Registered number: 06137924

ARQIVA FINANCING NO 1 LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Introduction

The principal activities of Arqiva Financing No 1 Limited ('the Company') throughout the year have been that of an intermediate holding company and financing vehicle within the Arqiva Group Limited ('AGL') group ('the Group') of companies. It holds an investment in an operational sub-group of companies which it funds from a combination of external and intercompany debt.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties arising from its activities as an intermediate holding company and financing vehicle are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the annual report and consolidated financial statements of AGL, a copy of which is available from the address in note 21 of these financial statements or the Group’s website at www.arqiva.com.

Financial key performance indicators ('KPIs')

The Company has made a loss for the financial year of £441.0m *(2024 - £375.6m)*, principally driven by the net difference on interest receivable on intercompany balances and interest payable on borrowings. The Company has net liabilities of £3,336.6m *(2024 - £2,927.5m)*.

Financial KPIs

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

The KPIs of the Group are managed as a whole and are discussed within the annual report and consolidated financial statements of AGL, a copy of which is available from the address in note 21 of these financial statements or the Group’s website at www.arqiva.com.

Directors' statement of compliance with duty to promote the success of the Company

The Companies Act 2006 sets out the 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 21 of these financial statements of 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. How this has been achieved is discussed within the Annual Report and Consolidated Financial statements of AGL on pages 44 and 46 a copy of which can be obtained from the address in note 21 of these financial statements or the Group’s website at www.arqiva.com.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025

Future developments and outlook

It is the intention of the Company to continue to hold investments in a group of operating companies, and to act as a financing vehicle for the Group.

This report was approved by the board on 3 December 2025 and signed on its behalf.

Scott Longhurst
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

The directors present their report and the financial statements for the year ended 30 June 2025.

Results and dividends

The loss for the year, after taxation, amounted to £441.0m *(2024 - loss £375.6m)*.

The income statement principally comprises finance income and costs on borrowings of the Company, both with other Group companies and external debt. The Company has net liabilities of £3,336.6m *(2024 - £2,927.5m)*.

The Company has not declared any dividends for the year *(2024 - £nil)*. The loss for the year of £441.0m *(2024 - £375.6m)* was transferred to reserves.

Principal risks and uncertainties

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

Future developments

The future developments of the Company are discussed within the Strategic report on page 1.

Engagement with suppliers, customers and others

Details of the Company's engagement with suppliers are discussed within the Strategic report on page 1.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The parent 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 severe but plausible downside scenarios.

The Capital Structure Committee regularly reviews the debt position of the group to ensure it is appropriate and has concluded it has sufficient cash to service its debt structure obligations. The parent Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2025 financial statements.

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 for the 12 month period post signing of these financial statements.

Risk management

The Company's operations expose it to a variety of financial risks that include liquidity risk, credit risk, interest rate risk and foreign exchange 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 and utilises external debt finance. The maturity of the Company's borrowings is shown in notes 12 and 13. The Company's capital requirements are managed by the Group Treasury team.

Credit risk
The Company 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 Company's on-going risk management processes, which include a regular review of credit ratings.

Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty. The Company does not have an external customer base. The interest-bearing intercompany debt is covered by intercompany agreements.

Interest rate risk
The Company is exposed to interest rate risk due to borrowing variable rate bank debt. The Company maintains a hedging policy to manage interest rate risk and to ensure the certainty of future interest cash flows and compliance with debt covenants. It currently has fixed rate hedging, split between interest rate swaps and inflation-linked interest rate swaps. Inflation-linked swaps convert fixed or floating rate interest costs to RPI-linked costs. In June 2024 the Company completed its accretion RPI collar execution which caps future accretion exposure to inflation at circa 6%. Interest rate swaps convert variable rate interest costs to fixed rate interest costs while inflation swaps convert fixed rate interest costs to RPI-linked costs, which fluctuate in line with the RPI index as do a significant proportion of the Group's revenue contracts. Intercompany loan balances are interest free or at fixed interest rates. The Company has a policy of ensuring that it is not exposed to changing interest rates and as such it ensures that the fixed or floating rate nature of any debt raised is matched with similar intercompany loans to other Group companies or that external swap instruments are taken out as described above.

Foreign exchange risk
Management regularly monitors the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place.

Post balance sheet events

Subsequent to the reporting date, Macquarie Asset Management announced its intention to dispose of its investments in the Arqiva Group. The transaction is subject to completion and regulatory approvals and, as at the date of these financial statements, remains outstanding. Based on current information, the directors do not expect the proposed disposal to have a material impact on the Group's ongoing operations. No adjustments have been made to these financial statements in respect of this event.

Directors

The directors who served during the year were:

Jonathan Carter (appointed 27 February 2025)
Drummond Clark (appointed 28 February 2025)
Paul Donovan
Shujauddin Khan
Susana Leith-Smith
Scott Longhurst
James O'Halloran (appointed 30 December 2024)
Michael Osborne (appointed 26 November 2024)
Matthew Postgate
David Stirton
Patrick Tillieux (appointed 24 April 2025)
Michael Darcey (resigned 18 March 2025)
Paul Donovan (resigned 31 August 2025)
Maximilian Fieguth (resigned 28 February 2025)
Arnaud Jaguin (resigned 31 October 2024)
Andrew Macleod (resigned 26 November 2024)
Diego Massidda (resigned 11 December 2024)

Qualifying third party indemnity provisions

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.

This report was approved by the board on 3 December 2025 and signed on its behalf.

Scott Longhurst
Director

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £m	*2024 £m*
Administrative expenses		**(0.1)**	*(0.6)*
Operating loss		**(0.1)**	*(0.6)*
Finance income	5	**683.0**	*623.2*
Finance costs	6	**(1,254.5)**	*(1,138.9)*
Other finance income / (expense)	7	**10.9**	*(6.6)*
Loss before tax		**(560.7)**	*(522.9)*
Tax on loss	8	**119.7**	*147.3*
Loss for the financial year		**(441.0)**	*(375.6)*

There are no items of other comprehensive income for 2025 or 2024 other than the loss for the year. As a result, no separate Statement of comprehensive income has been presented.

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 £m	2025 £m	*2024 £m*	*2024 £m*
Fixed assets					
Investments	9		**2,599.4**		*2,599.4*
			2,599.4		*2,599.4*
Current assets					
Debtors: amounts falling due after more than one year	10	**7,091.3**		*6,233.2*	
Debtors: amounts falling due within one year	10	**379.9**		*392.1*	
Cash and cash equivalents	11	**1.1**		*0.9*	
		7,472.3		*6,626.2*	
Creditors: amounts falling due within one year	12	**(11,217.9)**		*(9,899.3)*	
Net current liabilities			**(3,745.6)**		*(3,273.1)*
Total assets less current liabilities			**(1,146.2)**		*(673.7)*
Creditors: amounts falling due after more than one year	13		**(2,190.4)**		*(2,253.8)*
			(3,336.6)		*(2,927.5)*
Net liabilities			**(3,336.6)**		*(2,927.5)*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025

	Note	2025 £m	2025 £m	*2024 £m*	*2024 £m*
Capital and reserves					
Called up share capital	16		**-**		*-*
Capital contribution reserve	17		**203.1**		*171.2*
Profit and loss account	17		**(3,539.7)**		*(3,098.7)*
Total equity			**(3,336.6)**		*(2,927.5)*

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

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 December 2025.

Scott Longhurst
Director

The notes on pages 10 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£m	£m	£m	£m
At 1 July 2023	**-**	**152.1**	**(2,723.1)**	**(2,571.0)**
Loss for the year	**-**	**-**	**(375.6)**	**(375.6)**
Capital contribution	**-**	**19.1**	**-**	**19.1**
Total comprehensive income for the year	**-**	**19.1**	**(375.6)**	**(356.5)**
At 1 July 2024	**-**	**171.2**	**(3,098.7)**	**(2,927.5)**
Loss for the year	**-**	**-**	**(441.0)**	**(441.0)**
Capital contribution	**-**	**31.9**	**-**	**31.9**
Total comprehensive income for the year	**-**	**31.9**	**(441.0)**	**(409.1)**
At 30 June 2025	**-**	**203.1**	**(3,539.7)**	**(3,336.6)**

The notes on pages 10 to 26 form part of these financial statements.

1. General information

Arqiva Financing No 1 Limited ('the Company') is a private company limited by shares, incorporated in England, United Kingdom ('UK') under the Companies Act under registration number 06137924. 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. Summary of material accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

This information is included in the consolidated financial statements of Arqiva Group Limited as at 30 June 2025 and these financial statements may be obtained from www.arqiva.com.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2. Summary of material accounting policies (continued)

2.4 Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The parent 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 severe but plausible downside scenarios.

The Capital Structure Committee regularly reviews the debt position of the group to ensure it is appropriate and has concluded it has sufficient cash to service its debt structure obligations. The parent Group has provided a letter of support which confirms that Arqiva Group Limited will provide such financial assistance to all its wholly owned (directly and indirectly held) subsidiaries in order to meet liabilities as they fall due for a period of 12 months from the date of signing the 30 June 2025 financial statements.

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 for the 12 month period post signing of these financial statements.

2.5 Impact of new international reporting standards, amendments and interpretations

New and amended standards adopted by the Company

Amendment to IAS 1 - Non-current Liabilities with Covenants
The amendment listed above did not have any material impact on the amounts recognised in prior years and is not expected to have a material impact on current or future periods.

New standards, interpretations and amendments not yet effective
The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

- Amendment to IAS 21 - Lack of Exchangeability
- Amendments IFRS 9 and IFRS 7 - Regarding the classification and measurement of financial instruments
- Amendment to IFRS 18 - Presentation and Disclosures in Financial Statements

The new and revised standards not yet effective are not expected to have a material impact on the Company.

2.6 Finance income

Finance income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Summary of material accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

An impairment charge arises when the fair value of investments is lower than its net book value. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value-in-use calculations (‘VIU’).

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Summary of material accounting policies (continued)

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

2. Summary of material accounting policies (continued)

2.13 Financial instruments (continued)

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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.

The following are the critical judgements and those involving estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

<u>Deferred tax</u>
Critical accounting judgements:
As disclosed in note 8, the Company has recognised deferred tax assets, in respect of tax losses carried forward. Judgement is required in determining whether these assets can be accessed considering the restrictions of relevant tax legislation and expectations of future profit.

4. Employees

Employees
The Company had no employees during the year *(2024 - none)*.

Directors
There are no recharges *(2024 - £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.

5. Finance income

	2025 **£m**	*2024* *£m*
Interest receivable from group undertakings	**682.8**	*622.8*
Other interest receivable	**0.2**	*0.4*
	683.0	*623.2*

6. Finance costs

	2025 **£m**	*2024* *£m*
Interest payable to group undertakings	**1,253.6**	*1,138.2*
Amortisation of debt issue costs	**0.9**	*0.7*
	1,254.5	*1,138.9*

7. Other finance income / (expense)

		2025 £m	*2024 £m*
Fair value gain / (loss) on derivative financial instruments	14	**3.7**	*(6.6)*
Foreign exchange gain on financing		**7.2**	-
		10.9	*(6.6)*

8. Tax on loss

	2025 £m	*2024 £m*
Corporation tax		
Current tax on profits for the year	**(136.1)**	*(122.9)*
Adjustments in respect of previous periods	**-**	*(32.1)*
	(136.1)	*(155.0)*
Total current tax	**(136.1)**	*(155.0)*
Deferred tax		
Origination and reversal of timing differences	**16.4**	*8.1*
Changes to tax rates	**-**	*(0.4)*
Total deferred tax	**16.4**	*7.7*
Tax on loss	**(119.7)**	*(147.3)*

8. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than *(2024 - lower than)* the standard rate of corporation tax in the UK of 25% *(2024 - 25%)*. The differences are explained below:

	2025 £m	*2024 £m*
Loss on ordinary activities before tax	**(560.7)**	*(522.9)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	**(140.2)**	*(128.3)*
Effects of:		
Deemed interest on intercompany balances (a)	**(11.0)**	*(16.3)*
Change in unrecognised deferred tax (b)	**31.5**	*29.8*
Prior year adjustment (c)	**-**	*(32.5)*
Total tax credit for the year	**(119.7)**	*(147.3)*

Factors that may affect future tax charges

The current year UK corporation tax credit *(2024 - credit)* represents the payment received from to other group undertakings for the provision of tax losses by way of group relief.

The average blended rate of UK corporation tax was 25.0% during the year. UK deferred tax has been valued at 25.0%.

(a) Deemed interest expense in respect of inter-company debt, deductible for corporation tax purposes.
(b) Change in unrecognised deferred tax assets principally relates to deferred interest expenses as described in note 15.
(c) The adjustment in respect of prior years relates primarily to a change in judgement as described in note 3.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%; the implications of this upon the Companies in the group are set out in the Arqiva Group Limited financial statements.

9. Fixed asset investments

	Investments in subsidiary companies £m
Cost	
At 1 July 2024	**2,599.4**
At 30 June 2025	**2,599.4**

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

Company	Country of incorporation	Principal activities	Year end	Ordinary share holding
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	United Kingdom	Transmission services	30-Jun	100%
Arqiva (Scotland) Limited	United Kingdom	Transmission services	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 Group Holdings Limited	United Kingdom	Holding company	30-Jun	100%*
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 (Ireland) Limited	Ireland	Transmission services	30-Jun	100%
Arqiva Media 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 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 SRL	Italy	Satellite transmission services	30-Jun	100%
Arqiva Telecoms Investment Limited	United Kingdom	Holding company	30-Jun	100%
Arqiva UK Broadcast Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Capablue Limited	United Kingdom	Dormant company	30-Jun	100%
Cast Communications Limited	United Kingdom	Dormant company	30-Jun	100%

Company	Country of incorporation	Principal activities	Year end	Ordinary share holding
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	Dormant company	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 Limited	United Kingdom	Holding company	30-Jun	100%

*These investments are held directly by the Company.

With the following exceptions, the registered office of each of the subsidiary companies listed above 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	4, Rue Paul Dautier, Energy Park Bat Energy 2, 78457 Vélizy Villacoublay Cedex, France
Arqiva SRL	c/o Studio Bandini & Associati, Via Calabria 32, Rome, Italy.
Arqiva (Ireland) Limited	Unit 9 Willborough, Clonshaugh Industrial Estate, Dublin 17, Co. Dublin, Ireland.
Arqiva (Scotland) Limited	c/o Morton Fraser, Quartermile 2, 2 Lister Square, Edinburgh, EH3 9GL, Scotland.

9. Fixed asset investments (continued)

In addition to the subsidiary undertakings the Company indirectly holds the following interests in associates and joint ventures:

Name	Country of incorporation	Principal activity	Registered office	Year end	Ordinary share holding
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%
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%
UK Digital Radio Limited	United Kingdom	Support delivery of a digital future for radio	15 Alfred Place, London, England, WC1E 7EB	30-Jun	10%

10. Debtors

		2025	*2024*
		£m	*£m*
Amounts falling due after more than one year			
Amounts owed by group undertakings		**7,048.5**	*6,165.4*
Deferred tax asset	15	**29.4**	*45.8*
Financial instruments	14	**13.4**	*22.0*
		7,091.3	*6,233.2*

	2025	*2024*
	£m	*£m*
Amounts falling due within one year		
Amounts owed by group undertakings	**379.3**	*391.6*
Other debtors	**0.1**	*-*
Prepayments	**0.5**	*0.5*
	379.9	*392.1*

10. Debtors (continued)

Amounts owed by group undertakings are unsecured.

Amounts owed by group undertakings falling due after more than one year includes a principal loan balance of £1,770.0m *(2024 - £1,770.0m)* and an accrued interest balance of £4,579.2m *(2024 - £3,896.3m)* on which 9.5% interest has been charged. The remaining £699.3m *(2024 - £499.1m)* is interest free and repayable on demand.

Amounts owed by group undertakings falling due within one year are interest free and repayable on demand. Amounts owed by group undertakings falling due within one year are stated after deducting allowances for doubtful debts of £1.4m *(2024 - £1.4m)*.

11. Cash and cash equivalents

	2025 £m	*2024 £m*
Cash at bank and in hand	**1.1**	*0.9*
	1.1	*0.9*

12. Creditors: Amounts falling due within one year

	2025 £m	*2024 £m*
Amounts owed to group undertakings	**11,217.2**	*9,899.3*
Other creditors	**0.7**	-
	11,217.9	*9,899.3*

The amounts owed to group undertakings comprise of loans advanced by other group undertakings which incur interest at 9.5% and are repayable in February 2033 unless otherwise agreed between the lender and borrower. Amounts owed to group undertakings that are not structured loan and unsecured, interest free and repayable on demand.

13. Creditors: Amounts falling due after more than one year

		2025 **£m**	*2024* *£m*
Amounts owed to group undertakings		**2,052.6**	*2,081.1*
Debt issue costs		**(5.0)**	*(5.7)*
Working capital facility drawn		**20.0**	-
Financial instruments (after 1 yr)	14	**122.8**	*178.4*
		2,190.4	*2,253.8*

The Company has been advanced funds raised by other group undertakings. The principal balances of these loans are shown within non-current liabilities unless amounts are due to be settled within one year. Included within these balances are funds advanced from Arqiva Financing Plc which issued £613.9m *(2024 - £640.6m)* sterling denominated bonds outstanding with fixed interest rates ranging between 4.88% and 7.21%. These bonds are repayable between December 2024 and December 2032

Also included within the balance are funds advanced from Arqiva PP Financing ('APPF') of £199.7m *(2024 - £221.1m)* sterling denominated floating rate US private placements that are amortising in nature with repayments due between December 2025 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

In addition, Arqiva PP Financing ('APPF') has in issue £86.2m *(2024 - £93.3m)* of US dollar denominated fixed rate US private placement notes and advanced these funds to the Company. At the hedged rate these are valued at £95.1m *(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.

The remaining loans advanced by other group entities incur interest at 9.5% and are repayable in February 2033 unless otherwise agreed between the lender and borrower.

Where unpaid interest accrues on each of the interest-bearing loans from other Group entities, this interest is included within current liabilities and interest continues to compound on the total balance owed at the same rate as the principal. There have been no breaches of the terms of the loan agreements during the current or previous year.

14. Financial instruments

Derivative financial instruments
The Company operates as part of the Group's management of the exposures of its debt payment obligations through a combination of index linked, interest rate swaps and cross currency swaps.

At the year end, the Company held interest rate swaps with notional amounts of £117.4m *(2024 - £183.9m)* which hedge the interest obligations of the Company's floating rate debt. The average fixed rate on these instruments is 0.3% *(2024 - 0.3%)*. The swap contracts have termination dates that match the maturities of the underlying floating rate debt instruments.

The Company has also entered into index linked swaps, notional amounts of £681.8m *(2024 - £681.8m)*, where the Company 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 in most recently June, based on the March index. The 2024 financial year accretion settlement amounted to £43.3m *(2024 - £53.4m)*.

All of these instruments have a maturity date of April 2027. These instruments were established to hedge the Company's fixed or floating rate debt and in order to ensure that the cash flow characteristics align with these instruments, the Company has entered into £653.5m *(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 Company also holds USD $118.0m *(2024 - $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/£1.

The Company also holds an RPI accretion collar in relation to its index-linked swaps which caps future accretion exposure to inflation at circa 6%.

The fair value of the interest rate, inflation linked swaps and cross currency swaps at 30 June 2025 is a liability of £109.4m *(2024 - £156.4m)*. 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:

	2025 £m	*2024 £m*
Within non-current assets		
Interest rate swaps	**13.4**	*22.0*
	13.4	*22.0*
Within non-current liabilities		
Inflation-linked interest rate swaps	**(110.7)**	*(172.1)*
Cross-currency swaps	**(12.1)**	*(6.3)*
	(122.8)	*(178.4)*
Total	**(109.4)**	*(156.4)*
Change in fair value recognised in the income statement:		
- Attributable to changes in market conditions	**(1.0)**	*5.9*
- Attributable to changes in perceived credit risk	**(1.2)**	*(8.5)*
Change in fair value on foreign exchange	**5.9**	*(4.1)*
Total gain / (loss) recognised in the income statement	**3.7**	*(6.7)*
Cash settlement of principal accretion on inflation-linked swaps	**43.3**	*53.4*
Total change in fair value	**47.0**	*46.7*

15. Deferred taxation

	2025 £m	*2024 £m*
At beginning of year	**45.8**	*53.5*
Charged to other comprehensive income	**(16.4)**	*(7.7)*
At end of year	**29.4**	*45.8*

15. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2025 £m	*2024 £m*
Financial instruments	**29.4**	*45.8*
	29.4	*45.8*

There is an unrecognised deferred tax asset of £254.8m (*2024 - £222.9m*) in respect of deferred interest expenses.

The corporation tax rate was increased to 25% from 19% effective from 1 April 2023; the deferred tax asset is therefore recognised at the 25% tax rate.

Deferred tax assets are not recognised unless it is probable that there will be sufficient taxable profits against which they will be realised. The Company continues to recognise the deferred tax asset above based on forecast taxable profits that will arise based upon the long-term forecast results prepared for the Group. Due to the long-term stable nature of the business, with significant long term contracts, the recognised deferred tax asset is not considered to be materially exposed to the performance of the Group based on reasonably possible trading forecasts.

The Company has an unrecognised deferred tax asset of £297,000 *(2024 - £297,000)* in respect of tax losses. These deferred tax assets may be carried forward indefinitely. These assets have not been recognised since it is not probable that these assets will be able to be utilised against future taxable profits of the Group.

16. Called up share capital

	2025 £m	*2024 £m*
Allotted, called up and fully paid		
1 *(2024 - 1)* Ordinary share of £1.00	**-**	*-*

17. Reserves

Capital contribution reserve

The capital recognised within the capital contribution reserve relates to a payment made by Arqiva Financing No3 plc ('AF3') to the Company in respect of the disallowance of interest under the Corporate Interest Restriction legislation. This reserve is non-distributable in accordance with section 830 of the Companies Act 2006.

Profit and loss account

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

18. Contingent liabilities

Financing commitments

Under the terms of the Group's external debt facilities, the Company has provided security over substantially all of its tangible, intangible and other assets by way of a Whole Business Securitisation ('WBS') structure. The Directors consider the likelihood of this security being called upon to be remote and therefore has no impact on the liabilities recognised for the current year.

19. 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.

20. Post balance sheet events

Subsequent to the reporting date, Macquarie Asset Management announced its intention to dispose of its investments in the Arqiva Group. The transaction is subject to completion and regulatory approvals and, as at the date of these financial statements, remains outstanding. Based on current information, the directors do not expect the proposed disposal to have a material impact on the Group’s ongoing operations. No adjustments have been made to these financial statements in respect of this event.

21. Controlling party

The Company's immediate parent undertaking is Arqiva Group Intermediate Limited (‘AGIL'). Copies of the AGIL 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 Group Parent Limited ('AGPL'). Copies of the AGL and AGPL 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 Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company.