



**Arqiva Broadcast Intermediate
Limited**

Registered number 08085710

**Annual Report and
Financial Statements**

For the year ended 30 June 2020

Arqiva Broadcast Intermediate Limited (08085710)

Annual Report and Financial Statements - Year ended 30 June 2020

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Strategic report

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

Business model, environment and strategy

The principal activities of Arqiva Broadcast Intermediate Limited ('the Company') throughout the year have been that of an intermediary holding company within the Arqiva Group Limited ('AGL') group ('the Group'). The Company holds an investment in an operational sub group of companies which it funds via intercompany debt.

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

The Company has made a loss for the financial year of £4,000 (2019: £4,000). The Company has net assets of £3,493,244,000 (2019: £3,493,248,000).

Key performance indicators ('KPIs')

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

The KPIs of the Group are managed as a whole and are discussed within the annual report and consolidated financial statements of AGL, a copy of which is available from the address in note 18 of these financial statements or the Group's website at www.arqiva.com.

Risk management

Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties arising from its activities as an intermediate holding company are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the annual report and consolidated financial statements of AGL, a copy of which is available from the address in note 18 of these financial statements or the Group's website at www.arqiva.com.

Section 172 Statement

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

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

Stakeholder engagement

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

Future developments and outlook

It is the intention of the Company to continue to hold investments in a group of operating companies.

This report was approved by the Board of directors on 23 October 2020 and signed on its behalf by:



Frank Dangeard
Director
23 October 2020

Directors' report and statement of Directors' responsibilities

The Directors of Arqiva Broadcast Intermediate Limited, registered company number 08085710, ('the Company') submit the following annual report and audited financial statements ('the financial statements') in respect of the year ended 30 June 2020. The Company's registered office is Crawley Court, Winchester, Hampshire SO21 2QA.

Business review and principal activities

The Company acts as an intermediate holding company within the Arqiva Group Limited ('AGL') group of companies ('the Group').

The Company's loss for the financial year is £4,000 (2019: £4,000). The Company has net assets of £3,493,244,000 (2019: £3,493,248,000).

Future developments

It is the intention of the Company to continue to act as an intermediate holding company.

Principal risks and uncertainties

Details of the principal risks and uncertainties are included in the Strategic report on page 1.

Financial risk management

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

Liquidity risk

The Company actively maintains a mixture of long-term and short-term intercompany loans.

Credit risk

The Company is exposed to credit risk to the extent of intercompany balances within the Group. It does not have an external customer base. The interest-bearing intercompany debt is covered by an intercompany agreement. The intercompany receivable balance is with a fellow wholly owned subsidiary of the Group. The Directors have assessed that the credit risk is low. The Company's capital requirements are managed by the Group's treasury team. The maturity of the Company's borrowings is shown in Note 14.

Interest rate risk

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

Dividends, transfers to reserves and results

The Company has not declared or paid any dividends for the year to 30 June 2020 (2019: £nil). The loss for the financial year of £4,000 (2019: £4,000) was transferred to reserves.

Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future. As the principal activity of the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group.

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

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

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Events after the reporting date

On 8 July 2020, the Arqiva Group successfully completed the sale of its Telecoms business to Cellnex in a circa £2.0bn deal. The transaction comprises the divestment of c. 7,400 of Arqiva's cellular sites, including masts and towers as well as urban rooftop sites, and the right to market a further c.900 sites across the UK. In the execution of the agreement, the Group has sold six subsidiary entities, the largest being Arqiva Services Limited an indirectly held subsidiary of the Company. There is no impact on the financials of the Company as a result of the transaction.

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

Directors

The following held office as Directors of the Company during the year and up to the date of this report:

- Christian Seymour
- Mike Parton
- Mark Braithwaite
- Nathan Luckey (resigned 4 August 2020)
- Sally Davis
- Peter Adams (alternate)
- Neil King
- Martin Healey
- Frank Dangeard
- Paul Donovan (resigned 20 April 2020)
- Mike Darcey
- Max Fieguth

Company Secretary

Jeremy Mavor is the Company Secretary.

Directors' indemnities

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

Disclosure of information to the Independent Auditors

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

- So far as the Directors are aware there is no relevant information of which the Auditors are unaware; and
- Each Director has taken all the steps that he/she ought to have taken as a Director to make themselves aware of any relevant information and to establish that the Company's Auditors are aware of that information.

Independent Auditors

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

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Statement of Directors' responsibilities

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

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

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

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

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

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

On behalf of the Board



Frank Dangeard

Director
Crawley Court
Winchester
Hampshire
SO21 2QA

23 October 2020

Independent auditors' report to the members of Arqiva Broadcast Intermediate Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arqiva Broadcast Intermediate Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2020; the Income statement, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

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

With respect to the Strategic report and Directors' report and statement of Directors' responsibilities, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Arqiva Broadcast Intermediate Limited (08085710)

Annual Report and Financial Statements - Year ended 30 June 2020

Strategic report and Directors' report and Statement of Directors' responsibilities

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report and statement of Directors' responsibilities for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of the Directors' responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



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

23 October 2020

Arqiva Broadcast Intermediate Limited (08085710)

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Income statement

	Note	Year ended 30 June 2020 £'000	Year ended 30 June 2019 £'000
Operating expenses		(5)	(5)
Operating loss	5	(5)	(5)
Finance income	7	168,312	155,915
Finance costs	8	(168,312)	(155,915)
Loss before tax		(5)	(5)
Tax	9	1	1
Loss for the year		(4)	(4)

All results presented relate to continuing operations.

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

The notes on pages 10 to 18 form part of these financial statements.

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Statement of financial position

	Note	30 June 2020 £'000	30 June 2019 £'000
Non-current assets			
Investments in subsidiaries	10	3,493,261	3,493,261
Receivables	11	496,816	496,816
		3,990,077	3,990,077
Current assets			
Receivables	11	1,340,992	1,214,872
Cash and cash equivalents	12	5	5
		1,340,997	1,214,877
Total assets		5,331,074	5,204,954
Current liabilities			
Payables	13	(1,341,012)	(1,214,888)
		(15)	(11)
Net current liabilities			
Non-current liabilities			
Borrowings	14	(496,818)	(496,818)
Total Liabilities		(1,837,830)	(1,711,706)
Net assets		3,493,244	3,493,248
Equity			
Share capital	15	50	50
Capital contribution reserve		3,493,216	3,493,216
Accumulated losses		(22)	(18)
Total equity		3,493,244	3,493,248

The notes on pages 10 to 18 form part of these financial statements.

The financial statements on pages 7 to 18 were approved by the Board of Directors on 23 October 2020 and signed on its behalf by:



Frank Dangeard
Director

Arqiva Broadcast Intermediate Limited (08085710)

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Statement of changes in equity

	Share capital	Accumulated losses	Capital contribution reserve	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2018	50	(14)	3,493,216	3,493,252
Loss for the year	-	(4)	-	(4)
Total comprehensive expense for the year	-	(4)	-	(4)
Balance at 30 June 2019	50	(18)	3,493,216	3,493,248
Loss for the year	-	(4)	-	(4)
Total comprehensive expense for the year	-	(4)	-	(4)
Balance at 30 June 2020	50	(22)	3,493,216	3,493,244

Notes to the financial statements

1 General information

Arqiva Broadcast Intermediate Limited ("the Company") is a private company limited by shares, incorporated and domiciled in England, United Kingdom ("UK") under the Companies Act under registration number 08085710. The address of the registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

2 Basis of preparation and statement of compliance

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

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

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

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

<u>EU-adopted IFRS</u>	<u>Relevant disclosure exemptions</u>
IFRS 7 <i>Financial Instruments: Disclosures</i>	All disclosure requirements.
IFRS 3 <i>Business Combinations</i>	The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67.
IFRS 13 <i>Fair Value Measurement</i>	The requirements of paragraphs 91 to 99.
IAS 1 <i>Presentation of financial statements</i>	The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to 136. The requirements of paragraph 38; comparative information in respect of paragraph 79(a)(iv) of IAS 1.
IAS 7 <i>Statement of Cash Flows</i>	All disclosure requirements.
IAS 8 <i>Accounting policies, changes in accounting estimates and errors</i>	The requirements of paragraphs 30 and 31.
IAS 24 <i>Related Party Disclosures</i>	The requirements of paragraph 17 and 18A; the requirement to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary party to the transaction is wholly owned by such a member and key management personnel.

Impact Assessment of new Standards

The Group adopted IFRS 16 'Leases' for the first time in the current year effective from 1 July 2019. There is no impact on the Company's financial statements.

3 Principal accounting policies

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

(a) Exemption from consolidation

The Company is a wholly owned subsidiary of Arqiva Financing No 2 Limited ('AF2'), and its ultimate parent, AGL. It is included in the consolidated financial statements of AGL which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate individual company financial statements.

(b) Going concern

In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the Company can continue in operational existence for the foreseeable future. As the principal activity of the Company is to conduct financing activities for the benefit of fellow group undertakings, its ability to continue as a going concern is dependent on the operational performance of the Group.

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

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

(c) Taxation and deferred taxation

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

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

(d) Financial instruments

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

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

(e) Investments in subsidiaries

Investments in subsidiaries are shown at cost less provision for impairment.

(f) Interest

Finance income and costs are accounted for on an accruals basis and comprise amounts receivable and payable on intercompany balances respectively.

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4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

5 Operating loss

The Company has received a management recharge of £5,000 (2019: £5,000) in respect of senior executive management costs within the Group, from a fellow Group company. The management recharge is included within operating expenses within the Income statement.

The Company's audit fee for the year was £7,210 (2019: £7,000) and this was borne by Arqiva Limited, a fellow Group company. There were no non-audit fees in the year.

6 Employees and Directors

Employees

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

Directors

There are no recharges (2019: £nil) made to the Company in respect of any remuneration for any Directors, as their duties in respect of the Company are incidental to their normal duties on behalf of their employer companies.

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

7 Finance income

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
Interest receivable from Group companies	168,312	155,915
Total finance income	168,312	155,915

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8 Finance costs

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
Interest payable to Group companies	168,312	155,915
Total finance costs	168,312	155,915

9 Tax

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
UK Corporation Tax:		
- Current year	(1)	(1)
Total current tax	(1)	(1)
Total tax credit for the year	(1)	(1)

UK Corporation tax is calculated at a rate of 19.0% (2019: 19.0%) of the taxable loss for the year.

The credit for the year can be reconciled to the loss in the income statement as follows:

	Year ended 30 June 2020	Year ended 30 June 2019
	£'000	£'000
Loss before tax	(5)	(5)
Tax at the UK Corporation tax rate of 19.0% (2019: 19.0%)	(1)	(1)
Total tax credit for the year	(1)	(1)

Due to the impact to the Group from changing tax legislation, the decision was made with effect from 1 July 2017 to pay for group relief. The current year UK corporation tax credit represents the payment made by other Group companies for the provision of tax losses by way of Group relief.

The main rate of UK corporation tax remained at 19.0% throughout the period and therefore a 19.0% tax rate (2019:19.0%) has been used for the reconciliation of total tax. In the Finance Act 2016 it was enacted that the main rate of UK corporation tax would be further reduced to 17.0% from 1 April 2020, however this reduction was cancelled in Finance Act 2020.

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

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10 Investments

	Investments in subsidiaries £'000
At 30 June 2019 and 30 June 2020	3,493,261

The Company's investments are valued using the cost method and the Directors consider the carrying value of the Company's investments in its subsidiaries on an annual basis, or more frequently should indicators arise, and believe that the carrying values of the investments are supported by the underlying trade and net assets.

The Company's investments (held indirectly unless stated) are shown below:

Company	Country of incorporation	Principal activities	Year end	Percentage of ordinary shares held
ABHL Digital Limited	United Kingdom	Holding company	30-Jun	100%
ABHL Digital Radio Limited	United Kingdom	Holding company	30-Jun	100%
ABHL Multiplex Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Muxco Limited (formerly Aerial UK Limited)	United Kingdom	Transmission services	30-Jun	100%
Arqiva (Scotland) Limited	United Kingdom	Transmission services	30-Jun	100%
Arqiva Aerial Sites Limited	United Kingdom	Management of aerial sites	30-Jun	100% (Sold 8 July 2020)
Arqiva Broadcast Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Defined Benefit Pension Plan Trustees Limited	United Kingdom	Pension company	30-Jun	100%
Arqiva Digital Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Finance Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Financing No. 1 Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Financing Plc	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Group Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Group Intermediate Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Group Parent Limited	United Kingdom	Holding company	30-Jun	100% (held directly)
Arqiva Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Inc.	USA	Satellite transmission services	30-Jun	100%
Arqiva Limited	United Kingdom	Transmission services	30-Jun	100%
Arqiva Limited	Ireland	Transmission services	30-Jun	100%
Arqiva Media Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile Broadcast Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile TV Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 10 Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 11 Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 2 Limited	United Kingdom	Transmission services	30-Jun	100% (Sold 8 July 2020)
Arqiva No. 3 Limited	United Kingdom	Transmission services	30-Jun	100% (Sold 8 July 2020)
Arqiva No. 4 Limited	United Kingdom	Dormant company	30-Jun	100% (Sold 8 July 2020)

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Company	Country of incorporation	Principal activities	Year end	Percentage of ordinary shares held
Arqiva Pension Trust Limited	United Kingdom	Dormant company	31-Mar	100%
Arqiva PP Financing Plc	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Pte Limited	Singapore	Satellite transmission services	30-Jun	100%
Arqiva Public Safety Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva SAS	France	Satellite transmission services	30-Jun	100%
Arqiva Satellite Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Senior Finance Limited	United Kingdom	Financing vehicle	30-Jun	100%
Arqiva Services Limited	United Kingdom	Transmission services	30-Jun	100% (Sold 8 July 2020)
Arqiva SRL	Italy	Satellite transmission services	30-Jun	100%
Arqiva Telecommunications Asset Development Company Limited	United Kingdom	Dormant company	30-Jun	100% (Sold 8 July 2020)
Arqiva Telecoms Investment Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Transmission Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva UK Broadcast Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva Wireless Limited	United Kingdom	Dormant company	30-Jun	100%
Capablu Limited	United Kingdom	Dormant company	30-Jun	100%
Cast Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV (Scotland) Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV Limited	United Kingdom	Dormant company	30-Jun	100%
Digital One Limited	United Kingdom	Transmission services	30-Jun	100%
Inmedia Communications (Holdings) Limited	United Kingdom	Dormant company	30-Jun	100%
Inmedia Communications Group Limited	United Kingdom	Dormant company	30-Jun	100%
Inmedia Communications Limited	United Kingdom	Dormant company	30-Jun	100%
J F M G Limited	United Kingdom	Spectrum services	30-Jun	100%
Macropolitan Limited	United Kingdom	Dormant company	30-Jun	100%
Now Digital (East Midlands) Limited	United Kingdom	Transmission services	30-Jun	80%
Now Digital (Oxford) Limited	United Kingdom	Dormant company	30-Jun	100%
Now Digital (Southern) Limited	United Kingdom	Transmission services	30-Jun	100%
Now Digital Limited	United Kingdom	Transmission services	30-Jun	100%
NWP Spectrum Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Scanners (Europe) Limited	United Kingdom	Dormant company	30-Jun	100%
Scanners Television Outside Broadcasts Limited	United Kingdom	Dormant company	30-Jun	100%
Selective Media Limited	United Kingdom	Dormant company	30-Jun	100%
South West Digital Radio Limited	United Kingdom	Transmission services	30-Jun	66.67%
Spectrum Interactive (UK) Limited	United Kingdom	Dormant company	30-Jun	100%
Spectrum Interactive GmbH	Germany	Dormant company	30-Jun	100%
Spectrum Interactive Limited	United Kingdom	Holding company	30-Jun	100%

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With the following exceptions, the registered office of each of the subsidiary companies listed was Crawley Court, Winchester, Hampshire, SO21 2QA:

Company	Registered office
Arqiva Inc.	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE19801, United States of America.
Arqiva Pte Limited	8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore.
Arqiva SAS	Batiment Energy 2, 4 Rue Paul Dautier, 78410 Velizy-villacoublay, France
Arqiva SRL	c/o Studio Bandini & Associati, Via Calabria 32, Rome, Italy.
Arqiva (Scotland) Limited and Connect TV (Scotland) Limited	c/o Morton Fraser, Quartermile 2, 2 Lister Square, Edinburgh, EH3 9GL, Scotland.

Company	Country of incorporation	Principal activities	Registered office	Year end	Percentage of ordinary shares held
Joint ventures					
Sound Digital Limited	United Kingdom	Ownership and operation of UK DAB radio multiplex licence	Media House Peterborough Business Park, Lynch Wood, Peterborough, United Kingdom, PE2 6EA	31-Dec	40.0%
YouView TV Limited	United Kingdom	Open source IPTV development	10 Lower Thames Street, Third Floor, London, EC3R 6YT	31-Mar	14.3%
Associate undertakings:					
Muxco Limited	United Kingdom	Bidding for UK DAB digital radio multiplex licences	Greenworks Dog And Duck Yard, Princeton Street, London, England, WC1R 4BH	31-Dec	25.0%
DTT Multiplex Operators Limited	United Kingdom	Transmission services	27 Mortimer Street, London, England, W1T 3JF	31-Mar	25.0%
Digital UK Limited	United Kingdom	Transmission services	27 Mortimer Street, London, England, W1T 3JF	31-Dec	25.0%
DTV Services Limited	United Kingdom	Freeview market services	2nd Floor 27 Mortimer Street, London, England, W1T 3JF	31-May	20.0%
UK Digital Radio Limited	United Kingdom	Support delivery of a digital future for radio	55 New Oxford Street, 6th Floor, London, WC1A 1BS	31-Mar	10.0%

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11 Receivables

	30 June 2020 £'000	30 June 2019 £'000
Amounts receivable from other Group entities	1,340,992	1,214,872
Total current receivables	1,340,992	1,214,872
Amounts receivable from other Group entities	496,816	496,816
Total non-current receivables	496,816	496,816

Amounts owed by Group undertakings are unsecured and interest has been charged at 9.5%. Amounts included within current receivables are repayable on demand. Amounts included within non-current receivables are repayable in 2033.

12 Cash and cash equivalents

	30 June 2020 £'000	30 June 2019 £'000
Cash at bank	5	5
Total cash and cash equivalents	5	5

13 Payables

	30 June 2020 £'000	30 June 2019 £'000
Amounts payable to other Group entities	1,341,012	1,214,888
Total payables	1,341,012	1,214,888

Amounts owed to Group undertakings are unsecured and are repayable on demand. Interest has been charged at 9.5%.

14 Borrowings

	30 June 2020 £'000	30 June 2019 £'000
Amounts payable to other Group entities	496,818	496,818
Total borrowings	496,818	496,818

Amounts owed to Group undertakings are unsecured and repayable in February 2033. Interest has been charged at 9.5% on the balance.

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15 Share capital

	30 June 2020 £'000	30 June 2019 £'000
Allotted and fully paid:		
50,002 ordinary shares (2019: 50,002) of £1 each	50	50

16 Contingent liabilities

Financing commitments

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

17 Related party transactions

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

18 Controlling parties

The Company's immediate parent undertaking is AF2. Copies of the AF2 financial statements can be obtained from the Company Secretary at Crawley Court, Winchester, Hampshire, SO21 2QA.

The ultimate UK parent undertaking is AGL, which is the parent undertaking of the largest group to consolidate these financial statements. The parent of the smallest group to consolidate these financial statements is Arqiva Broadcast Parent Limited ('ABPL').

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

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

19 Events after the reporting date

On 8 July 2020, the Arqiva Group successfully completed the sale of its Telecoms business to Cellnex in a circa £2.0bn deal. The transaction comprises the divestment of c. 7,400 of Arqiva's cellular sites, including masts and towers as well as urban rooftop sites, and the right to market a further c.900 sites across the UK. In the execution of the agreement, the Group has sold six subsidiary entities, the largest being Arqiva Services Limited an indirectly held subsidiary of the Company. There is no impact on the financials of the Company as a result of the transaction.

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