	**1,920.6**	**1,776.5**	**1,892.1**
Corporation tax	**-**	**-**	**-**
Contract liabilities	**105.9**	**122.0**	**90.0**
Non-Current			
Contract liabilities	**271.6**	**286.6**	**291.5**

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

20 Borrowings

	Denominated currency	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within current liabilities:				
Lease liabilities	Sterling	20.8	17.3	16.9
Bank facilities[1]	Sterling	26.0	-	-
Senior bonds, notes and private placements (amortising)	Sterling	75.0	29.9	48.1
Accrued interest on junior and senior financing	Sterling	1.5	8.7	9.5
Borrowings due within one year		**123.3**	**55.9**	**74.5**
Within non-current liabilities:				
Other loans		**858.8**	**929.0**	**901.2**
- Senior bonds, notes and private placements	Sterling	770.2	845.1	813.6
- Senior bonds, notes and private placements	US Dollar	94.0	92.6	93.3
- Issue costs	Sterling	(5.4)	(8.7)	(5.7)
Amounts payable to other group entities	Sterling	**496.8**	**496.7**	**496.8**
Lease liabilities	Sterling	**39.0**	**46.5**	**43.8**
Borrowings due after more than one year		**1,394.6**	**1,472.2**	**1,441.8**

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

The fair value of the senior quoted bonds based upon observable market prices (fair value hierarchy level 1) was £634.3m (31 December 2023: £668.9m; 30 June 2024: £646.3m) whilst their carrying amount was £627.3m (31 December 2023: £654.0m; 30 June 2024: £640.7m).

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

The weighted average interest rate of borrowings is 7.0% (31 December 2023: 7.1%; 30 June 2024: 6.9%).

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Borrowings fall due within:			
One year	123.3	55.9	74.5
One to five years	645.0	625.4	617.3
More than five years	755.0	855.5	830.0
Total	**1,523.3**	**1,536.8**	**1,521.8**

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

Other loans are comprised from the Group's **senior bonds & notes**.

Bank facilities are comprised of various facilities which the Group has access to. The Group has access to a £135.0m Senior Working Capital Facility maturing between 2026 and 2028 and a £150.0m Liquidity Fund. These facilities are floating rate in nature with a margin over SONIA of between 120 and 130bps. The facilities had £26.0m drawings as at 31 December 2024 (31 December 2023: £nil ; 30 June 2024: £nil).

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

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

As at 31 December 2024, the Group has £627.2m (31 December 2023: £654.0m, 30 June 2024: £640.7m) sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21% (31 December 2023: 4.88% and 7.21%, 30 June 2024: 4.88% and 7.21%). These bonds are repayable between June 2028 and December 2032 and are listed on the London Stock Exchange. Arqiva Financing Plc is the issuer of all the Group's senior listed bonds.

The remaining senior notes relate to a number of US private placement issues in sterling and US dollars with either fixed or floating interest rates. The Group has £217.9m (31 December 2023: £221.1m; 30 June 2024: £221.1m) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between June 2025 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

The Group has $118.0m (31 December 2023: $118.0m; 30 June 2024: $118.0m) of US dollar denominated fixed rate US private placements with a carrying value of £94.0m as at 31 December 2024 (31 December 2023: £92.6m, 30 June 2024: £93.5m). At the hedged rate these are valued at £95.1m (31 December 2023: £92.6m; 30 June 2024: £93.3m). These notes have fixed interest rates of 6.24% and have an amortising repayment profile commencing in December 2027 with a final maturity date of June 2031. Arqiva PP Financing Plc ('APPF') is the issuer of all the Group's private placement notes.

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

21 Financial instruments

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

The weighted average interest rate of fixed rate financial liabilities at 31 December 2024 was 6.2% (31 December 2023: 6.3%; 30 June 2024: 6.2%). The weighted average period of funding was 4.3 years (31 December 2023: 5.2 years; 30 June 2024: 4.8 years).

Within the Group's financial liabilities were borrowings of £1,523.3 excluding issue costs (31 December 2023: £1,536.8m; 30 June 2024: £1,516.1m) (see note 20), which includes £243.9m (31 December 2023: £221.1m; 30 June 2024: £221.1m) with floating interest and the remainder with fixed interest (prior to hedging arrangements).

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

At the period end, the Group held interest rate swaps with notional amounts of £181.8m (31 December 2023: £183.9m; 30 June 2024: £183.9m) which hedge the interest obligations of the Group's floating rate debt. The average fixed rate on these instruments is 0.3% (31 December 2023: 0.3%; 30 June 2024: 0.3%). The swap contracts have termination dates that match the maturities of the underlying floating rate debt instruments (see note 20).

The Group has also entered into index linked swaps (notional amounts of £681.8m in 31 December 2024; 31 December 2023: £681.8m, £681.8m in 30 June 2024) where the Group receives floating and pays fixed linked to inflation interest obligations to an average rate of 2.9% indexed with RPI. The notional amounts of these swaps increase with RPI and these accretion amounts are cash settled annually, most recently in June 2024 (£53.4m; 2023: £146.9m) based on the March index.

All of these instruments have a maturity date of April 2027. These instruments were established to hedge the Group's fixed rate debt (namely fixed rate sterling bonds and the fixed rate US Private Placement issues) and in order to ensure that the cash flow characteristics align with these instruments, the Group has entered into £628.8m (31 December 2023: £670.4m, 30 June 2024: £642.1m) of fixed to floating rate interest rate swaps to match the cash flows on both the fixed rate debt instruments and the index linked swaps set out above.

The Group also holds USD 118.0m (31 December 2023: 118.0m, 30 June 2024: USD 118.0m) of cross-currency swaps to fix the Sterling costs of future interest and capital repayment obligations relating to the US dollar denominated private placement issue at and exchange rate of 1.241.

The fair value of the interest rate, inflation linked swaps and cross currency swaps at 31 December 2024 is a liability of £151.3m (31 December 2023: £203.2m, 30 June 2024: £156.2m). This fair value is calculated using a risk-adjusted discount rate.

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within non-current assets			
Interest rate swaps	18.5	21.7	22.0
	18.5	21.7	22.0
Within non-current liabilities			
Inflation-linked interest rate swaps	(166.1)	(216.5)	(172.0)
Cross-currency swaps	(3.0)	(8.4)	(6.2)
	(169.1)	(224.9)	(178.2)
Total	**(150.6)**	**(203.2)**	**(156.2)**
Change in fair value recognised in the income statement:			
- Attributable to changes in market conditions	2.5	7.5	5.9
- Attributable to changes in perceived credit risk	(0.1)	(1.2)	(8.5)
Change in fair value of the cross currency swap (b)	3.2	(6.4)	(4.1)
Total loss recognised in the income statement	**(5.6)**	**(0.1)**	**(6.7)**
Cash settlement of principal accretion on inflation-linked swaps	-	-	53.4
Total change in fair value	**(5.6)**	**(0.1)**	**46.7**

a) £0.7m of the change in fair value is attributable to foreign exchange movements on the USD denominated swap

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

Fair value hierarchy

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

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

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

22 Provisions

	Decommissioning £m	Restructuring £m	Remediation £m	Other £m	Total £m
At 1 July 2024	70.6	0.4	4.7	5.7	81.4
Unwind of discount (note 10)	2.7	-	0.2	-	2.9
Revaluation of decommission provision though property, plant and equipment	5.6	-	-	-	5.6
Utilised in the year	-	-	-	-	-
Charged to income statement	-	-	-	0.2	0.2
At 31 December 2024 (Unaudited)	**78.9**	**0.4**	**4.9**	**5.9**	**90.1**
At 31 December 2023 (Unaudited)	74.3	0.4	4.2	5.4	84.3
At 30 June 2024	70.6	0.4	4.7	5.7	81.4

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Analysed as:			
Current	3.6	3.2	3.7
Non-current	86.5	81.1	77.7
	90.1	**84.3**	**81.4**

Provisions are made for decommissioning costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties. The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040. A discount rate of 7.2% has been applied in calculating the decommissioning provision (31 December 2023: 5.6%, 30 June 2024: 7.2%) based on the Group's weighted average cost of capital.

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

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

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

23 Notes to the cash flow statement

Reconciliation from operating profit to net cash from operating activities:

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Operating profit	27.2	110.2	216.6
Adjustments:			
Depreciation of property, plant and equipment	54.2	46.7	88.3
Amortisation of intangible assets	6.2	7.8	19.7
(Profit) / Loss on disposal of property, plant and equipment	(0.5)	-	(0.5)
Gain on lease modification	-	(0.1)	(1.0)
Gain on leaseback of sold asset	-	-	(1.9)
Non-refundable deposit for conditional sale	-	-	(0.2)
Other income	(3.9)	(3.9)	(7.9)
Revenue service credits	-	-	2.8
Receipt of insurance stage payments	-	(16.0)	(16.0)
Goodwill impairment	68.9	-	-
Contribution into the DB Pension scheme	(0.1)	-	-
Operating cash flows before movements in working capital	**152.0**	**144.7**	**299.9**
Increase / (decrease) in receivables	(3.8)	10.9	25.9
Decrease in payables	(54.4)	(29.3)	(44.0)
Increase / (decrease) in provisions	0.2	0.2	1.2
Net cash inflow from operating activities	**94.0**	**126.5**	**283.0**

Analysis of changes in financial liabilities:

	At 1 July 2024 £m	Changes in financing cash flows (Cash) £m	Changes in foreign exchange £m	Changes in fair value (Non-cash) £m	Other changes including accrued interest (Non-cash) £m	At 31 December 2024 £m
Current borrowings (Note 20)	65.0	(26.2)	-	-	83.0	121.8
Non-current borrowings (Note 20)	1,447.9	26.0	0.7	-	(74.6)	1,400.0
Accrued interest on borrowings (Note 20)	9.5	(41.2)	-	-	33.2	1.5
Derivative financial instrument Liabilities (Note 21)	156.2	-	(0.7)	(4.9)	-	150.6
Total	**1,678.6**	**(41.4)**	**-**	**(4.9)**	**41.6**	**1,673.9**

24 Financial commitments and contingent liabilities

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

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Within one year	5.5	6.5	4.7
Within two to five years	4.6	10.5	6.0
Over five years	0.3	-	-
Total capital commitments	**10.4**	**17.0**	**10.7**

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

Contingent assets and liabilities

Defined Benefit Pension Scheme
In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate necessary. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis, and made amendments between April 1997 and April 2016.

The Arqiva Defined Benefit Pension Plan was contracted out until 31 January 2016, and it has been identified that two minor corrective amendments were made during the relevant period that could be impacted by this.
The Court of Appeal upheld the 2023 High Court ruling in July 2024 and there are plans to progress investigations into any potential impact for the Plan.

As detailed investigations are yet to be progressed, the Company considers that the amount of any potential impact on the Defined Benefit Obligation cannot be confirmed and/or measured with sufficient reliability at the 31 December 2024 year end. We are therefore disclosing this issue as a potential contingent liability at the 31 December 2024 year end and will review again at the 30 June 2025 year end when we expect further clarity to be available.

25 Leases

Leases as lessee (IFRS 16)

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

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

	Leasehold buildings £m	Plant and equipment £m	Total £m
Balance at 1 July 2024	**42.3**	**10.3**	**52.6**
Depreciation charge for the year	(4.6)	(4.4)	(9.0)
Additions to right of use assets	1.3	1.5	2.8
Effect of modifications to lease terms	0.2	4.3	4.5
Derecognition of right of use assets	(0.5)	(0.2)	(0.7)
Balance at 31 December 2024	**38.7**	**11.5**	**50.2**

Amounts recognised in the Income Statement

Leases under IFRS 16	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Expenses relating to variable lease payments not included in the measurement of lease liabilities	1.3	1.8	2.9
Interest on lease liabilities	2.1	2.3	4.4

Amounts recognised in the cashflow statement

	Six months to 31 December 2024 Unaudited £m	Six months to 31 December 2023 Unaudited £m	Year ended 30 June 2024 £m
Total cash outflow for leases	9.6	14.2	25.0

26 Related party transactions

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

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

	Sale of goods and services			Purchase of goods and services		
	Six months to 31 December 2024 £m	Six months to 31 December 2023 £m	Year ended 30 June 2024 £m	Six months to 31 December 2024 £m	Six months to 31 December 2023 £m	Year ended 30 June 2024 £m
Associates	-	-	0.2	-	-	-
Joint ventures	2.7	2.6	5.3	0.6	2.4	2.6
Entities under common influence	-	-	37.3	-	-	-
Other group entities	32.3	30.5	65.3	-	-	-
	35.0	**33.1**	**108.1**	**0.6**	**2.4**	**2.6**

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

As at 31 December 2024, the amount payable to joint ventures was £0.2m (31 December 2023: £0.2m; 30 June 2024: £0.2m). There were no amounts receivable from joint ventures as at 31 December 2024 (31 December 2023: £nil; 30 June 2024: £nil).

As at 31 December 2024, the amount receivable from associates was £nil (31 December 2023: £nil; 30 June 2024: £nil). There were no amounts payable to associates as at 31 December 2023 (31 December 2023: £nil; 30 June 2024: £nil).

As at 31 December 2024, the amount receivable from entities under common influence was £nil (31 December 2023: £nil ; 30 June 2024: £4.6m). There were no amounts payable to entities under common influence as at 31 December 2024 (31 December 2023: £nil; 30 June 2024: £nil).

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

27 Retirement benefits

Defined benefit scheme
In the period to 31 December 2024, the Group operated one Defined Benefit Plan, sponsored by Arqiva Limited. The Defined Benefit Plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The Trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The Trustees are responsible for the investment policy with regards the assets of the Plan.

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

The triennial valuation carried out 30 June 2023 has been used for the purposes of measuring the plan assets and the present value of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures.

In April 2024, an insurer backed Pension buy-in was completed whereby the Plan assets were exchanged for a bulk annuity agreement, allowing cover to the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments

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

	Six months to 31 December 2024 Unaudited £m	**Six months to 31 December 2023 Unaudited £m**	**Year ended 30 June 2024 £m**
Components of defined benefit finance income recognised in profit or loss	0.2	1.3	2.4
	0.2	**1.3**	**2.4**

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

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

	Six months to 31 December 2024 Unaudited £m	**Six months to 31 December 2023 Unaudited £m**	**Year ended 30 June 2024 £m**
Gain/ (losses) on Plan assets excluding Interest Income	(7.7)	7.5	(38.6)
Experience gains arising on the Plan's liabilities	0.2	(0.6)	(8.7)
Actuarial gains / losses arising from changes in financial assumptions	7.8	(8.6)	1.3
Actuarial gains arising from changes in demographic assumptions	0.3	-	1.7
	0.6	**(1.7)**	**(44.3)**

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

	31 December 2024 Unaudited £m	31 December 2023 Unaudited £m	30 June 2024 £m
Fair value of Plan assets	168.2	219.2	174.9
Present value of Plan liabilities	(158.0)	(168.4)	(165.6
Surplus	**10.2**	**50.8**	**9.3**

28 Controlling parties

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

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

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

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