Registered number: 02333949

ARQIVA MUXCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2025

The directors present their strategic report for the year ended 30 June 2025.

Business review

The Company operates the license for two (of six) digital terrestrial TV (DTT) multiplexes used for transmission of DTT services in the UK. The Company's DTT Multiplexes have 34 streams carrying 36 channels including full time 24/7 TV channels in addition to part time and radio services.

The platform remained close to fully utilised at 30 June 2025, due to contract renewals and additional channels with Warner Bros. Discovery, Sky and GB News. We anticipate continued high utilisation of our multiplexes in the future, as demonstrated which has continued post year end.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are consistent with those of the Group and are set out in full in AGL's annual report, a copy of which is available from the address given in note 22 to these financial statements or the Group's website at www.arqiva.com.

Financial key performance indicators

Our key performance indicators ('KPIs') reflect both a measure of the financial performance and long-term growth of the business, and the level of service provided to our customers.

The key measure of the Company's performance is EBITDA. EBITDA is a non-GAAP measure and refers to earnings before interest, tax, depreciation and amortisation. EBITDA for the year ended 30 June 2025 is £27,143,000 (2024: £32,599,000). The decrease in EBITDA in the period is driven by terminations and the impact of pricing pressures on renewals, primarily in the direct response TV sector. A reconciliation of EBITDA to operating profit is presented in note 5 to the financial statements.

The Company made a profit for the financial year of £17,244,000 (2024: £21,358,000). The Company has net current assets of £167,674,000 (2024: £150,407,000) and net assets of £169,077,000 (2024: £151,833,000).

Other key performance indicators

Another Key Performance Indicator (KPI) for Arqiva Muxco Limited is the level of network availability. The total level of network availability across the Group was 99.996%. Through careful management Arqiva has consistently been able to achieve high levels of network availability. Availability is above the target of 99.995%, this is despite the impact of the storms in the year which impacted national infrastructure and power supplies across substantial areas of the country, resulting in unavoidable impacts on availability and SLA performance. This demonstrates the strong operational resilience and commitment of the Company to providing high performance across its services.

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

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. See below for how the Directors have ensured this:

Consequences of any decisions in the long term:

- Arqiva Muxco Limited is a trading company and operates the license for two DTT multiplexes used for transmission of DTT services in the UK. The decisions that the Directors make are to ensure that Muxco continues to deliver on its contractual commitments to customers and regulators, including the level of its network availability.
- At the World Radiocommunication Conference (“WRC”) in November 2023, it was confirmed that the 600 Mhz band’s primary allocation is for DTT. The next point at which this would be reviewed by the WRC is in 2031. This gives Muxco validation on the future of the DTT spectrum for the next period and strengthens the Directors position to continue to invest in the long term future of the DTT services.

Interests of the company’s employees:

- This Company has no employees, employees of the Group are employed and managed by another group company, Arqiva Limited.

Fostering relationships with suppliers, customers and others:

- Looking beyond the next decade, in May 2024 Ofcom published a report on the future of TV distribution, which outlined how the market could evolve over the next 10 to 15 years. The report outlined broad approaches for consideration by the Government, including investment in a more efficient DTT service, reducing DTT to a core service, or moving towards a DTT switch-off in the longer-term. In addition, it highlighted the importance of Government laying out its vision for the long-term future to provide certainty to audiences and investors. AGL is in close dialogue with relevant stakeholders including the regulator and relevant government departments as this area of policy debate progresses.
- Across the Group, AGL actively manages its supplier and customer relationships to ensure healthy relationships and timely payments of amounts owed and receivable.

Impact of operations on the community and the environment:

- AGL considers this at the Group level. To understand how these factors have been addressed, refer to the 'Corporate Responsibility' section of the Annual Report and Consolidated Financial Statements of AGL, a copy of which can be obtained from the Group’s website at www.arqiva.com.

Maintaining a high standard of business conduct:

- The Company has maintained an exceptionally high level of network availability of: 99.996%, to the benefit of its customers and stakeholders, including the UK public.

Acting fairly between members:

- AGL manage the business at the Group level, not at individual entity level. Therefore the Company does not need to manage Intercompany relationships, as decisions are made to benefit the group as a whole. Further the Group's letter of support ensures Intercompany balances are recoverable.

Future developments and market outlook

It is the intention of the Company to continue to invest in its business in accordance with the Group's strategy as set out in the AGL annual report.

The Strategic 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 audited financial statements for the year ended 30 June 2025.

Results and dividends

The profit for the year, after taxation, amounted to £17,244,000 *(2024 - £21,358,000)*.

The Directors do not propose to pay a dividend for the year (2024: £nil). The profit for the year of £17,244,000 (2024: £21,358,000) 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 2.

Engagement with suppliers, customers and others

Details of the Company's engagement with suppliers are discussed within the Strategic report on page 2.

Financial risk management

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

Purchase price risk
The Company benefits from largely fixed operating costs, with the bulk of transmission fees payable to another Group company.

Liquidity risk
The Company is funded through reserves and intercompany balances; there is no external financing within this Company. The Group carefully manages the credit risk on liquid funds with balances currently spread across a range of major financial institutions which have satisfactory credit ratings assigned by international credit rating agencies.

Credit risk
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. The Company is otherwise exposed to credit risk to the extent of intercompany balances within the Group. It does not have an external customer base.

Interest rate risk
Intercompany loan balances are maintained at fixed interest rates.

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 or the 12 month period post signing of the consolidated financial statements.

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:

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

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and Financial Statements 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, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Directors' report was approved by the board on 3 December 2025 and signed on its behalf.

Scott Longhurst
Director

Independent auditors' report to the members of Arqiva Muxco Limited

Report on the audit of the financial statements

Opinion
In our opinion, Arqiva Muxco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 2025; the Income Statement and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

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

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

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

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements

does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

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

- Enquiry of management, those charged with governance, and the entity's in-house legal team around actual and potential litigation, claims, and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias); and
- As required by ISA (UK) 240, incorporating an element of unpredictability into our audit testing.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Andy Grimbly (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
3 December 2025

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £000	2024 £000
Turnover	4	**96,827**	*102,612*
Cost of sales		**(57,922)**	*(56,776)*
Gross profit		**38,905**	*45,836*
Administrative expenses		**(13,525)**	*(15,000)*
Operating profit	5	**25,380**	*30,836*
Finance income	8	**2,665**	*2,246*
Finance costs	9	**(283)**	*(373)*
Profit before tax		**27,762**	*32,709*
Tax on profit	10	**(10,518)**	*(11,351)*
Profit for the financial year		**17,244**	*21,358*

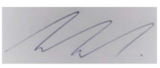
There are no items of other comprehensive income other than the profit for the year. As a result, no separate Statement of comprehensive income has been presented.

The notes on pages 14 to 26 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note		2025 £000		2024 £000
Fixed assets					
Tangible assets	11		**2,499**		*4,262*
Investments	12		**-**		-
			2,499		*4,262*
Current assets					
Debtors: amounts falling due after more than one year	13	**26,701**		*24,417*	
Debtors: amounts falling due within one year	13	**211,122**		*180,402*	
		237,823		*204,819*	
Creditors: amounts falling due within one year	14	**(70,149)**		*(54,412)*	
Net current assets			**167,674**		*150,407*
Total assets less current liabilities			**170,173**		*154,669*
Creditors: amounts falling due after more than one year	15		**(1,096)**		*(2,836)*
			169,077		*151,833*
Net assets			**169,077**		*151,833*
Capital and reserves					
Called up share capital	17		**100**		*100*
Capital redemption reserve	18		**1,812**		*1,812*
Profit and loss account	18		**167,165**		*149,921*
Total equity			**169,077**		*151,833*

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 14 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 redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2023	**100**	**1,812**	**128,563**	**130,475**
Profit for the year	**-**	**-**	**21,358**	**21,358**
Total comprehensive income for the year	**-**	**-**	**21,358**	**21,358**
At 1 July 2024	**100**	**1,812**	**149,921**	**151,833**
Profit for the year	**-**	**-**	**17,244**	**17,244**
Total comprehensive income for the year	**-**	**-**	**17,244**	**17,244**
At 30 June 2025	**100**	**1,812**	**167,165**	**169,077**

The notes on pages 14 to 26 form part of these financial statements.

1. General information

Arqiva Muxco 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 02333949. The address of the registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

The nature of the Company's operations and its principal activities are set out in The 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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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 for the year ended 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 or the 12 month period post signing of the consolidated 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. Summary of material accounting policies (continued)

2.6 Revenue

Revenue represents the gross inflow of economic benefit in respect of communication network infrastructure services and includes the value charged for site rentals. Revenue is stated net of value added tax. Revenue is measured at fair value of the consideration received or receivable.

On inception of a contract, performance obligations are identified for each of the distinct services that have promised to be provided to the customer. The consideration specified in the contract is allocated to each performance obligation identified based on their relative standalone selling prices and is recognised as revenue as they are satisfied. Determining the standalone selling price often requires judgement and may be derived from regulated prices, list prices, a cost-plus derived price, or the price of similar services when sold on a standalone basis by Arqiva or a competitor. In some cases, it may be appropriate to use the contract price when this represents a bespoke price that would be the same for a similar customer in a similar circumstance.

Cash received or invoices raised in advance are taken to deferred income and recognised as contract liabilities, and subsequently recognised as revenue when the services are provided. Revenue recognised in advance of cash being received or an invoice being raised is recognised as accrued income within contract assets and subsequently reclassified to receivables once an invoice is raised. Invoices are issued in line with contract terms. The Company does not have any material obligations in respect of returns, refunds or warranties.

Rendering of services
Performance obligations under contracts for the rendering of services are identified for each distinct service or deliverable for which the customer has contracted and are considered to be satisfied over the time period that the services or deliverables are delivered. Revenue is recognised in line with the service provision over the contractual period and appropriately reflects the pattern by which the performance obligation is satisfied. Such revenues include television, data, radio transmission and multiplexing services.

2.7 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company determines its incremental borrowing rate by reference to the Group’s portfolio of loans and borrowings. For the purposes of these financial statements, 'the Group' refers to Arqiva Group Limited and its consolidated subsidiaries.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

2. Summary of material accounting policies (continued)

2.7 Leases (continued)

The lease liability is included in 'Creditors' on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.8 Finance income

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

2.9 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)

2.10 Taxation

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.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery:		
Communications infrastructure network	-	8 - 80 years
Network computer equipment	-	3 - 20 years
Motor vehicles	-	3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 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.

2.13 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.

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 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.

4. Turnover

The whole of the turnover is attributable to the rendering of services, see note 2.6 for further information regarding the Company's accounting policy.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2025	*2024*
	£000	*£000*
Depreciation of tangible fixed assets	**1,763**	*1,763*
Management recharge from fellow Group entities	**11,762**	*13,237*

The Company has received a management recharge in respect of various staff costs and central facilities and support costs, from Arqiva Limited, a fellow Group Company. The management recharge is included within operating expenses within the income statement.

A reconciliation between operating profit and EBITDA is presented below:

	2025	*2024*
	£000	*£000*
Operating profit	**25,380**	*30,836*
Depreciation	**1,763**	*1,763*
EBITDA	**27,143**	*32,599*

6. Auditors' remuneration

The Company's audit fee for the year of £90,000 (2024: £73,000) was borne by Arqiva Limited, a fellow Group company. There were no non-audit fees in the year (2024: none).

7. 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.

8. Finance income

	2025	*2024*
	£000	*£000*
Interest receivable from group undertakings	**2,665**	*2,246*
	2,665	*2,246*

9. Finance costs

	2025	*2024*
	£000	*£000*
Interest payable to group undertakings	**283**	*373*
	283	*373*

10. Taxation

	2025 **£000**	*2024* *£000*
Corporation tax		
Current tax on profits for the year	**10,518**	*11,273*
Adjustments in respect of previous periods	**-**	*78*
	10,518	*11,351*
Total current tax	**10,518**	*11,351*

Factors affecting tax charge for the year

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

	2025 **£000**	*2024* *£000*
Profit on ordinary activities before tax	**27,762**	*32,709*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	**6,941**	*8,178*
Effects of:		
Adjustments in respect of prior years	**-**	*78*
Deemed interest on intercompany balance (a)	**3,577**	*3,095*
Total tax charge for the year	**10,518**	*11,351*

Factors that may affect future tax charges

The current year UK corporation tax charge (2024: charge) represents the payment made to other Group companies for the provision of tax losses by way of group relief.

(a) Deemed interest expense in respect of inter-company debt, taxable for corporation tax purposes.

There are no recognised or unrecognised deferred tax balances (2024: none).

The average blended rate of UK corporation tax was 25% during the year.

On 20 June 2023, Finance (No.2) Bill 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.

11. Tangible assets

	Plant and machinery £000
Cost or valuation	
At 1 July 2024	**14,864**
At 30 June 2025	**14,864**
Accumulated depreciation	
At 1 July 2024	**10,602**
Charge for the year on right-of-use assets	**1,763**
At 30 June 2025	**12,365**
Net book value	
At 30 June 2025	**2,499**
At 30 June 2024	*4,262*

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

	2025 £000	*2024 £000*
Right-of-use tangible fixed assets	**2,499**	*4,262*
	2,499	*4,262*

Information about right-of-use assets is summarised below:

Net book value

	2025 £000	*2024 £000*
Plant and machinery	**2,499**	*4,262*
	2,499	*4,262*

11. Tangible assets (continued)

Depreciation charge for the year ended

	2025 £000	*2024 £000*
Plant and machinery	**1,763**	*1,763*
	1,763	*1,763*

12. Investments

As at 30 June 2025 the carrying value of investments was £nil (2024: £nil).

The Company's investments (held directly) are shown below

Entity name	Country of incorporation	Principal activity	Year end	Class of shares	Holding
Arqiva Pension Trust Limited	United Kingdom	Dormant company	31-Mar	Ordinary	100 %

The registered office of the subsidiary company is Crawley Court, Winchester, Hampshire, SO21 2QA.

13. Debtors

	2025 £000	*2024 £000*
Amounts falling due after more than one year		
Amounts owed by group undertakings	**26,701**	*24,417*
	26,701	*24,417*

	2025 £000	*2024 £000*
Amounts falling due within one year		
Amounts owed by group undertakings	**210,661**	*178,993*
Prepayments	**461**	*890*
Contract assets	**-**	*519*
	211,122	*180,402*

13. Debtors (continued)

Amounts receivable from Arqiva Holdings Limited are unsecured and interest has been charged at 9.5%. Interest is charged on a receivable balance of £26,840,000 charged at 9.5% (2024: £24,765,000 at 9.5%).

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

14. Creditors: Amounts falling due within one year

	2025 £000	*2024* *£000*
Amounts owed to group undertakings	**55,281**	*44,753*
Lease liabilities	**2,124**	*1,981*
Other creditors	**15**	*15*
Accruals	**91**	*600*
Contract liabilities	**12,638**	*7,063*
	70,149	*54,412*

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

£7,063,000 of the contract liability recognised at 30 June 2024 was recognised as revenue during the year (2024: £9,027,000).

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

	2025 £000	*2024* *£000*
Lease liabilities	**1,096**	*2,836*
	1,096	*2,836*

16. Leases

Company as a lessee

The company holds lease arrangements relating to circuit contracts.

Lease liabilities are due as follows:

	2025	*2024*
	£000	*£000*
Not later than one year	**2,124**	*1,981*
Between one year and five years	**1,096**	*2,836*
	3,220	*4,817*

There were no amounts charged to the income statement in the year as a result of variable lease payments not included in the measurement of lease liabilities, or interest on lease liabilities.

The Company's right-of-use assets are disclosed in note 11. The total cash outflow for leases in the year ended 30 June 2025 was £1,873,000 (2024: £2,441,000).

17. Called up share capital

	s	*2024*
	£000	*£000*
Allotted, called up and fully paid		
100,000 *(2024 - 100,000)* Ordinary shares of £1.00 each	**100**	*100*

18. Reserves

Capital redemption reserve

The capital redemption reserve arose from the release of intercompany loans due to the Company's immediate parent. 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.

19. 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.

20. 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.

21. 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.

22. Controlling party

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

The ultimate UK parent undertaking is Arqiva Group Limited (‘AGL’), which is the parent undertaking of the largest group to consolidate these financial statements. The parent of the smallest group to consolidate these financial statements is Arqiva Holdings Limited (‘AHL’).

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

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